



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 13, 2005

30-005-63800

RECEIVED

DEC 19 2005

OCU-ARTESIA

Cabal Energy Corporation
415 West Wall Street
Wilco Building – Suite 1700
Midland, Texas 79701

Attention: Lindsay Truesdell

Re: Your recent administrative application (*administrative application reference No. pSEM0-534035390*) for an exception to Rule 4 of the "*Special Rules and Regulations for the Pecos-Slope Abo Gas Pool*," as promulgated by Division Order No. R-9976-C, dated March 19, 1996, as amended by Division Order No. R-9976-D, issued in Case No. 13057 on February 4, 2004, for Cabal Energy Corporation's proposed Aztec "26" Federal Well No. 1 to be drilled at an unorthodox gas well location 660 feet from the South line and 2280 feet from the West line (Unit N) of Section 26, Township 10 South, Range 25 East, NMPM, Pecos Slope-Abo Gas Pool (82730), Chaves County, New Mexico.

Dear Ms. Truesdell:

Per our brief telephone conversation this afternoon (Tuesday, December 13, 2005), the subject application is hereby withdrawn and is being returned to you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MS/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Roswell

CABAL ENERGY CORPORATION

PSEMO-534035390



November 29, 2005

Mr. Michael E. Stogner
Engineer/Hearing Officer
State of New Mexico
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
DEC 8 - 2005
OIL CONSERVATION
DIVISION

Re: Application of Cabal Energy Corporation for Administrative Approval of an Unorthodox Well Location for it Aztec 26 Federal #1 to be located 660 feet from the south line and 2280 feet from the west line (Unit N) of Section 26, Township 10 South, Range 25 East, N.M.P.M., Chaves County, New Mexico

Dear Mr. Stogner:

Cabal Energy Corporation hereby seeks administrative approval pursuant to the provisions of Division Rule 104.F for an unorthodox gas well location for the above referenced well in the Abo formation (Pecos Slope Abo - Pool), and any other potentially productive gas pools spaced on 160 acres and governed by the Division's Statewide Rules. A standard 160-acre spacing and proration unit comprised of the SW/4 of section 26 will be dedicated to the well.

This location is unorthodox because Rule 104.C(2)(a) of the General Rules of the Division provides that wells in the Wolfcamp or any older formation shall be "no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary." This proposed location is 605 feet from the center boundary of the quarter quarter section, and therefore encroaches on the SE/4 by 55 feet.

Page 1 of 1

CABAL ENERGY CORPORATION



Exhibit "B" land plat showing the unorthodox well location and the adjoining spacing unit and wells. Exhibit "C" is the C-102 originally filed for this well showing the 160 acre spacing and proration unit for the surveyed location. Cabal Energy Corp. was forced to move the original location 300' to the east by Richard Hill with the Bureau of Land Management due to a canyon on the west side of the location.

Cabal Energy Corporation is the operator of the SW/4 of Section 26 under an Operating Agreement signed by all of the working interest owners. The mineral royalty ownership is federal. As a result, this is an internal non-standard location with no affected parties.

Your attention to this application is appreciated.

Sincerely,

Lindsay Truesdell
Lindsay Truesdell

*1:35 PM
Called Ms. Truesdell to ask
about notice.
Operations have been transferred to
another operator.
- Application dismissed.
[Signature]*

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OPERATORS NAME: Cabal Energy Corporation LEASE NO.: NM-07306
WELL NAME & NO: Aztec 26 Federal #1
QUARTER/QUARTER & FOOTAGE: SE $\frac{1}{4}$ SW $\frac{1}{4}$ - 660' FSL & 2280' FWL
LOCATION: Section 26, T. 10 S., R. 25 E., NMPM
COUNTY: Chaves County, New Mexico

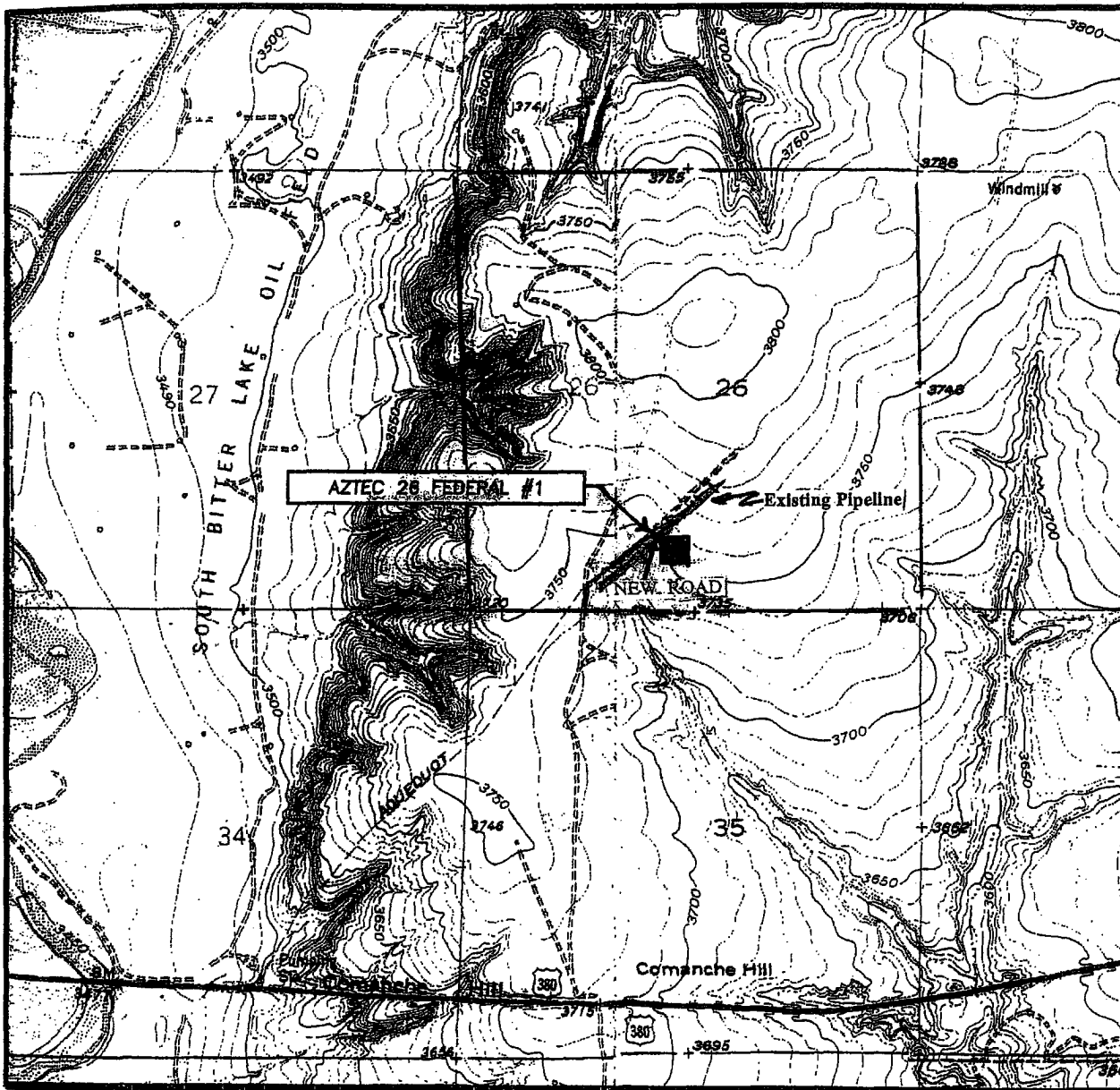


EXHIBIT "B"

STRICT I
5 N. FRENCH DR., BOBBS, NM 88240

STRICT II
1 W. GRAND AVENUE, ARTESIA, NM 88210

STRICT III
10 Rio Brazos Rd., Aztec, NM 87410

STRICT IV
1 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	82730	Pecos Slope Abo
Property Code	Property Name	Well Number
	AZTEC 26 FEDERAL	1
OGRID No.	Operator Name	Elevation
194930	CABAL ENERGY CORPORATION	3751'

Surface Location

L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	26	10-S	25-E		660	SOUTH	2280	WEST	CHAVES

Bottom Hole Location If Different From Surface

L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=877013.5 N X=487869.2 E</p> <p>LAT.=33°24'39.26" N LONG.=104°22'23.11" W</p> <p>NM-07306</p> <p>NM-07384</p> <p>NM 1001675</p> <p>Yates Petroleum Corporation's Archito Aze Fed. Com. #1</p> <p>30-005-637421 660' FSL-990' FSL Pecos Slope Abo 50' completion 160 acre spacing UNIT NM-18484</p> <p>3747.8' 3764.7' 600' 2280' 600' 3733.5' 3748.8' 660'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Lindsay Truesdell</i> Signature</p> <p>Lindsay Truesdell Printed Name</p> <p>Consultant Title</p> <p>October 7, 2005 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>GARY EIDSON SEPTEMBER 22, 2005 Date Surveyed 12641 Signature & Seal of Professional Surveyor 05.11.1461 Certificate No. GARY EIDSON 12641</p>
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