

PKAV0309853346

NSL 5/5/03

MS

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87501

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jamesbruc@aol.com

April 16, 2003

RECEIVED

APR 16 2003

Hand Delivered

Oil Conservation Division

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

J. Cleo Thompson and James Cleo Thompson, Jr., L.P. hereby resubmits its application for administrative approval of an unorthodox oil well location for the following well:

<u>Well:</u>	State 32 Well No. 1
<u>Location:</u>	1129 feet FSL & 2150 feet FWL
<u>Unit:</u>	SE¼SW¼ of Section 32, Township 8 South, Range 34 East, N.M.P.M.

Roosevelt County, New Mexico

The original application is enclosed, together with a copy of your letter of April 11, 2003.

I understand your concerns, due to the geologic mapping enclosed with the original application. However, please note the following additional materials:

1. The well in the NW¼ §5-9S-34E produced approximately 46,000 BO from the Devonian formation before watering out, and it is necessary to move up-structure from that well.
2. Attached to this letter as Exhibit 1 is a seismic map, showing that the proposed location is the highest location structurally in the Devonian formation in Section 32. Thus, applicant believes this is the best location for the proposed well. If you have any questions about this map, feel free to call Thompson's

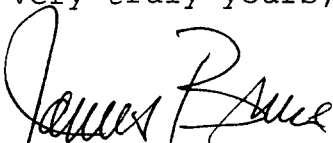
geologist, Mike Fowler, at (432) 366-8866.¹

3. The correlative rights of all interest owners in the S½ of Section 32, where the structure is located, will be protected because the S½ is being proposed for unitization (a hearing on the unitization application is set for the April 24th Examiner hearing).² As a result, development of offsetting well units is not an issue.

Based on the foregoing, applicant requests that you reconsider your original denial, and approve the application.

Please call me if you need any further information on this matter.

Very truly yours,

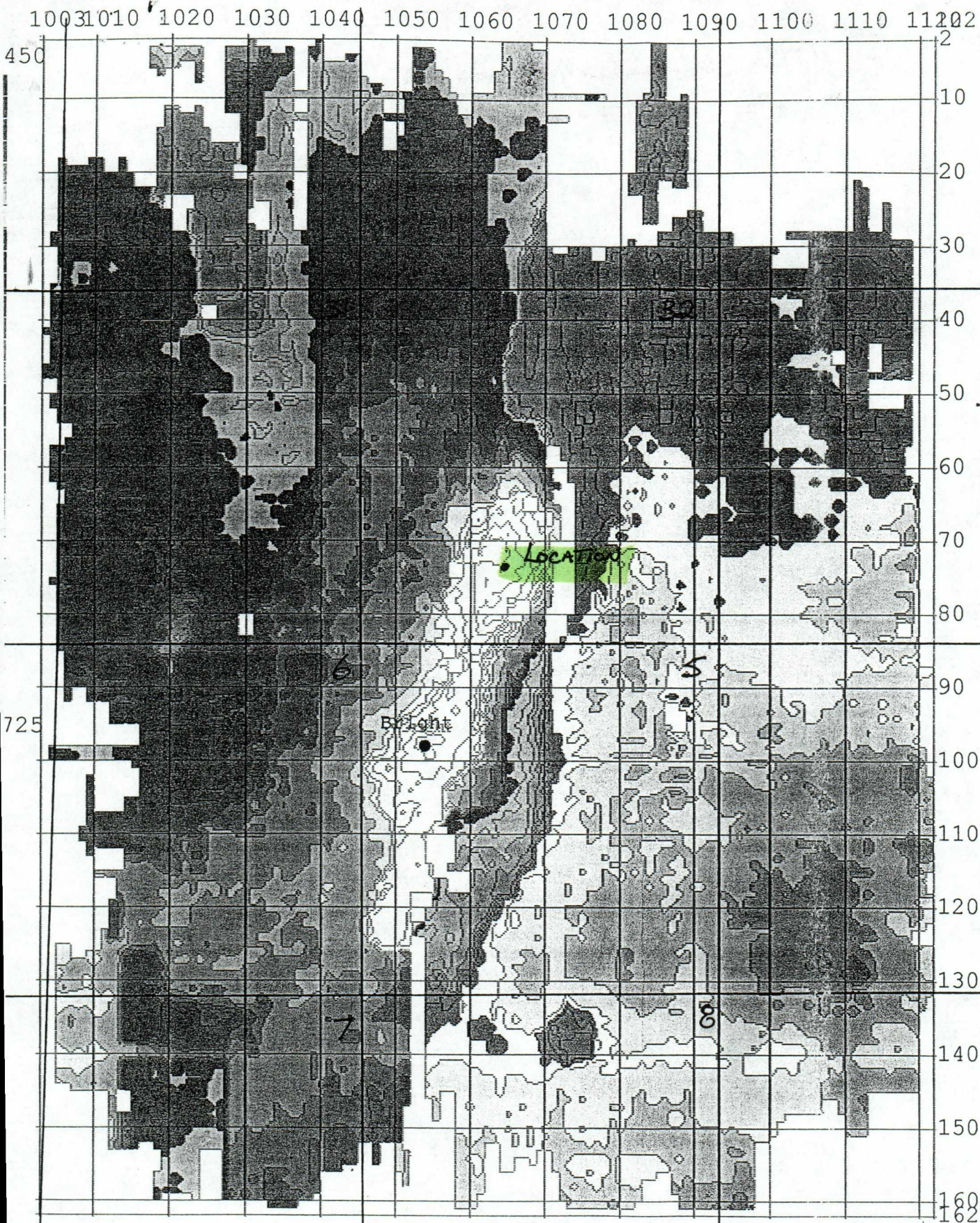


James Bruce

Attorney for J. Cleo Thompson and
James Cleo Thompson, Jr., L.P.

¹Midland/Odessa has a new area code.

²Preliminary approval is being sought from the Commissioner of Public Lands. The S½ of Section 32 is all Common School land.



Blumberg No. 5208

EXHIBIT

1

C.I
12



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

April 11, 2003

Lori Wrotenbery

Director

Oil Conservation Division

J. Cleo Thompson and James Cleo Thompson, Jr., L. P.

c/o **James Bruce**

P. O. Box 1056

Santa Fe, New Mexico 87504

Re: *Administrative application (application reference No. **pKRV0-309853346**) for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for J. Cleo Thompson and James Cleo Thompson, Jr., L. P.'s proposed State "32" Well No. 1 at an unorthodox oil well location 1129 feet from the South line and 2150 feet from the West line (Unit N) of Section 32, Township 8 South, Range 34 East, NMPM, Undesignated Northwest Jenkins-Devonian Pool (33940), Roosevelt County, New Mexico, within a standard 40-acre oil spacing and proration unit comprising the SE/4 SW/4 of Section 32.*

Dear Mr. Bruce:

In reviewing the subject application as submitted and assuming no other factors, there are other locations within the SE/4 SW/4 of Section 32 that meet the necessary set back requirements for a standard oil well location while satisfying the desired geological parameters. By moving the location at least 46.5 yards to the south and placing the well anywhere along a line running east/west between the points 990' FSL & 2150' FWL and 990' FSL & 2310' FWL the proposed location would: (i) be standard; (ii) remain within the structural highs depicted on the geological maps (Exhibits B and C); and (iii) not adversely affect or impact the development of this interval.

The conservation rules in all oil and gas producing states governing well spacing and the placement of these wells within such drilling tracts/spacing units have been enacted to promote the orderly development of that states valuable oil and gas resources by preventing waste, protecting correlative rights, and preventing the drilling of unnecessary wells.

This unorthodox oil well location, being deemed unnecessary and unwarranted at this time, is therefore **denied**.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
Kathy Valdes, NMOCD - Santa Fe

DATE IN 4/7/03	SUSPENSE NA	ENGINEER MS	LOGGED IN KW	TYPE NSL	APR NO PKRV0309853346
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

APR - 7 2003

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

Date

4/7/03

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

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jamesbruc@aol.com

April 7, 2003

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), J. Cleo Thompson and James Cleo Thompson, Jr., L.P. applies for administrative approval of an unorthodox oil well location for the following well:

<u>Well:</u>	State 32 Well No. 1
<u>Location:</u>	1129 feet FSL & 2150 feet FWL
<u>Unit:</u>	SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 8 South, Range 34 East, N.M.P.M., Roosevelt County, New Mexico

The well will be drilled to test the Devonian formation (Undesignated Northwest Jenkins Devonian Pool), which is developed on statewide rules. A Form C-102 for the well is attached as Exhibit A.

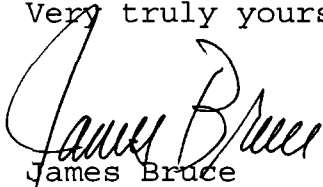
The application is based on geologic reasons. Attached as Exhibits B and C are structure maps of the Wolfcamp and Devonian formations. The proposed location is on a structural high, which is necessary for commercial Devonian production. The well to the southwest, in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ S5-9S-34E, produced approximately 46,000 BO from the Devonian formation, and applicant desires to move up-structure and away from that well.

Attached as Exhibit D is a land plat, highlighting the well's location. (The yellow outline indicates applicant's leasehold position.) The SW $\frac{1}{4}$ of Section 32 is covered by State V-6497-2, which has common royalty and working interest ownership (there are no overriding royalties). Therefore, there are no offset interest owners to notify. **As a result, applicant requests that the 20 day**

notice period be waived.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for J. Cleo Thompson and
James Cleo Thompson, Jr., L.P.

SERVATION DIVISION
10 South Pacheco
Santa Fe, NM 87505

Instructions on
Submit to Appropriate District C
State Lease - 4 C
Fee Lease - 3 C

2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REP

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 33940		3 Pool Name Jenkins, NW Devonian	
4 Property Code		5 Property Name State "32"			6 Well Number 1
7 OGRID No.		8 Operator Name J. Cleo Thompson			9 Elevation 4298'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	8-S	34-E		1129	South	2150	West	Roosevel

11 Bottom Hole Location If Different From Surface

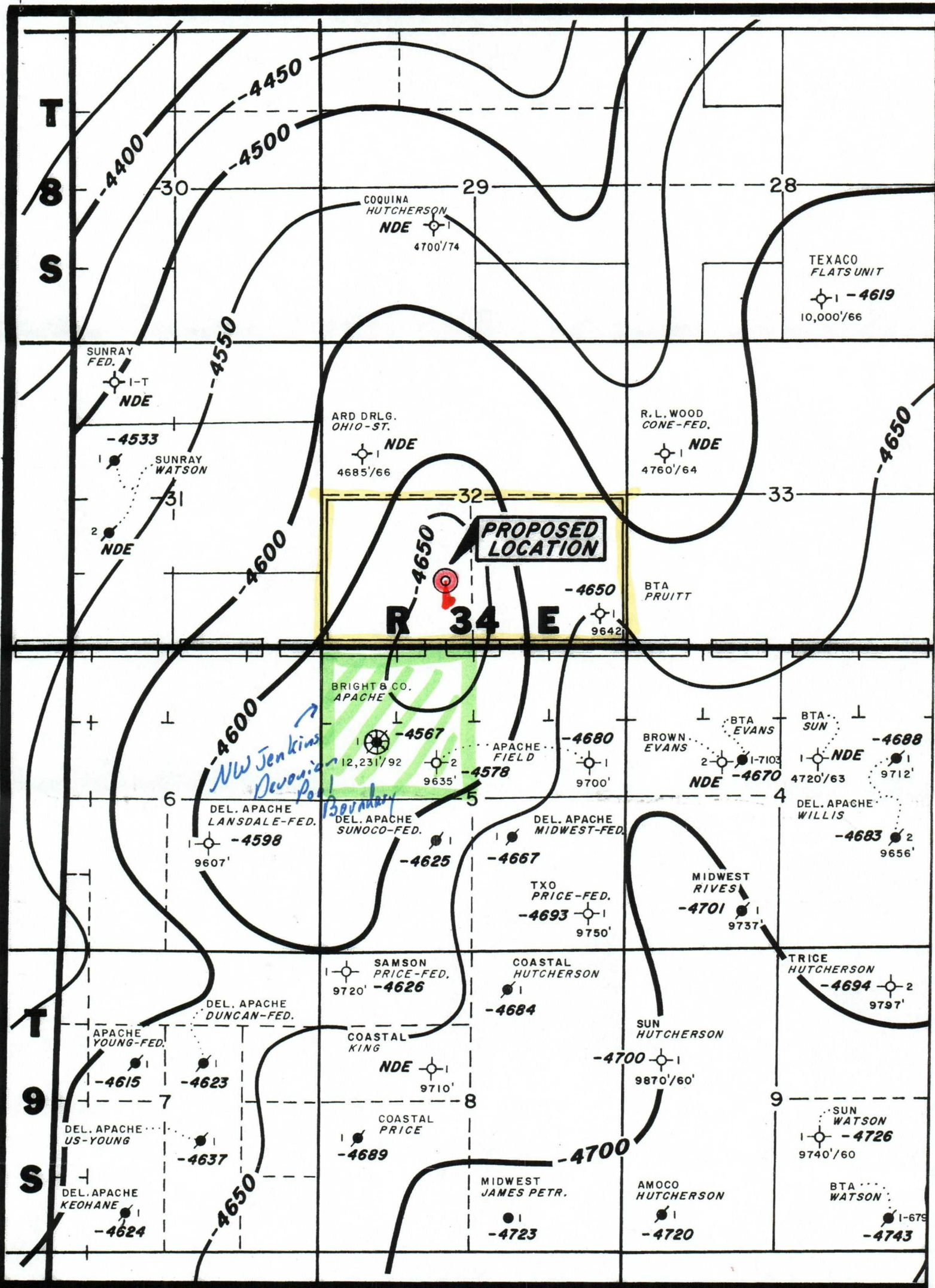
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

<div style="position: relative; height: 400px;"> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <p>Standard 640-acre Section</p> <p>J. Cleo Thompson State "32"</p> <p>2150'</p> <p>1129'</p> <p>#1 Gr Elev 4298'</p> </div> </div>				<h3>17 OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
				<h3>18 SURVEYOR CERTIFICATION</h3> <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>January 23, 2003</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Max A. Schumann, Jr. Certificate 1510 Certificate Number Job No. 67,834</p>	





J. CLEO THOMPSON
DALLAS, TEXAS

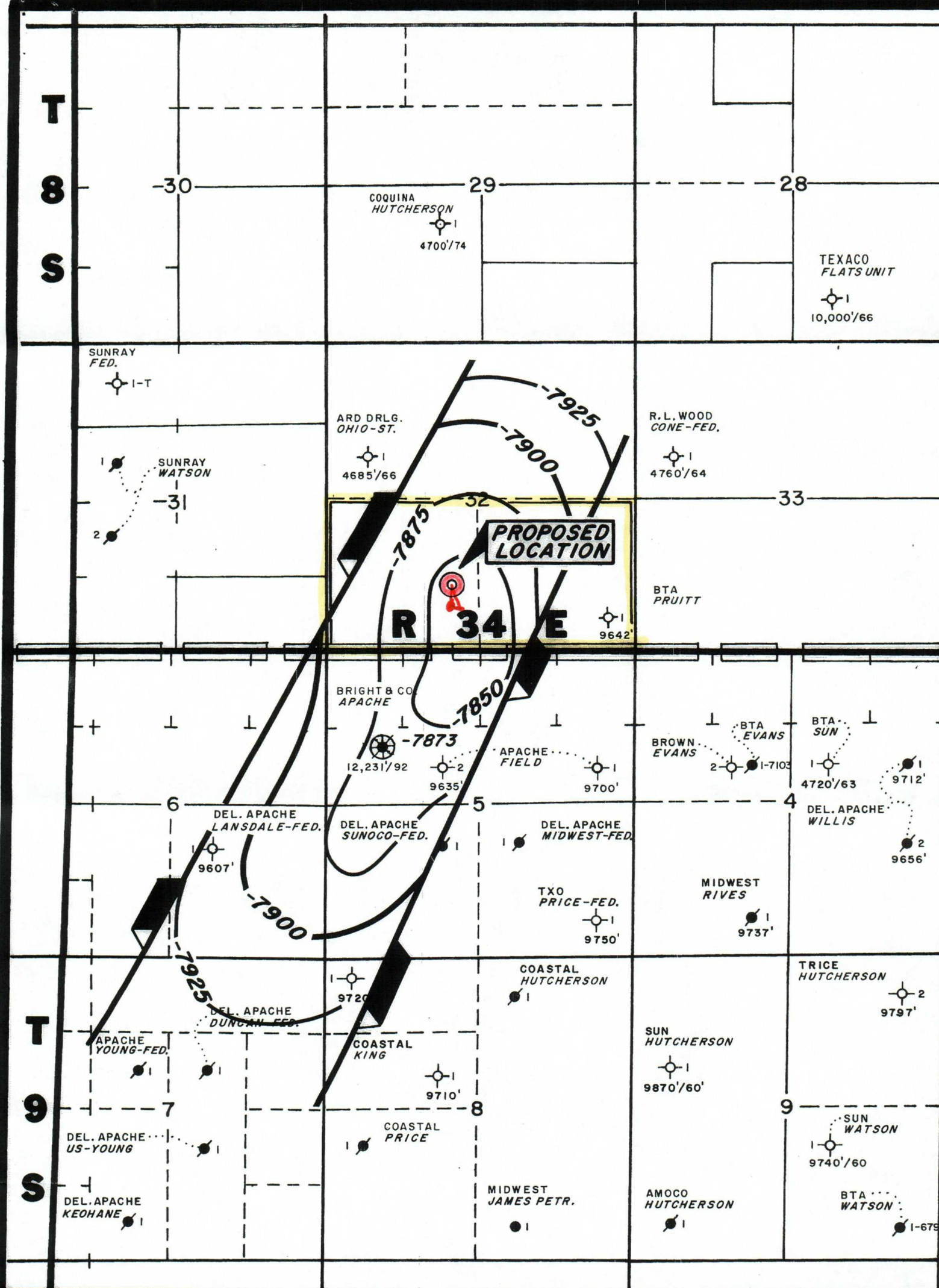
JENKINS NW PROSPECT
ROOSEVELT & LEA COS., NEW MEXICO

STRUCTURE MAP
WOLFCAMP XX MARK
CONTOUR INTERVAL: 50'

SCALE: 1"=2000'



MC
3-26-6



J. CLEO THOMPSON
DALLAS, TEXAS

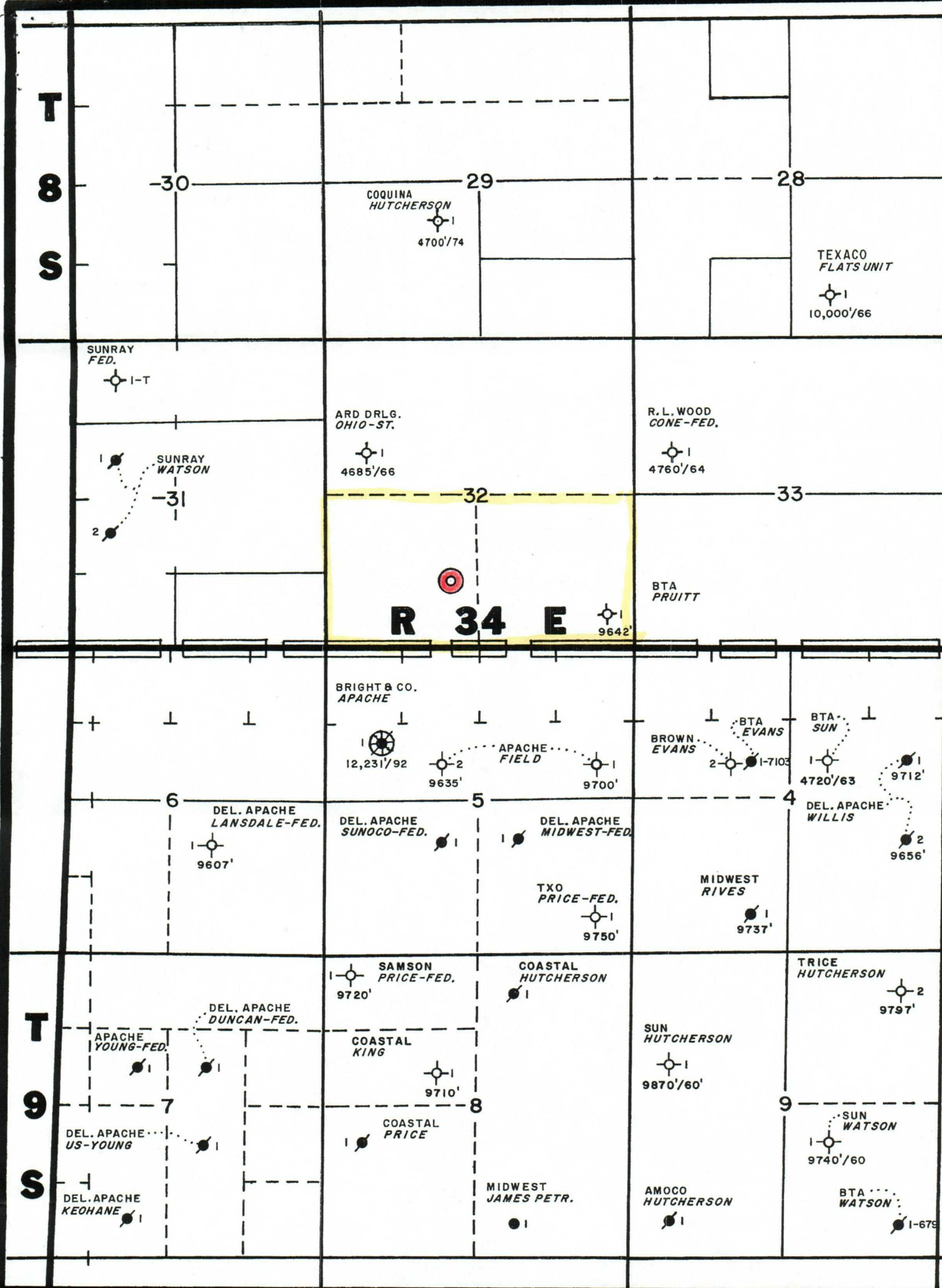
JENKINS NW PROSPECT
ROOSEVELT & LEA COS., NEW MEXICO

STRUCTURE MAP
TOP DEVONIAN
CONTOUR INTERVAL: 25'

SCALE: 1"=2000'



MG
3-26-0



J. CLEO THOMPSON
DALLAS, TEXAS

JENKINS NW PROSPECT
ROOSEVELT & LEA COS., NEW MEXICO



1" = 2000'