

NSL PPRG 131 333 0080

| | | | | | |
|---------------------|------------------|----------------|-----------------------|-----------------|----------------------------------|
| DATE IN 05/08/13 | SUSPENSE 5/28 | ENGINEER DB | LOGGED IN 05/10/13 | TYPE NSL/NSP | APP NO. NSP PPRG 131 333 0403 |
|---------------------|------------------|----------------|-----------------------|-----------------|----------------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



30-041-20945

Grover #1

Primero Operating

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 _____

(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

RECEIVED OGD
 2013 MAY - 8 PM 2:57

(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

Title

Date

jamesbruce@aol.com
 e-mail Address

5/7/13

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 7, 2013

Jami Bailey
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms. Bailey:

Pursuant to Division Rules 19.15.15.11 and NMAC 19.15.15.13, Primero Operating Inc. applies for approval of a non-standard gas spacing and proration unit and an unorthodox gas well location in the Pennsylvanian formation for the following well:

| | |
|----------------------------|---|
| <u>Well:</u> | Grover Well No. 1 |
| <u>Location:</u> | 1930 feet FSL & 660 FEL |
| <u>Current well unit:</u> | NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 5 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico |
| <u>Proposed well unit:</u> | SE $\frac{1}{4}$ of Section 32 |

The well was originally drilled to test the South Peterson-Fussleman Pool, but was plugged back and completed in the South Peterson-Pennsylvanian (Associated) Pool. Under Division Order No. R-5353-I, the South Peterson-Pennsylvanian (Associated) Pool is an associated pool under which spacing is 40 acres for an oil well (with statewide setbacks) and 320 acres for a gas well. Under the Division's general rules for associated pools, gas wells must be located no closer than 1980 feet to the end line nor closer than 660 feet to the side boundary of a well unit.

The reasons for the non-standard unit request are as follows:

1. The well, when originally completed, was an oil well with no gas production, and 40 acres was dedicated to the well. See Exhibit A, the write-up of John C. Maxey, applicant's engineering consultant. However, the well has started producing gas such that it has, or will soon, exceed a GOR of 30,000:1, which will make it a gas well under the Division's general rules for associated pools.

2. The proposed gas well unit, the SE $\frac{1}{4}$ of Section 32, is comprised of a single fee tract, with common ownership (royalty, working, and overriding royalty interests). In addition, the working interest owners in the SE $\frac{1}{4}$ of Section 32 paid the entire costs of drilling the well, and the equities in the well should not be changed.

3. The well is not prolific, so the offsetting quarter sections will not be adversely affected by the non-standard unit or unorthodox location.

The NE $\frac{1}{4}$ or the SW $\frac{1}{4}$ of Section 32 will be excluded from a 320 acre gas well unit. Attached as **Exhibit B** is a listing of all mineral interest and leasehold owners in those two quarter sections. The well is unorthodox as to the NE $\frac{1}{4}$ of Section 32. Notice of this application has been given to the offset interest owners, and a copy of the notice letter is attached as **Exhibit C**.

Please contact me if you need any further information on this application.

Very truly yours,



James Bruce

Attorney for Primero Operating Inc.

RECEIVED

DISTRICT I
1623 N. FRENCH DR., MURKIN, NM 87400

DISTRICT II
1001 W. GRAND AVENUE, ARTISTIA, NM 87410

DISTRICT III
1000 RIO GRACIOS RD., AZTEC, NM 87410

DISTRICT IV
11930 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

MAR 15 2011
HOBBSON

OIL CONSERVATION DIVISION
11930 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005
Submit to Appropriate District Office
State Fee - 4 Copies
Fee Table - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-----------------------------------|--|--|
| API Number 70-041-20995 | Pool Code 50358 | Pool Name PETERSON; FUSSELMAN, SOUTH |
| Property Code 38625 | Property Name GROVER | Well Number 1 |
| OCURIT No. 018100 | Operator Name PRIMERO OPERATING INC. | Elevation 4379' |

Surface Location

| | | | | | | | | | |
|---------------------------|----------------------|------------------------|----------------------|----------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------------|
| UL or lot No. 1 | Section 32 | Township 5 S | Range 13 E | Lot Ids. | Feet from the 1930 | North/South line SOUTH | Feet from the 660 | East/West line EAST | County Roosevelt |
|---------------------------|----------------------|------------------------|----------------------|----------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------------|

Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------|-----------------|--------------------|-----------|----------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Ids. | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | Order No. | | | | | | |

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>SURFACE LOCATION Y = 1029207.1 N X = 754842.4 E</p> <p>UTM = 53 826341' N LONG. = 103 494202' W</p> <p>DETAIL</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: P. Phelps White Date: 3/13/11 Printed Name: Phelps White</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>Date Surveyed: MARCH 1, 2011</p> <p>Signature & Seal of Professional Surveyor: Ronald G. Edson Professional Surveyor No. 12641 Certificate No. GARY G. EDSON 12641 RONALD G. EDSON 3239</p> |

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised August 1, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|---|---|---|
| ¹ Operator name and Address Primero Operating, Inc. PO Box 1433 Roswell, NM 88201-1433 | | ² OGRID Number 018100 |
| ⁴ API Number 20945 30 - 0 41-20945 | | ³ Reason for Filing Code/ Effective Date Notification of Gas Transporter |
| ⁵ Pool Name Peterson, Penn, South | | ⁶ Pool Code 50360 |
| ⁷ Property Code 38628 | ⁸ Property Name Grover | ⁹ Well Number 1 |

II. 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 |
| I | 32 | 5-S | 33-E | | 1930 | South | 660 | E | Roosevelt |

¹¹ Bottom Hole Location

| | | | | | | | | | |
|------------------------------------|---|--|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| ¹² Loc Code P | ¹³ Producing Method Code P | ¹⁴ Gas Connection Date 10/18/2012 | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

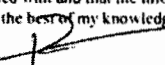
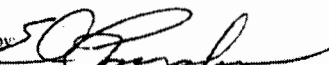
III. Oil and Gas Transporters

| | | |
|---------------------------------|--|---------------------|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ O/G/W |
| 24650 | Targa Midstream Services 1000 Louisiana, Suite 4700 Houston, TX 77002 | G |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

IV. Well Completion Data

| | | | | | |
|---|--|---------------------------------|-----------------------------------|--|-----------------------|
| ²¹ Spud Date 6/13/2011 | ²² Ready Date 2/17/2012 | ²³ TD 7905 | ²⁴ PBDT 7612 | ²⁵ Perforations 7603-7606 | ²⁶ DHC, MC |
| ²⁷ Hole Size | ²⁸ Casing & Tubing Size | ²⁹ Depth Set | ³⁰ Sacks Cement | | |
| 12.25" | 8 5/8" | 2178 | 975 | | |
| 7 7/8" | 5 1/2" | 7905 | 1780 | | |
| | 2 7/8 | 7587 | | | |
| | | | | | |

V. Well Test Data

| | | | | | |
|--|--|---|---|--|--|
| ³¹ Date New Oil 11/15/2012 | ³² Gas Delivery Date 10/18/2012 | ³³ Test Date 11/5/2012 | ³⁴ Test Length 24 | ³⁵ Tbg. Pressure 40 | ³⁶ Csg. Pressure 40 |
| ³⁷ Choke Size NA | ³⁸ Oil 7.5 | ³⁹ Water 0 | ⁴⁰ Gas 210 | ⁴¹ Test Method Pump | |
| ⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature:  | | | OIL CONSERVATION DIVISION | | |
| Printed name: Phelps White | | | Approved by:  | | |
| Title: President | | | Title: DEPT. MGR | | |
| E-mail Address: pwiv@zianet.com | | | Approval Date: 12-06-2012 | | |
| Date: 11/27/2012 | | Phone: 575 626 7660 | | | |

DEC 06 2012

Application for a Non-Standard Location

Grover #1

1930' FSL & 660' FEL

Sec 32 T5S R33E

Roosevelt Co., NM

South Peterson Pennsylvanian Associated Pool

The subject well was completed in the South Peterson Pennsylvanian Associated Pool as an oil well in February of 2012 with a test rate of 12 BOPD and gas TSTM. Over the next nine months the well started to produce quantities of gas and subsequently the well was hooked up to a gas sales line. In November of 2012 after connecting to the gas sales line, the well tested at a rate of 7.5 BOPD and 210 MCFD for a GOR of 28,000 CF/BO. The pool rules for associated oil and gas pools in Southeast New Mexico and the South Peterson Penn Associated rules state that producing wells with a GOR of less than 30,000 CF/BO will be classified as oil wells, and producing wells with a GOR of 30,000 CF/BO or more will be classified as gas. Based upon the November 2012 test, and the increasing GOR evidenced by the monthly production, the well will most likely be reclassified as gas on the next semiannual test scheduled for May 2013.

Location requirements for Southeast New Mexico under the Associated Oil and Gas Pools field rules state that any oil well on a standard 40 acre proration unit will be no closer than 330 feet to the boundary of the tract. As classified the subject well is at a standard location. Under the South Peterson field rules any gas well will be on a standard 320 acre spacing unit and the Associated Oil and Gas Pools field rules for Southeast New Mexico state that any gas well on a 320 acre proration unit will be no closer than 660 feet to the nearest side boundary nor closer than 1980 feet to the nearest end boundary of the spacing unit, nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary. Therefore when this well is reclassified as gas it will be at an unorthodox location by virtue of being 1930 feet from the south line rather than 1980 feet from the south line. Attached is the original C102 illustrating the current location of the subject well.

EXHIBIT

A

EXHIBIT

B

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 32: N2NE4

**Peterson Family Revocable Trust
dated 4/16/91, G.E. Peterson,
George Ernest Peterson, Jr.,
Sue Mathis, each dealing in
their respective capacities as
Trustees or Successor
Co-Trustees
Box 128
Elida, NM 88116**

**ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77251-2197**

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 32: S2NE4

**George W. Williams and
Charlotte W. Williams, HW
9215 Homestead Ave.
Lubbock, TX 79424**

**Armstrong Energy Corporation
P.O. Box 1973
Roswell, NM 88202-1973**

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 32: N2SW4

**William W. Luallin and wife,
Nina F. Luallin
408 Lantern Lane
Lebanon, MO 65536**

**Rex L. Luallin and wife,
Bonnie J. Luallin
510 S. Newport
Conway, MO 65532**

John S. Luallin, and wife
Peggy S. Luallin
120 Chancery Lane
Columbus, SC 29223

Robert Vestal and wife,
Juanita Vestal
3531 E. Cherokee, Apt 104
Springfield, MO 65809

Armstrong Energy Corporation
P.O. Box 1973
Roswell, NM 88202-1973

Slash Exploration Limited
Partnership
P.O. Box 1973
Roswell, NM 88202-1973

T.H. McElvain Oil & Gas
1050 17th 1st Ste. 1800
Denver, CO 80265

Verde Vista Energy Company
P.O. Box 310
Roswell, NM 88202

Brazos Limited Partnership
P.O. Box 911
Breckenridge, TX 76424

Robert G. Armstrong
P.O. Box 1973
Roswell, NM 88202

Breckenridge Partnership, Ltd.
P.O. Box 1973
Roswell, NM 88202

Chimney Rock Oil & Gas
P.O. Box 1973
Roswell, NM 88202

Gunsight Limited Partnership
P.O. Box 1973
Roswell, NM 88202

Clarkyle Limited Partnership
P.O. Box 1973
Roswell, NM 88202

J. Theo Thompson and James
Cleo Thompson, Jr., L.P.
125 N. Saint Paul. Ste. 4300
Dallas, TX 75201

Campbell Investment Company
P.O. Box 3854
Roswell, NM 88202

Kidd Family Partnership, Ltd.
3838 Oaklawn Ave., Ste. 725
Dallas, TX 75219

The Toles Company
P.O. Box 1300
Roswell, NM 88202

United Drilling, Inc.
P.O. Box 3854
Roswell, NM 88202

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.
Section 32: $\frac{1}{4}$ 2SW4

Oil, Gas and Minerals Division
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 7, 2013


CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit 1

Ladies and gentlemen:

Primero Operating Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of a non-standard gas spacing and proration unit and an unorthodox gas well location in the SE¼ of Section 32, Township 5 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico. A copy of the application is enclosed. You are an offset interest owner. If you object to the application, you must notify the Division in writing within 20 days of the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Primero Operating Inc.

EXHIBIT

C

EXHIBIT 1

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 32: N2NE4

Peterson Family Revocable Trust
dated 4/16/91, G.E. Peterson,
George Ernest Peterson, Jr.,
Sue Mathis, each dealing in
their respective capacities as
Trustees or Successor
Co-Trustees
Box 128
Elida, NM 88116

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77251-2197

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 32: S2NE4

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Charlotte W. Williams, HW
9215 Homestead Ave.
Lubbock, TX 79424

Armstrong Energy Corporation
P.O. Box 1973
Roswell, NM 88202-1973

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 32: N2SW4

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Lebanon, MO 65536

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P.O. Box 1973
Roswell, NM 88202

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Roswell, NM 88202

United Drilling, Inc.
P.O. Box 3854
Roswell, NM 88202

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 32: \leq 2SW4

Oil, Gas and Minerals Division
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, May 28, 2013 12:11 PM
To: jamesbruc@aol.com
Subject: Primero Operating - Grover #1 - NSP and NSL Application

Good morning, Jim

I have looked at this application. The NSP portion seems to be in order and ready to write.

It would seem, however, that the necessary notices may not have been given for the NSL portion. This depends on the interpretation of Rules 1 and 2 of the General Rules for Associated Pools as adopted by Order R-5353. I cannot find any subsequent order amending these rules, although it is difficult to be certain given the extremely large number of orders in the R-5353 series.

If the provisions of Rule 2(b) for a 160-acre unit were applied, this well would be at a standard location. However, Rule 2(b) specifies that the setbacks therein provided are for a "Standard Proration Unit." Application of the location rule for a 320-acre unit is problematic because it cannot be determined in which direction the location encroaches. Thus, under the statewide exception rule, notice would be required to owners in the offsetting spacing units in Section 33 and in Sections 4 and 5 of 6S-33E. However, Rule 2(c) contains a special NSL notice provision that requires notice to all offsets. Statewide Rule 2.9 provides that orders trump rules. There has been some difference of opinion around here as to whether orders trump subsequently adopted statewide rules. However, that would seem likely to have been the intent as to special pool orders, if not other orders.

I will proceed to write the NSP order, and await your response before taking further action on the NSL application.

Sincerely

David

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



May 28, 2013

Primero Operating Inc.
c/o Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD PRORATION UNIT ORDER

Administrative Order NSP-1967
Administrative Application Reference No. pPRG1313330403

Primero Operating Inc.
OGRID 18100

Subject Pool: South Peterson; Pennsylvanian Associated Pool (Pool Code 50360)

Subject Unit: SE/4 of Section 32
Township 5 South, Range 33 East, Roosevelt County, New Mexico

Subject Well: Grover Well No. 1
API No. 30-041-20945
1930 FSL & 660 FEL of Section 32

Reference is made to your application received on May 8, 2013.

You have requested an exception pursuant to Rule 19.15.15.11.B(2) NMAC, to approve a non-standard gas spacing and proration unit comprising 160 acres, described above as the Subject Unit. The Special Rules applicable to the Subject Pool provide that a standard gas spacing unit shall consist of 320 acres. The Subject Well was completed as an oil well, but is apparently now producing as a gas well.

Your application has been duly filed under the provisions of said Rule 19.15.15.11.B and Rule 19.15.4.12.A(3) NMAC.

We understand that the proposed non-standard gas unit is requested in order to avoid a change of ownership of production from the Subject Well.

May 28, 2013
Page 2

It is also understood that you have given due notice of this application to all persons to whom notice is required by Rule 19.15.4.12.A(3) NMAC.

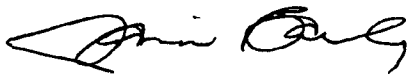
Pursuant to the authority conferred by Rule 19.15.15.11.B(2), the Subject Unit is hereby approved.

The Subject Unit shall be dedicated to the Subject Well if and when the Subject Well produces as a gas well.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

September 30, 2013

Via fax and U.S. Mail

David Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

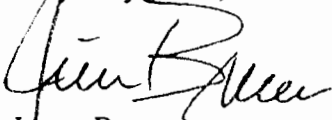
Re: Primero Operating, Inc.
Grover Well No. 1

Dear David:

The above well involved a joint NSP/NSL application. The first two pages of the application are attached (Attachment 1). You had approved the NSP, but after the application was approved an objection was received (Attachment 2). The objecting parties have now waived their objection (Attachment 3). Therefore, the NSP approval should remain in effect.

You had also requested additional notice for the NSL. I had previously notified all offset interest owners in Section 32. I have now notified all offset interest owners in Section 33, as well as Sections 5 and 6, Township 6 South, Range 34 East, NMPM (Attachment 4). (The townships "jog" here, so that is why it is 6S-34E).

Very truly yours,


James Bruce

Attachment 5: Return Receipts
Attachment 6: Proof of Notice to
A. Boyce re: 11/27/13
hearing

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

May 7, 2013

Jami Bailey
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms. Bailey:

Pursuant to Division Rules 19.15.15.11 and NMAC 19.15.15.13, Primero Operating Inc. applies for approval of a non-standard gas spacing and proration unit and an unorthodox gas well location in the Pennsylvanian formation for the following well:

| | |
|----------------------------|---|
| <u>Well:</u> | Grover Well No. 1 |
| <u>Location:</u> | 1930 feet FSL & 660 FEL |
| <u>Current well unit:</u> | NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 5 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico |
| <u>Proposed well unit:</u> | SE $\frac{1}{4}$ of Section 32 |

The well was originally drilled to test the South Peterson-Fussleman Pool, but was plugged back and completed in the South Peterson-Pennsylvanian (Associated) Pool. Under Division Order No. R-5353-I, the South Peterson-Pennsylvanian (Associated) Pool is an associated pool under which spacing is 40 acres for an oil well (with statewide setbacks) and 320 acres for a gas well. Under the Division's general rules for associated pools, gas wells must be located no closer than 1980 feet to the end line nor closer than 660 feet to the side boundary of a well unit.

The reasons for the non-standard unit request are as follows:

1. The well, when originally completed, was an oil well with no gas production, and 40 acres was dedicated to the well. See Exhibit A, the write-up of John C. Maxey, applicant's engineering consultant. However, the well has started producing gas such that it has, or will soon, exceed a GOR of 30,000:1, which will make it a gas well under the Division's general rules for associated pools.

Attachment 1

2. *The proposed gas well unit, the SE¼ of Section 32, is comprised of a single fee tract, with common ownership (royalty, working, and overriding royalty interests). In addition, the working interest owners in the SE¼ of Section 32 paid the entire costs of drilling the well, and the equities in the well should not be changed.*

3. The well is not prolific, so the offsetting quarter sections will not be adversely affected by the non-standard unit or unorthodox location.

The NE¼ or the SW¼ of Section 32 will be excluded from a 320 acre gas well unit. Attached as **Exhibit B** is a listing of all mineral interest and leasehold owners in those two quarter sections. The well is unorthodox as to the NE¼ of Section 32. Notice of this application has been given to the offset interest owners, and a copy of the notice letter is attached as **Exhibit C**.

Please contact me if you need any further information on this application.

Very truly yours,


James Bruce

Attorney for Primero Operating Inc.

RECEIVED

2013 MAY 28 P 2: 21

George Williams
9215 Homestead
Lubbock , Texas 79424

May 23, 2013

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

To: State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Sir or Madam:

Re: Application for Non-Standard Location

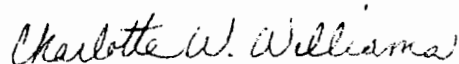
I and my husband , as offset interest owners , object to approval of a non-standard gas spacing and proration unit and an unorthodox gas well location in the SE $\frac{1}{4}$ of Section 32 , Township 5 South, Range 33 East, N.M.P.M.; Roosevelt County, New Mexico. Application has been made by Primero Operating Inc.

Thank you for your attention to this matter.

George W. Williams



Charlotte W. Williams



Attachment 2

George Williams
9215 Homestead
Lubbock, Texas 79424

~~Aug 15, 2013~~
Aug 15, 2013

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

To: State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Sir or Madam:

Re: Application for Non-Standard Location

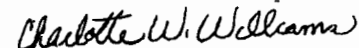
I and my husband, as offset interest owners, hereby withdraw our objection to the following: a non-standard gas spacing and proration unit and unorthodox gas well location in the SE¼ of Section 32, Township 3 South, Range 33 East, N.M.P.M.; Roosevelt County, New Mexico. Application has been made by Primero Operating Inc.
This concession is made pursuant to conversations with Ken Hammonds, and mutually agreed upon compensation reached in those conversations.

Thank you for your attention to this matter.

George W. Williams



Charlotte W. Williams



Attachment

3

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

September 30, 2013

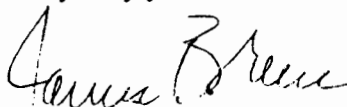
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit 1

Ladies and gentlemen:

Primero Operating Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location, *etc.*, in the SE¼ of Section 32, Township 5 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico. A copy of the application is enclosed. You are an offset interest owner. If you object to the application, you must notify the Division in writing within 20 days (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Primero Operating Inc.

Attachment 4

EXHIBIT 1

Grover Family, LP
P.O. Box 3666
Midland, TX 79702

Albert G. Boyce, Jr., SSP
3151 Nile Avenue
Manteca, CA 95337

William Quincy Boyce, III, SSP
2666 Crestview Drive
Woodland, Utah 84036

Michelle Tannehill Boyce
Mayfield, SSP
4055 Highway 61
Carrollton Villa Rica Highway
Villa Rica, GA 30180 (1996)

Albert G. Boyce, Jr., as Trustee
of The Albert G. Boyce Trust
3151 Nile Avenue
Manteca, CA 95337

Mitchell Royalty, a Limited
Partnership
Route 2
Box 10-A
Haskell, OK 74436

Happy Hill Northern
Holdings, L.L.C.
Star Route 68
Box 891
Okanogan, Washington 98840

William J. Boyce, SSP
P.O. Box 871
Manteca, CA 95336 (1997)

O.D. Lambirth, Trustee of the
O.D. and Mildred P. Lambirth
Trust - Trust "B" - U/T/A dated
September 27, 1989, as
amended
15803 E. Palomino Blvd.
Fountain Hills, AZ 85268

Nancy Chappell-Tobin, SSP
1038 SW 20th Street
Loveland, CO

80537

Spur Holdings, L.L.C.
15803 E. Palomino Blvd.
Fountain Hills, AZ 85268

John Tannehill, SSP
P.O. Box 819
Paso Robles, CA 93447

Lisle Tannehill, SSP
2511 Garden Road
Suite A-180
Monterey, CA 93940

Priem Energy, Inc.
P.O. Box 190
Glenpool, OK 74033

Yates Brothers
P.O. Box 1394
Artesia, New Mexico 88211

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

O.D. Lambirth, Trustee of the
 O.D. and Mildred P. Lambirth
 Trust - Trust "B" - UT/A dated
 September 27, 1989, as
 amended
 18803 E. Palomino Blvd.
 Fountain Hills, AZ 85268

2. Article Number

(Transfer from service label)

7012 3050 0001 7053 9881

PS Form 3811, February 2004

Domestic Return Receipt

102596-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *x O.D. Lambirth* ☐ Agent ☐ Addressee
 B. Received by (Printed Name) *O.D. Lambirth* C. Date of Delivery *10/5/13*
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service™
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| | | |
|--|----|--------|
| Postage | \$ | \$0.86 |
| Certified Fee | | \$3.10 |
| Return Receipt Fee (Endorsement Required) | | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | | \$0.00 |
| Total Postage & Fees | \$ | \$6.51 |

Sent To

Yates Brothers
 Street, Apt. No.: P.O. Box 1394
 or PO Box No. Artesia, New Mexico 88211
 City, State, Zip+4

PS Form 3800, August 2006

See Reverse for Instructions

U.S. Postal Service™
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| | | |
|--|----|--------|
| Postage | \$ | \$0.86 |
| Certified Fee | | \$3.10 |
| Return Receipt Fee (Endorsement Required) | | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | | \$0.00 |
| Total Postage & Fee | | |

Sent To

O.D. Lambirth, Trustee of the
 O.D. and Mildred P. Lambirth
 Trust - Trust "B" - UT/A dated
 September 27, 1989, as
 amended
 18803 E. Palomino Blvd.
 Fountain Hills, AZ 85268
 City, State, Zip+4

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Brothers
 P.O. Box 1394
 Artesia, New Mexico 88211

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *x Teresa M. Holman* ☐ Agent ☐ Addressee
 B. Received by (Printed Name) *TERESA M. HOLMAN* C. Date of Delivery
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7012 0470 0001 5975 3276

PS Form 3811, February 2004

Domestic Return Receipt

102596-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Albert G. Boyce, Jr., as Trustee
of The Albert G. Boyce Trust
3161 Nite Avenue
Monterey, CA 93537

2. Article Number
(Transfer from service label) 7012 3050 0001 7057 1850

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☒ Agent ☐ Addressee

B. Received by (Printed Name) *Albert G. Boyce, Jr.* C. Date of Delivery *10/13*

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

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(Domestic Mail Only; No Insurance Coverage Provided)

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MONTEREY, CA 93940

| | |
|---|----------|
| Postage | \$ 40.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 46.51 |

Postmark Here OCT -2 2013
SANTA FE, NM 87501

Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4
 Lile Tenehill, SSP
 2611 Garden Road
 Suite A-100
 Monterey, CA 93940

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lile Tenehill, SSP
2611 Garden Road
Suite A-100
Monterey, CA 93940

2. Article Number
(Transfer from service label) 7012 0470 0001 5975 3290

PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Alene Perry* C. Date of Delivery *10/13*

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

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Postage \$ 40.86

Certified Fee \$3.10

Return Receipt Fee
(Endorsement Required) \$2.55

Restricted Delivery Fee
(Endorsement Required) \$0.00

Total Postage & Fees \$ 46.51

Postmark Here OCT -2 2013
SANTA FE, NM 87501

Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4
 Albert G. Boyce, Jr., as Trustee
 of The Albert G. Boyce Trust
 3161 Nite Avenue
 Monterey, CA 93537

PS Form 3800, August 2006 See Reverse for Instructions

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For delivery information visit our website at www.usps.com

PAID 901.65 CA 93447 10-10-13

| | |
|---|-----------------|
| Postage | \$ 40.86 |
| Certified Fee | \$ 3.10 |
| Return Receipt Fee (Endorsement Required) | \$ 2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$ 0.00 |
| Total Postage & Fees | \$ 46.51 |

Postmark
OCT 2 2013
USPS SANTA FE, NM 87501

Sent To
John Tennant, SSP
P.O. Box 919
Paso Robles, CA 93447

Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

See Reverse for Instructions

PS Form 3800, August 2006

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

John Tennant, SSP
P.O. Box 919
Paso Robles, CA 93447

3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7012 0470 0001 5975 3306

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

William J. Boyce, SSP
P.O. Box 871
Manteca, CA 95336 (1997)

City, State, ZIP+4

3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7012 3050 0001 7053 9898

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
 B. Received by (Printed Name) **John Tennant**
 C. Date of Delivery **OCT 8 - 2013**
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:



3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7012 0470 0001 5975 3306

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
 B. Received by (Printed Name) **Colleen Johnson**
 C. Date of Delivery **10-9-13**
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:



3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7012 3050 0001 7053 9898

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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PAID 901.65 CA 93447 10-10-13

| | |
|---|-----------------|
| Postage | \$ 40.86 |
| Certified Fee | \$ 3.10 |
| Return Receipt Fee (Endorsement Required) | \$ 2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$ 0.00 |
| Total Postage & Fees | \$ 46.51 |

Postmark
OCT 2 2013
USPS SANTA FE, NM 87501

Sent To
William J. Boyce, SSP
P.O. Box 871
Manteca, CA 95336 (1997)

Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

U.S. Postal ServiceTM
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For delivery information visit our website at www.usps.com

| | |
|--|----------|
| Postage | \$ 40.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 46.51 |

Sent To: **Mitchell Royalty, a Limited Partnership**
Route 2
Box 10-A
Haskell, OK 74436

Street, Apt. No., or PO Box No.
City, State, Zip+4

Postmark Here
OCT - 29 0500 AM '04

PS Form 3800, August 2006 See Reverse for Instructions

6491 2502 1000 0506 2102

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Prism Energy, Inc.
P.O. Box 190
Glenpool, OK 74033

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number (Transfer from service label) **7012 0470 0001 5975 3283**

Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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For delivery information visit our website at www.usps.com

| | |
|--|----------|
| Postage | \$ 40.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 46.51 |

Sent To: **Prism Energy, Inc.**
P.O. Box 190
Glenpool, OK 74033

Street, Apt. No., or PO Box No.
City, State, Zip+4

Postmark Here
OCT 2 2004

PS Form 3800, August 2006 See Reverse for Instructions

6491 2502 1000 0240 2102

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mitchell Royalty, a Limited Partnership
Route 2
Box 10-A
Haskell, OK 74436

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number (Transfer from service label) **7012 3050 0001 7057 1843**

Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) **RENE** C. Date of Delivery **10-5-13**

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

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For delivery information visit our website at www.usps.com

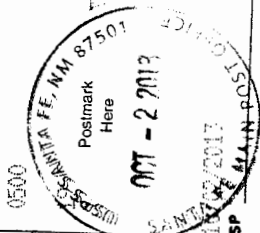
SPECIAL USE

Postage \$ 40.86
Certified Fee \$3.10
Return Receipt Fee (Endorsement Required) \$2.55
Restricted Delivery Fee (Endorsement Required) \$0.00
Total Postage & Fees \$ 46.51

Sent To **William Quincy Boyce, III, SSP**
2484 Crestview Drive
Woodland, Utah 84038

City, State, Zip+4

PS Form 3800, August 2005 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Grover Family, LP
P.O. Box 3886
Midland, TX 79702

2. Article Number
(Transfer from service label)
7012 3050 0001 7057 1874

PS Form 3811, February 2004

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
Chris Miller

B. Received by (Printed Name) C. Date of Delivery
Chris Miller

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7012 3050 0001 7057 1874

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

William Quincy Boyce, III, SSP
2484 Crestview Drive
Woodland, Utah 84038

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
W. Quincy Boyce

B. Received by (Printed Name) C. Date of Delivery
W. Quincy Boyce *10/5/03*

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7012 3050 0001 7057 1874

Domestic Return Receipt

102595-02-M-1540

U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPTTM (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

SPECIAL USE

Postage \$ 40.86
Certified Fee \$3.10
Return Receipt Fee (Endorsement Required) \$2.55
Restricted Delivery Fee (Endorsement Required) \$0.00
Total Postage & Fees \$ 46.51

Sent To **Grover Family, LP**
P.O. Box 3886
Midland, TX 79702

City, State, Zip+4

PS Form 3800, August 2005 See Reverse for Instructions



7012 3050 0001 7057 1874

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Albert G. Boyce, Jr., SSP
3151 Nite Avenue
Manteca, CA 95337

Article Number

(Transfer from service label)

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

7012 3050 0001 7057 1881

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☐ Addressee
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below:

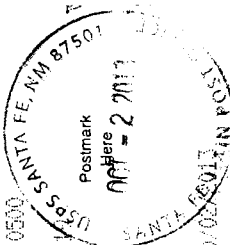
3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

FOUNTAIN HILLS, AZ 85268

| | |
|--|---------|
| Postage | \$ 0.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 6.51 |



Sent To
Spur Holdings, LLC
18803 E. Palomino Blvd.
Fountain Hills, AZ 85268

Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

See Reverse for Instructions

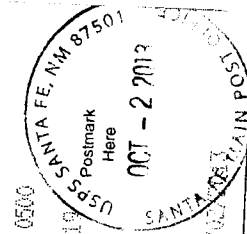
PS Form 3800, August 2006

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MANTENCA, CA 95337

| | |
|--|---------|
| Postage | \$ 0.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 6.51 |



Sent To
Albert G. Boyce, Jr., SSP
3151 Nite Avenue
Manteca, CA 95337

Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
2. Article Number
(Transfer from service label)
3. PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☐ Addressee
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

7012 0470 0001 5975 3313

Domestic Return Receipt

PS Form 3811, February 2004

102595-02-M-1540

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OKANOGAN WA 99040 00136 1155



| | |
|--|----------|
| Postage | \$ 40.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 46.51 |

Sent To
Happy Hill Northern Holdings, LLC
Star Route 88
Box 891
Okanogan, Washington 98840
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Happy Hill Northern Holdings, LLC
Star Route 88
Box 891
Okanogan, Washington 98840

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nancy Chappell-Tobin, SSP
1038 SW 30th Street
Loveland, CO 80537

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☐ Addressee
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7012 3050 0001 7053 9904

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

LOVELAND CO 80537

| | |
|--|----------|
| Postage | \$ 40.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 46.51 |



Sent To
Nancy Chappell-Tobin, SSP
1038 SW 30th Street
Loveland, CO 80537
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

POSTAGE WILL BE PAID BY ADDRESSEE

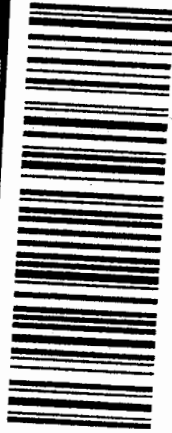
| | |
|---|----------------|
| Postage | \$ 0.86 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 6.51 |



Sent To: **Michelle Tannehill Boyce**
Mayfield, 83P
4056 Highway 61
Carrollton Villa Rica Highway
or PO Box No. **30180** (1936)
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE
CERTIFIED MAIL™



7012 3050 0001 7057 1867

Michelle Tannehill Boyce
Mayfield, 83P
4056 Highway 61
Carrollton Villa Rica Highway
Villa Rica, GA 30180

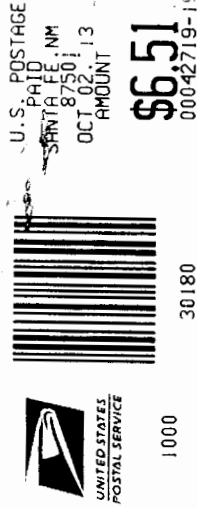
NIXIE

300 DE 1009 0010/24/13

RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD

SC: 87504105656 *2255-04132-02-42

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504



1000 30180

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

November 7, 2013

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

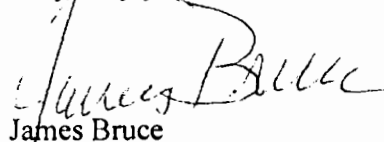
Albert G. Boyce, Jr.
Boyce Resource Development Co.
P.O. Box 1870
Manteca, California 95336

Ladies and gentlemen:

Enclosed is a copy of an application for an unorthodox gas well location, filed with the New Mexico Oil Conservation Division by Primero Operating, Inc., regarding a well in the SE/4 of Section 32, Township 5 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico. This matter is scheduled for hearing at 8:15 a.m. on Thursday, December 5, 2013, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset interest owner, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, November 27, 2013. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,



James Bruce

Attorney for Primero Operating, Inc.

Attachment 6

7012 3050 0000 6871 6141

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MANTECA, CA 95336

| | |
|---|-----------|
| Postage | \$ \$0.46 |
| Certified Fee | \$3.10 |
| Return Receipt Fee (Endorsement Required) | \$2.55 |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$6.11 |



Sent To: Albert G. Boyce, Jr.
Boyce Resource Development Co.
P.O. Box 1870
Manteca, California 95336

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Albert G. Boyce, Jr.
Boyce Resource Development Co.
P.O. Box 1870
Manteca, California 95336

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Colleen [Signature]* C. Date of Delivery *11-15-13*

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)

7012 3050 0000 6871 6141

From: McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Subject: Primero Grover #1 NSL
Date: Fri, Jan 10, 2014 1:56 pm

Jim:

After discussing the NSL with Phillip, and reviewing David Brooks e-mails with you. We have determined that owner in the N/2 and SW/4 of Section 5, 6S33E must be notified. Then based on based on the offset distance of the Grover #1, owners in the N/2 and W/2 Section 4, 6S33E must be notified for gas wells using trigonometry. For standard location, offset the distance is 2087 diagonal feet to the south and east section boundaries. The offset of the Grover is 2040 feet. So the Grover is non-standard by 47 feet distance.

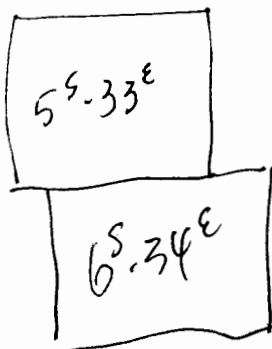
Call me with any questions.

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division

1220 South St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448 F: 505.476.3462



Mike: Attached is what I submitted to D. Brooks in September.

Rather than Sections 4 and 5, Section 5 and 6 must be notified because the townships jog at this spot.

Proof of notice attached - Everyone received notice.

Let me know if you need anything else. Jim
1/14/14