LOGGED IN 9/18/07

NSL

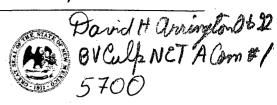
APP NO. PTDS0726158781

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



		ADMINISTRATIVE API	PLICATION CHECK	LIST
Т	HIS CHECKLIST IS M	IANDATORY FOR ALL ADMINISTRATIVE APPLI		DN RULES AND REGULATIONS
Applie	[DHC-Dow [PC-Po	s: ndard Location] [NSP-Non-Standard nhole Commingling] [CTB-Lease pol Commingling] [OLS - Off-Lease [WFX-Waterflood Expansion] [PN	Commingling] [PLC-Pool/Lea e Storage] [OLM-Off-Lease M IX-Pressure Maintenance Expa IPI-Injection Pressure Increase	se Commingling] leasurement] nsion] e]
[1]	TYPE OF AF	PPLICATION - Check Those Which Location - Spacing Unit - Simultan NSL NSL SD		
	Check [B]	Cone Only for [B] or [C] Commingling - Storage - Measurer DHC CTB PLC		LM.
	[C]	Injection - Disposal - Pressure Incr	ease - Enhanced Oil Recovery D	PR
	[D]	Other: Specify		
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Tho Working, Royalty or Overriding		Apply
	[B]	Offset Operators, Leaseholder	s or Surface Owner	
	[C]	Application is One Which Rec	quires Published Legal Notice	
٠	[D]	Notification and/or Concurren	t Approval by BLM or SLO	
	[E]	For all of the above, Proof of I	Notification or Publication is Att	ached, and/or,
	[F]	Waivers are Attached	·	
3]		CURATE AND COMPLETE INFO	DRMATION REQUIRED TO	PROCESS THE TYPE
	al is accurate at	FION: I hereby certify that the informed complete to the best of my knowled quired information and notifications a	edge. I also understand that no a	
٠.	Note:	Statement must be completed by an individual	dual with managerial and/or superviso	ory capacity.
Print or	Type Name	Signature	Title	Date
			e-mail Address	



LAW OFFICES

Rame B. Miller Alice T. Lorenz Stephen M. Williams Stephan M. Vidmar Seth V. Bingham Timothy R. Briggs Rudolph Lucero Deborah A. Sofove Gary L. Gordon Lawrence R. White Virginia Anderman Marte D. Lightstone J. Scott Hall Thomas R. Mack Thomas M. Donume Ruth O. Pregenzer James J. Widland Bradfey D. Tepper Robin A. Goble James R. Wood Dana M. Kyle Kirk R. Allen Ruth Fuess H. Brook Laskey Paula G. Maynes M. Dylan O'Reilly Jennifer D. Hall Todd A. Schwarz Nell Graham Sale Scott P. Hatcher

Ann M. Conway Randall J. McDonald Robert H. Clark Richard L. Alvidrez Jennifer L. Stone Kelsey D. Green Marcy Baysinger Caroline Blankenship Matthew S. Rappaport Karen E. Wootton Nicole V. Strauser Kelfy A. Stone Deron B. Knoner Charlotte Lamont Patricia A. Bradley T. Aaron Garrett Rebecca M. Alves Alisa R. Wigley-Def.ara W. Scott Jaworski Anita M. Kelley Elizabeth B. Driggers Jerome A. O'Connell Christopher J. Tebo

Of Counsel
William K. Stratvert
James B. Collins
Sharon P. Gross
Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300 Santa Fe, NM 87501

Mailing Address: P.O. Box 1986 Santa Fe, NM 87504-1986

Telephone: (505) 989-9614 Facsimile: (505) 989-9857

September 18, 2007

Mr. Mark Fesmire, Director New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87504

Re

Request for Administrative Approval of Unorthodox Well Location

David H. Arrington Oil and Gas, Inc.

BV Culp NCT A Com Well No. 1; API No. [pending]

Eumont Gas Pool

1154' FSL and 1968' FEL

Section 19 SW/SE (Unit "O") T19S R37E, NMPM, Lea County, New Mexico

Dear Mr. Fesmire:

On behalf of David H. Arrington Oil and Gas, Inc., pursuant to Division Rule 104.F and the applicable rules governing the Eumont Gas Pool (76480; Order No. R-8170-P, as amended), we request administrative approval for an unorthodox well location for the BV Culp 15A Well No. 1 (API No. 30-025-[pending]) to be drilled at the surface and bottom-hole locations reflected above.

The straight-hole well will be drilled to a depth sufficient to test the Yates, Seven Rivers-Queen formation in the Eumont Gas Pool. The pool rules for the pool currently provide that wells shall be drilled no closer than (a) 660' to the outer boundary of the assigned spacing unit; (b) 660' to any governmental quarter-quarter section line; and (c) 330' to any quarter-quarter section line or subdivision inner boundary.

David H. Arrington Oil and Gas, Inc. seeks an exception from the applicable well location rules for topographical reasons. Extensive oilfield development and the location of other improvements on the surface in the area precludes drilling this well at a standard location. As reflected on the attached field plat, survey and aerial photo (Exhibits A, B and C) both the access to and the location of the well site are limited by pipelines, power lines and existing wells.

A PROFESSIONAL ASSOCIATION

Mr. Mark Fesmire September 18, 2007 Page 2

The N/2 and the SE/4 of Section 19, T19S, R37W, will be dedicated to the well. These lands are committed to a 477-acre non-standard unit established under Order No. R-1487 (Exhibit D) operated by David H. Arrington Oil and Gas, Inc. All of the interests in the 477-acre unit are also consolidated pursuant to the compulsory pooling provisions of Order No. R-1487. A plat showing the spacing unit, the unorthodox surface and bottom hole locations, and adjoining spacing units and wells is attached as Exhibit E. The well encroaches only towards the subdivision inner-boundary that is the southern boundary of the NW/SW (Unit "J"). This forty-acre subdivision is of course operated by Arrington as part of the 470-acre non-standard unit. The proposed location does not encroach toward the outer boundaries of the unit, and because all interests in the NW/SW are consolidated as part of the larger unit, no further notice would appear to be warranted under the common ownership provision of Division Rule 1210(2)(b).

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Sincerely

J. Scott Hall

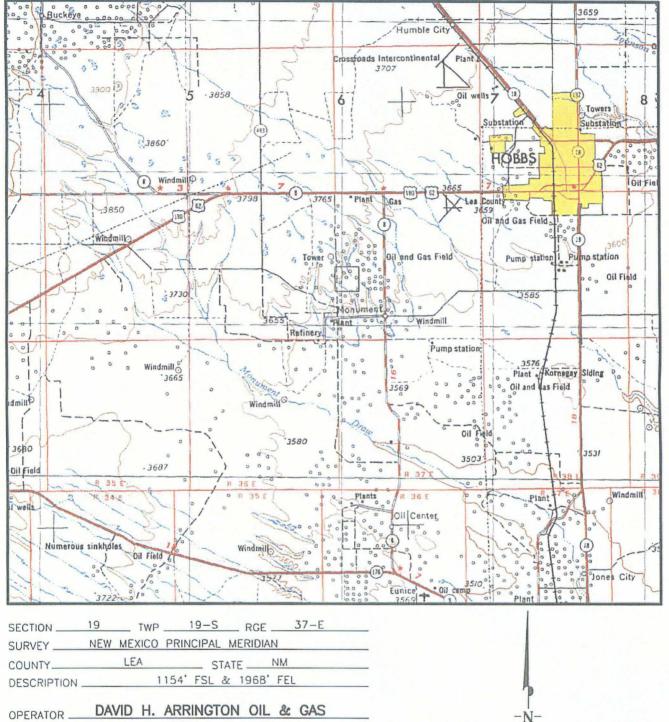
1. I wurdell

JSH/kfh Enclosure

Cc: Debbie Freeman, David H. Arrington Oil and Gas, Inc. w/encl.

P:\Clients\9700\39829\correspondence\NLS application to Fesmire 9-18-07.doc

VICINITY MAP



OPERATOR _ BV CULP 15A #1 LEASE _

DISTANCE & DIRECTION FROM THE JUNCTION OF HIGHWAY 82 & COUNTY ROAD 8 (SANTA RD.) 17 MILES WEST OF ARTESIA, GO SOUTH 2.0 MILESD ON CO. RD. 8, THENCE EAST 1.4 MILES ON LEASE ROAD TO A POINT ±1575' SOUTH OF LOCATION.

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

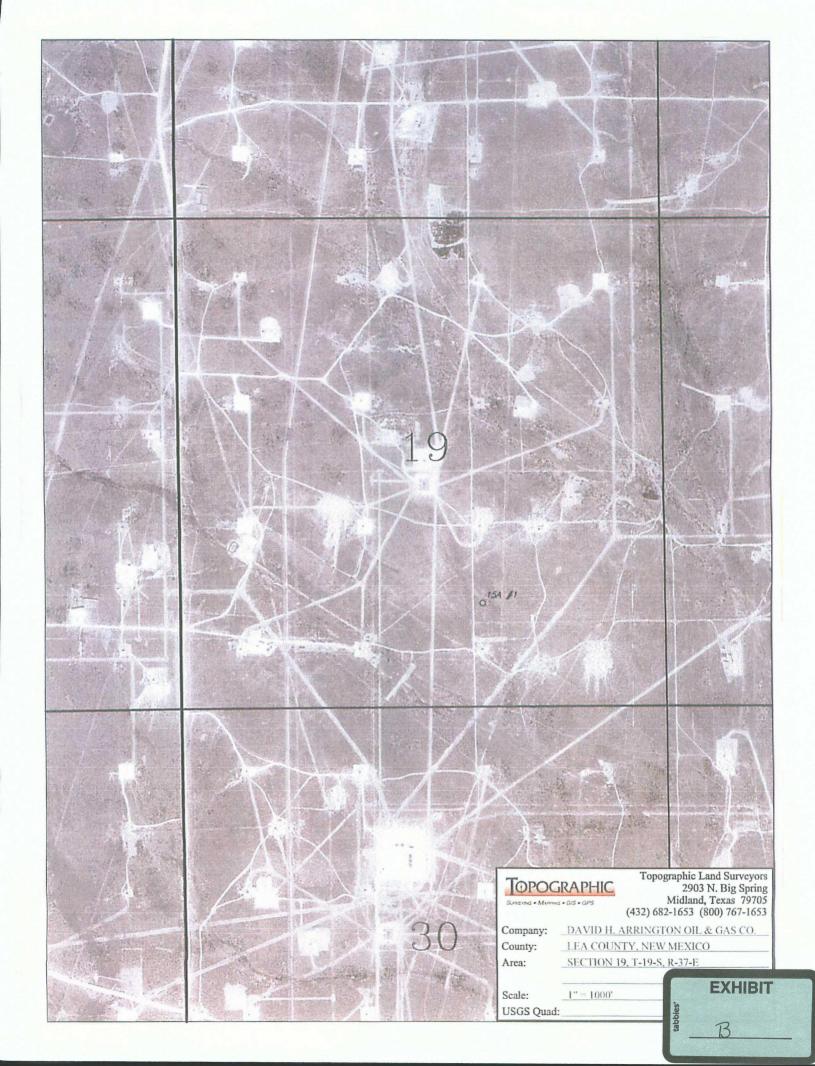
Review this plat and notify us immediately of any possible discrepancy.

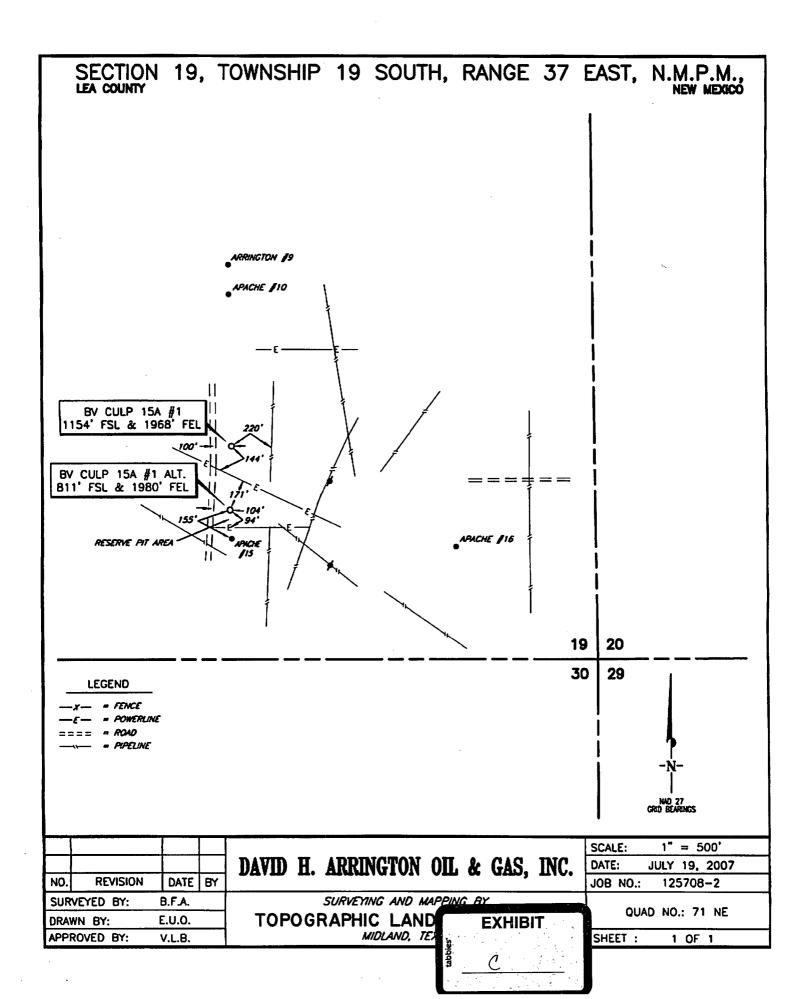
1307 N. HOBART PAMPA, TX. 79065 (800) 658-6382

6709 N. CLASSEN BLVD. OKLAHOMA CITY, OK. 73116 (800) 654-3219

2903 N. BIG SPRING MIDLAND, TX. 79 (800) 767-165







DISTRICT I			
		200	4
1625 N. French Dr.	Hobbs	. NM 8	8240

State of New Mexico

Form C-102

DISTRICT II

Energy, Minerals; and Natural Resources Department
OIL CONSERVATION DIVISION

Revised August 15, 2000 Submit to Appropriate District Office

1301 Wa Grand Avenue, Artesia, NM 88210

1220 South St. Francis Dr.

State Lease - 4 copies

DISTRICT III 1000 Rio Brazos Rd.; Aztec, NM 87410

Santa Fe, New Mexico 87505

Fee Lease - 3 copies

DISTRICT IV

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT 1 API Number Pool Code 1580 Rivers-Queen ⁴ Property Code Property Name Well Number BY CULP NCT A COM 1 OGRID No. ⁸ Operator Name Elevation ARRINGTON OIL & GAS, INC. 5898 DAVID H. 3658

Surface Location

ſ	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	0	19	19 SOUTH	37 EAST, N.M.P.M.		1154'	SOUTH	1968'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or let no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres	; 13 Jö	int of Infill	14 Consolidation Code	15 Order No).				
480		Y							

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

NON-STANDA	RD UNIT HAS BEEN APPROVED BY	THE DIVISION
		"OPERATOR CERTIFICATION
i I	1 1	I hereby certify that the information contained herein is true and complete to the best of my knowledge and bellef, and that this organization either owns a working interest or unleased mineral interest in the land including the
<u> </u> 	i I I	proposed bottom hole location or has a right to drill this well at this location permant to a controct with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a computery pooling order.
		heretofore entered by the division.
į. I		Netburn 9/1
İ	 	Debbie Reeman
	·	
		"SURVEYOR-CERTIFICATION
	NAD 27 NM E ZONE	I hereby certify that the well location about on this plated in it is great the property of the parent and the parent and the state of
	Y = 598737 LAT.: N 32.6416775	supervicion, and that the tame altrus and correct to the best of mobile!
	LONG:: W 103.2880906	Date of Shript
	1968'	Signature and Seal of Brotesting is inversor
		1 1 1 2
	1154'	Certificate Number
EXHIBIT		V. A.: BEZNER R.P.S. #7920 JOB # 125708 / 71 NE / E.U.O
ogn E	A first the second seco	American Control of the Control of t

Entered Deplemen 11,1159

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1683 Order No. R-1487

APPLICATION OF GULF OIL CORPORATION FOR AN ORDER FORCE-POOLING THE EUMONT GAS INTERESTS IN THE N/2 AND THE SE/4 OF SECTION 19, TOWNSHIP 19 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO, TO FORM A 477-ACRE NON-STANDARD GAS PRORATION UNIT IN THE EUMONT GAS POOL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on August 19, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of September, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Gulf Oil Corporation, is the operator of the N/2 and the SE/4 of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, and is the owner and operator of the B. V. Culp "A" Well No. 3, located in the SE/4 NW/4 of said Section 19.
- (3) That the applicant seeks an order force-pooling said N/2 and SE/4 of Section 19 as a 477-acre non-standard Eumont gas proration unit.

EXHIBIT

-2-Case No. 1683 Order No. R-1487

- (4) That all parties owning working interests in the above-described acreage have agreed to communitization, as have a majority of the parties owning royalty interests and contingent interests.
- (5) That the applicant has made diligent efforts to communitize all royalty interests in the above-described 477-acre unit for the Eumont Gas Pool, but has been unable to obtain the consent of all persons owning such royalty interest in said 477-acre unit.
- (6) That all parties owning an interest in the above-described acreage were given actual notice of the hearing in this case and that the Commission has received no objection to the approval of the subject application.
- (7) That it is impractical to form a standard unit in the Eumont Gas Pool by combining the acreage in question with adjacent acreage because all surrounding property is presently dedicated to other Eumont gas wells.
- (8) That accordingly, the enforcement of a uniform spacing pattern would tend to deprive the owners of the tract the opportunity to recover their just and equitable share of Eumont gas underlying the 477-acre tract.
- (9) That the most efficient and orderly development of the subject acreage can be accomplished by force-pooling the N/2 and the SE/4 of said Section 19 to form a 477-acre non-standard gas proration unit in the Eumont Gas Pool, and that such an order should be entered.

IT IS THEREFORE ORDERED:

- (1) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Eumont Gas Pool underlying the N/2 and the SE/4 of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same are hereby pooled, said unit to be dedicated to Gulf Oil Corporation's B. V. Culp "A" Well No. 3, located in the SE/4 NW/4 of said Section 19, and that Gulf Oil Corporation be and the same is hereby designated as the operator of said pooled unit.
- (2) That as prescribed in the Gas Pooling Agreement for the B. V. Culp (NCT-A) Eumont Gas Unit No. 1, the production from the above-described pooled 477-acre non-standard unit be allocated to each tract in the unit in the proportion that the acreage interest contained in each of the tracts bears to the entire surface acreage of said unit.

-3-Case No. 1683 Order No. R-1487

- (3) That the allowable assigned to the above-described 477-acre non-standard gas proration unit shall bear the same ratio to a standard allowable in the Eumont Gas Pool as the acreage in said unit bears to the acreage in a standard unit in the Eumont Gas Pool.
- (4) That the effective date of this order shall be the first day of the month following the month in which the Commission is notified that the subject well has been brought into balance.
- (5) That Administrative Order NSP-256 shall be cancelled as of the effective date of this order.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN. Member

A. L. PORTER, Jr., Member & Secretary

SEAL

lcr/



LAW OFFICES

Ranne B. Miller Alice T. Lorenz Stephen M. Williams Stephan M. Vidmar Seth V. Bingham Timothy R. Briggs Rudolph Lucero Deborah A. Solove Gary L. Gordon Lawrence R. White Virginia Anderman Marte D. Lightstone J. Scott Hall Thomas R. Mack Thomas M. Domme Ruth O. Pregenzer James J. Widland Bradley D. Tepper Robin A. Goble James R. Wood Dana M. Kyle Kirk R. Allen Ruth Fuess H. Brook Laskey Paula G. Maynes M. Dylan O'Reilly Jennifer D. Hall Todd A. Schwarz Nell Graham Sale Scott P. Hatcher

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Of Counsel
William K. Stratvert
James B. Collins
Sharon P. Gross
Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300 Santa Fe, NM 87501

Mailing Address: P.O. Box 1986 Santa Fe, NM 87504-1986

Telephone: (505) 989-9614 Facsimile: (505) 989-9857

September 18, 2007

Mr. Mark Fesmire, Director New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe. New Mexico 87504

Re:

Request for Administrative Approval of Unorthodox Well Location

David H. Arrington Oil and Gas, Inc.

BV Culp NCT A Com Well No. 1; API No. [pending]

Eumont Gas Pool

1154' FSL and 1968' FEL

Section 19 SW/SE (Unit "O") T19S R37E, NMPM, Lea County, New Mexico

Dear Mr. Fesmire:

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A PROFESSIONAL ASSOCIATION

Mr. Mark Fesmire September 18, 2007 Page 2

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Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Sincerely

J. Scott Hall

1. I wurdell

JSH/kfh Enclosure

Cc: Debbie Freeman, David H. Arrington Oil and Gas, Inc. w/encl.

P:\Clients\9700\39829\correspondence\NLS application to Fesmire 9-18-07.doc

VICINITY MAP 3659 Humble City Buckeye 0 00 5 Plant Crossfoads Intercontinental 3707 8 993 ells 7 Oil Towers 6 Substation . 3858 3900 Substation HOBB\$ 3860 loit Fie Les County (180) Windmill 9 * Planf Gas 3765 Oil and Gas Field [6Z] (18 (8) 3850 1180 Pump station Pump station Oil and Gas Field o Golf Field Windmilk 3585 3730 Windmill 0 Refinery pump station; Plant Kornegay Siding Oil and 0 Windmill o 3569 01 0 Windmill OII Field dminb 3531 3580 Windmitt 3680 .3687 Plant Oil Field 35 E 34 € I wells Jones City dimbniw. Numerous sinkholes Dil Field · Oil camp Eunice 7 19-5 RGE _ TWP _ NEW MEXICO PRINCIPAL MERIDIAN SECTION -SURVEY . - STATE -1154' FSL & 1968' FEL COUNTY-DESCRIPTION DAVID H. ARRINGTON OIL & GAS BV CULP 15A #1 OPERATOR -DISTANCE & DIRECTION FROM THE JUNCTION OF HIGHWAY 82 LEASE -& COUNTY ROAD 8 (SANTA RD.) 17 MILES WEST OF ARTESIA,

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mopping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plot and notify us immediately of any possible discrepancy.

1307 N. HOBART PAMPA, TX. 79065 (800) 658-6382

LOCATION.

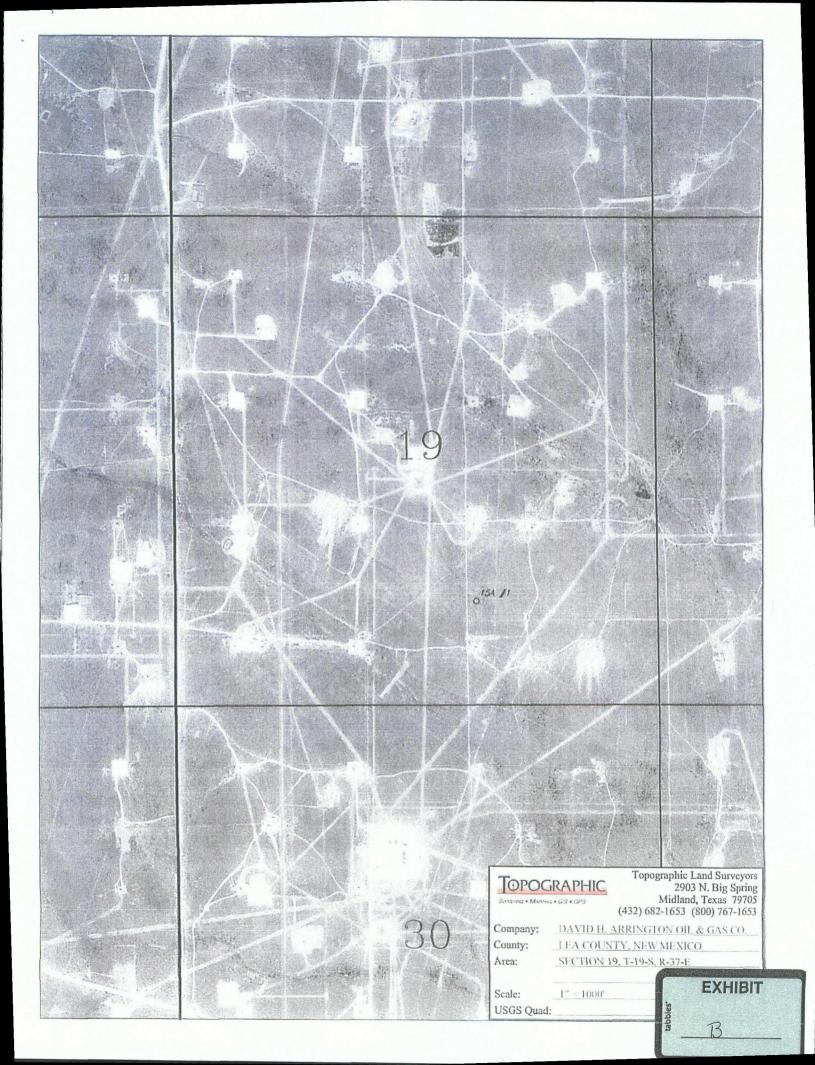
GO SOUTH 2.0 MILESD ON CO. RD. 8, THENCE EAST 1.4

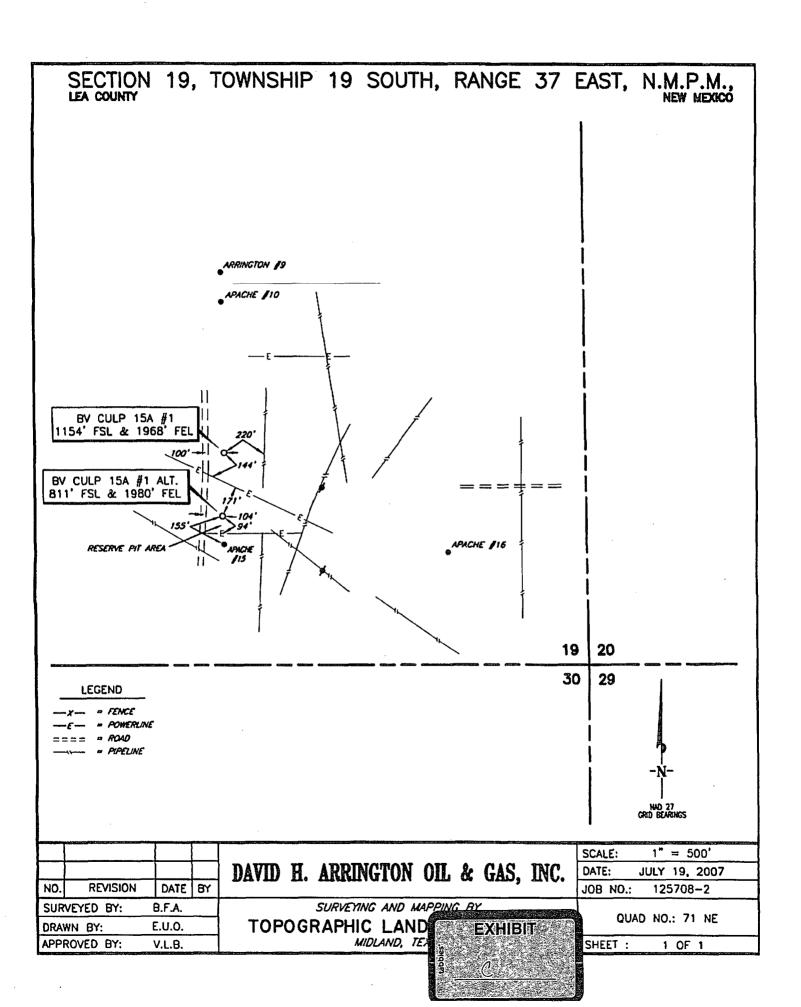
MILES ON LEASE ROAD TO A POINT ±1575' SOUTH OF

6709 N. CLASSEN BLVD. OKLAHOMA CITY, OK. 73116 (800) 654-3219

2903 N. BIG SPRING MIDLAND, TX. 79 (800) 767-165







Entered Deplemen 11,1159

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

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ORDER OF THE COMMISSION

BY THE COMMISSION:

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NOW, on this <u>14th</u> day of September, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises.

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Gulf Oil Corporation, is the operator of the N/2 and the SE/4 of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, and is the owner and operator of the B. V. Culp "A" Well No. 3, located in the SE/4 NW/4 of said Section 19.
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-2-Case No. 1683 Order No. R-1487

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-3-Case No. 1683 Order No. R-1487

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- (5) That Administrative Order NSP-256 shall be cancelled as of the effective date of this order.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

lcr/

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 State of New Mexico

Form C-102 Revised August 15, 2000

DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Submit to Appropriate District Office

OIL CONSERVATION DIVISION

State Lease - 4 copies Fee Lease - 3 copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

Dedicated Acres

480

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

DISTRICT IV

¹³ Jöint o**r** Infill

Consolidation Code

1220 S. St. Fr	ancis Dr.,	Santa Fe, NM 8	7505					AMENDEI	REPORT
	Sandaffice committee of the contraction of the cont	WE	LL LOCATION	AND A	CREAGE	DEDICATIO	N PLAT		
30-0	API Numbe	r .	Pool Code 7 440	ناج	imont;	lates -	Rivers	- Quee	2 M
⁴ Property	Code			•	ILP NCT				
70GRII 589	8 V		DAVID H. AI	S Operator Name PREINGTON OIL & GAS, INC. S658					
			10	Surface	Location				
UL or lot no. O	Section 19	Township 19 SOUTH	Range 37 EAST, N.M.P.M.	Lot Idn	Feet from the	North/South line SOUTH	Feet from the 1968'	East/West line EAST	County LEA
*		<u>.</u>	ir Bottom Hole Lo	cation I	Different Fi	om Surface			
DL or lot no.	Section	Township.	Range	. Let:Idn	Feet.from the	North/South line:	Feet from the	East/West line	County

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

¹⁵ Order No.

