

12/11/07 DATE IN	SUSPENSE	Brooks ENGINEER	12/11/07 LOGGED IN	NSL TYPE 1 6738	PKR0734582160 APP NO.
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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



Texland Petroleum-Habbs
State 1-29 #5

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
- [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.

Vickie Smith	<u>Vickie Smith</u>	Regulatory Analyst	11/28/07
Print or Type Name	Signature	Title	Date

e-mail Address

TEXLAND PETROLEUM, L.P.
EXPLORATION AND PRODUCTION
777 MAIN STREET, SUITE 3200
FORT WORTH, TEXAS 76102

(B 17) 336-2751

RECEIVED
2007 DEC 11 PM 1 58

December 6, 2007

Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: State 1-29 #5
Sec. 29, T18S, R38E
Lea County, New Mexico

Dear Mr. Jones;

Please find enclosed two copies each of an Administrative Application and attachments for a non-standard location for the above captioned well.

If you have any questions or need further information, please do not hesitate to give me a call.

Sincerely,

Vickie Smith

Vickie Smith
Production Analyst

*Special Rules: L-gas
Hobbs - Drinkard*

*8/14/69
R-3811
Core 4173*

*Rule 4: within 150' of center of each Q.Q.
Rule 5: = preceptum*

TEXLAND PETROLEUM, L.P.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

(817) 336-2751

November 26, 2007

FAXED: 505-476-3462

Mr. William Jones, Engineer
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Texland Petroleum-Hobbs, LLC, for administrative approval of an Unorthodox well location for its State 1-29 #5, **to re-open existing perfs** in the Drinkard formation at a surface location 330 feet from the South line and 2218 feet from the East line of Sec. 29, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Jones:

Texland Petroleum-Hobbs, LLC ("Texland") hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2)-(4), of an unorthodox well location as a Hobbs Drinkard, for its State 1-29 #5 located 330 feet from the South line and 2218 feet from the East line of Section 29 (Unit O), Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

This proposed location in the Drinkard formation is unorthodox because it is governed by state wide rules which provides for wells on 80-acre spacing units to be located within 150' of center of the boundary of the spacing unit. The proposed unorthodox well location is approx 180 feet of the south line and 272' of the west from within 150' of the center boundary of the proposed spacing unit. A standard lay-down 80-acre spacing and proration unit comprised of the S/2 SE/4 of Section 29 will be dedicated to the well.

The non-standard location is required due to the state wide pool rules for the Hobbs, Drinkard formation. This well was originally drilled and completed in the Blinebry and Drinkard formations in 1969. Application for a duel completion was approved under Administrative Order No. MC-1876 on Aug 13, 1969. See **Exhibit "A"**. The "Hobbs" Pool in the Drinkard formation states this well is now considered a non-standard location.

SQZ Blinebry & Drinkard
Recap later in Drinkard

6648-6930

30-825-23173

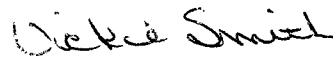
Exhibit "B" is a plat that shows the subject area, the 40-acre proposed spacing unit, the proposed unorthodox well location and the offsetting spacing unit, comprised of the S/2 SE/4 of Section 29.

Exhibit "C" is the C-102 filed for the well that shows the surveyed location of the well.

Exhibit "D" is a list of affected parties. As required by Rule 1210 (A) (2), a copy of this application (with attachments) has been sent to those listed on Exhibit D in accordance with Rule 1207 (A) (2) and they have been advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent. Waivers have been signed by the companies involved. Copies of the Waivers are attached for your review.

Your attention to this application is appreciated.

Sincerely,



Vickie Smith
Regulatory Analyst

Enclosures

cc: OCD/Hobbs District 1

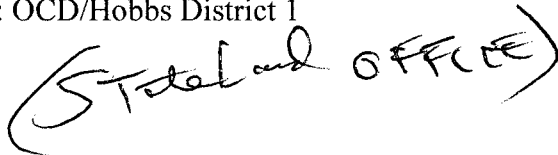


EXHIBIT "A"

SEP 2 8 18 PM '69
THE APPLICATION OF STANDARD OIL COMPANY
OF TEXAS FOR A DUAL COMPLETION.

ORDER NO. MC-1876

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION**

Under the provisions of Rule 112-A, Standard Oil Company made application to the New Mexico Oil Conservation Commission on August 4, 1969, for permission to dually complete its State 1 Well No. 5 located in Unit O of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Hobbs-Blinbry Pool and the Hobbs-Drinkard Pool.

Now, on this 13th day of August, 1969, the Secretary-Director finds:

- (1) That application has been duly filed under the provisions of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That waivers of objection have been received from offsetting operators and the waiting period as prescribed by said rule may be dispensed with at this time.
- (4) That the proposed dual completion will not cause waste nor impair correlative rights.
- (5) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Standard Oil Company, be and the same is hereby authorized to dually complete its State 1 Well No. 5 located in Unit O of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Hobbs-Blinbry Pool and the Hobbs-Drinkard Pool, through parallel strings of tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual GOR Test Period for the Hobbs-Drinkard Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A. L. PORTER, Jr.,
Secretary-Director

SEAL

● 1
● 2
29

80 ACRES
40 ACRES



CONOCO PHILLIPS
DRINKARD RIGHTS

APACHE; DRINKARD RIGHTS

● 5

28

● 7

● 6

● 33

● 8

● 30

● 12

32

TEXLAND PETROLEUM

STATE 1-29 #5

EXHIBIT "B"

29 - 18S - 38E

LEE CO., N.M.

November 27, 2007

NE MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-120
Effective 1-1-65

EXHIBIT "C"

All distances must be from the outer boundaries of the Section.

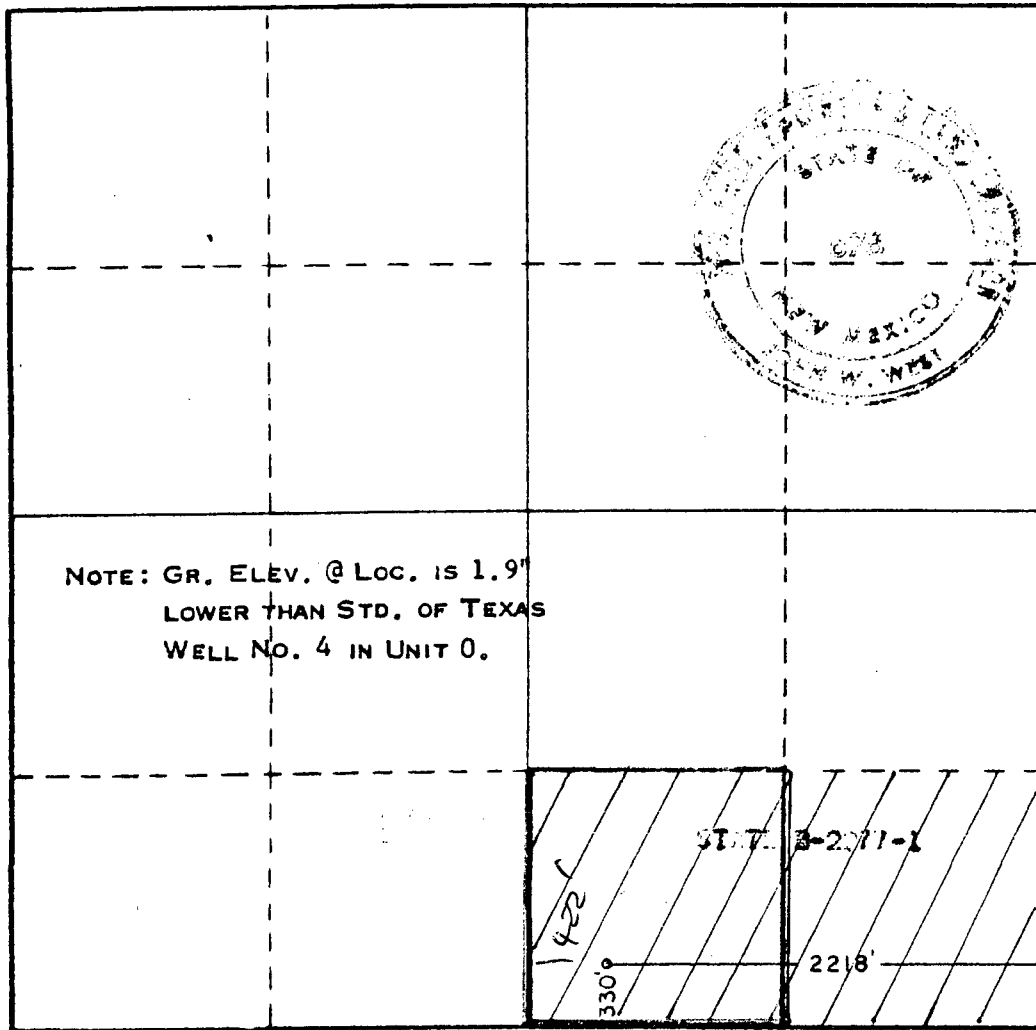
Operator Texland Petroleum-Hobbs, LLC		Lease STATE 1-29		Well No. 5
Unit Letter O	Section 29	Township 18 SOUTH	Range 38 EAST	County LEA
Actual Footage Location of Well: 2218 feet from the EAST line and 330 feet from the SOUTH line				
Ground Level Elev. 3646	Producing Formation Drinkard	Pool Hobbs	Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Vickie Smith
Name
Vickie Smith
Position
Regulatory Analyst
Company
Texland Petroleum-Hobbs LLC
Date
11/21/07

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 knowledge and belief.

Date Surveyed
MAY 22, 1969
Registered Professional Engineer
and/or Land Surveyor

John W West
Certificate No. 278

EXHIBIT D
to
APPLICATION FOR UNORTHODOX WELL LOCATION
TEXLAND'S STATE 1-29 #5
SW/4 SE/4 SECTION 29, T18S R38E
LEA COUNTY, NEW MEXICO

Texland Petroleum L.P. (Texland) has applied for a permit to drill a Drinkard test well on the following unorthodox location in the SW/4 SE/4 Section 29, T18S R38E, Lea County, New Mexico:

330 feet from the south line Section 29
2218 feet from the east line Section 29

Leasehold rights in the Drinkard Formation in the west and south offset tracts are owned by

ConocoPhillips
P. O. Box 2197
Houston, Texas 77252

Apache Corporation
2000 Post Oak Blvd,
Suite 100
Houston, Texas 77056

who have been notified of Texland's application for this unorthodox location.

Attachement to EXHIBIT "D":
pg 1 of 2

TEXLAND PETROLEUM, L.P.
EXPLORATION AND PRODUCTION
777 MAIN STREET, SUITE 3600
FORT WORTH, TEXAS 76102

(817) 336-2751

December 3, 2007

Mr. Tom Scarborough
ConocoPhillips Company
P. O. Box 2197
Houston, Texas 77252

FAX: 832-486-2674

Re: Request for Waiver of Non-Standard
Well Location in Drinkard Formation
Texland's State 1-29 #5 Well
330' FSL and 2218' FEL
Sec. 29, T18S R38E
Lea County, New Mexico

Dear Mr. Scarborough:

Texland has made application to the New Mexico OCD for a permit to re-complete an existing Blinbry well (our State 1-29 #5) in the Drinkard Formation. Texland has been advised that since this existing well is not located in the exact center of its proration unit, the application is considered unorthodox.

In order to have the application approved administratively, Texland needs to provide the New Mexico OCD with location waivers from the offset leasehold owners. Accordingly, Texland requests ConocoPhillips' waiver of objection to our Drinkard Formation re-completion of the State 1-29 #5 well. Texland agrees to grant a location waiver, if requested by ConocoPhillips, for a future Drinkard well ConocoPhillips desires to drill on its leasehold in the SE/4 SW/4 Section 29, T18W R38E, Lea County, New Mexico, up to but no closer than 330 feet from our common lease boundary.

ConocoPhillips Company
If ~~Texland~~ is in agreement with the above, please execute and return one original of this letter. If you have any questions regarding this matter, please call.

Yours truly,



W. Frank Pendleton
Manager, Land and Legal

AGREED TO AND ACCEPTED this 4th day of December, 2007.

CONOCO PHILLIPS COMPANY

Tom Scarborough
By: *Staff Landman*

WFP/mn

minK:\MyFiles\2007\12-03-07\conocophillips-waiver-state 1-29 #5.wpd

TEXLAND PETROLEUM, L.P.
EXPLORATION AND PRODUCTION
777 MAIN STREET, SUITE 3200
FORT WORTH, TEXAS 76102

(817) 336-2751

November 29, 2007

RECEIVED

DEC 03 2007

TULSA
LAND DEPT.

Ms. Michelle Hansen
Apache Corporation
6102 South Yale, Suite 1500
Tulsa, Oklahoma 74136

FAX 918-491-4854

Re: Request for Waiver of Non-Standard
Well Location in Drinkard Formation
Texland's State 1-29 #5 Well
330' FSL and 2218' FEL
Sec. 29, T18S R38E
Lea County, New Mexico

Dear Ms. Hansen:

Texland has made application to the New Mexico OCD for a permit to re-complete an existing Blinebry well (our State 1-29 #5) in the Drinkard Formation. Texland has been advised that since this existing well is not located in the exact center of its proration unit, the application is considered unorthodox.

In order to have the application approved administratively, Texland needs to provide the New Mexico OCD with location waivers from Apache as the offset leasehold owner. Accordingly, Texland requests Apache's waiver of objection to our Drinkard Formation re-completion of the State 1-29 #5 well. In consideration for granting this waiver Texland agrees to grant a location waiver, if requested by Apache, for a future well Apache desires to drill on its leasehold in the N/2 NE/4 Section 32, T18W R38E, Lea County, New Mexico, up to but no closer than 330 feet from our common lease boundary.

If Apache is in agreement with the above, please execute and return one original of this letter. If you have any questions regarding this matter, please call.

Yours truly,



W. Frank Pendleton
Manager, Land and Legal

AGREED TO AND ACCEPTED this 3rd day of December, 2007.

APACHE CORPORATION

By: John Swain
Land Mgr. *JS*

WFP/mn

mfnK:\MyFiles-2007\11-45-07apache-waiver-state 1-29 #5 wpd