

3/20/08 DATE IN	SUSPENSE	BROOKS ENGINEER	3/25/08 LOGGED IN	NSL TYPE	PKVR0808538521 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



Chevron USA INC  
 Brunson ARGO  
 5812 #28

**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.

Casey R. Mobley  
 Print or Type Name

Signature

Project Manager / Geologist  
 Title

03/10/2008  
 Date

Casey.Mobley@chevron.com  
 e-mail Address

RECEIVED  
 2008 MAR 20 PM 2:04



Casey R. Mobley  
Project Manager / Geologist

RECEIVED

2008 MAR 20 PM 2:04

North America Upstream  
Midcontinent Business Unit  
11111 S. Wilcrest, Rm S1037  
Houston, Texas 77099  
Tel (281) 561-4830  
Fax (281) 561-3576  
Casey.Mobley@chevron.com

March 10, 2008

Request for Administrative Approval of  
Unorthodox Oil Well Location

Mr. Mark E. Fesmire  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Chevron respectfully requests administrative approval of an unorthodox oil well location for the following well:

**Brunson Argo #28**  
1310' FNL & 970' FEL, NW/4 NW/4 of  
Section 10, T22S, R37E, Unit Letter H  
Lea County, New Mexico

The proposed well will be an infill producer in the Penrose Skelly, Grayburg Pool [Pool Code 50350], which is an oil pool spaced on 40 acres. This well is a continuation of our 5 year infill drilling in the same Pool. Chevron's technical analysis of the reservoir still supports the contention that typical Grayburg wells cannot drain 40 acres.

The NW/4 NW/4 of Section 10 will be simultaneously dedicated in the Penrose Skelly, Grayburg Pool to the proposed well and to the Brunson Argo #3 well pursuant to statewide Rule 104.B(1). The Brunson Argo #3 well was drilled in 1939 and was completed as a Penrose Skelly, Grayburg producer.

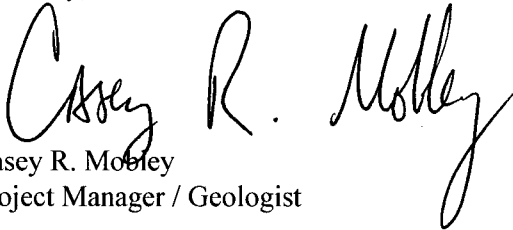
This application is based on geological and engineering analysis. The analysis and justification for this request is attached as Exhibit 1, along with other supporting documentation. There are four wells that have produced the Grayburg formation in the NW/4 of Section 10. The proposed well will be located in the approximate western center point of those wells. Based on drainage calculations, Chevron believes that drilling the infill well will recover reserves that would not be recovered by existing Grayburg producers.

A land plat highlighting the proposed well's location is attached as Exhibit 2. The NW/4 of Section 10 is covered by two fee leases and has common royalty and working interest ownership in depths between 3600 feet and 3900 feet. For that reason and the proposed location of the infill well, there are no adversely affected interest owners and no one has been notified of this application.

March 10, 2008  
Page 2

If you have any questions concerning this application or need additional information, please contact me by phone at (281) 561-4830 or by email at [Casey.Mobley@chevron.com](mailto:Casey.Mobley@chevron.com). If I am not available, you can also reach Meilin Du by phone at (281) 561-3564 or by email at [meilin.du@chevron.com](mailto:meilin.du@chevron.com). Thank you for consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "Casey R. Mobley". The signature is written in a cursive, flowing style.

Casey R. Mobley  
Project Manager / Geologist

Attachments

cc: NMOCD District 1 – Hobbs, NM  
Casey R. Mobley  
Meilin Du  
Ed Van Reet  
Well File

## **NOTIFICATION LIST**

Application of Chevron U.S.A. Inc. for Administrative Approval of an Unorthodox Oil Well Location:

**Brunson Argo #28**

1310' FNL & 970' FWL, SE/4 NW/4 of  
Section 10, T22S, R37E, Unit Letter D  
Lea County, New Mexico

**Offset Operators, Working Interest Owners, NW/4 Section 10:**

- |    |                                                               |                  |
|----|---------------------------------------------------------------|------------------|
| 1. | Chevron U.S.A. Inc.<br>11111 S. Wilcrest<br>Houston, TX 77099 | Operator/100% WI |
|----|---------------------------------------------------------------|------------------|

## EXHIBIT 1

### ENGINEERING AND GEOLOGICAL JUSTIFICATION

Application of Chevron U.S.A. Inc. for Administrative Approval of an Unorthodox Oil Well Location:

#### **Brunson Argo #28**

1310' FNL & 970' FWL, SE/4 NW/4 of  
Section 10, T22S, R37E, Unit Letter D  
Lea County, New Mexico

#### **PRIMARY OBJECTIVE: GRAYBURG**

#### **SUPPORTING DATA:**

1. Chevron U.S.A. Inc. (Chevron) is the operator of the proposed Brunson Argo #28 well (Exhibit 3). The proposed total depth is 4300' in the top of the San Andres formation.
2. The completion will be in the Penrose Skelly, Grayburg Oil Pool and the proposed location encroaches toward the following wells (Exhibit 4).

Operator	API #	Well Name	Location	Formation	Cum Prod		Current Prod		Status
					BO	MCF	BOPD	MCFPD	
BEC	30025101700000	Brunson Argo B #3	10D 22S 37E	Grayburg	144502	838863	2	16	Oil
BEC	30025101720000	Brunson Argo B #4	10C 22S 37E	Grayburg	109653	695901	1	14	Oil
Mobil	30025101730000	Brunson Argo #5	10F 22S 37E	Grayburg	36680	-	-	-	InactiveOil
Mobil	30025101740000	Brunson Argo #6	10E 22S 37E	Grayburg	37625	-	-	-	InactiveOil

3. The proposed Brunson Argo #28 unorthodox Grayburg location is based primarily on drainage considerations:
  - a. Grayburg Reservoir

The Grayburg is a series of alternating subtidal and supratidal dolomites with the subtidal rock having porosity and hydrocarbons while the supratidal rock is tight. The Grayburg depositional environments varied rapidly so that many porous and tight intervals are not continuous from well to well on 40-acre spacing. Tight dolomite and/or anhydrite intervals within the Grayburg create vertical and horizontal flow barriers between different zones of porosity. Additionally, average porosity of the Grayburg is less than 10%, and the average permeability is less than 1 millidarcy. For all of these reasons, Grayburg wells are not usually capable of draining a 40-acre proration unit.

The reservoir was also analyzed by mapping the Hydrocarbon Pore Volume (HCPV) (Exhibit 5). HCPV is the product of feet of net pay (h)

times average porosity ( $\phi$ ) times oil saturation ( $S_o$ ). The attached map is the arithmetic product of grids interpreted from those values. The values were obtained as follows:

1. Net pay was read from either modern neutron-density logs or estimated from a map developed from gross pay times net-to-gross ratio (Exhibit 4).
2. Average porosity was calculated from modern well logs using a minimum of 6% crossplot porosity and a maximum of 20%.
3. Oil saturation was calculated from a fractional flow curve using representative water cut values.

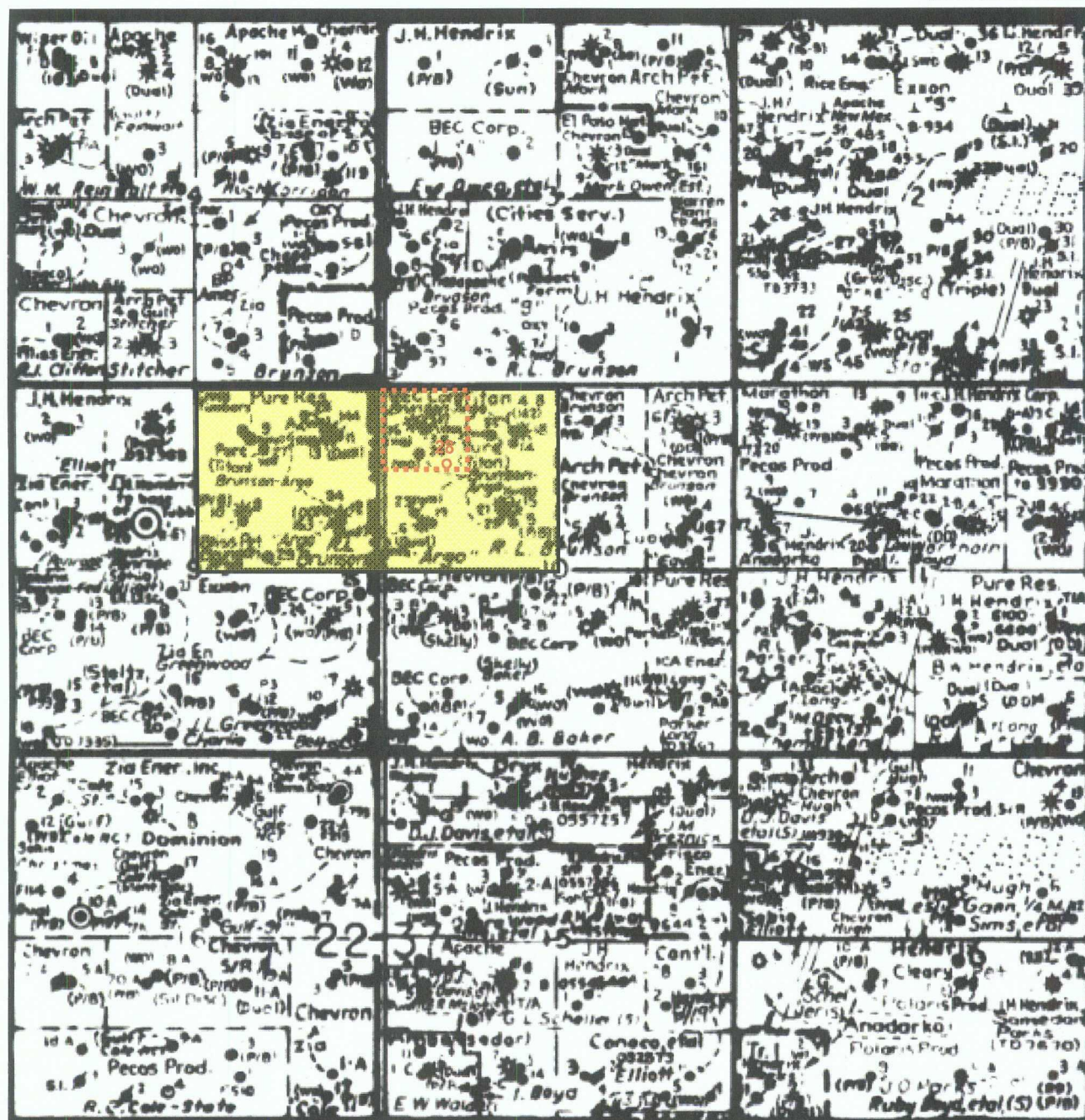
The following table provides drainage areas calculated from the HCPV map and reserves of the offsetting wells.

Operator	Well Name	API #	Location	Formation	Drainage Acres	EUR	
						MBO	MMCF
BEC	Brunson Argo B #3	30025101700000	10D 22S 37E	Grayburg	14	146	839
BEC	Brunson Argo B #4	30025101720000	10C 22S 37E	Grayburg	10	111	696
Mobil	Brunson Argo #5	30025101730000	10F 22S 37E	Grayburg	3	37	-
Mobil	Brunson Argo #6	30025101740000	10E 22S 37E	Grayburg	3	38	-

As seen above, the average drainage area of the offsetting locations is only 8 acres, and additional reserves can be recovered by drilling the proposed infill well at an approximate equidistant location from the existing offsetting producers. Reserves for the proposed location were calculated using a calculated average HCPV, an average drainage area of 8 acres, and a 15% recovery factor. The results are as follows:

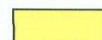
Operator	Well	Location	HCPV	Drainage Acres	EUR	
					MBO	MMCF
Chevron	Brunson Argo #28	10-D	12.3	8	83	498

4. The NW/4 of Section 10 is covered by two fee leases and has common royalty and working interest ownership in depths between 3600 feet and 3900 feet. For that reason and the proposed location of the infill well, there are no adversely affected interest owners and no one has been notified of this application.
5. The proposed Brunson Argo #28 will share a 40-acre proration unit and will be simultaneously dedicated with the Brunson Argo B #3 well as a Penrose Skelly, Grayburg producer in Section 10, Unit Letter D pursuant to statewide Rule 104.B(1).
6. Approval of this application will allow for the recovery of oil and gas reserves which would not otherwise be recovered.



## Chevron USA Inc.

Brunson Argo #28 (proposed)  
1310 FNL & 970 FWL, Unit D  
Section 10, T22S-R37E  
Lea County, New Mexico



Brunson Argo Lease



40 Acre Proration Unit

Scale: 1"=2000' Approx.

## DISTRICT I

1625 N. FRENCH DR., ROBBES, NM 88240

## DISTRICT II

1301 W. GRAND AVENUE, 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 and Natural Resources Department

## OIL CONSERVATION DIVISION

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name BRUNSON ARGO		Well Number 28
OGRID No.	Operator Name CHEVRON USA INC.		Elevation 3408'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	22-S	37-E		1310	NORTH	970	WEST	LEA

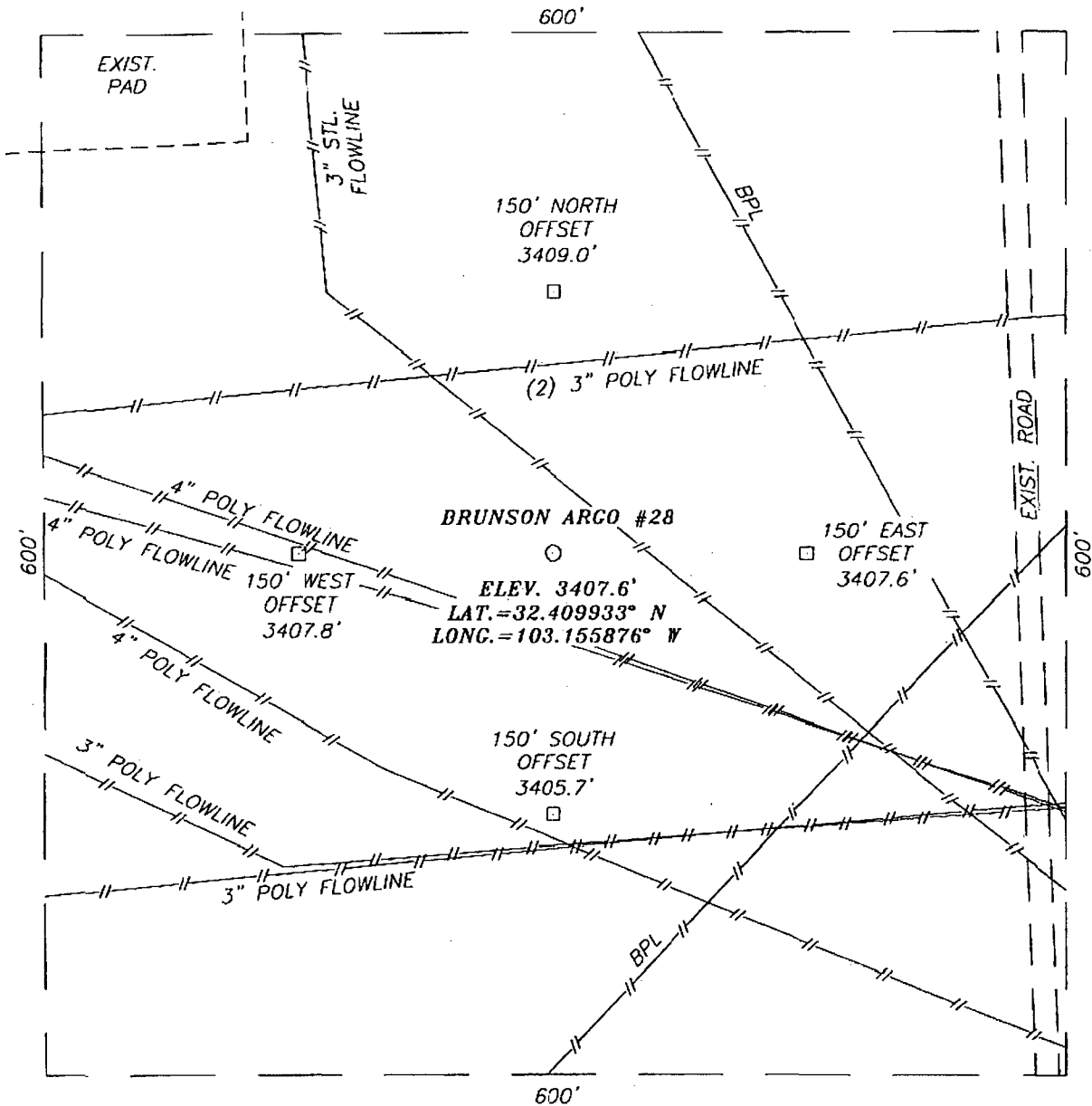
## Bottom Hole Location If Different From Surface

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

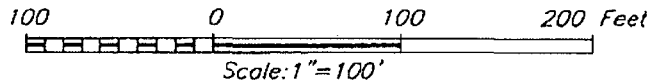
	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=514849.3 N X=863383.3 E</p> <p>LAT.=32.409933° N LONG.=103.155876° W</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either 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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p>		<p>DECEMBER 6 2007</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p><i>Ronald J. Eidson</i> 12/14/07</p> <p>07.11.1802</p>
	<p>Certificate No. GARY EIDSON 12641</p> <p>RONALD J. EIDSON 3239</p>		

SECTION 10, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #176 AND  
CO. RD. #207 GO SOUTH APPROX. 1.7 MILES.  
TURN LEFT AND GO EAST APPROX. 0.2 MILES.  
TURN RIGHT AND GO SOUTH APPROX. 0.1 MILE.  
THIS LOCATION IS APPROX. 250 FEET WEST.



CHEVRON USA INC.

BRUNSON ARGO #28  
LOCATED 1310 FEET FROM THE NORTH LINE  
AND 970 FEET FROM THE WEST LINE OF SECTION 10,  
TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

Survey Date: 12/6/07

Sheet 1 of 1 Sheets

W.O. Number: 07.11.1802

Dr By: LA

Rev 1:N/A

Date: 12/13/07

07111802

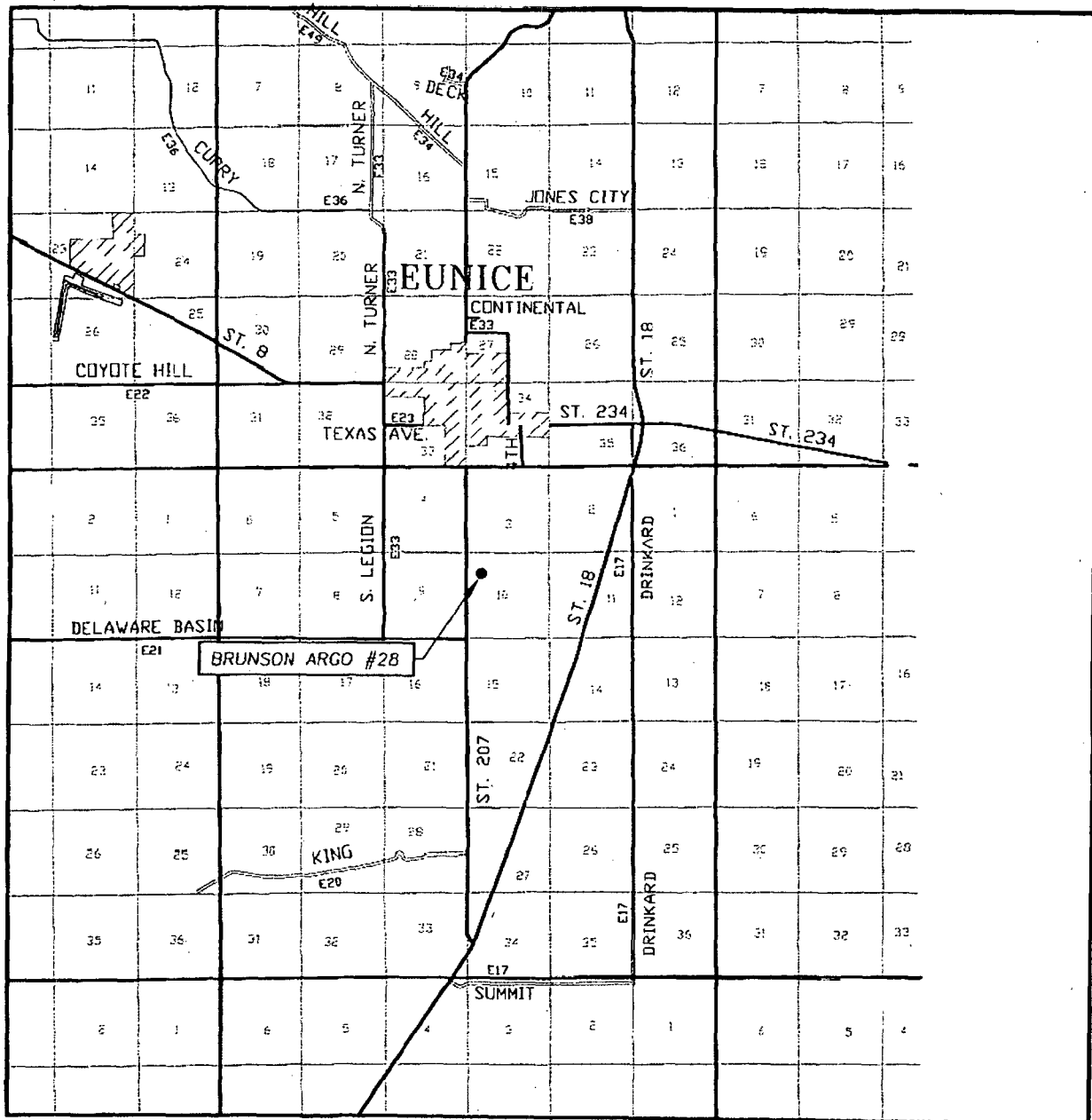
Scale: 1" = 100'



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

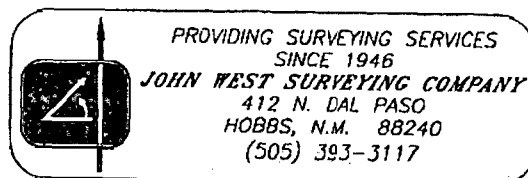
Survey Date: 12/6/07		Sheet 1 of 1 Sheets	
W.O. Number: 07.11.1802		Dr By: LA	Rev 1:N/A
Date: 12/13/07		07111802	Scale: 1"=100'

# VICINITY MAP

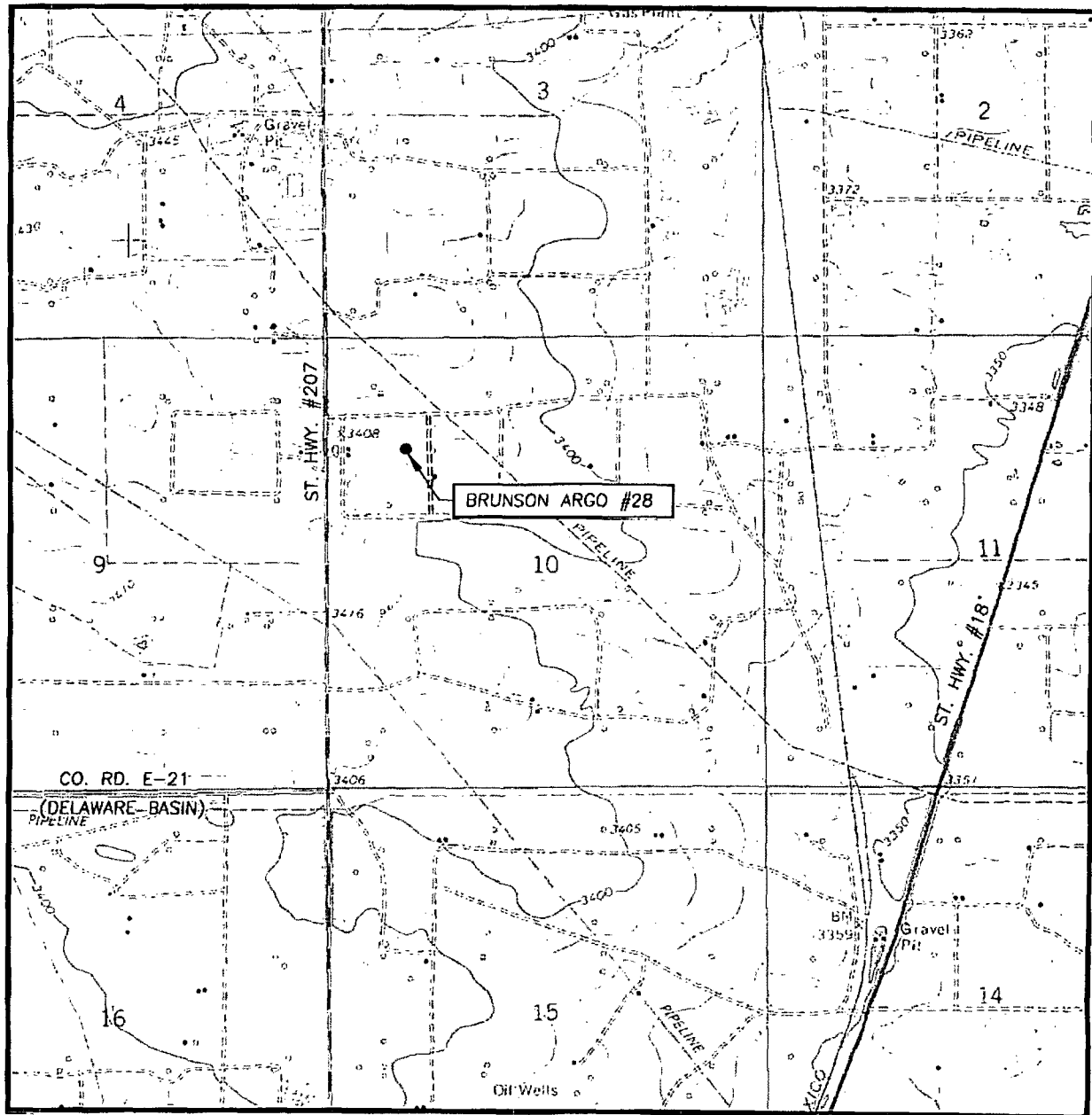


SCALE: 1" = 2 MILES

SEC. 10 TWP. 22-S RGE. 37-E  
 SURVEY \_\_\_\_\_ N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 1310' FNL & 970' FWL  
 ELEVATION 3408'  
 OPERATOR CHEVRON USA INC.  
 LEASE BRUNSON ARGO



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
EUNICE, N.M. - 10'

SEC. 10 TWP. 22-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

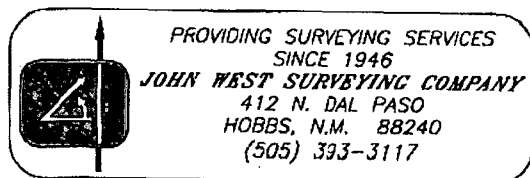
DESCRIPTION 1310' FNL & 970' FWL

ELEVATION 3408'

OPERATOR CHEVRON USA INC.

LEASE BRUNSON ARGO

U.S.G.S. TOPOGRAPHIC MAP  
EUNICE, N.M.



**District I**  
1625 N. French Dr., Hobbs, NM 88240

**State of New Mexico**  
Energy, Minerals & Natural Resources Department

**Form C-102**  
Revised June 10, 2003

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**OIL CONSERVATION DIVISION**

Submit to Appropriate District Office

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410

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

**Exhibit 3.1**

**District IV**  
1220 South St. Francis Dr., Santa Fe, NM  
87505

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code 50350	<sup>3</sup> Pool Name Penrose Skelly; Grayburg
<sup>4</sup> Property Code	<sup>5</sup> Property Name Brunson Argo	<sup>6</sup> Well Number 28
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name Chevron U.S.A., Inc.	<sup>9</sup> Elevation 3408'

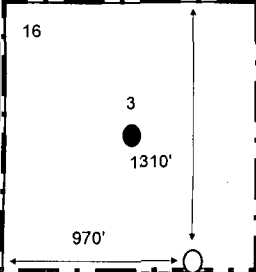
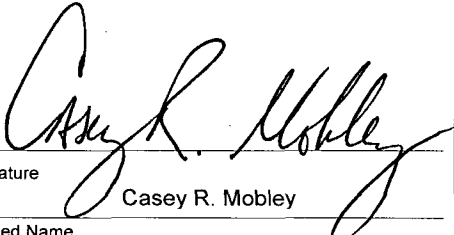
<sup>10</sup> Surface Location

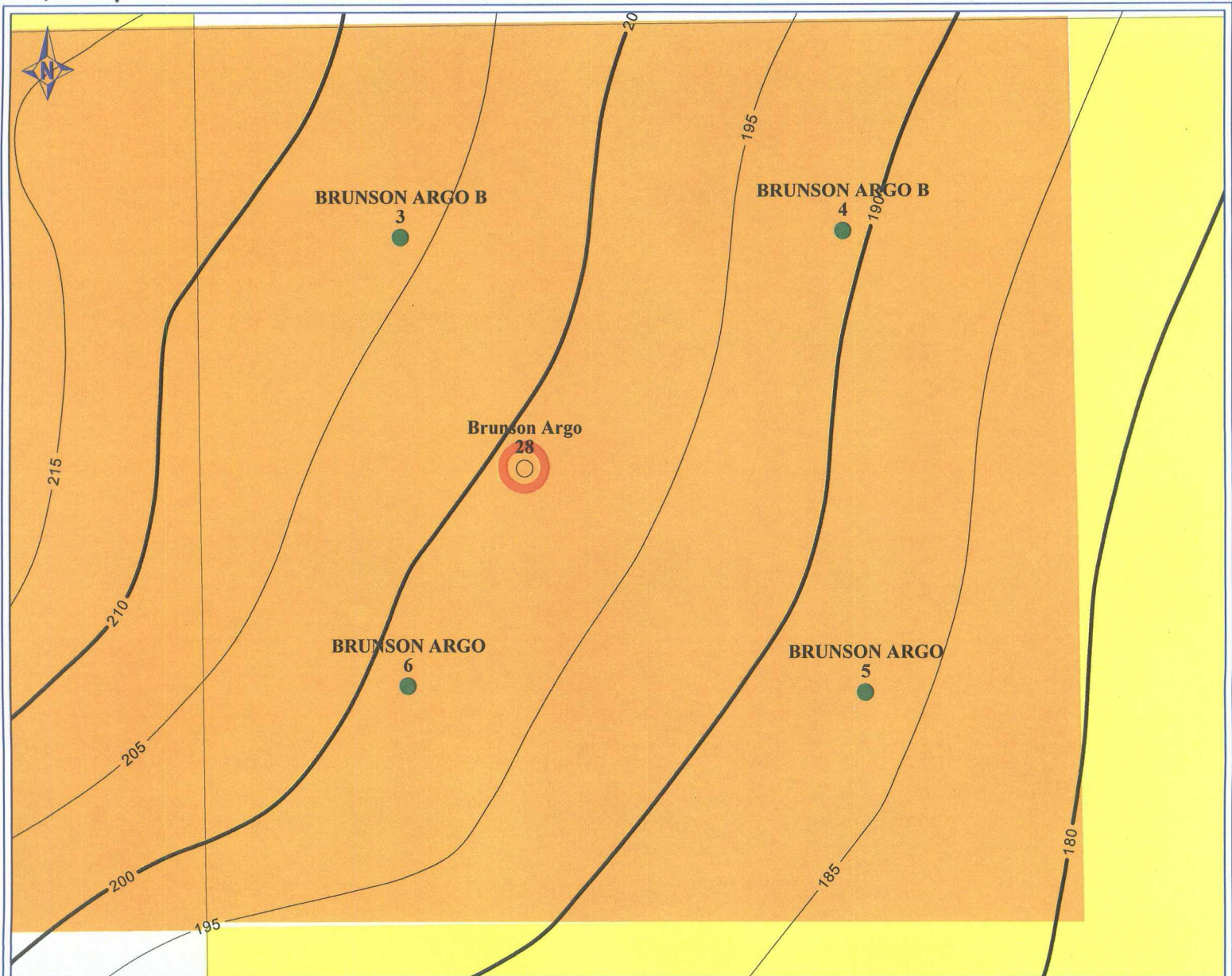
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	22S	37E		1310	North	970	West	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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**

<div><p><sup>16</sup></p></div>				<div><p><sup>17</sup></p><p><b>OPERATOR CERTIFICATION</b></p><p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p><p>Signature _____</p><p>Casey R. Mobley</p><p>Printed Name _____</p><p>Geologist</p><p>Title _____</p><p>March 10, 2008</p></div>
<div><p><sup>18</sup></p><p><b>SURVEYOR CERTIFICATION</b></p><p><i>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.</i></p><p>Signature and Seal of Professional Surveyor: _____</p><p>Certificate Number _____</p></div>				



PETRA 3/10/2008 8:10:04 AM



**Chevron U.S.A. Inc.**

## EXHIBIT 4

PENROSE-SKELLY FIELD BRUNSON ARGO #28

Sec 10, T22S-R37E, Lea Co., New Mexico

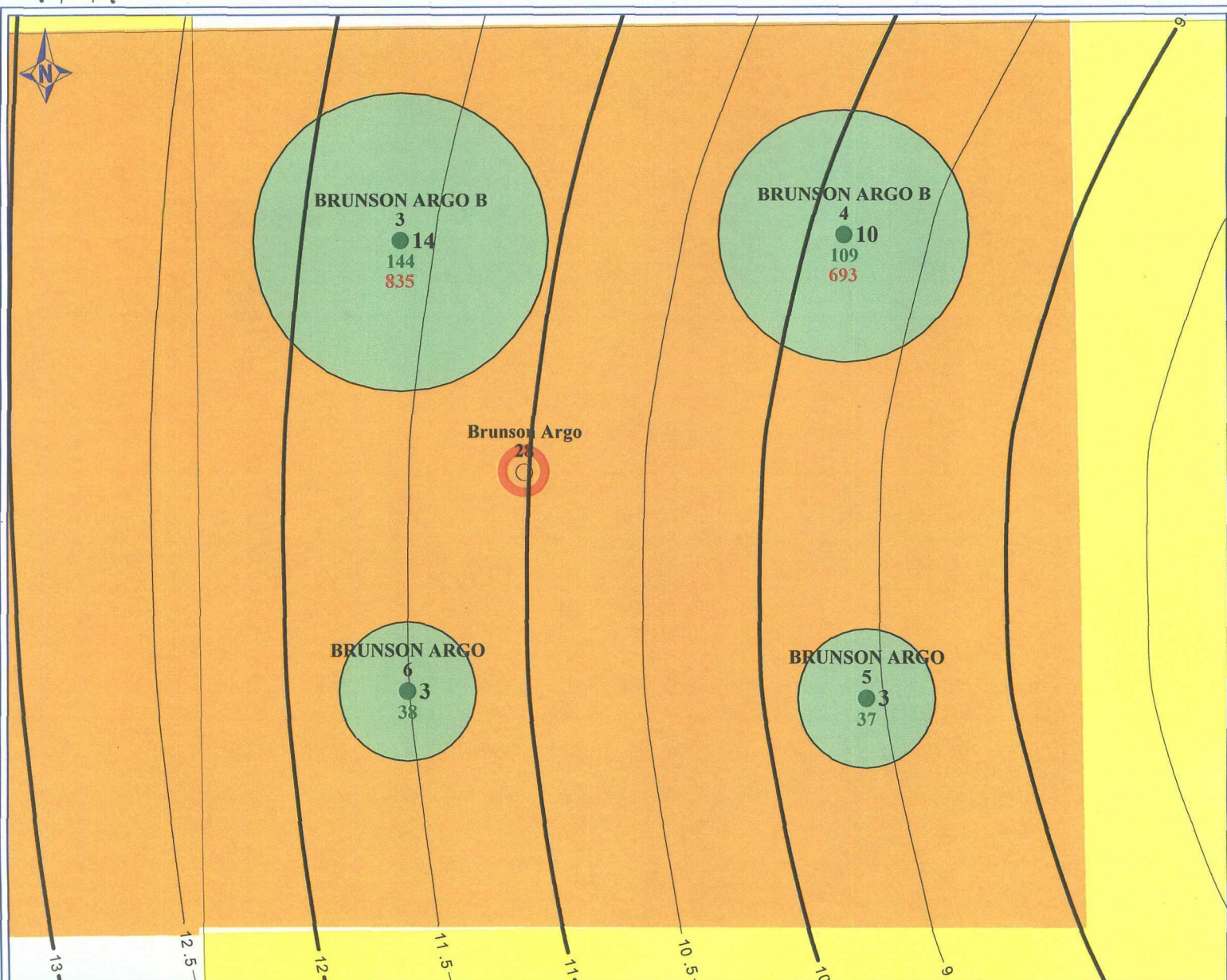
Grayburg Net Pay CI=5' [GR<40, Por>6%]

### POSTED WELL DATA

Well Name  
Well Number



March 10, 2008



PETRA 3/10/2008 8:08:11 AM



**Chevron U.S.A. Inc.**

## EXHIBIT 5

PENROSE-SKELLY FIELD BRUNSON ARGO #28

Sec 10, T22S-R37E, Lea Co., New Mexico

Grayburg HCPV CI=0.5 & EUR - Drainage

### POSTED WELL DATA

Well Name  
Well Number

● GRBG Drained Area

Grayburg Cum Oil Prod (MBO)  
Grayburg Cum Gas Prod (MMCF)  
Grayburg Cum Water Prod (MBO)



March 10, 2008

**Well File Search - Select API Number to View**

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected.

The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

4 Records Found

Displaying Screen 1 of 1

- | API Number                                 | ULSTR         | Footages          |
|--------------------------------------------|---------------|-------------------|
| <input type="radio"/> 3002510170           | D -10-22S-37E | 660 FNL & 660 FWL |
| Well Name & Number: BRUNSON ARGO B No. 003 |               |                   |
| Operator: BEC CORP                         |               |                   |
| <input type="radio"/> 3002510177           | D -10-22S-37E | 589 FSL & 589 FWL |
| Well Name & Number: BRUNSON ARGO No. 016   |               |                   |
| Operator: CHEVRON MIDCONTINENT, L.P.       |               |                   |
| <input type="radio"/> 3002510178           | D -10-22S-37E | 589 FNL & 731 FWL |
| Well Name & Number: BRUNSON ARGO No. 017   |               |                   |
| Operator: CHEVRON MIDCONTINENT, L.P.       |               |                   |
| <input type="radio"/> 3002533994           | D -10-22S-37E | 990 FNL & 660 FWL |
| Well Name & Number: BRUNSON ARGO No. 026   |               |                   |
| Operator: CHEVRON MIDCONTINENT, L.P.       |               |                   |

*Pen GB**Pachderls**Bline*

4 Records Found

Displaying Screen 1 of 1

[Continue](#)[Go Back](#)

**Brooks, David K., EMNRD**

---

**From:** Mobley, Casey R. [Casey.Mobley@chevron.com]  
**Sent:** Wednesday, April 23, 2008 2:05 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Baca, James (JMEB)  
**Subject:** RE: Brunson Argo #28 NSL Application

David,

My sincerest apologies for the oversights in the Brunson Argo #28 NSL application. Firstly, I can confirm that the correct footage call is 970 FWL, making the '970 FEL' a typo. Thanks for catching this error.

Concerning the perforation depths, we only plan on perforating and completing in the Grayburg formation. Our current understanding of the structural architecture of the Grayburg in this location indicates that the top should come in around 3600' and the San Andres top should come in around 3900'. I believe the depth restriction of 3600' to 3900' to be adequate for our purposes at this well location.

Please advise if you require any further information from us to facilitate your decision.

Again, our apologies for these errors. Thanks for your time and attention,

Casey

**Casey R. Mobley**

Geologist

New Mexico Asset Development  
MidContinent SBU  
Chevron North American Exploration and Production  
11111 S. Wilcrest Dr., S1037  
Houston, TX 77099  
(281) 561-4830

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, April 23, 2008 3:53 PM  
**To:** Mobley, Casey R.  
**Subject:** Brunson Argo #28 NSL Application

Dear Mr. Mobley

In this application you indicate that no notice to offsets is required because the entire quarter section has identical ownership in depts. Between 3600 fee and 3900 feet. However, I did not find any depth information regarding the proposed well in the application other than that the proposed total depth is 4300.

Please advise the planned depths of perforations.

Separately, I note that the application states the proposed locations as 1310 FNL and 970 FEL of 10-22S-37E. However, the attached plats show the location at 1310 FNL and 970 FWL. All of the information in the application

4/23/2008

(except the one statement of the location) is consistent with the location being 970 FWL. Accordingly, I assume that the 970 FEL is a typo.

I shall await your response concerning the perforations.

Thanks

David K. Brooks  
505-476-3450  
Legal Examiner

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4/23/2008

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Wednesday, April 23, 2008 1:53 PM  
**To:** 'Mobley, Casey R.'  
**Subject:** Brunson Argo #28 NSL Application

Dear Mr. Mobley

In this application you indicate that no notice to offsets is required because the entire quarter section has identical ownership in depts. Between 3600 feet and 3900 feet. However, I did not find any depth information regarding the proposed well in the application other than that the proposed total depth is 4300.

Please advise the planned depths of perforations.

Separately, I note that the application states the proposed locations as 1310 FNL and 970 FEL of 10-22S-37E. However, the attached plats show the location at 1310 FNL and 970 FWL. All of the information in the application (except the one statement of the location) is consistent with the location being 970 FWL. Accordingly, I assume that the 970 FEL is a typo.

*I shall await your response concerning the perforations.*

Thanks

David K. Brooks  
505-476-3450  
Legal Examiner

4/23/2008