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		NEW MEXICO OIL CONSERVATION DIVISION	
		- Engineering Bureau -	
		1220 South St. Francis Drive, Santa Fe, NM 87505	
		ADMINISTRATIVE APPLICATION CHECKLIST	
٦	THIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE	6
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	-	nhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ool 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-Qua	lified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]	
[1]	TYPE OF AF	PPLICATION - Check Those Which Apply for [A]	2 o
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		_ WFX _ PMX _ SWD _ IPI _ EOR _ PPR	
	[D]	Other: Specify	
[2]	NOTIFICAT	ION REQUIRED TO: - Check Those Which Apply, or \Box 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.

William R. Huck

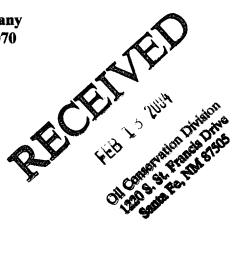
 $\frac{VP - Engr. \& Operations}{Title} \frac{2/17/04}{Date}$

Print or Type Name

XXX Signature

billh@pecosproduction.com e-mail Address Pecos Production Company 400 W. Illinois Suite 1070 Midland, TX 79701

February 5, 2004



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

Attn:

Mr. Michael E. Stogner

RE: Administrative Application of Pecos Production Company For Approval of an Unorthodox Well Location. Section 17, T-18S, R-32E, Lea Co., New Mexico

Mr. Stogner,

Pecos Production Company, in accordance with Rule 19 NMAC 15.C.104.F, applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for any gas production from the Atoka or Morrow Formations for its proposed TYKE FEDERAL NO. 2, to be drilled at a location 1940' FSL and 2040' FWL of Section 17, Township 18 South, Range 32 East, Lea County, New Mexico, to be dedicated to an 320 acre proration unit consisting of the W/2 of Section 17. In support of the application, Pecos Production Company respectfully submits the following:

- 1. That Pecos Production Company is the operator of the subject well
- 2. The subject location was chosen due to restrictions caused by surface (topographic) interference. The original stake at 1980 FSL and FWL fell too close to the Right-Of-Way for State Hwy 126. (See attached Exhibit 3, Surveyor's Detail Map). To move out of the Right-Of-Way to the west, and clear the power lines, would place the well in the proximity of the Tyke Federal No. 1, and would result in an un-orthodox location for the shallower horizons that produce in this area; namely the Strawn, Wolfcamp, Bone Springs, and Delaware.
- 3. The proposed location is moved the minimum distance required to satisfy the surface restrictions. (See attached Exhibit 3A).

4. The offsetting affected proration unit is identified on Exhibit 2 and the owners are identified on Exhibit 4. Royalty ownership is common to both tracts, and Working Interest is common, except that individual interests may vary. Waivers have been requested from the affected entities as defined by 19 NMAC 15.N.1207.A.2, and will be forwarded upon receipt.

Pecos Production Company therefore requests that this application be approved administratively, or in the timeliest manner possible.

Respectfully submitted,

Pecos Production Company

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William R. Huck, P.E. Vice President, Engr & Prod.

Enclosures

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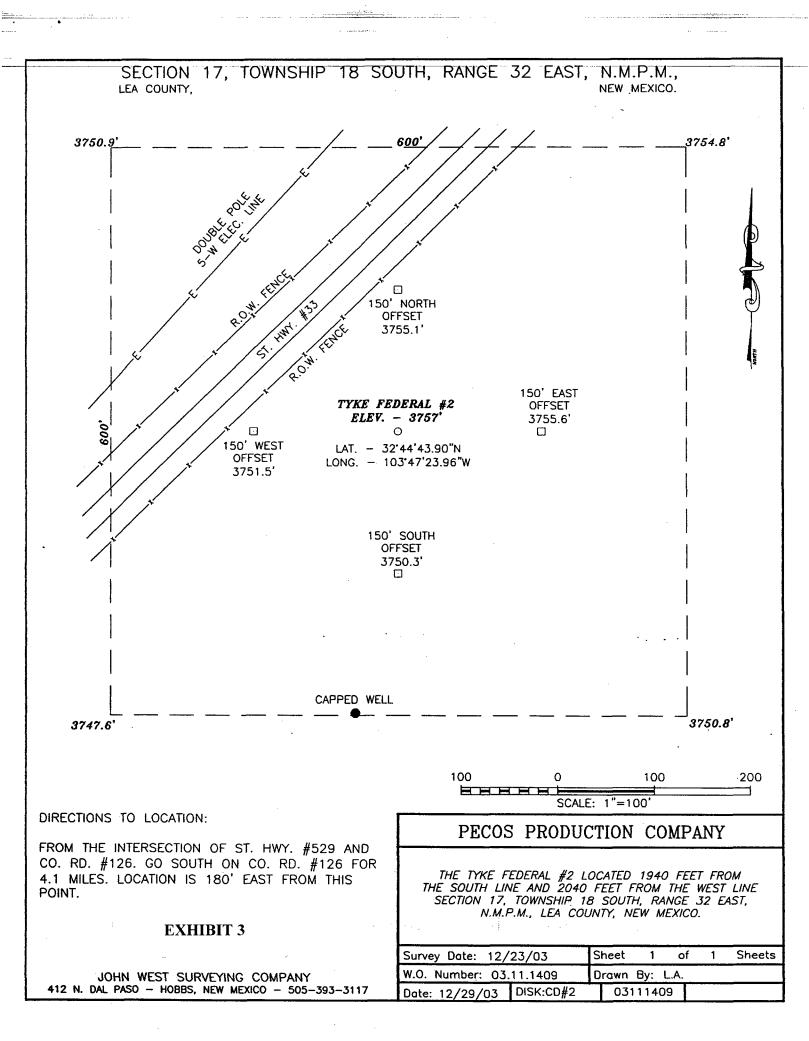
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EXHIBIT 2



No. 937 811E **STAEDTLER Engineer's Computation Pad** TECOS PRODUCTION COMPANY TYKE FEDERAL #2 120 1940'FSL, 2040' FWL Resorve Pit SEC 17, Twoshp 185, Rg= 32E Reserve LEA County, New Mexico סל Scale 1" = 100" 150 Pad AREA. Existing road Crossing to Tyke Fed. 4 Battery Proposed Now Invitate Fence Line y leas Access to Proposed Location is off highway Red. New Mexico at a point on the Southwest corner off the par State Rd 126 through the fence, approv. 70'. H - braces will be Installed & fince integrity will be maintained **EXHIBIT 3A**

Exhibit 4 Pecos Production Company **Tyke Federal No. 2** 1940' FSL & 2040' FWL W/2- Section 17, T18S, R32E Lea County, New Mexico

Township 18 South, Range 32 East, N.M.P.M Section 17: East-Half (E/2) Lea County, New Mexico

WI Owners

ConocoPhillips P.O. Box 2197 Houston, Texas 77252-2197

John M. Beard 12316 St Andrew Drive, Suite A Oklahoma City, OK 73120

William G. McCoy P.O. Box 1773 Roswell, New Mexico 88202-1773

Patricia Jennings 3968 Cottonwood Lane Roswell, New Mexico 88201

Dean Kinsolving P.O. Box 325 Tatum, New Mexico 88267

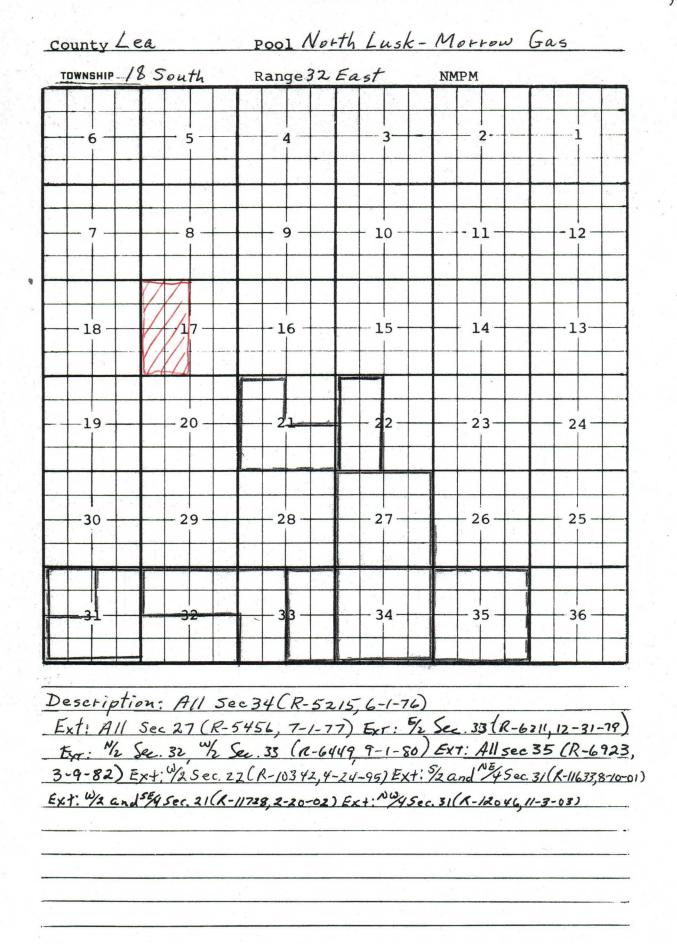
Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, Texas 79701 Anderson Oil Ltd. 5005 Woodway, Suite 300 Houston, Texas 77056

J. E. Cieszinski P.O. Box 3047 Roswell, New Mexico 88202

Byron Bachschmid P.O. Box 52033 Midland, Texas 79710-2033

Patrick J. Morello 598 Woodland Drive Paduchah, KY 42001

St. Mary's Land & Exploration Co. 1776 Lincoln Street, Suite 700 Denver, Colorado 80203



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