

DATE IN 2/18/2004	SUSPENSE 3-9-04	ENGINEER MS	LOGGED IN LR	TYPE NSL	APP NO. PL2040502685
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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



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.

William R. Huck

Print or Type Name

Signature

VP - Engr. & Operations

Title

2/17/04

Date

billh@pecosproduction.com
e-mail Address

RECEIVED

FEB 18 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

**Pecos Production Company
400 W. Illinois Suite 1070
Midland, TX 79701**

February 5, 2004

RECEIVED
FEB 15 2004
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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.

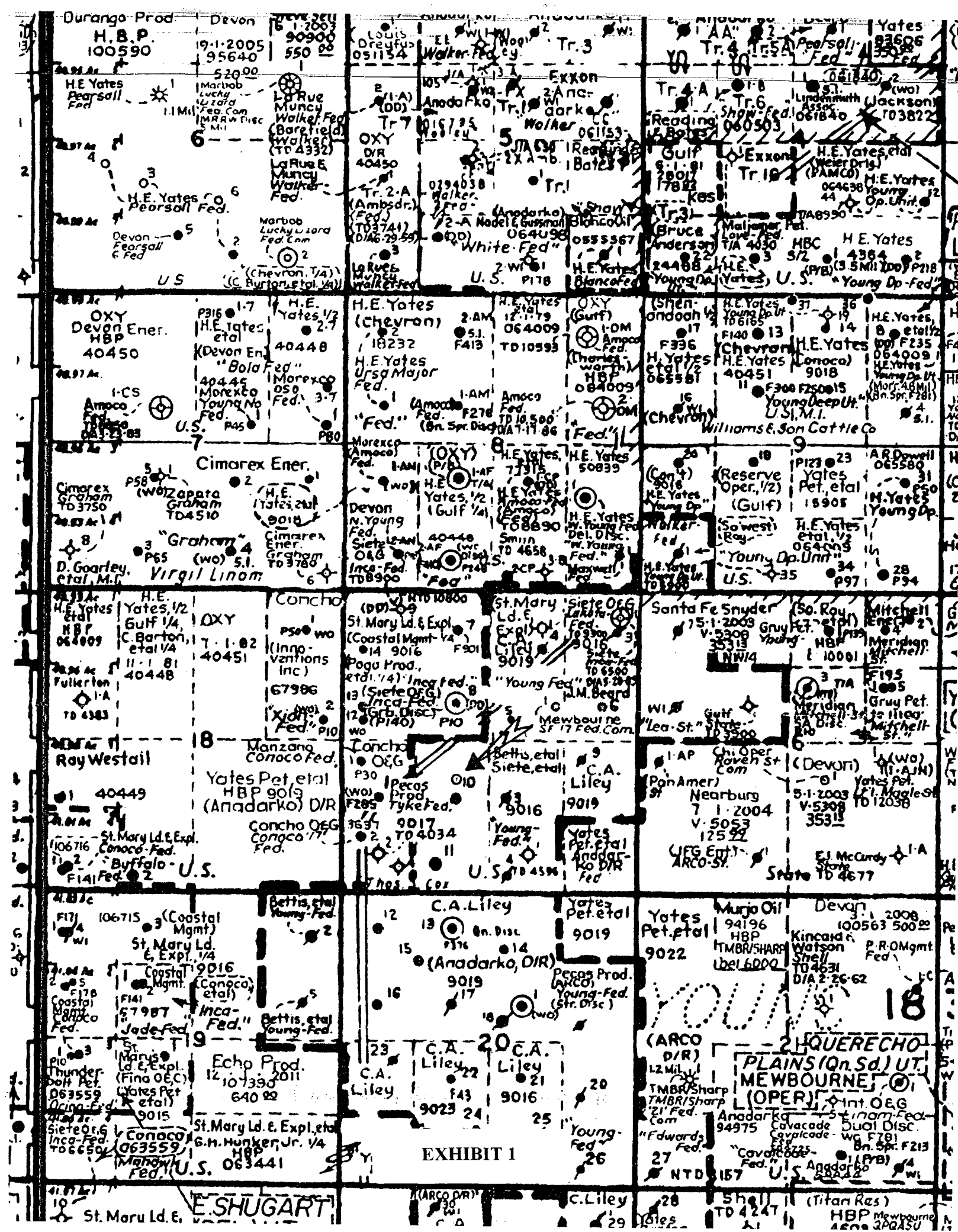
Respectfully submitted,

Pecos Production Company

A handwritten signature in black ink, appearing to read "William R. Huck".

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

Enclosures



DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-	Pool Code 80800	Pool Name North Lusk Morrow
Property Code 32086	Property Name TYKE FEDERAL	Well Number 2
OGRID No. 215758	Operator Name PECOS PRODUCTION COMPANY	Elevation 3757'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	17	18-S	32-E		1940	SOUTH	2040	WEST	LEA

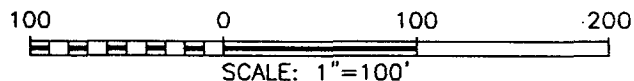
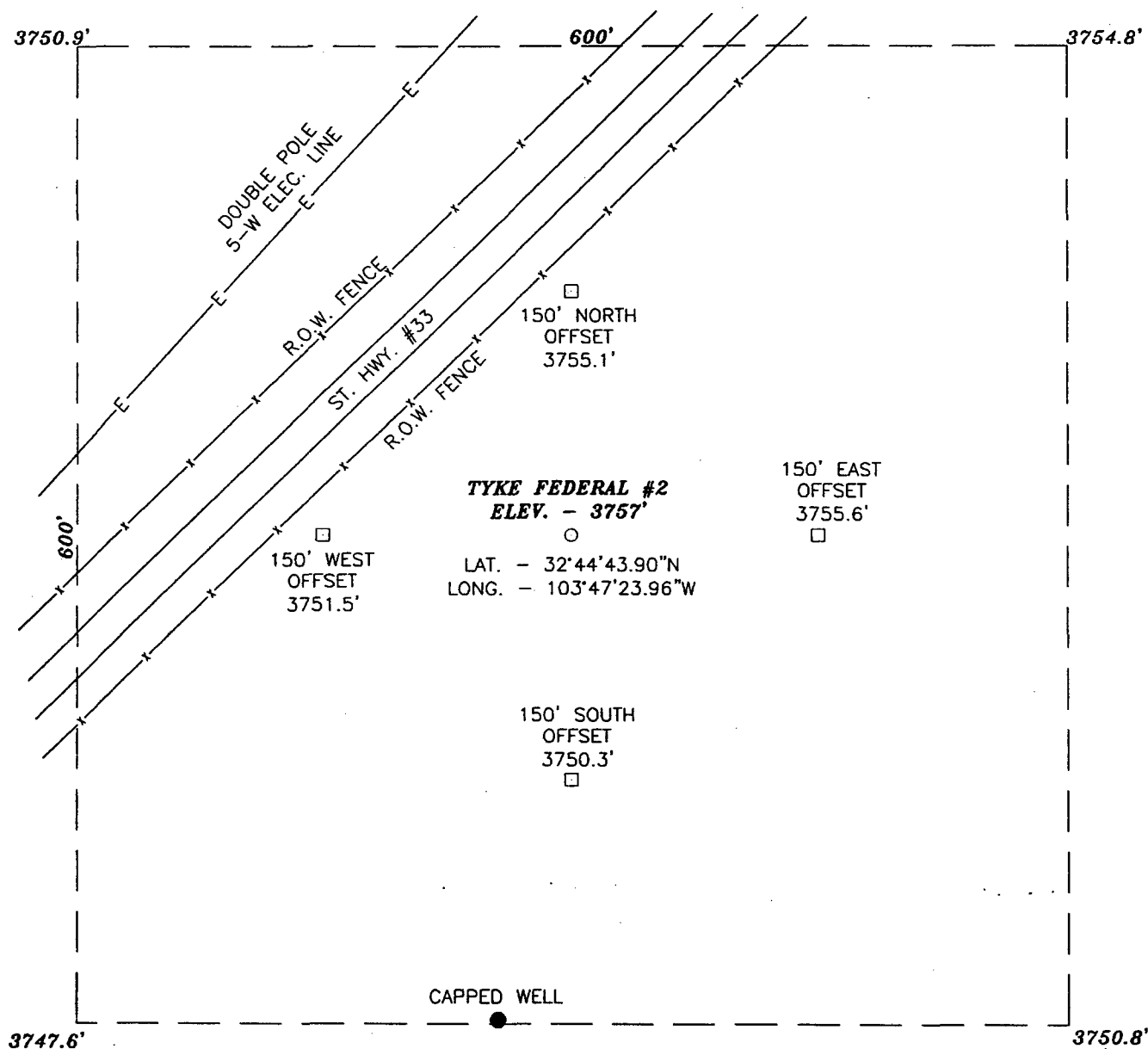
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	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>320 AC PECOS PRODUCTION</p> <p>GEODETIC COORDINATES NAD 1927 NME Y = 635362.8 N X = 667058.0 E LAT. - 32°44'43.90"N LONG. - 103°47'23.96"W</p> <p>3750.9' 3754.3' 3750.3' 3747.6'</p> <p>600' 600'</p> <p>2040'</p> <p>1940'</p> <p>1</p> <p>2</p>	<p>SF 17 FED Com MEWBOURNE OIL 320 AC</p> <p>1</p> <p>2</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>William R. Huck</u> Signature William R. Huck Printed Name VP-Engr. & Operations Title 2-6-04 Date</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>DECEMBER 23, 2003</p> <p>Date Surveyed Signature of Professional Surveyor Professional Surveyor GARY E. ELLISON 12641</p> <p>12641</p>
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SECTION 17, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF ST. HWY. #529 AND
CO. RD. #126. GO SOUTH ON CO. RD. #126 FOR
4.1 MILES. LOCATION IS 180' EAST FROM THIS
POINT.

EXHIBIT 3

JOHN WEST SURVEYING COMPANY
412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

PECOS PRODUCTION COMPANY

THE TYKE FEDERAL #2 LOCATED 1940 FEET FROM
THE SOUTH LINE AND 2040 FEET FROM THE WEST LINE
SECTION 17, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 12/23/03	Sheet 1 of 1 Sheets
W.O. Number: 03.11.1409	Drawn By: L.A.
Date: 12/29/03	DISK:CD#2
03111409	

PECOS PRODUCTIONS COMPANY

TYKE FEDERAL #2

1940' FSL, 2040' FWL

SEC 17, Twpshp 18S, Rge 32E

LEA County, New Mexico

Scale 1" = 100'

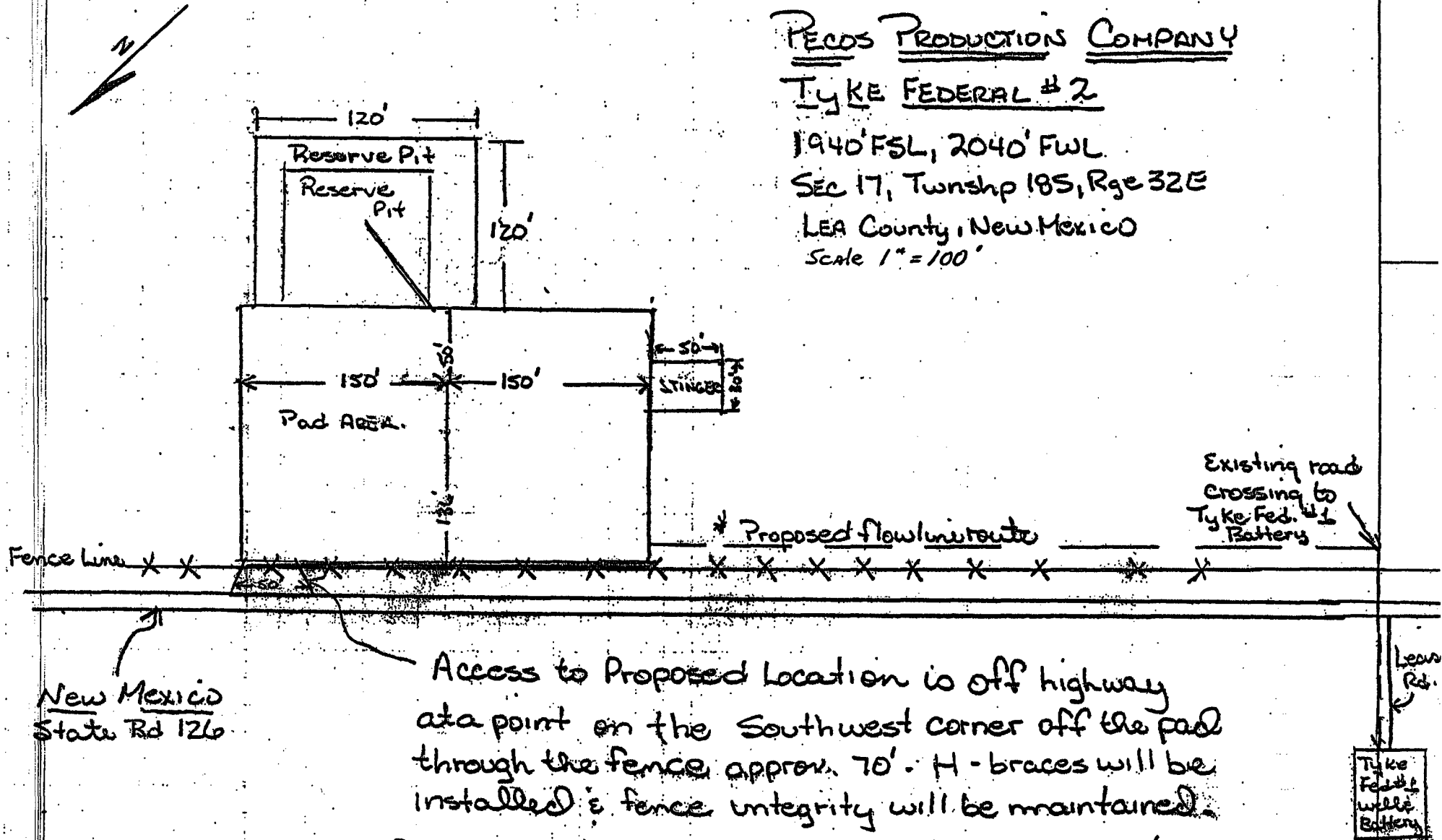


Exhibit 4
Pecos Production Company
Tyke Federal No. 2
1940' FSL & 2040' FWL
W/2- Section 17, T18S, R32E
Lea County, New Mexico

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

Anderson Oil Ltd.
5005 Woodway, Suite 300
Houston, Texas 77056

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

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

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

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

Patricia Jennings
3968 Cottonwood Lane
Roswell, New Mexico 88201

Patrick J. Morello
598 Woodland Drive
Paduchah, KY 42001

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

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

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

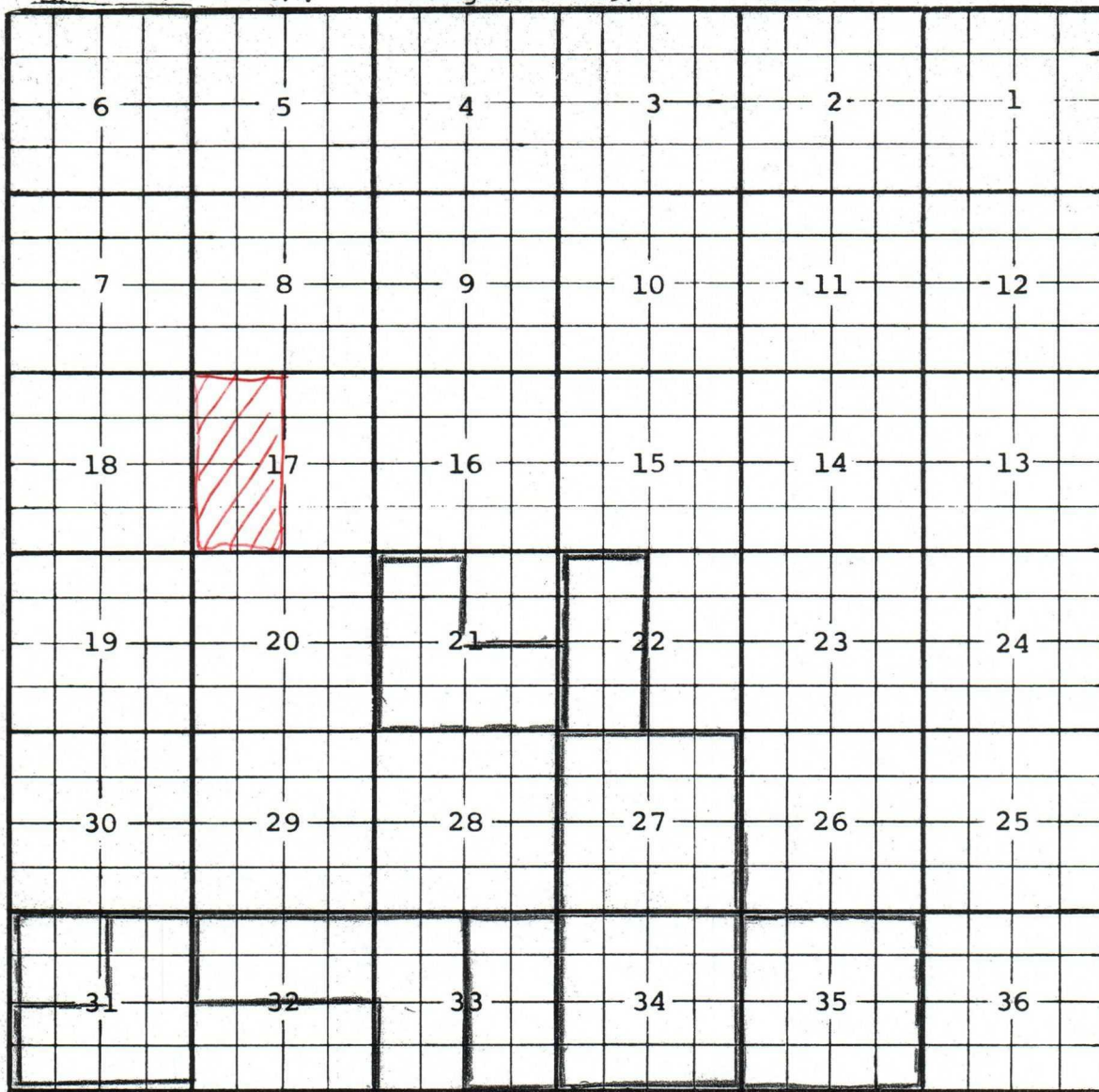
County Lea

Pool North Lusk - Morrow Gas

TOWNSHIP 18 South

Range 32 East

NMPM



Description: All Sec 34 (R-5215, 6-1-76)

Ext: All Sec 27 (R-5456, 7-1-77) Ext: $\frac{E}{2}$ Sec. 33 (R-6211, 12-31-79)

Ext: $\frac{N}{2}$ Sec. 32, $\frac{W}{2}$ Sec. 33 (R-6449, 9-1-80) Ext: All sec 35 (R-6923,

3-9-82) Ext: $\frac{W}{2}$ Sec. 22 (R-10342, 4-24-95) Ext: $\frac{S}{2}$ and $\frac{NE}{4}$ Sec. 31 (R-11633, 8-10-01)

Ext: $\frac{W}{2}$ and $\frac{SE}{4}$ Sec. 21 (R-11728, 2-20-02) Ext: $\frac{NW}{4}$ Sec. 31 (R-12046, 11-3-03)

Sec : 17 Twp : 18S Rng : 32E Section Type : NORMAL

D 40.00 Federal owned A A	C 40.00 Federal owned A	B 40.00 Federal owned A A	A 40.00 Federal owned A A
E 40.00 Federal owned A A	F 40.00 Federal owned A	G 40.00 Federal owned A C A	H 40.00 Federal owned A
L 40.00 Federal owned A A	K 40.00 Federal owned A	J 40.00 Federal owned A A	I 40.00 Federal owned A
M 40.00 Federal owned A A	N 40.00 Federal owned A A	O 40.00 Federal owned A A	P 40.00 Federal owned