

Sumrall, Dianne

From: Sharp, Karen, EMNRD [karen.sharp@state.nm.us]
Sent: Wednesday, September 13, 2006 12:17 PM
To: Sumrall, Dianne
Subject: RE: Gardner #14

Thank you, Dianne. I will coordinate with Steve so we can process paperwork.
Have a nice day.....

Karen Sharp / OCD
Office: 505-334-6178 ext 12

From: Sumrall, Dianne [mailto:dsumrall@pecorp.com]
Sent: Wed 9/13/2006 7:33 AM
To: Sharp, Karen, EMNRD
Cc: Frederick, Vickie
Subject: RE: Gardner #14

Karen,

I have talked with Steve Hayden regarding this issue. I have revised the units in this section from lay-down to stand-up which makes the Gardner 14 a legal location and ok to produce. Steve verbally approved. The Gardner 5A will continue to produce as the second well in the section. We have an issue with the Gardner 12 which was also drilled to a BHL within the same quarter section (completion papers not yet filed). We have requested a hearing in Santa Fe to request approval for a the non-standard location (too close to the unit line) and also a density variance (3 wells within a quarter section) for this well. We have stopped completion operations on the #12 well until the hearing has been concluded and a decision has been make by the examiner.

Please let me know if you have questions regarding the above information.

Thanks
Dianne Sumrall
(713) 890-3651

From: Frederick, Vickie
Sent: Wednesday, September 13, 2006 7:39 AM
To: Sumrall, Dianne
Subject: FW: Gardner #14

FYI - This was in my inbox from Monday.

From: Sharp, Karen, EMNRD [mailto:karen.sharp@state.nm.us]
Sent: Monday, September 11, 2006 8:59 AM
To: Frederick, Vickie
Subject: Gardner #14

Just to be sure we are on the same page with this well: We will need a sundry notice for the Gardner #5A shutting it in before producing the #14. Also, after processing the directional survey for the #14, Steve has determined that it is a non-standard location. You will also need to receive Santa Fe approval of the NSL prior to producing this well.

If you have any questions, please let me know. Thank you!!

9/13/2006

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13794 Exhibit No. 6
Submitted by:
PEOPLES ENERGY PRODUCTION - TEXAS L.P.
Hearing Date: October 26, 2006