

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

RECEIVED

2009 JAN 6 PM 3 01

January 6, 2009


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

Case 14271

Dear Florene:

Enclosed for filing, on behalf of Vanguard Permian, LLC, is a proposed advertisement for an application for a non-standard unit and an unorthodox gas well location. The advertisement has also been e-mailed to the Division. Please set this matter for the February 5, 2009 Examiner hearing. Because this was originally an administrative application which an offset objected to, a formal application is not submitted. Thank you.

Very truly yours,


James Bruce

Attorney for Vanguard Permian, LLC

PERSONS BEING NOTIFIED

Techsys Resources, LLC
P.O. Box 19465
Houston, Texas 77224

PROPOSED ADVERTISEMENT

Case No. 14271:

Application of Vanguard Permian, LLC for a non-standard gas spacing and proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an order approving a non-standard gas spacing and proration unit in the Queen formation (Byers-Queen Gas Pool) comprised of the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 32, Township 18 South, Range 38 East, NMPM, and an unorthodox gas well location in the Queen formation for the State A Well No. 7, located 760 feet from the north line and 500 feet from the east line of Section 32. The well unit is located approximately 2-1/2 miles west-northwest of the intersection of State Highway 18 with U.S. Highway 62/180.

RECEIVED
2009 JUN 8 PM 3 01

12-11-08 DATE IN	SUSPENSE	D. Brooks ENGINEER	12-11-08 LOGGED IN	NSL/NSP TYPE	PKAA0834658106 APP NO
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RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

2008 DEC 11 PM 3:37 - Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



API 30-025-35820
STATE A #7
Vanguard Permian

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.

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Signature

Attorney for Applicant
Title Date

jamesbruc@aol.com
e-mail Address

12/11/08

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

December 11, 2008

Hand Delivered

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

Case 14271

Dear Mr. Mr. Fesmire:

Vanguard Permian, LLC applies for (i) a non-standard gas spacing and proration unit in the Queen formation under NMAC 19.15.15.11(B), and (ii) an unorthodox gas well location in the Queen formation under NMAC 19.15.15.13, for the following well:

Well: State A Well No. 7
Well Location: 760 feet FNL & 500 feet FEL
Proposed Well Unit: N½NE¼ §32-18S-38E, Lea County, New Mexico

The well was drilled by Apache Corporation in 2002 to test the upper Blinebry formation (Hobbs-Upper Blinebry Pool). **Exhibit A.** The Hobbs-Upper Blinebry Pool is developed on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the upper Blinebry completion is attached as **Exhibit B.**

Applicant took over operation of the well from Apache Corporation, and has re-completed the well uphole in the Queen formation (Byers-Queen Gas Pool). **Exhibits C and D.** The Byers-Queen Gas Pool is developed on statewide rules, with 160 acre spacing and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line. The requested unorthodox location is due solely to completing the well uphole from the deeper zone.

Applicant also requests a non-standard 80 acre unit in the Queen formation, for the following reasons:

1. Applicant is the owner of the state lease covering the N½NE¼ of Section 32, and desires to produce the well on a leasehold basis. The S½NE¼ of Section 32 is a separate state lease, owned by Occidental Permian Ltd. **Exhibit E**. The State Land Office and Occidental Permian Ltd., as interest owners excluded from the well unit, have been notified of this application. **Exhibit F**. A Form C-102 for an 80 acre Queen unit is attached as **Exhibit G**.

2. The well is capable of producing less than 200 MCF/day. The Byers-Queen Gas Pool was prorated at one time. See Order No. R-586, attached as **Exhibit H**. However, by Order No. R-586-B (**Exhibit I**), prorationing was terminated "since the production from the said Byers-Queen Gas Pool is no longer of sufficient consequence to warrant its continued prorationing." Finding Paragraph (8). Thus, the Commission has held that production from the pool is not prolific. A review of the Division's records reflects only a few wells in the Byers-Queen Gas Pool (1 each operated by Texland Petroleum-Hobbs, LLC, HRC, Inc., and Techsys Resources, LLC).

The offset operators have been notified of the non-standard unit and/or unorthodox location. These operators are:

Section 28:

Occidental Permian Ltd.
P.O. Box 4294
Houston, Texas 77210

Texland Petroleum-Hobbs, LLC
Suite 3200
777 Main Street
Fort Worth, Texas 76102

Section 29:

Occidental Permian Ltd.
OXY USA WTP Limited Partnership
P.O. Box 4294
Houston, Texas 77210

Texland Petroleum-Hobbs, LLC
Suite 3200
777 Main Street
Fort Worth, Texas 76102

Lewis B. Burleson, Inc.
P.O. Box 2479
Midland, Texas 79702

McClure Oil Company, Inc.
P.O. Box 14
Midland, Texas 79702

Section 32:

Occidental Permian Ltd.
OXY USA Inc.
P.O. Box 4294
Houston, Texas 77210

Texland Petroleum-Hobbs, LLC
Suite 3200
777 Main Street
Fort Worth, Texas 76102

HRC, Inc.
P.O. Box 5102
Hobbs, New Mexico 88241

Techsys Resources, LLC
P.O. Box 19465
Houston, Texas 77224

Section 33:

Occidental Permian Ltd.
OXY USA Inc.
P.O. Box 4294
Houston, Texas 77210

Texland Petroleum-Hobbs, LLC
Suite 3200
777 Main Street
Fort Worth, Texas 76102

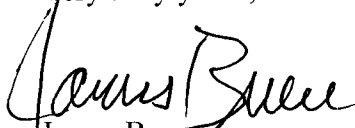
Legacy Reserves Operating, LP
P.O. Box 10848
Midland, Texas 79702

The notice letter sent to the offsets is attached hereto as **Exhibit J**.

This application will present waste by utilizing an existing wellbore, and will not violate correlative rights.

Please call me if you need anything further regarding this matter.

Very truly yours,


James Bruce

Attorney for Vanguard Permian, LLC

Submit to Appropriate District Office

State Lease-6 copies

Fee Lease-5 copies

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

Form C-105
Revised March 25, 1999

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER		7. Lease Name or Unit Agreement Name State A	
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. <input type="checkbox"/> Other		8. Well No. 7	
2. Name of Operator Apache Corporation		9. Pool name or Wildcat Hobbs, Upper Blinebry	
3. Address of Operator 6120 S. Yale, Suite 1500 Tulsa, Oklahoma 74136-4224		918-491-4957	
4. Well Location Unit Letter <u>A</u> : <u>760</u> Feet From The <u>North</u> Line and <u>500</u> Feet From The <u>East</u> Line Section <u>32</u> Township <u>18S</u> Range <u>38E</u> NMPM <u>Lea</u> County			
10. Date Spudded 02/04/02	11. Date T.D. Reached 02/13/02	12. Date Compl. (Ready to Prod.) 02/25/02	13. Elevations (DF& RK8, RT, GR, etc.) 3647' GR
14. Elev. Casinghead			
15. Total Depth 6200'	16. Plug Back T.D. 6108'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By X
19. Producing Interval(s), of this completion - Top, Bottom, Name Blinebry 5898-5971'			20. Was Directional Survey Made No
21. Type Electric and Other Logs Run CNL/GR			22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	1488'	12 1/4"	800 sx circulated to pit	
5 1/2"	17#	6200'	7 7/8"	1275 sx circulated to pit	

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
					2 7/8"	6032'

26. Perforation record (interval, size, and number) Blinebry 5898-5933, 5945-58, 5967-71 4" - 104 Holes				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 5898-5971' AMOUNT AND KIND MATERIAL USED Acidized w/ 2,958 gals 15% HCL	

EXHIBIT A

28. PRODUCTION							
Date First Production 02/25/02		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping - 1.5" Rod Insert				Well Status (Prod. or Shut-in) Producing	
Date of Test 03/15/02	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 2	Gas - MCF 150	Water - Bbl. 45	Gas - Oil Ratio 75000
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.) 37.3	

29. Disposition of Gas (Solid, used for fuel, vented, etc.) Sold	Test Witnessed By Apache Corporation
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30. List Attachments Logs, Deviation Report, C-104

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief			
Signature <u>Kara Coday</u>	Printed Name Kara Coday	Title Sr. Engineering Tech.	Date 6/26/02

DISTRICT II
F.O. Brewer DD, Artesia, NM 88211-0710

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Grande Ed., Albuquerque, NM 87410

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

DISTRICT IV
P.O. BOX 2508, SANTA FE, N.M. 87504-2008

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-35820	Pool Code 31680	Pool Name HOBBS:UPPER BLINEBRY
Property Code 26481	Property Name STATE "A"	Well Number 7
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3647'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from line	North/South line	Feet from the	East/West line	County
A	32	18-S	38-E		760	NORTH	500	EAST	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
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature FRANCES M. BYERS Printed Name SR. ENGINEERING TECH Title 1-28-02 Date
	GEODETIC COORDINATES NAD 27 NME Y = 623604.4 X = 859934.1 LAT= 32°42'32.13"N LONG= 103°09'47.44"W			SURVEYOR CERTIFICATION 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. JANUARY 24, 2002 Date Surveyed Signature of Surveyor Professional Surveyor
			EXHIBIT <u>B</u>	Certificate No. RONALD J. EIDSON 3239 GARY TIDSON 12841

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-3020

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103

Permit 79967

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL API NUMBER

30-025-35820

5. Indicate Type of Lease

S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

STATE A

8. Well Number

007

9. OGRID Number

258350

10. Pool name or Wildcat

See Area 13

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: O

2. Name of Operator

VANGUARD PERMIAN, LLC

3. Address of Operator

7700 SAN FELIPE, SUITE 485, HOUSTON, TX 77063

4. Well Location

Unit Letter A 760 feet from the N line and 500 feet from the E line
Section 32 Township 18S Range 38E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

3480 GR

Pit or Below-grade Tank Application ☐ or Closure ☐Pit Type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐CASING/CEMENT JOB ☐Other: Perforations/Tubing ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/03/2008: RU kill truck & load csg w/ 14 bbls 2% KCL press test 1000# 15 min. 6/04/2008: RU W/L & run 4.61" GR to 5500'. RIH w/ 3-1/8" slick guns & perf Queen as follows: 2 SPF @ 120 degrees 0.41" deep penetrating loads, 3624-3628' 4 ft 9 shots, 3645-3651' 6 ft 13 shots, 3666-3680' 14 ft 29 shots. 6/06/2008: Acidize Queen perfs w/ 2000 gals 15% HCL. Left well to blow down to pit overnight on 16/64th choke. 6/09/2008: Test lines 5000#s & frac Queen 3624-3680' (51 holes) w/ 59,525#s 16/30 brady sand via X-linked gelled wtr. 2 hr S/I 1890 psig OW to pit on 12/64th choke to flow down overnight.

Perforations

Pool: HOBBS; UPPER BLINEBRY, 31680 Location: A -32-18S-38E 760 N 500 E

TOP	BOT	Open Hole	Shots/ft	Shot Size	Material	Stimulation	Amount
3624	3680	N	2		Sand	Frac	

Pool: BYERS; QUEEN (GAS), 73600 Location: A -32-18S-38E 760 N 500 E

TOP	BOT	Open Hole	Shots/ft	Shot Size	Material	Stimulation	Amount
3624	3680	N	2		Sand	Frac	

Tubing

BYERS; QUEEN (GAS), 73600

Tubing Size	Type	Depth Set	Packer Set
2.375		3600	

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE VICE PRESIDENT DATE 8/12/2008Type or print name BRITT PENCE E-mail address bpence@vnrllc.com Telephone No. 832-327-2252

For State Use Only:

APPROVED BY: Paul Kautz TITLE Geologist DATE 8/13/2008 9:42:48 AMEXHIBIT C

ATOKA-PENNSYLVANIAN GAS POOL
Eddy County, New Mexico

Order No. R-1171, May 5, 1958, Establishing Pool, as Amended by Order No. R-1340, February 23, 1959; Order No. R-1572, January 18, 1960; Order No. R-1633, March 18, 1960; Order No. R-1417-A, May 25, 1960; Order No. R-1840, January 1, 1961; Order No. R-1878, March 1, 1961; Order No. R-2101, November 1, 1961; Order No. R-2201, April 1, 1962; Order No. R-2241, June 1, 1962; Order No. R-2552, September 1, 1963; Order No. R-2781, November 1, 1964; Order No. R-3195, March 1, 1967; Order No. R-3342, December 1, 1967; Order No. R-4080, January 1, 1971; Order No. R-4162, July 7, 1971; Order No. R-4304, June 1, 1972; Order No. R-4782, June 1, 1974; Order No. R-4861, November 1, 1974; Order No. R-4969, April 1, 1975; Order No. R-5015, June 1, 1975; Order No. R-5124, December 1, 1975; Order No. R-5204, May 1, 1976; Order No. R-5361, March 1, 1977; Order No. R-6169, November 1, 1979; Order No. R-6576, February 1, 1981; Order No. R-6912, March 1, 1982; Order No. R-9133, March 13, 1990; Order No. R-12162, July 1, 2004.

T-18-S, R-26-E Secs. 1, 2; E/2 Sec. 3; E/2 Sec. 9; Secs. 10 through 16; E/2 Sec. 19; Secs. 20, 21, 22; W/2 Sec. 23; Secs. 27, 28, 29; NE/4, E/2 NW/4 Sec. 30; N/2 Sec. 33.

SOUTH FLYING "M" BOUGH POOL
(Formerly South Flying "M"-Pennsylvanian Pool)
Lea County, New Mexico

Order No. R-2967, October 1, 1965, Establishing Pool, as Amended by Order No. R-3218, May 1, 1967; Order No. R-3355, January 1, 1968; Order No. R-3530, November 1, 1968; Order No. R-3818, September 1, 1969; Order No. R-3853, November 1, 1969; Order No. R-4861, November 1, 1974.

Vertical limits of South Flying "M"-Pennsylvanian Pool contracted to include only Bough formations and pool redesignated by Order No. R-4969, April 1, 1975.

T-9-S, R-32-E SE/4 Sec. 14; E/2 Sec. 23; S/2 Sec. 24; N/2 Sec. 25.

T-9-S, R-33-E SW/4 Sec. 19; NW/4 Sec. 30.

BURTON POOL
(YATES)
(Abandoned)
Eddy County, New Mexico

Order No. 850, January 1, 1950, Redefining Pool, as Amended by Order No. R-3262, July 1, 1967.

T-20-S, R-29-E SE/4 NE/4, E/2 SE/4 Sec. 7; N/2 Sec. 8.

BYERS-QUEEN GAS POOL
Lea County, New Mexico

Order No. R-264, February 17, 1953, Establishing Pool, as Amended by Order No. R-1611, February 26, 1960.

T-18-S, R-38-E Secs. 29 through 32.

T-19-S, R-38-E NE/4 Sec. 5.

FOWLER-UPPER YESO POOL
(Formerly Fowler-Blinebry and Fowler-Lower Paddock Gas Pools)
Lea County, New Mexico

Order No. R-3987, July 15, 1970, Establishing Pool, as Amended by Order No. R-4377, September 1, 1972; Order No. R-5609, January 1, 1978.

T-24-S, R-37-E SE/4 Sec. 9; S/2 Sec. 10; SW/4 Sec. 11; SW/4 Sec. 14; Secs. 15, 16; N/2 Sec. 21; Sec. 22; W/2, SE/4 Sec. 23.

WEST ATOKA-MORROW GAS POOL
Eddy County, New Mexico

Order No. R-3979, July 1, 1970, Establishing Pool, as Amended by Order No. R-4162, July 7, 1971; Order No. R-4162-A, July 7, 1971; Order No. R-4540, June 1, 1973; Order No. R-4734, March 1, 1974; Order No. R-4782, June 1, 1974; Order No. R-4937, February 1, 1975; Order No. R-6169, November 1, 1979; Order No. R-6912, March 1, 1982; Order No. R-7222, March 1, 1983; Order No. R-7307, July 1, 1983; Order No. R-7437, March 1, 1984; Order No. R-9133, March 13, 1990; Order No. R-9837, February 1, 1993; Order No. R-10159, August 1, 1994.

T-17-S, R-25-E E/2 Sec. 34; S/2 Sec. 35.

T-18-S, R-25-E Sec. 1; E/2 Sec. 2; E/2 Sec. 10; Secs. 11 through 15, 23, 24.

T-18-S, R-26-E S/2 Sec. 7; Sec. 8; W/2 Sec. 9; W/2 Sec. 17; Sec. 18; W/2 Sec. 19.

EAST DICKINSON-PENNSYLVANIAN POOL
Lea County, New Mexico

Order No. R-3979, July 1, 1970, Establishing Pool.

T-11-S, R-36-E SE/4 Sec. 1.

SUBLE-QUEEN GAS POOL
Chaves County, New Mexico

Order No. R-3981, June 19, 1970, Establishing Pool.

Pool abolished by Order No. R-3981-A, September 1, 1971.

EXHIBIT D

STATE LAND OFFICE DATA ACCESS

[Home](#)[Select a different page.....](#)[Go Tech](#)[NM State Land
and Office](#)

land details

* Section: * Township: * Range:

Example: 33 09S 26E

8 Records found.

Unit Boundaries

Unit Letter	Lot	Tract	Qtr/Qtr	Surface Owner	Sub Surface Owner	Acreage	Lease Number	Lease Type	County	Land Restriction	Land Remarks
A			NE4NE4	Fee	State	40.00	<u>A0-1469-0011</u>	Oil & Gas	Lea		PATENT NO. 1841
B			NW4NE4	Fee	State	40.00	<u>A0-1469-0011</u>	Oil & Gas	Lea		PATENT NO. 1841
G			SW4NE4	Fee	State	40.00	<u>A0-1118-0029</u>	Oil & Gas	Lea		PATENT NO. 1841
H			SE4NE4	Fee	State	40.00	<u>A0-1118-0029</u>	Oil & Gas	Lea		PATENT NO. 1841
I			NE4SE4	Fee	State	40.00	<u>A0-1159-0010</u>	Oil & Gas	Lea		PATENT NO. 1841
J			NW4SE4	Fee	State	40.00	<u>A0-2747-0007</u>	Oil & Gas	Lea		PATENT NO. 1841
O			SW4SE4	Fee	State	40.00	<u>A0-2747-0007</u>	Oil & Gas	Lea		PATENT NO. 1841
P			SE4SE4	Fee	State	40.00	<u>A0-1159-0010</u>	Oil & Gas	Lea		PATENT NO. 1841

EXHIBIT E

If you have any questions about the data or this site please contact Joe Mraz (jmraz@slo.state.nm.us) of the State Land Office.

Site maintained by the PRRC, webmaster gotech_prrc@yahoo.com

6 Records found.

Lease Number:

A0-1469-0011

Company name: VANGUARD PERMIAN, LLC
Company ID: 258350
Assigned from: A0-1469-0008
Total acres: 240.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease terms 1/8th roy
Issue date: 12/18/1928
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: VANGUARD PERMIAN, LLC
Rent per acre: 0.50
Billing frequency: Annual
Minimum annual rent: 120.00
Last bill date: 11/20/2008
Next bill date: 12/18/2009
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
29	18S	38E	B			40.00
			C			40.00
			F			40.00
			G			40.00
32	18S	38E	A			40.00
			B			40.00

STATE LAND OFFICE DATA ACCESS

[Home](#)[Select a different page.....](#)[Go Tech](#)[NM State Land and
Office](#)

list lease info

* Lease Prefix: * Number: * Assignment:

Example: A0 1234 0000

10 Records found.

Lease Number:

A0-1118-0029

Company name: [OCCIDENTAL PERMIAN LTD](#)
Company ID: 157984
Assigned from: [A0-1118-0027](#)
Total acres: 398.06
Prod stat: N/A

Lease term:

Lease term: 10 year lease terms 1/8th roy
Issue date: 9/15/1928
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: [OCCIDENTAL PERMIAN LTD](#)
Rent per acre: 0.50
Billing frequency: Annual
Minimum annual rent: 199.03
Last bill date: 8/21/2008
Next bill date: 9/15/2009
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage	Link
32	18S	38E	G			40.00	GoTech GoTech GoTech GoTech GoTech Land Details
			H			40.00	GoTech GoTech GoTech

						[GoTech] [Land Details]
33	18S	38E	C		40.00	[GoTech] [GoTech] [GoTech] [GoTech] [GoTech] [Land Details]
			D		40.00	[GoTech] [GoTech] [GoTech] [Land Details]
22	19S	36E	O		40.00	[Land Details]
			P		40.00	[Land Details]
7	19S	37E	1	1	39.08	[Land Details]
			2	2	38.98	[Land Details]
			C		40.00	[Land Details]
			F		40.00	[Land Details]

If you have any questions about the data or this site please contact Joe Mraz (jmraz@slo.state.nm.us) of the State Land Office.
 Site maintained by the PRRC, webmaster gotech_prrc@yahoo.com

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

December 11, 2008

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

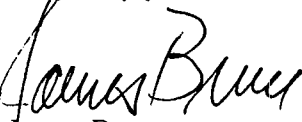
Occidental Permian Ltd.
P.O. Box 4294
Houston, Texas 77210

Jeff Albers
Oil, Gas and Minerals Division
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Ladies and gentlemen:

Vanguard Permian, LLC has filed an application with the New Mexico Oil Conservation Division seeking a non-standard unit in the Byers-Queen Gas Pool comprised of the N½NE¼ of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Vanguard Permian, LLC

EXHIBIT

F

DISTRICT IV
P.O. BOX 2006, SANTA FE, N.M. 87504-2006

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
Submit to Appropriate District Office
State Lease - 4 Copies
Fed Lease - 3 Copies

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-35820	Pool Code 31680	Pool Name HOBBES UPPER BLINEBRY Byers - Ocean C
Property Code 26481	Property Name STATE "A"	Well Number 7
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3647'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from line	North/South line	Feet from the	East/West line	County
A	32	18-S	38-E		760	NORTH	500	EAST	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 40	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 align="center">OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p align="right"><i>Frances M Byers</i> Signature FRANCES M. BYERS</p> <hr/> <p>Printed Name SR. ENGINEERING TECH</p> <hr/> <p>Title 1-28-02</p> <hr/> <p>Date</p>
	<p><u>GEODETC COORDINATES</u></p> <p>NAD 27 NME</p> <p>Y = 623604.4</p> <p>X = 859834.1</p> <p>LAT= 32°42'32.13"N</p> <p>LONG= 103°09'47.44"W</p>			
				<p align="center">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 align="center">JANUARY 24, 2002</p> <p>Date Surveyed _____ AWB</p> <p>Signature <i>Ronald J. Eidson</i> Professional Surveyor</p> <div style="text-align: center;"> </div> <p>Certified by RONALD J. EIDSON 3239 GARY EIDSON 12641</p>
<p>EXHIBIT <u>G</u></p>				

**TUBB POOL
BYERS-QUEEN GAS POOL
JUSTIS GAS POOL**

Lea County, New Mexico

Order No. R-586, Superseding Prior Orders on the Tubb, Byers-Queen and Justis Gas Pools, Lea County, New Mexico, April 11, 1955, as Amended by Order No. R-967, April 23, 1957; Order No. R-586-B, September 9, 1957; Order No. R-586-C, October 3, 1957; and Order No. R-586-E, February 12, 1959.

Note: Order No. R-1670 supersedes the above orders in relation to Justis Gas Pool and to Tubb Gas Pool except those rules set out below. The rules for the Byers-Queen were deleted from Order No. R-586 by Order No. R-586-B effective September 30, 1957.

RULE 15. No gas, either dry gas or casinghead gas, produced from the Tubb Gas Pool shall be flared or vented.

RULE 16. (As Added by Order No. R-586-B, September 9, 1957.) An oil well in the Tubb Gas Pool shall be defined as a well which produces hydrocarbons possessing a gravity of 45° API or less.

RULE 17. (As Added by Order No. R-586-B, September 9, 1957.) An oil well in the Tubb Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section legal subdivision of the United States Public Land Surveys.

RULE 18. (As Added by Order No. R-586-B, September 9, 1957.) No acreage shall be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

RULE 19. (As Added by Order No. R-586-B, September 9, 1957.) The limiting gas-oil ratio for oil wells in the Tubb Gas Pool shall be 2000 cubic feet of gas for each barrel of oil produced.

PROVIDED FURTHER, After the effective date of this order no well shall be completed or recompleted in such a manner that the producing zone of the Tubb Gas Pool and the producing zone of any other common source of supply are both open in the same well bore unless specifically authorized by order of the Commission after notice and hearing. Dual completions may be effected in accordance with the provisions of Rule 112-A of the Commission's Rules and Regulations.

Any well presently completed in such a manner that the well bore is open to more than one common source of supply shall be assigned to the applicable pool by the Commission staff. Any operator of any well completed in such a manner shall submit to the Commission office at Hobbs, New Mexico, all pertinent well completion data on Form C-105, together with electric logs, sample logs, drill stem test records, etc. All data shall be submitted in duplicate on or before May 15, 1955. Failure of any operator to submit the required data will result in cancellation of Form C-110 and subsequent cancellation of allowables.

If the operator is not satisfied with the well's assignment he may apply for a hearing on the matter in accordance with Commission Rule 1203.

PROVIDED FURTHER, That in filing Form C-101 "Notice of Intention to Drill or Recomplete" all operators shall strictly comply with the provisions of Rule 104, paragraph (e).

PROVIDED FURTHER, That failure to comply with the provisions of this order or the rules contained herein shall result in the cancellation of allowable assigned to the affected well. No further allowable shall be assigned to the affected well until all rules and regulations are complied with. The Proration Manager shall notify the operator of the well and the purchaser in writing of the date of allowable cancellation and the reason therefor.

SOUTHWEST GLADIOLA-PENNSYLVANIAN POOL

Lea County, New Mexico

Order No. R-1836, Creating and Adopting Temporary Rules for the Southwest Gladiola-Pennsylvanian Pool, Lea County, New Mexico, December 31, 1960, and Made Permanent by Order No. R-1836-A, July 26, 1961.

Application of Nearburg & Ingram for the creation of a new oil pool for Pennsylvanian Production in Lea County, New Mexico, and for the promulgation of temporary special rules and regulations for said pool.

CASE NO. 2135
Order No. R-1836

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 30, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of December, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Nearburg & Ingram, seeks an order creating a new oil pool for Pennsylvanian production to be designated as the Southwest Gladiola-Pennsylvanian Pool, consisting of the NW/4 of Section 35, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the evidence presented concerning the reservoir characteristics of the proposed Southwest Gladiola-Pennsylvanian Pool, including permeability and porosity data, justifies the establishment of 80-acre proration units in said pool on a temporary basis.

(4) That the evidence presented indicates that, for the present at least, it may be uneconomical to drill wells in the Southwest Gladiola-Pennsylvanian Pool on 40-acre proration units, and that unless a temporary 80-acre proration unit order is entered, further development in said pool may be retarded.

(5) That due to the apparently limited size of said pool, a flexible rule governing well locations should be adopted.

(6) That inasmuch as temporary special rules and regulations for the Southwest Gladiola-Devonian Pool, as promulgated by Order No. R-1724, will expire on July 31, 1961, and inasmuch as the rules for that pool should be coextensive with the rules for the subject pool, the temporary special rules and regulations for the Southwest Gladiola-Pennsylvanian Pool should expire on July 31, 1961.

(7) That during the period in which this order will be in effect the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be heard again by the Commission at the regular monthly hearing in July, 1961, at which time the applicant should be prepared to prove by a preponderance of the evidence why the Southwest Gladiola-Pennsylvanian Pool should not be developed on 40-acre units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production, be and the same is hereby created and designated as the Southwest Gladiola-Pennsylvanian Pool, consisting of the following described acreage:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 35: NW/4

Exhibit I
A.R.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1221
Order No. R-586-B

APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR
AN ORDER AMENDING THE SPECIAL RULES
AND REGULATIONS FOR THE TUBB GAS POOL
TO MAKE PROVISION IN SAID RULES FOR
THE REGULATION OF OIL WELLS COMPLETED
WITHIN THE DEFINED LIMITS OF SAID POOL;
AND FURTHER, TO CONSIDER THE DELETION
OF THAT PORTION OF ORDER R-586 WHICH
RELATES TO THE BYERS-QUEEN GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
March 14, 1957, May 16, 1957 and again July 17, 1957, at Santa
Fe, New Mexico, before the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission."

NOW, on this 9th day of September, 1957, the Commission,
a quorum being present, having considered the testimony and evidence
adduced and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this case and the subject
matter thereof.

(2) That several wells have been completed within the
defined limits of the Tubb Gas Pool which are capable of producing
liquid hydrocarbons with gravities in the range which is commonly
accepted to be that of crude petroleum oil, and that such wells
should be classified as oil wells.

(3) That to classify, space, and prorate the aforesaid
wells as though they were gas wells could be unfair to the royalty
owners in the Tubb Gas Pool.

(4) That an oil well in the Tubb Gas Pool should be
defined as a well which produces liquid hydrocarbons possessing
a gravity of 45° API or less.

(5) That an oil well in the Tubb Gas Pool should have
dedicated thereto a proration unit consisting of 40 acres, more
or less, being a governmental quarter-quarter section legal sub-
division of the United States Public Land Surveys.

EXHIBIT I

-2-
Case No. 1221
Order No. R-586-B

(6) That no acreage should be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

(7) That the limiting gas-oil ratio for oil wells in the Tubb Gas Pool should be 2000 cubic feet of gas for each barrel of oil produced.

(8) That the Special Rules and Regulations for the Byers-Queen Gas Pool as set forth in Order R-586 should be deleted since the production from the said Byers-Queen Gas Pool is no longer of sufficient consequence to warrant its continued prorationing.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Tubb Gas Pool as set forth in Order R-586, be and the same are hereby amended to include the following rules:

SPACING AND OPERATION OF OIL WELLS

RULE 16. An oil well in the Tubb Gas Pool shall be defined as a well which produces hydrocarbons possessing a gravity of 45° API or less.

RULE 17. An oil well in the Tubb Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section legal subdivision of the United States Public Land Surveys.

RULE 18. No acreage shall be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

RULE 19. The limiting gas-oil ratio for oil wells in the Tubb Gas Pool shall be 2000 cubic feet of gas for each barrel of oil produced.


(2) That the Special Rules and Regulations for the Byers-Queen Gas Pool, as set forth in Order R-586, be and the same are hereby deleted effective September 30, 1957.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

ir/

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
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jamesbruc@aol.com

December 11, 2008

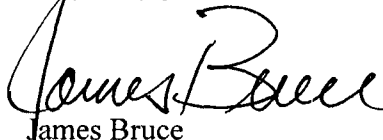
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Offset operators listed on Exhibit A

Ladies and gentlemen:

Vanguard Permian, LLC has filed an application with the New Mexico Oil Conservation Division seeking a non-standard unit and unorthodox gas well location in the Byers-Queen Gas Pool for a well in the N½NE¼ of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Vanguard Permian, LLC

EXHIBIT 

EXHIBIT A

Occidental Permian Ltd.
OXY USA Inc.
OXY USA WTP Limited Partnership
P.O. Box 4294
Houston, Texas 77210

Texland Petroleum-Hobbs, LLC
Suite 3200
777 Main Street
Fort Worth, Texas 76102

Lewis B. Burleson, Inc.
P.O. Box 2479
Midland, Texas 79702

McClure Oil Company, Inc.
P.O. Box 14
Midland, Texas 79702

HRC, Inc.
P.O. Box 5102
Hobbs, New Mexico 88241

Techsys Resources, LLC
P.O. Box 19465
Houston, Texas 77224

Legacy Reserves Operating, LP
P.O. Box 10848
Midland, Texas 79702