

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [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 - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ 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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE  
P.O. BOX 1056  
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

4/20/99

**JAMES BRUCE**  
**ATTORNEY AT LAW**

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

April 20, 1999

Hand Delivered

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Santa Fe Energy Resources, Inc. ("Santa Fe") applies for approval of an unorthodox oil well location for the following well:

Maljamar "15" Fed. Well No. 1  
1310 feet FNL & 1310 feet FEL  
E $\frac{1}{2}$ NE $\frac{1}{4}$  S15, Township 17 South, Range 32 East, NMPM  
Lea County, New Mexico

The well was drilled to test the Devonian formation (Undesignated Maljamar-Devonian Pool), and the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 15 was dedicated to the well. Unorthodox location approval was granted by Administrative Order NSL-4150.

The well has now been completed uphole in the Wolfcamp formation (Undesignated Baish-Wolfcamp Pool). A completion report is being prepared, and will be submitted to you shortly. Well spacing is 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A.

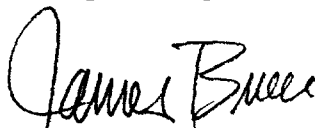
Submitted as Exhibit B is a land plat of the subject area, with the well's location marked thereon. The entire NE $\frac{1}{4}$  of Section 15 is subject to federal lease NM 031572. Working, royalty, and overriding royalty ownership is common throughout the NE $\frac{1}{4}$  of Section 15. As to the working interest, Altura Energy Ltd. and Santa Fe own 50%, and Maralo Inc. owns 50%. Thus, the well is only moving toward the interior of a lease under which ownership is common.

Under Order No. R-2765, administrative approval for an unorthodox location in the Baish-Wolfcamp Pool may be granted if the well is no closer than 330 feet to the outer boundary of the well unit. However, the well is only 10 feet from the outer boundary. **Therefore, although this application is submitted for administrative approval, a hearing may be required. If a hearing is required, Santa Fe requests that the hearing be set for the May 13, 1999 Examiner hearing.**

Also, the special pool rules require notice to "all operators offsetting the proposed unorthodox location." Santa Fe is gathering information on offset operators, and notice will be given to all such persons. The notice letter will be submitted to you when it is sent out.

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

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Santa Fe  
Energy Resources, Inc.

MINERAL  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Revised 03-10-94  
Instructions on back

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

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

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

**DISTRICT IV**  
P. O. Box 2088  
Santa Fe, NM 87507-2088

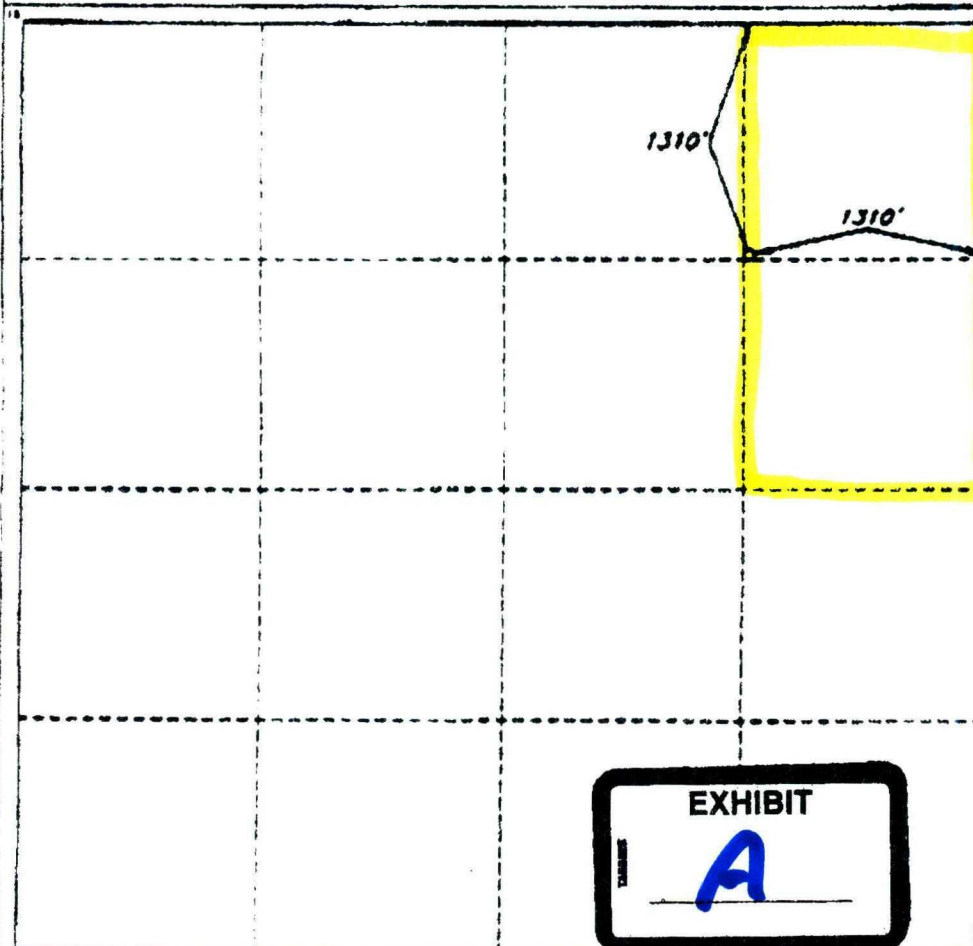
**OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87604-2088

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

APN Number		Pool Code		Pool Name					
Property Code		Property Name <b>MALJAMAR '15' FEDERAL</b>				Well Number <b>1</b>			
OGRD No.		Operator Name <b>SANTA FE ENERGY RESOURCES, INC.</b>				Elevation <b>4074'</b>			
<b>" SURFACE LOCATION</b>									
UL or lot no. <b>A</b>	Section <b>15</b>	Township <b>17 SOUTH</b>	Range <b>32 EAST, N.M.P.M.</b>	Lot Ide	Feet from the <b>1310'</b>	North/South line <b>NORTH</b>	Feet from the <b>1310'</b>	East/West line <b>EAST</b>	County <b>LEA</b>
<b>" BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE</b>									
UL or lot no.	Section	Township	Range	Lot Ide	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WELL 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 that the information  
contained herein is true and complete  
to the best of my knowledge and belief.

Signature

Printed Name

Title

Date

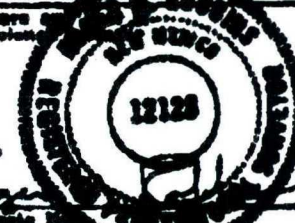
**SURVEYOR CERTIFICATION**

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.

Date of Survey

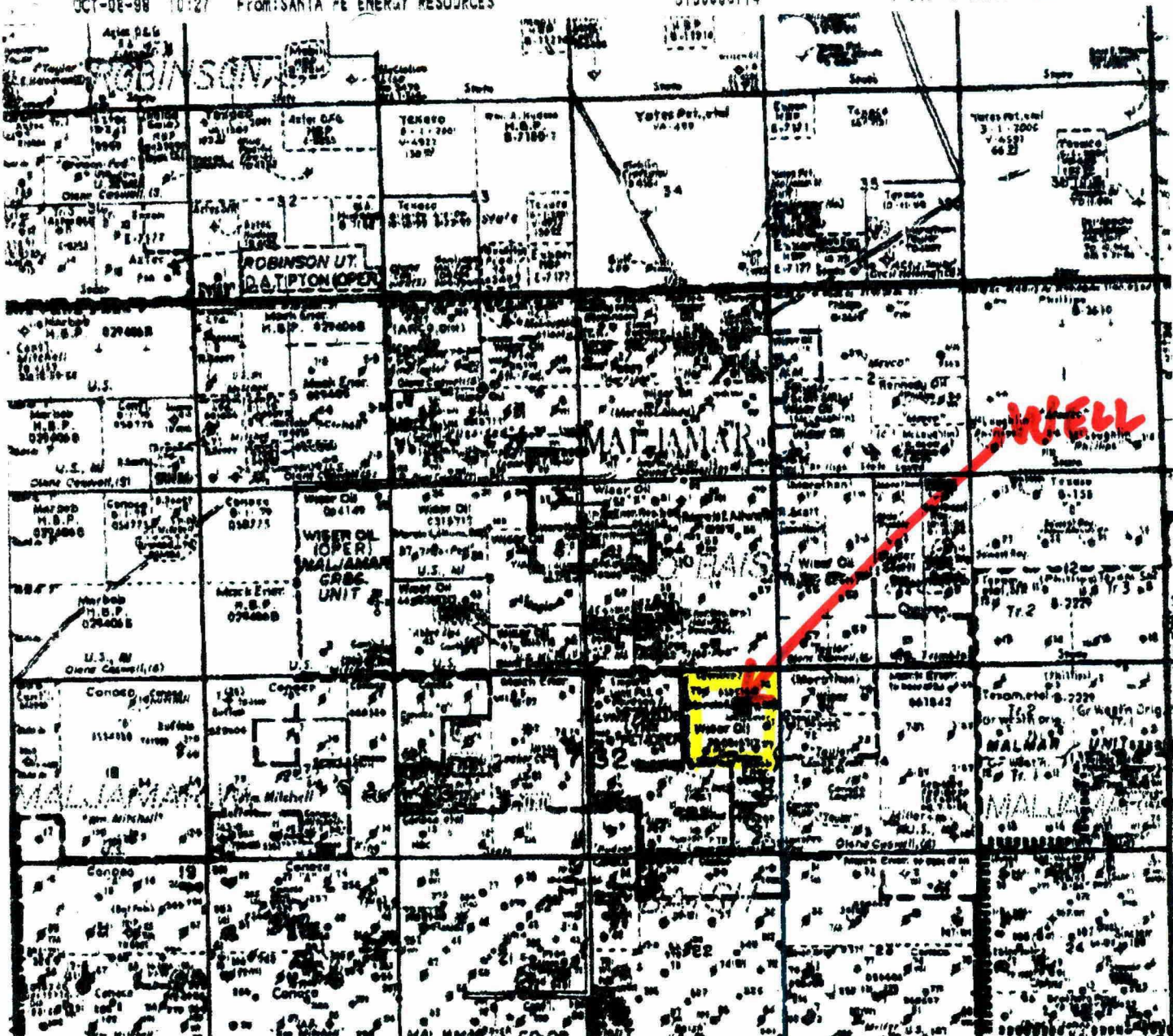
SEPTEMBER 1998

Signature of  
Professional



Certification No. 12128  
ROGER M. ROBERTSON, #12128  
JOB #60423 / 97 SW / V.H.B.



**SFER, INC. Acreage**

**Majamar "15" Fed #1  
1310' FNL & 1310' FEL  
Sec. 16, T-17-S, R-32-E**



**Santa Fe Energy Resources, Inc.**  
**Central Division**  
**Midland, Texas**

LEA COUNTY, NEW MEXICO

**LAND PLAT**

## MALJAMAR PROSPECT

**EXHIBIT**

