

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

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117 NORTH GUADALUPE

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W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 22, 2001

**HAND DELIVERED**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87504

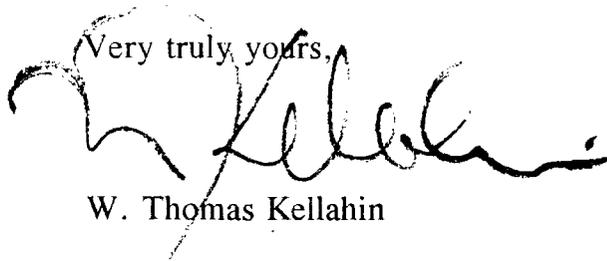
JAN 22 RECD 01

RE: NMOCD Case 12587  
**Bertha J. Barber Well No. 12**  
**330 feet FNL & 660 feet FEL**  
**Unit A Section 7, T20S, R37E**  
Application of Sapient Energy Corp. for  
approval of an unorthodox gas well location and  
non-standard 160-acre gas proration and spacing units,  
Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Sapient Energy Corp., please find enclosed our first amended application. The original application has been scheduled for hearing on January 25, 2001 which we request be continued and re-advertised for the hearing now scheduled for February 8, 2001.

Very truly yours,



W. Thomas Kellahin

fx: Sapient Energy Corp.

Attn: Chuck Perrin

hand delivered: William F. Carr, Esq.

Attorney for Chevron USA Inc.

Attorney for Conoco Inc.

12587  
amended re-advertisement

Case: Amended Application of Sapient Energy Corp for an unorthodox well location and (i) two non-standard 160-acre spacing and proration units, or in the alternative, (ii) one non-standard 160-acre spacing and proration unit, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location for its Bertha J. Barber Well No 12 ("Barber 12 Well") which is located at an unorthodox gas well location 330 feet from the north line and 660 feet from the east line of Section 7, T20S, R37E, to be dedicated to a non-standard 160-acre gas proration and spacing unit consisting of either (i) the E/2E/2 this section, or in the alternative, (ii) the E/2NE/4 of Section 7 and the W/2NW/4 of Section 8 for production from the West Monument-Tubb Gas Pool **retroactive to the date of first production (September 9, 1999)**. In addition, should the Division approve a non-standard 160-acre spacing and proration unit consisting of the E/2E/2 of Section 7, then the applicant seeks the approval of a second non-standard 160-acre proration and spacing unit consisting of the W/2E/2 of this section. This unit is located approximately 12 miles southwest of Hobbs, New Mexico.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

**IN THE MATTER OF THE APPLICATION OF  
SAPIENT ENERGY CORP. FOR APPROVAL OF  
AN UNORTHODOX GAS WELL LOCATION AND,  
IN THE ALTERNATIVE, TWO NON-STANDARD  
PRORATION AND SPACING UNITS, OR ONE  
NON-STANDARD PRORATION AND SPACING UNIT  
LEA COUNTY, NEW MEXICO**

**FIRST AMENDED APPLICATION**

Comes now Sapient Energy Corp., by and through its attorneys, Kellahin and Kellahin, and in accordance with New Mexico Oil Conservation Division General Rule 104.F, General Rule 104.D and General Rule 1207.A(2) and (3), applies to the New Mexico Oil Conservation Division ("Division") for approval of an unorthodox gas well location for its Bertha J. Barber Well No 12 ("Barber 12 Well") which is located at an unorthodox gas well location 330 feet from the north line and 660 feet from the east line of Section 7, T20S, R37E, Lea County, New Mexico to be dedicated to a non-standard 160-acre gas proration and spacing unit consisting of either (i) the E/2E/2 this section, or in the alternative, (ii) the E/2NE/4 of Section 7 and the W/2NW/4 of Section 8 for production from the West Monument-Tubb Gas Pool **retroactive to the date of first production (September 9, 1999)**. In addition, should the Division approve a non-standard 160-acre spacing and proration unit consisting of the E/2E/2 of Section 7, then the applicant seeks the approval of a second non-standard 160-acre proration and spacing unit consisting of the W/2E/2 of this section, and in support states:

**BACKGROUND**

(1) By letter dated October 11, 2000, Chevron USA Production Company ("Chevron") filed an administrative application with the Division seeking approval of an unorthodox gas well location for its G. C. Matthews Well No. 12 330' FSL & 990' FEL Unit P, Section 6, T20S, R37E, to be dedicated to a standard 160-acre gas spacing consisting of the SE/4 of this section for production from the West Monument-Tubb Gas Pool.

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**Sapient Energy Corp.**  
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(2) Chevron sent notification of its application to Falcon Creek Resources, Inc. ("now Sapient Energy Corp.") as the offsetting operator of the Bertha J. Barber Well No. 12 ("the Barber 12 Well"), Unit A of Section 7, T20S, R37E, towards whom the Chevron well will encroach.

(3) On August 21, 1999, Cross Timber recompleted the Barber 12 Well from an oil well to a producing gas well in the Tubb gas formation.

(4) On January 6, 2000, in Case 12321, the Division issued Order R-11304 which approved the creation of the West Monument-Tubb Gas Pool, designated the E/2 of Section 7 as the acreage for the new pool and approved the Barber 12 Well as the discovery well for this pool.

(5) On April 1, 2000, Falcon Creek Resources, Inc. ("Falcon Creek") acquired the Bertha J. Barber Well No. 12 from Cross Timbers Operating Company ("Cross Timbers").

(6) On July 14, 2000, Sapient Energy Corp. ("Sapient") acquired this well from Falcon Creek.

(7) As a result of Chevron's application, Sapient has determined from an examination of the Division files the following:

(a) Cross Timbers filed a C-105 dated September 9, 1999, being a Tubb gas well recompletion report;

(b) Cross Timbers filed a C-102 dated September 9, 1999, showing an unorthodox Tubb gas well location and the dedication of a non-standard 160-acre spacing unit consisting of the E/2E/2 of Section 7;

(c) on September 20, 1999, the Division (OCD-Hobbs) approved Cross Timbers' C-103 to recomplete this oil well at an unorthodox gas well location in the Tubb formation with a 160-acre non-standard acreage dedication consisting of the E/2E/2 of Section 7;

(d) On April 14, 2000, the OCD-Hobbs approved Falcon Creek's C-104 (allowable request) which shows this well to be in the West Monument Tubb Gas Pool.

### FIRST RELIEF REQUESTED

(8) Sapient relied upon the Division's approvals set forth in paragraph (7) above, and to now require Sapient to obtain further approvals for the unorthodox gas well location for this well will cause Sapient to be damaged and irreparably harmed.

(9) From the date of first production, Cross Timbers, Falcon Creek and now Sapient has paid and distributed proceeds from the Tubb formation production from the Barber 12 Well to the mineral owners in the E/2E/2 of this section.

(10) In the event the Division concludes that the Division's prior approvals are inadequate because Cross Timbers failed to obtain all the necessary approvals from the Division for the unorthodox location, then Sapient requests Division approval for an unorthodox gas well location for its Bertha J. Barber Well No 12 ("Barber 12 well") which is located at an unorthodox gas well location 330 feet from the north line and 660 feet from the east line of Section 7, T20S, R37E, Lea County, New Mexico for production from the West Monument-Tubb Gas Pool **retroactive to the date of first production (September 9, 1999)**.

### SECOND RELIEF REQUESTED

(11) Sapient relied upon the Division's approvals set forth in paragraph (7) above, and to now require Sapient to obtain further approvals for a non-standard 160-acre gas proration and spacing unit will cause Sapient to be damaged and irreparably harmed.

(12) From the date of first production, Cross Timbers, Falcon Creek and now Sapient has paid and distributed proceeds from the Tubb formation production from the Barber 12 Well to the mineral owners in the E/2E/2 of this section.

(13) In the event the Division concludes that the Division's prior approvals are inadequate because Cross Timbers failed to obtain all the necessary approvals from the Division for the non-standard 160-acre proration and spacing unit for the Barber 12 Well consisting of the E/2E/2 of Section 7, then Sapient requests the approval of a non-standard 160-acre spacing unit consisting of the E/2E/2 of Section 7 for production from the West Monument-Tubb Gas Pool **retroactive to the date of first production (September 9, 1999)**.

standard 160-acre spacing unit consisting of the E/2E/2 of Section 7 for production from the West Monument-Tubb Gas Pool **retroactive to the date of first production (September 9, 1999).**

(14) Sapient also requests the approval of a non-standard 160-acre spacing unit consisting of the W/2E/2 of Section 7.

### **FIRST ALTERNATIVE RELIEF**

(15) As a first alternative to the Second Relief Requested, Sapient request the approval of a 160-acre non-standard gas proration and spacing unit consisting of the E/2NE/4 of Section 7 and the W/2NW/4 of Section 8 for production from the West Monument-Tubb Gas Pool **retroactive to the date of first production (September 9, 1999).**

(16) In accordance with Section 70-2-17.A NMSA (1978), the Division is required, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce its just and equitable share of the oil or gas, or both, in the pool, being the amount, so far as can be practically determined, and so far as such can be practically obtained without waste, **substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both , in the pool...** [emphasis added]

(17) A spacing unit formed as described in paragraph (15) above satisfies the statutory requirements set forth in Section 70-2-17 NMSA (1978)

### **NOTIFICATIONS**

(18) While there are no 160-acre gas spacing units in the Tubb formation adjoining the E/2E/2 of Section 7, notice will be sent to the operators of all wells within 160 acres of the E/2E/2 of Section 7 and to all mineral owners in the E/2 of Section 7 and to all mineral owners in the NW/4 of Section 8.

(19) Notice is being sent to all appropriate parties as required by Division notice rules. **See Exhibit A.**

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**WHEREFORE**, Sapient Energy Corp. ("Sapient") seeks Division approval for an unorthodox gas well location for its Bertha J. Barber Well No 12 ("Barber 12 well") which is located at an unorthodox gas well location 330 feet from the north line and 660 feet from the east line of Section 7, T20S, R37E, Lea County, New Mexico to be dedicated to either (i) a non-standard 160-acre gas proration and spacing unit consisting of the E/2E/2 this section, or in the alternative, (ii) the E/2NE/4 of Section 7 and the W/2NW/4 of Section 8 for production from the West Monument-Tubb Gas Pool **retroactive to the date of first production (September 9, 1999)**. In addition, sought the Division approval a non-standard 160-acre spacing and proration unit consisting of the E/2E/2 of Section 7, then the applicant seeks the approval of a second non-standard 160-acre proration and spacing unit consisting of the W/2E/2 of Section 7

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a horizontal line extending to the right.

W. Thomas Kellahin  
Kellahin and Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504-2265  
(505) 982-4285  
Attorneys for Applicant

W/2 E/2 Section 7, T-20-S, R-37-E, Limited to the Tubb Formation  
Lea County, New Mexico

CURSORY REPORT OF OWNERSHIP

Working Interest Owners

Address

Conoco, Inc. (1/2)	10 Dena Drive, Suite 100-W Midland, TX 79705
Chevron USA Production Co. (1/4)	Box 1635 Houston, TX 77251
Atlantic Richfield Co. (1/4) (Now BP Amoco at P. O. Box 5092, Houston, TX 77253)	Box 1610 Midland, TX 79702

Overriding Royalty Owners

Address

Nathan Kalvin	P. O. Box 652 Dallas, TX
C.E. Hyde	6500 Ridgeway Place Fort Worth, TX 76116
W. L. Pickens	8111 Preston Rd. Dallas, TX 75225-6278
Texaco Oil Co.	8111 Preston Rd. Dallas, TX 75225-6331
A. N. Eitz	1507 W. 3rd Street Roswell, NM 88201
Home Stake Royalty Corp. (Now Comco Oil & Gas - Plano, TX)	15 E. 5th Street, Suite 2300 Tulsa, OK 74103-4335
Western Mineral Deed Assoc, Inc.	Status & Address Unknown
North Central Oil Corp.	6001 Savoy Drive, Suite 600 Houston, TX 77026-3381
James Brett Stokes	Status & Address Unknown
E. W. Anguish Estate	305 W. Wall, Suite 614 Midland, TX 79701
Charles D. Vertrees, Jr.	7816 Pencross Dallas, TX 75248
Ralph W. Vertrees	2525 Harris Blvd. Austin, TX 78703
Atlantic Oil Corp.	Status & Address Unknown
Patricia Ann Montgomery	434 Palmer Dr. Muskogee, OK 74401
Robert E. Kershaw	P. O. Box 1407 Muskogee, OK 74401
Elizabeth Jane Kunkel	P. O. Box 292 Stevensville, MI 49127
Jean Mary Boehm	1318 Boston Ave. Muskogee, OK 74401
Joan Mary Putnam	1817 Elmhurst Ave. Oklahoma City, OK 73120



Overriding Royalty Owners (cont.)

Address

Edwin P. Kerr and Keanette A. Kerr, Trustees  
under the Kerr Living Trust

200 N. Harvey Ave  
Oklahoma City, OK 73102-4004

Ed P. Kerr, Jr.

1120 Park Manor Street  
Oklahoma City, OK 73116-6105

Atlantic Oil Investment Corp.

Status & Address Unknown

Ragan Petroleum, Inc.

P. O. Box 2280  
Muskogee, OK 74402

Averex, Inc.

P. O. Box 52305  
Lafayette, LA 70505

Elizabeth J. Lippmann Essig.

Box 1786  
Ft. Myer, VA 22211

Edwin J. Lippmann, Trustee of the Edwin J.  
Lippmann Jr. Revocable Trust 11/8/93

P. O. Box 764  
Muskogee, OK 74402-0764

Mary Midge Lippmann

P. O. Box 2241  
Muskogee, OK 74402-2241

Patrick A. Lippmann, Trustee of the Patrick A.  
Lippmann Revocable Trust 5/31/95

P. O. Box 28534  
Kansas City, MO 64188-8534

John R. Lippmann

P. O. Box 2908  
Norman, OK 73070

Royalty Owner

United States of America, BLM (100%)

Deery & Perry, Inc.

Colorado State Bar • P.O. Box 3661 Midland, Texas 79702 Telephone (409)276-6111 Fax (409)276-6098 Website 409.725.1933

January 18, 2001

Mr. Lynn Becker  
Sapient Energy Corporation  
621 17th Street, Ste 1800  
Denver, CO 80293

RE: BERTHA BARBER CURSORY  
T-20-S, R-37-E  
Section 8: E/2 NW/4  
Lea County, New Mexico  
containing 80.00 acres, more or less

NE/4 NW/4, containing 40.00 acres, more or less

LEASEHOLD OWNERS

Doyle Hartman ut ux, Margaret Hartman  
P. O. Box 10426  
Midland, TX 79702

OVERRIDING ROYALTY OWNERS

None

ROYALTY OWNERS

United States of America, BLM  
(LC-031621-B)

SE/4 NW/4, containing 40.00 acres, more or less

LEASEHOLD OWNERS

Pogo Producing Company  
300 N. Marienfeld, Suite 600  
Midland, TX 79701

OVERRIDING ROYALTY OWNERS

None

ROYALTY OWNERS

Opal J. Fox  
3643 S. Sandusky  
Tulsa, OK 74135

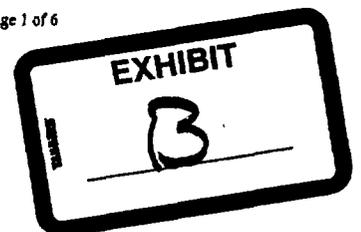
Chase Bank of Texas, N.A.  
P. O. Box 660197  
Dallas, TX 75266-0197

William C. Ransom, Trustee of the William C.  
Ransom Trust  
1550 Pime Crest Terrace  
Ashland, OR 97520

Cobra Petroleum Co.  
P. O. Box 869  
Eulless, TX 76039

Printed on Recycled Paper  
Lendman Initials/Lead Initials

1/18/01



Thomas K. Bower  
P. O. Box 25045  
Dallas, TX 75225-1045

Estate of Dorothy Howard  
c/o Dempsey & Jones, Barristers  
92 Bridge Street  
Carleton Place, Ontario  
K7C 2V2, Canada

First Union National Bank of Virginia,  
Trustee of the Second Amended and Restated  
Trust Agreement of the Dorothy Vernon  
Hoose Trust dated March 29, 1988  
1751 Pinnacle Drive  
(VA-1893)  
McLean, VA 22102-3834

Estate of Annie Whelan  
c/o Michael D. Whelan  
59 Beachwood Drive  
Rathnapish, Carlow, Ireland

Eileen Stanzel  
94 Bell Street, Apt. 1  
Carleton Place, Ontario  
K7C 1V4, Canada

Joe Cassody  
P. O. Box 702416  
Tulsa, OK 74170

Beatrice Stanzel  
70 McEwen Avenue, Apt. 608  
Ottawa, Ontario  
K2B 5M3, Canada

MW Petroleum Corp.  
200 East Randolph Drive  
Chicago, IL 60601

White Star Energy, Inc.  
P. O. Box 51108  
Midland, TX 79710

George R. Jones  
P. O. Box 10253  
Midland, TX 79702

Spindletop Exploration Co.  
P. O. Box 50787  
Midland, TX 79710

Cross Timbers Partners  
810 Houston Street  
Ft. Worth, TX 76102

Shriners Hospital for Crippled Children  
Endowment Fund aka Shriners Crippled  
Children's Hospitals  
c/o Office of General Counsel Jay Fleisher,  
Associate Counsel  
P. O. Box 31356  
Tampa, FL 33631-3356

Charles F. Doornbos, Trustee of the Charles  
F. Doornbos Revocable Trust UTA dated  
August 1, 1990  
P. O. Box 639  
Bartlesville, OK 74005

Aquenco, Inc.  
P. O. Box 701974  
Tulsa, OK 74170

Clinton M. Hoose, Jr. Family Mineral  
Interests Trust  
Lake Arrowhead, CA 92352

A. J. Properties, Inc.  
P. O. Box 107200  
Tulsa, OK 74170

Hosfeldt Family Partners  
c/o Moorman and Co.  
550 Hamilton Ave.  
Palo Alto, CA 94301

Eileen Miller  
16 Falconrock Lane  
Aguora, CA 91301

Lasca, Inc.  
1731 Texas American Bank Building  
Ft. Worth, TX 76102

Charles Daniel Ransom  
P. O. Box 2386  
Weaverville, CA 96093-2386

Barbara B. O'Brien  
114 Cambria Court  
St. Davids, PA 19087

Scope Exploration, Inc.  
P. O. Box 702571  
Tulsa, OK 74170

Joan B. Shepardonson  
1600 South Grant  
Denver, CO 80210

PM Oil Co.  
4010 East 43rd Street  
Tulsa, OK 74135

Fancher Archer  
524 Main (Drawer 430)  
Hale Center, TX 79041

Artline Shaw Seidl aka Artline Shaw, a widow  
260 S. E. Olivera Ave.  
Gresham, OR 97030

William R. Roberts, a widower  
45 N. E. 47th Ave.  
Portland, OR 97213

Woodbine Financial Corp.  
P. O. Box 52296  
Tulsa, OK 74152

Harris Trust & Savings Bank, Trustee  
P. O. Box 2304  
Bartlesville, OK 74005

Peter L. Bauerlein  
2142 Encino Loop  
San Antonio, TX 78259

John R. Royall, Trustee of John R. Royall  
Trust u/w/o Frances K. Royall, Dec'd.  
Dallas County, Texas

Tucker B. Royall  
P. O. Box 202  
Palestine, TX 75802

Frances Royall Sidford  
Summit County, Texas

Robert L. Kramer  
2115 East 32nd Street  
Tulsa, OK 74105

Raymond E. Harris  
4722 N. 32nd Place  
Phoenix, AZ 85018

Rebecca Royall, Trustee of Rebecca Royall  
Trust u/w/o Frances K. Royall, Dec'd.  
Dallas County, Texas

Tucker B. Royall, Trustee of Tucker B.  
Royall Trust u/w/o Frances K. Royall,  
P. O. Box 202  
Palestine, TX 75802

Frances Royall Sidford, Trustee of Frances  
Royall Sidford Trust u/w/o Frances K.  
Royall, Dec'd.  
Summit County, Utah

John R. Royall, Trustee of John R. Royall  
Trust u/w/o N. R. Royall, Jr., Dec'd.  
325 N. Saint Paul St. 2525  
Dallas, TX 75201

John R. Royall, Successor Trustee of N. R.  
Royall, III Trust u/w/o N. R. Royall, Jr.,  
Dec'd.  
325 N. Saint Paul St. 2525  
Dallas, TX 75201

John R. Royall, Trustee of John R. Royall  
Trust u/w/o Fannie May Royall, Dec'd.  
325 N. Saint Paul St. 2525  
Dallas, TX 75201

John R. Royall, Successor Trustee of N. R.  
Royall, III Trust u/w/o Fannie May Royall,  
Dec'd.  
325 N. Saint Paul St. 2525  
Dallas, TX 75201

Rebecca Royall  
Dallas County, Texas

Janet Robinson, R. Louise Nichols, and  
Muriel Fletcher, as Tenants in Common  
Beauvies Road  
West Redding, CT 06896

Interfirst Bank, Dallas, Trustee of Sabine  
Royalty Trust  
First International Building  
Dallas, TX 75285

Hunt Oil Company  
Fountain PL. 1445 Ross at Field  
Dallas, TX 75202

Archbishopric of New York  
1011 First Ave.  
New York, NY

Emma Liston Archer  
524 Main (Drawer 430)  
Hale Center, TX 79041

R. H. Anderson, Inc.  
Bakersfield, CA

Wallace Van Cleave, Peter Van Cleave, and  
John Van Cleave, as Tenants in Common  
California

E. R. Hudson, Trustee  
Tarrant County, Texas

Hilda W. Freed, Trustee of the C. E.  
Rawlinson and Dorothea J. Tawlinson Trust  
621 SW Morrison, Rm. 1027  
Portland, OR 97205

Lady Jane Mayer  
Tulsa, OK

Mariner & Co.  
P. O. Box 9787  
Riviera Beach, FL 33404

Gretchen Louise Weston  
2662 SW Georgian Place  
Portland, OR

Marion S. Bernstien  
New York, NY

Marie A. Golden, Anna M. Golden, and  
Lucille H. Golden, a single woman, as Joint  
Tenants With Rights of Survivorship and not  
as Joint Tenants  
Chicago, IL

Martha F. Berkeley  
Cook County, IL

Helen C. Kaspar  
11 Stonchouse Road  
Scarsdale, NY

Margaret Z. Rector  
43 Stockbridge Ave.  
Atherton, CA

The Board of Trustees of The Leland  
Stanford University  
Encina Annex  
Stanford University  
Stanford, CA 94305

Home Stake Oil & Gas Co.  
Parkway Center II, 2805 N. Dallas Parkway,  
Suite 100  
Plano, TX 75093

Home Stake Royalty Corp.  
15 East 5th Street  
Suite 2800  
Tulsa, OK 74103-4335

Stanley James McKinney  
130 Ransome Street  
Lafayette, LA 70501-6147

Susan Lee Bourgeois  
3320 Douglas, Apt. 7  
Dallas, TX 75219-2722

Philo W. Grimes & Edward L. McFarland,  
Trustee of the C. W. Grimes Trust UTA dated  
9-4-63  
1624 E. 21st  
Tulsa, OK 74101

Pat Holloway  
Republic National Bank Building  
Dallas, TX

Jean Holloway  
Rt. 7, Box 36-E  
Austin, TX 78759

Jour Holloway  
Rt. 7, Box 36-E  
Austin, TX 78759

Tommie Lou Cooper, a widow; Delbert Dale  
Cooper, and Jimmie Tom Cooper, as CO-  
Tenants  
116 W. Chuska St.  
Aztec, NM 87410-2145

The Church of the Messiah  
Gwynedd Post Office, PA

Ken Perkins Oil & Gas, Inc.  
P. O. Box 1237  
Kingsville, TX 78363

NCNB Texas National Bank  
Trustee under the Cross Timbers Royalty  
Trust dated 2/12/91