

BETTIS, BOYLE & STOVALL  
P. O. BOX 1240, 505 5TH STREET  
GRAHAM, TEXAS 76450  
(817) 549-0780 or Fax (817) 549-7405

July 3, 1995

Oil Conservation Division  
Hobbs, NM

Attn: Donna Pitzer  
Fax No.: 505-393-0720

RE: Kinsolving "7" No. 2  
Sec. 7-T12S-R38E  
Lea Co., NM

Dear Donna:

In reference to our telephone conversations last week concerning the eighty acre designation to the Kinsolving "7" No. 2, I am enclosing the letter I received from the BLM today. This letter recommends an eighty acre participating area for the well as well as confirming that one well will fully develop the unit area.

Sincerely,

BETTIS, BOYLE & STOVALL



Kim Ligon  
Regulatory Analyst



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office  
1717 West Second Street  
Roswell, New Mexico 88201-1397

IN REPLY REFER TO:  
NMNM92029X  
3180 (06557)

Bettis, Boyle & Stovall  
Attn: Ms Kim Ligon  
P.O. Box 1240  
Graham, Texas 76540

**JUN 28 1995**

Re: Kinsolving "7" No. 2  
Section 7, T.12 S., R.38 E.  
Lea County, New Mexico  
Commercial Well Determination and  
Initial Devonian Participating Area

Pursuant to your letters dated April 20, 1995 and June 12, 1995, this office concurs with your determination that the Kinsolving "7" #2, 100' FNL and 2075' FEL, Section 7, T. 12 S., R. 38 E., Lea County, New Mexico, is capable of producing unitized substances from the Devonian formation in paying quantities as defined in Section 9 of the Marigold unit agreement. This well is therefore entitled to be part of a Devonian participating area and production from this well shall be handled and reported accordingly.

The Initial Devonian participating area, Marigold Unit area, Lea County, New Mexico is hereby established pursuant to Section 11 of the unit agreement and is effective as of April 19, 1995. The participating area will be assigned NMNM92029A. The purpose of this number is for the reporting of production to the Minerals Management Service (MMS).

This participating area is based on the completion of Kinsolving "7" #2 well and on a review of the geological information submitted at the time of designation. The following lands are recommended for inclusion in the participating area and are hereby approved on this date:

T. 12 S., R. 38 E.,  
Section 6: SWSE, and  
Section 7, NWNE  
Lea County, New Mexico

containing 80.00 acres, more or less.

Copies of this approval are being distributed to the appropriate agencies. You are requested to furnish all interested principals with the evidence of this approval. If the subject well is producing, this approval requires the submission of a Payor Information Form MMS-4025 to the MMS within 30 days (30 CFR 210.51). Please notify the designated payor or payors as soon as possible regarding this requirement. Any producing royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance

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or clarification, please contact the MMS at 1-800-525-9167 or 303-231-3504.

Pursuant to Section 10 of the Unit Agreement, Plan of Further Development and Operation, you would normally be required to submit a plan of development at this time. However, as only one well was required to fully develop the unit area and that well has now been drilled, this requirement is waived.

Naming convention for wells located in federal units requires that all wells be named after the respective unit. The name, Kinsolving "7" #2, does not meet this requirement. This well should be renamed Marigold Unit #1. A sundry notice should be submitted to the State of New Mexico Oil Conservation Division in Santa Fe. Please send a copy of this notice to the BLM.

A up-to-date copy of Exhibit B for the Marigold Unit should also be submitted to this office within 60 days of receipt of the letter. It will be reviewed by Mary Lou Ormseth, 505-627-0272.

Please contact Alexis Swoboda, P.E., or the Division of Minerals at 505-627-0272 if you have any questions.

Sincerely,



Tony L. Ferguson  
Assistant District Manager  
Minerals

cc:

NM Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

MMS - Denver (3240)

BETTIS, BOYLE & STOVALL  
P. O. BOX 1240, 505 5TH STREET  
GRAHAM, TEXAS 76450  
(817) 549-0780 or Fax (817) 549-7405

June 20, 1995

Oil Conservation Division  
P.O. Box 1980  
Hobbs, NM 88420

Attn: Ms. Donna Pitzer

RE: Kinsolving 7 Well No. 2  
API 30-025-32859  
Lea Co., NM

*PO 11 1161693*

Dear Donna:

In reference to our numerous telephone conversations, please find enclosed an amended C-102 dedicating eighty (80) acres to the above subject well. You will also find enclosed a copy of the Production Unit Number Assignment from Taxation & Revenue. It is my understanding that T&R will be correcting the PUN assignment suffix to include the Federal and Fee ownership with a 50/50 share based upon the Marigold Unit Agreement No. NMNM91029X.

Should you require additional information, please do not hesitate to contact me.

Sincerely,

BETTIS, BOYLE & STOVALL

*Kim Ligon*  
Kim Ligon  
Regulatory Analyst

kl  
Encl.

*not included as of  
6-26-95. see attached  
T*

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CMD :  
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ONGARD  
MAINTAIN PUN SUFFIX

06/26/95 16:31:14

OGOKS -EMFC

PAGE 1

PUN : 1161693 PUN Type : BLMUNIT Pun Eff Dte : 04-19-1995

Property Name : KINSOLVING 7 ( 16555 )  
COMM/UNIT Name : ( )  
Pool : GLADIOLA;DEVONIAN ( 27740 )  
Master Operator : BETTIS BOYLE & STOVALL ( 2175 )  
BLM Agreement :

Sel	API Well Number	<-----PUN Suffix----->				Prd No of	%	Default	
		Code	Attr	Dte	Eff Date	Stat	Kind Acres	Alloc	Royalty
		F2550		04-19-95	04-19-95	A	40.00	000.00	.000000
		P2550		04-19-95	04-19-95	A	40.00	000.00	.000000

E0043: Record found; Authority denied to MODIFY/ADD

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06 CONFIRM  
PF07 BKWD    PF08 FWD        PF09            PF10            PF11            PF12