

Stogner, Michael

From: JamesBruc@aol.com
Sent: Monday, February 23, 2004 7:12 AM
To: mstogner@state.nm.us
Subject: Apache Corporation unorthodox locations in 21S-37E

Mike: I know you are cleaning out pre-February administrative applications, but I ask if you can help me with a few of the above applications.

Late last year the Division approved 5 unorthodox locations for Apache in 21S-37E, and Apache has now begun drilling those wells (which usually take about 5-6 days to drill). It now appears the drilling is proceeding much faster than initially anticipated, so in order to keep ahead of the rig I ask if you can review and (I hope) approve 3-4 of the 9 applications I submitted the first week in January.

The approvals will allow Apache to prepare wellsites ahead of rig arrival. In addition, it will keep the rig running on these locations -- if it has to be de-activated and moved, it will cost about \$60,000+ to move it back to these wells.

If you need any further information, please let me know. Thanks.

Jim Bruce
982-2043

11

2/23/2004



State of New Mexico
OIL CONSERVATION COMMISSION

2/23/04
5:10 PM
From

MICHAEL E. STOGNER
PETROLEUM ENGINEER

Memo

To Note To File

Re: Apache Corp.
Penrose Skelly Infill
Wells

Talked w/ Jim Bruce:
- Is providing me a copy of all
com. agreements. All have been
signed by Chevron and BP.
where applicable.

P.O. BOX 2088
LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
505-827-5811

Stogner, Michael

From: Stogner, Michael
Sent: Wednesday, February 25, 2004 1:18 PM
To: Jim Bruce (E-mail)
Subject: Apache

I have prepared and ready to release the first Apache infill Penrose Skelly NSL adm. order; however, I'd like for you to, off the record, look it over and comment on it. Thanks.



NSL-4957.a.doc

iv

Page 1 of 1

Stogner, Michael

From: JamesBruc@aol.com
Sent: Wednesday, February 25, 2004 1:54 PM
To: MSTOGNER@state.nm.us
Subject: Re: Apache

Mike: I think you have it exactly correct. As you'll see with applications involving federal lands, the BLM simply signed off on the cooperative lease line agreements, rather than requiring a communitization agreement. I met with the Land Office (Jeff Albers and Pete Martinez), and explained that the spacing unit must still be the 40 acre tract on which the well was located. I know that they are aware of that. However, they said that without a communitization agreement their computer could not track payment of revenue to the Land Office.

The long and short of it is that I see no problem in referring to it as a cooperative agreement.

The order looked fine to me.

Jim

Stogner, Michael

From: JamesBruc@aol.com
Sent: Tuesday, March 23, 2004 7:51 AM
To: mstogner@state.nm.us
Subject: Apache unorthodox locations/21S-37E

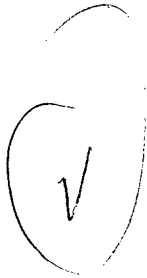
MR. Stogner: Thank you for the 4 unorthodox location orders on the above lands, issued a few weeks ago.

Apache has been drilling its locations in 21S-37E (which includes 6 wells on which unorthodox locations were approved last November), and is now on the 7th of the 10 wells. The wells take about 4-5 days to drill.

In order to keep the drilling rig on site, Apache requests that the remaining unorthodox locations be approved (I think there are 5 more). This will avoid the costs of moving the rig to a different township, and then moving it back. That cost would probably be in excess of \$60,000.

Thank you for your consideration of this request.

James Bruce
982-2043

A handwritten signature, likely of James Bruce, consisting of a large, loopy 'G' shape with a checkmark-like stroke inside it.

3/23/2004

Stogner, Michael

From: Stogner, Michael
Sent: Friday, March 26, 2004 4:06 PM
To: Jim Bruce (E-mail)
Cc: Williams, Chris
Subject: Apache Corporation

Jim,

I am now down to the last two Penrose-Skelly infill NSL's (Hawk "B-1" Wells No. 37 and 41). These two wells are on a federal lease and abutting to the Southland Royalty fee lease in the NE/4 of Sect. 9-T21S-R37E. I have a few questions that are probably covered in the agreement and application; I however think its worthwhile to have additional discussion on this topic:

- (1) what is the horizontal extent of the Southland Royalty fee lease;
- (2) are mineral interest common throughout;
- (3) who are the royalty interest owners;
- (4) what provisions in the agreement are made for the fee-royalty interest being affected by these two wells?

Thanks.



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

Re: *Spach / 21^s-37^e*

Mike -

*land plat and list of interest
owners in Southland Royalty
lease.*

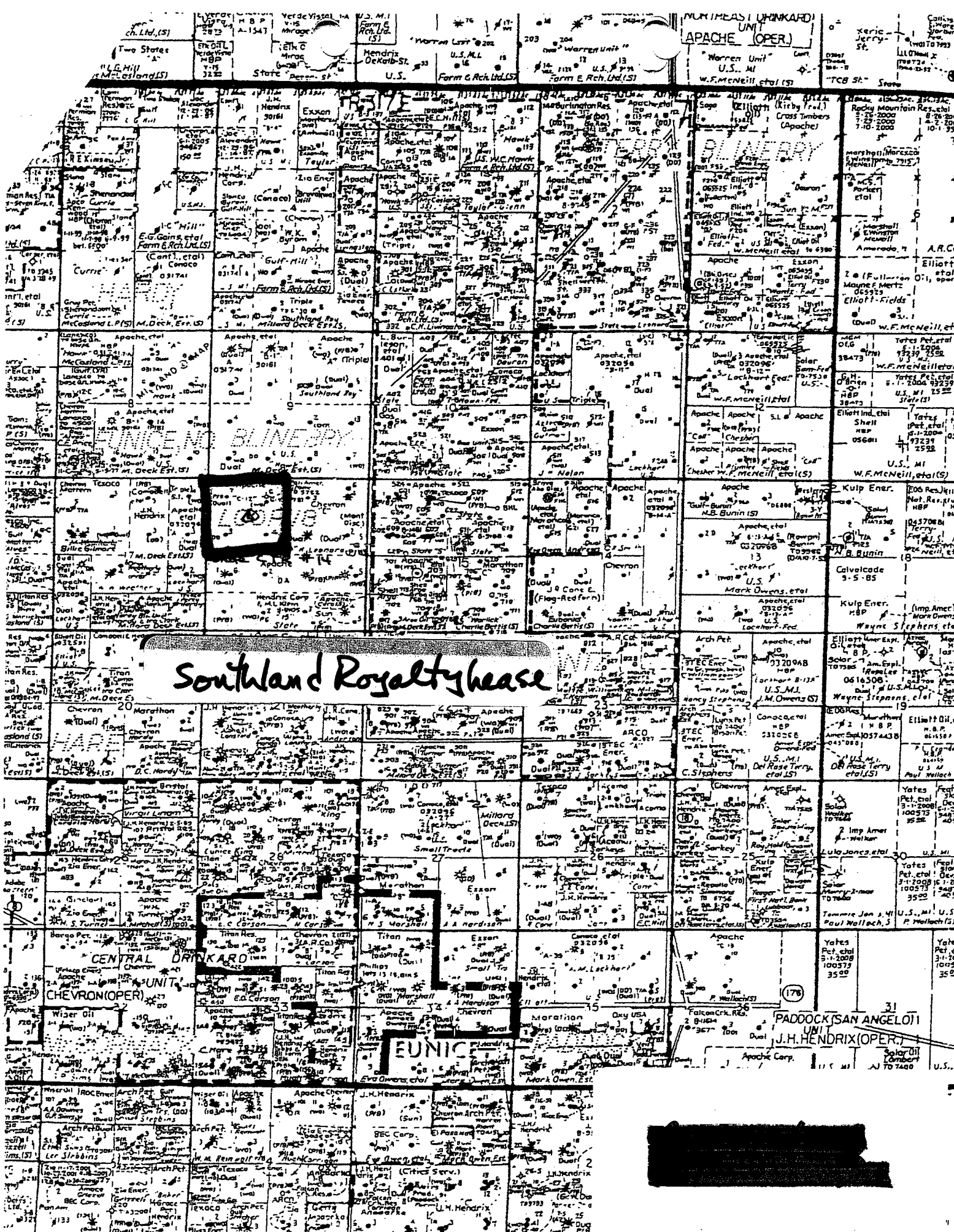
Jim

RECEIVED

MAR 30 2004

**OIL CONSERVATION
DIVISION**

VII



Southland Royalty Lease

APACHE UNIT (OPER.)

CENTRAL DRINKARD UNIT (CHEVRON OPER.)

UNION

PADDOCK (SAN ANGELO) UNIT (J.H. HENDRIX OPER.)

3/29/200

DOI / OWNER INTEREST QUERY

Property/DOI: 01385301/00001 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Crty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0000001003 APACHE CORPORATION RI 01 0.01171880
2000 POST OAK BLVD SUITE 100

HOUSTON
TX 77066

TAX ID NO: 410747888

0000001003 APACHE CORPORATION WI 01 0.87500000
2000 POST OAK BLVD SUITE 100

HOUSTON
TX 77066

TAX ID NO: 410747888

0001839392 BURLINGTON RESOURCES OIL & GAS CO RI 01 0.01562500
P O BOX 840856

DALLAS
TX 75284-0656

TAX ID NO: 411400579

0002498801 J L BURKE III RI 01 0.00139160
8928 MEADOW KNOLL DRIVE

DALLAS
TX 75243

TAX ID NO: 825860125

0002498101 BEVERLY B STROHL RI 01 0.00139160
4363 BROMFIELD AVE.

SAN DIEGO
CA 92122

TAX ID NO: 525888486

0002498501 NANCY I FARMER RI 01 0.00139160
5136 E 35TH STREET

TULSA
OK 74135

TAX ID NO: 525801165

0004648101 JACK MARKHAM RI 01 0.00483630
1500 BROADWAY

SUITE 1212
LUBBOCK
TX 79401

TAX ID NO: 458605591

0007859101 JOHN REDFERN III RI 01 0.00075980
P O BOX 50880

MIDLAND
TX 79710

TAX ID NO: 459564821

0008165301 KATHERINE A KECK RI 01 0.00195310
1801 AVE OF THE STARS STE 446

LOS ANGELES
CA 90067-5906

TAX ID NO: 464821200

0010253102 OHIO STATE UNIVERSITY RI 01 0.00027830
53 W 11TH AVE

COLUMBUS
OH 43201

TAX ID NO: 318025986

REPORT: DO_DOI_OWNER V1.1

Post-it* Fax Note	7671	Date	3/29	# of pages	8
To	Jim Bruce	From	Cindy Miller		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	982-2151	Fax #			

3/29/200

DOI / OWNER INTEREST QUERY

Property/DOI: 01365301/00001

Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0012695101	HERD PARTNERS LTD P O BOX 130 MIDLAND TX 79702-0130 TAX ID NO: 752571346	RI	01	0.00195310
0013584401	J R CONE ET UX PO BOX 10217 LUBBOCK TX 79408 TAX ID NO: 486286920	RI	01	0.00455730
0014526201	WAIKIKI PARTNERS LP P O BOX 2127 MIDLAND TX 79702-2127 TAX ID NO: 752603526	RI	01	0.00075980
0014881601	MONTGOMERY PETROLEUM INC P O BOX 600490 DALLAS TX 75360-0490 TAX ID NO: 752811554	RI	01	0.00056962
0014881701	RONALD O HOLMAN 5949 SHERRY LANE STE 1700 DALLAS TX 75225 TAX ID NO: 451823588	RI	01	0.00018988
0015787901	CLARENCE RICHARD MARKHAM 3110-38TH STREET MARKHAM & JOYCE STANLEY LUBBOCK TX 79413 TAX ID NO: 467288566	RI	01	0.00013950
0015788001	DONALD MARSHALL MARKHAM FAMILY P O BOX 241 MARKHAM AND LADONNA RIEGER CENTER POINT TX 78010-0241 TAX ID NO: 461389700	RI	01	0.00013950
0015801601	ALBERT D WHITE JR 2402 SWEETWATER COUNTRY CLUB DR APOPKA FL 32712 TAX ID NO: 453662103	RI	01	0.00027900
0015806501	ANNA BESS CALFIN 3008 49TH ST LUBBOCK TX 79413-4125 TAX ID NO: 525169094	RI	01	0.00488290
0015806601	COLLEGE OF THE SOUTHWEST 6610 LOVINGTON HWY HOBBS NM 88240-9120 TAX ID NO: 850164940	RI	01	0.00027840

3/29/200

DOI / OWNER INTEREST QUERY

Property/DOI: 01365301/00001 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0015806701	CLEBBIE F & GENE L DUKE 1813 GILLHAM DR	RI	01	0.00781250
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BROWNFIELD
TX 79316-6013

TAX ID NO: 525785027

0015806801	BETTY OWENS HORTON 1605 MELROSE CIRCLE	RI	01	0.00683600
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GARLAND
TX 75042-4243

TAX ID NO: 465226953

0015807001	C B JR MARKHAM ESTATE TRUST 2512 METZGAR RD SW	RI	01	0.00027900
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ALBUQUERQUE
NM 87105-6336

TAX ID NO: 856106786

0015807101	HELEN M OWENS 219 ROSEBUD	RI	01	0.00573730
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STEPHENVILLE
TX 76401-6076

TAX ID NO: 463460343

0015807201	HERSHEL T & JUDY B OWENS 1235 S MARION AVE HERSHEL & JUDY OWENS TRUSTEES TULSA	RI	01	0.00573730
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OK 74112-5125

TAX ID NO: 525701710

0015807301	JAMES M OWENS P O BOX 1003	RI	01	0.00573730
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DUMAS
TX 79026-1003

TAX ID NO: 525964542

0015807401	JANET OWENS ESTATE 1605 MELROSE CIRCLE	RI	01	0.00695800
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GARLAND
TX 75042-4243

TAX ID NO: 585160990

0015807501	LANA OWENS 764 WILDWOOD TRAIL	RI	01	0.00695800
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WEATHERFORD
TX 76085

TAX ID NO: 585160804

0015807601	SOUTHWESTERN BAPTIST 1601 ELM ST STE 1700 C/O BAPTIST FOUNDATION OF TX DALLAS	RI	01	0.00027830
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TX 75201-4741

TAX ID NO: 750891462

0015807701	TEXAS TECHNOLOGICAL UNIVERSITY P O BOX 45025	RI	01	0.00027830
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LUBBOCK
TX 79409-5025

TAX ID NO: 756002622

3/29/200**DOI / OWNER INTEREST QUERY**

Property/DOI: 01365301/00001 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0015807801	ELDON K & RUEDELE TURNER 5306 77TH ST LUBBOCK TX 79424-2502 TAX ID NO: 525507895	RI	01	0.00781250
0015807901	WEST TEXAS STATE UNIVERSITY 200 TECHNOLOGY WAY COLLEGE STATION TX 77845-3424 TAX ID NO: 756031405	RI	01	0.00027630
0002487701	MARILYN BURKE SALTER 20031 82 AVE W EDMONDS WA 98026 TAX ID NO: 525804466	RI	02	0.00139160
0016333401	TONY G KNOTT & LAURIE A KNOTT 5002 W JA ROB LN HOBBS NM 88242 TAX ID NO: 625135150	RI	01	0.00573730
0015788101	BILL J MARKHAM ESTATE TRUST 2315 LITTLE RD #108 ARLINGTON TX 76016 TAX ID NO: 461389216	RI	03	0.00027900
0015788101	BILL J MARKHAM ESTATE TRUST 2315 LITTLE RD #108 ARLINGTON TX 76016 TAX ID NO: 461389216	RI	01	0.00027900
0019180201	WILLIAM RAY PROCTOR 1209 S COUNTY ROAD WEST ODESSA TX 79763 TAX ID NO: 462620922	RI	01	0.00013950
0019180301	JAMES RUSSELL PROCTOR 2352 N YALE MESA AZ 85213 TAX ID NO: 449525297	RI	01	0.00013950
0019350801	JULIA BENHAM TESTAMENTARY TRST 4162 JEFFERSON WOODS DR BATON ROUGE LA 70809 TAX ID NO: 726197488	RI	01	0.00695800
0031249101	FAIRWAY OIL & GAS COMPANY P.O. BOX 845 SPARTA NJ 07871 TAX ID NO: 751510632	RI	01	0.00227860

TOTAL DOI 01365301/00001

1.00000000

3/29/200

DOI / OWNER INTEREST QUERY

Property/DOI: 01365301/00002 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0001839392	BURLINGTON RESOURCES OIL & GAS CO P O BOX 840656 DALLAS TX 75284-0656 TAX ID NO: 411400579	RI	01	0.01562500
0002496801	J L BURKE III 8928 MEADOW KNOLL DRIVE DALLAS TX 75243 TAX ID NO: 525680125	RI	01	0.00139160
0002497701	MARILYN BURKE SALTER 20031 82 AVE W EDMONDS WA 98026 TAX ID NO: 525804466	RI	02	0.00139160
0002498101	BEVERLY B STROHL 4353 BROMFIELD AVE. SAN DIEGO CA 92122 TAX ID NO: 525689486	RI	01	0.00139160
0002498501	NANCY I FARMER 5136 E 35TH STREET TULSA OK 74135 TAX ID NO: 525801155	RI	01	0.00139160
0004848101	JACK MARKHAM 1500 BROADWAY SUITE 1212 LUBBOCK TX 79401 TAX ID NO: 458805591	RI	01	0.00483630
0007859101	JOHN REDFERN III P O BOX 50890 MIDLAND TX 79710 TAX ID NO: 458564821	RI	01	0.00075960
0008165301	KATHERINE A KECK 1801 AVE OF THE STARS STE 446 LOS ANGELES CA 90067-5906 TAX ID NO: 464821200	RI	01	0.00185310
0010253102	OHIO STATE UNIVERSITY 53 W 11TH AVE COLUMBUS OH 43201 TAX ID NO: 316025986	RI	01	0.00027830
0012695101	HERD PARTNERS LTD P O BOX 130 MIDLAND TX 79702-0130 TAX ID NO: 752571346	RI	01	0.00185310

3/29/200

DOI / OWNER INTEREST QUERY

Property/DOI: 01365301/00002

Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0013584401	J R CONE ET UX PO BOX 10217	RI	01	0.00455730
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LUBBOCK
TX 79408TAX ID NO: 46628920

0014526201	WAIKIKI PARTNERS LP P O BOX 2127	RI	01	0.00076960
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MIDLAND
TX 79702-2127TAX ID NO: 752603526

0014881501	MONTGOMERY PETROLEUM INC P O BOX 800490	RI	01	0.00058982
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DALLAS
TX 75380-0490TAX ID NO: 752611554

0014881701	RONALD O HOLMAN 5949 SHERRY LANE STE 1700	RI	01	0.00018988
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DALLAS
TX 75225TAX ID NO: 451823588

0015787901	CLARENCE RICHARD MARKHAM 3110-38TH STREET MARKHAM & JOYCE STANLEY LUBBOCK	RI	01	0.00013950
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TX 79413

TAX ID NO: 467288566

0015788001	DONALD MARSHALL MARKHAM FAMILY P O BOX 241 MARKHAM AND LADONNA RIEGER CENTER POINT	RI	01	0.00013950
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TX 78010-0241

TAX ID NO: 461389700

0015788101	BILL J MARKHAM ESTATE TRUST 2315 LITTLE RD #108	RI	03	0.00027900
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ARLINGTON
TX 76016TAX ID NO: 461389216

0015788101	BILL J MARKHAM ESTATE TRUST 2315 LITTLE RD #108	RI	01	0.00027900
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ARLINGTON
TX 76016TAX ID NO: 461389216

0015801801	ALBERT D WHITE JR 2402 SWEETWATER COUNTRY CLUB DR	RI	01	0.00027900
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APOPKA
FL 32712TAX ID NO: 463582103

0015806501	ANNA BESS CALFIN 3008 49TH ST	RI	01	0.00488290
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LUBBOCK
TX 79413-4125TAX ID NO: 525189084

3/29/200

DOI / OWNER INTEREST QUERY

Property/DOI: 01365301/00002 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0015806801	COLLEGE OF THE SOUTHWEST 6610 LOVINGTON HWY	RI	01	0.00027840
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HOBBS

NM 88240-9120

TAX ID NO: 850164940

0015806701	CLEBBIE F & GENE L DUKE 1813 GILLHAM DR	RI	01	0.00781250
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BROWNFIELD

TX 79316-8013

TAX ID NO: 525785027

0015806801	BETTY OWENS HORTON 1606 MELROSE CIRCLE	RI	01	0.00883600
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GARLAND

TX 75042-4243

TAX ID NO: 485226953

0015807001	C B JR MARKHAM ESTATE TRUST 2512 METZGAR RD SW	RI	01	0.00027900
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ALBUQUERQUE

NM 87105-8336

TAX ID NO: 856106788

0015807101	HELEN M OWENS 219 ROSEBUD	RI	01	0.00573730
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STEPHENVILLE

TX 76401-6078

TAX ID NO: 463460343

0015807201	HERSHEL T & JUDY B OWENS 1235 S MARION AVE	RI	01	0.00573730
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HERSHEL & JUDY OWENS TRUSTEES

TULSA

OK 74112-5125

TAX ID NO: 525701710

0015807301	JAMES M OWENS P O BOX 1003	RI	01	0.00573730
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DUMAS

TX 79029-1003

TAX ID NO: 525964542

0015807401	JANET OWENS ESTATE 1605 MELROSE CIRCLE	RI	01	0.00695900
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GARLAND

TX 75042-4243

TAX ID NO: 585160990

0015807501	LANA OWENS 764 WILDWOOD TRAIL	RI	01	0.00695800
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WEATHERFORD

TX 76085

TAX ID NO: 585160804

0015807601	SOUTHWESTERN BAPTIST 1801 ELM ST STE 1700	RI	01	0.00027830
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C/O BAPTIST FOUNDATION OF TX

DALLAS

TX 75201-4741

TAX ID NO: 750891462

3/29/200

DOI / OWNER INTEREST QUERY

Property/DOI: 01365301/00002 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0015807701	TEXAS TECHNOLOGICAL UNIVERSITY P O BOX 45025 LUBBOCK TX 79408-5025 TAX ID NO: 766002622	RI	01	0.00027830
0015807801	ELDON K & RUEDELE TURNER 5306 77TH ST LUBBOCK TX 79424-2502 TAX ID NO: 625507995	RI	01	0.00781250
0015807901	WEST TEXAS STATE UNIVERSITY 200 TECHNOLOGY WAY COLLEGE STATION TX 77845-3424 TAX ID NO: 758031405	RI	01	0.00027830
0000001003	APACHE CORPORATION 2000 POST OAK BLVD SUITE 100 HOUSTON TX 77056 TAX ID NO: 410747868	RI	01	0.01171880
0000001003	APACHE CORPORATION 2000 POST OAK BLVD SUITE 100 HOUSTON TX 77056 TAX ID NO: 410747868	WI	01	0.87500000
0016333401	TONY G KNOTT & LAURIE A KNOTT 5002 W JA ROB LN HOBBS NM 88242 TAX ID NO: 525135150	RI	01	0.00573730
0019180201	WILLIAM RAY PROCTOR 1208 S COUNTY ROAD WEST ODESSA TX 79763 TAX ID NO: 462620922	RI	01	0.00013950
0019180301	JAMES RUSSELL PROCTOR 2352 N YALE MESA AZ 85213 TAX ID NO: 449525297	RI	01	0.00013950
0019350801	JULIA BENHAM TESTAMENTARY TRST 4162 JEFFERSON WOODS DR BATON ROUGE LA 70809 TAX ID NO: 726197488	RI	01	0.00695800
0031248101	FAIRWAY OIL & GAS COMPANY P.O. BOX 845 SPARTA NJ 07871 TAX ID NO: 751510632	RI	01	0.00227860

TOTAL DOI 01365301/00002

1.00000000

Stogner, Michael

From: JamesBruc@aol.com
Sent: Tuesday, March 30, 2004 1:00 PM
To: MSTOGNER@state.nm.us
Subject: Re: Apache Corporation/Southland Royalty (fee) Lease

Mike: In answer to your questions:

1. The lease covers the SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$ §4, and the NE $\frac{1}{4}$ §9, as to all depths.

2 & 3. Mineral interests are common throughout the lease. There is one working interest owner (Apache), no overriding royalty owners, and numerous royalty owners.

Yesterday I mailed to you (a) a land plat highlighting the lease's boundaries, and (b) a list of all interest owners in the lease.

4. Under the lease line agreements (attached to the applications), part of the production from the Hawk B-1 No. 37 and Hawk B-1 No. 41 will be allocated to the South land Royalty Lease, and all interest owners in the lease will share in production proportionately.

Let me know if you need further data.

Jim

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

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page 1/3

3/30/2004

Stogner, Michael

From: Stogner, Michael
Sent: Tuesday, March 30, 2004 1:03 PM
To: 'JamesBruc@aol.com'
Subject: RE: Apache Corporation/Southland Royalty (fee) Lease

Including the "numerous royalty owners"?

-----Original Message-----

From: JamesBruc@aol.com [mailto:JamesBruc@aol.com]
Sent: Tuesday, March 30, 2004 1:00 PM
To: MSTOGNER@state.nm.us
Subject: Re: Apache Corporation/Southland Royalty (fee) Lease

Mike: In answer to your questions:

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Let me know if you need further data.

Jim

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For more information please visit <http://www.messagelabs.com/email>

YIII
page 2/3

3/30/2004

Stogner, Michael

From: JamesBruc@aol.com
Sent: Tuesday, March 30, 2004 3:26 PM
To: MSTOGNER@state.nm.us
Subject: Re: Apache Corporation/Southland Royalty (fee) Lease

Yes: All royalty owners in the Southland Royalty Lease will share in production from the two wells allocated to the lease under the lease line agreements.

Sorry - I knew what I was thinking, but didn't make it clear.

Jim

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

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page 3/3

3/30/2004