



**R. K. FORD & ASSOCIATES**  
Engineering, Drilling & Completion

201 West Wall  
Suite 600 • Wall Tower East  
Midland, Texas 79701

PLRO-401330474

New Sup. 3/29/04

(915) 682-0440  
Fax (915) 682-0441  
email: Ford201@AOL.COM

**RECEIVED**

MAR 08 2004

Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, NM 87505

*MS*

March 2, 2004

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: San Remo 32 #1

Dear Mr. Stogner:

In reference to the denial of the proposed unorthodox location of the subject well, I offer the following justification of this location.

The presence of houses, pens and farmland in this area would require the location be moved a considerable distance, necessitating a 2000-3000' kick.

R. K. Ford & Associates respectfully requests your reconsideration of the proposed location.

Sincerely,

R. K. Ford & Associates, Inc.

*Sandra Nobles*

Sandra Nobles

/jr  
Attachment



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

Preston Exploration, LLC

c/o R. K. Ford & Associates, Inc.

415 West Wall – Suite 1700

Wilco Building

Midland, Texas 79701

January 29, 2004

**Lori Wrotenbery**

Director

Oil Conservation Division

Attention: Sandra Nobles

**Re:** *Administrative application dated January 7, 2004 (administrative application reference No. pLR0-401330474) for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Preston Exploration, LLC's ("Preston") proposed San Remo "32" Well No. 1 to be drilled at an unorthodox deep gas well location 1980 feet from the North line and 2130 feet from the West line (Unit F) of Section 32, Township 16 South, Range 26 East, NMPM, Eddy County, New Mexico. The N/2 of Section 32 to be dedicated to this well in order to form a standard 320-acre lay-down deep gas spacing unit within both the Undesignated POW-Morrow Gas Pool (83040) and Undesignated POW-Atoka Gas Pool (97624).*

Dear Ms. Nobles:

The Division requires well location exception requests be considered for good cause shown and with reasonable supporting documentation and evidence. Your application provided nothing to base such a request or any information to support why the requested unorthodox deep gas well location is needed in this matter. Reviewing the information provided at face value and assuming no other factors, there is no apparent reason why this well cannot be moved to the west or northwest that meet the required standard set-back requirements for deep gas wells in southeast New Mexico.

Therefore, your application for administrative approval for the above-described unorthodox deep Atoka and Morrow gas well location is hereby **denied** and is being returned to you at this time.

The conservation rules in all oil and gas producing states governing well spacing and the placement of these wells within such drilling tracts and proration units have been enacted to promote the orderly development of that states valuable oil and gas resources by preventing waste, protecting correlative rights, and preventing the drilling of unnecessary wells. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues. I have enclosed a packet of information containing guidelines for such well location exceptions.

Please note, your application requested the Cisco/Canyon interval be included. The 40-acre tract (Unit "F" of Section 32) where Preston is proposing to drill this well is within one-mile of the Northwest Logan Draw-Cisco Canyon Pool (96871), and pursuant to Division Rule 104.B (1), is subject to the Division's "oil" spacing/well location rules requiring 40-acre spacing and proration units and for wells to be no closer than 330 feet to any quarter-quarter section line.

Sincerely,

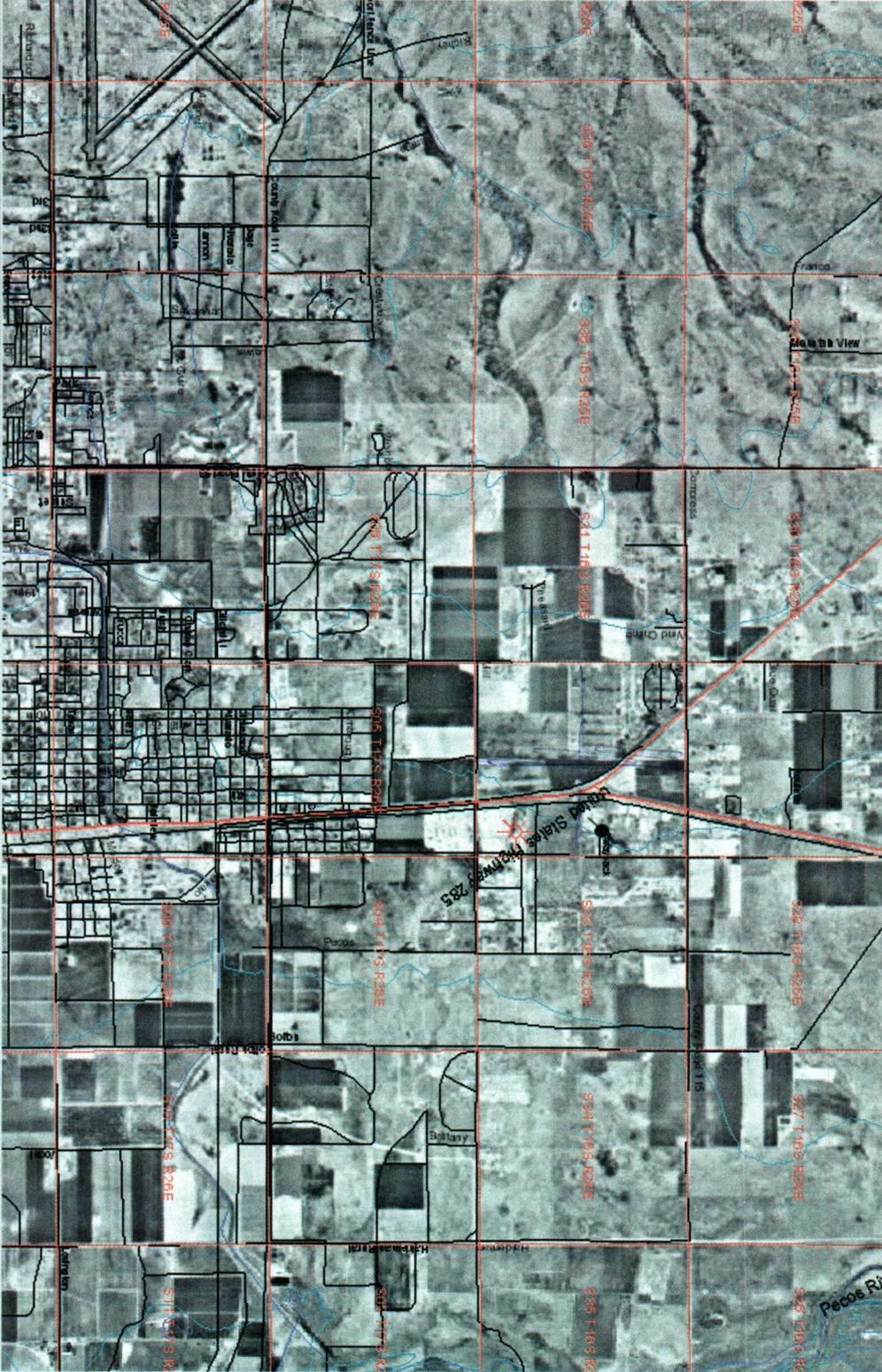
Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia

# RBDMS GIS/GPS Utility

Well Map



X=1838659 Y=1.193674e+01 1:1530.9

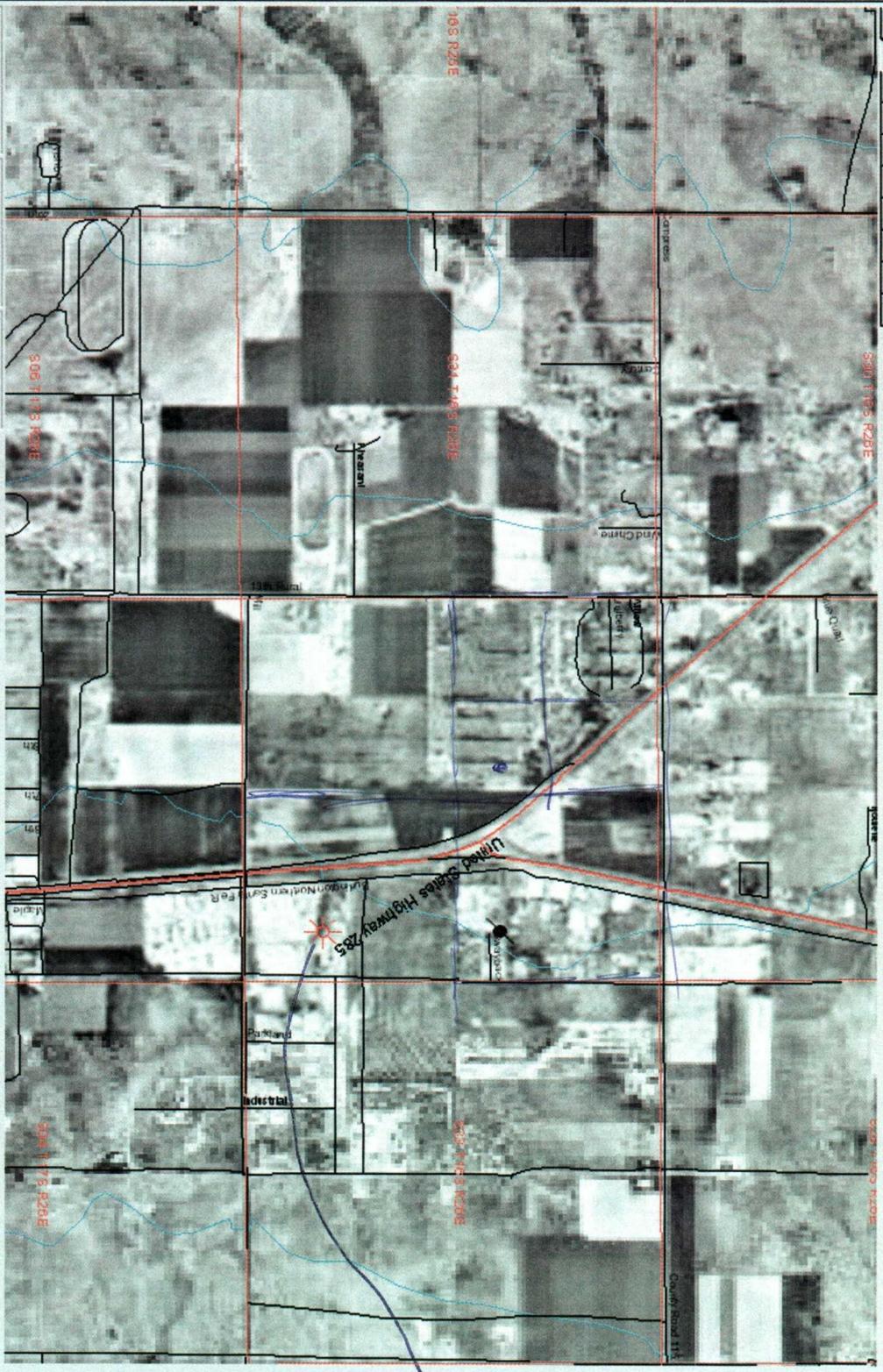
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# RBDMS GIS/GPS Utility

Well Map



X=1830354 Y=1.193543e+01 1:765.44

*This well  
was  
cable tool  
drilled in  
1943 to a  
depth of  
6765' well  
is paid.*

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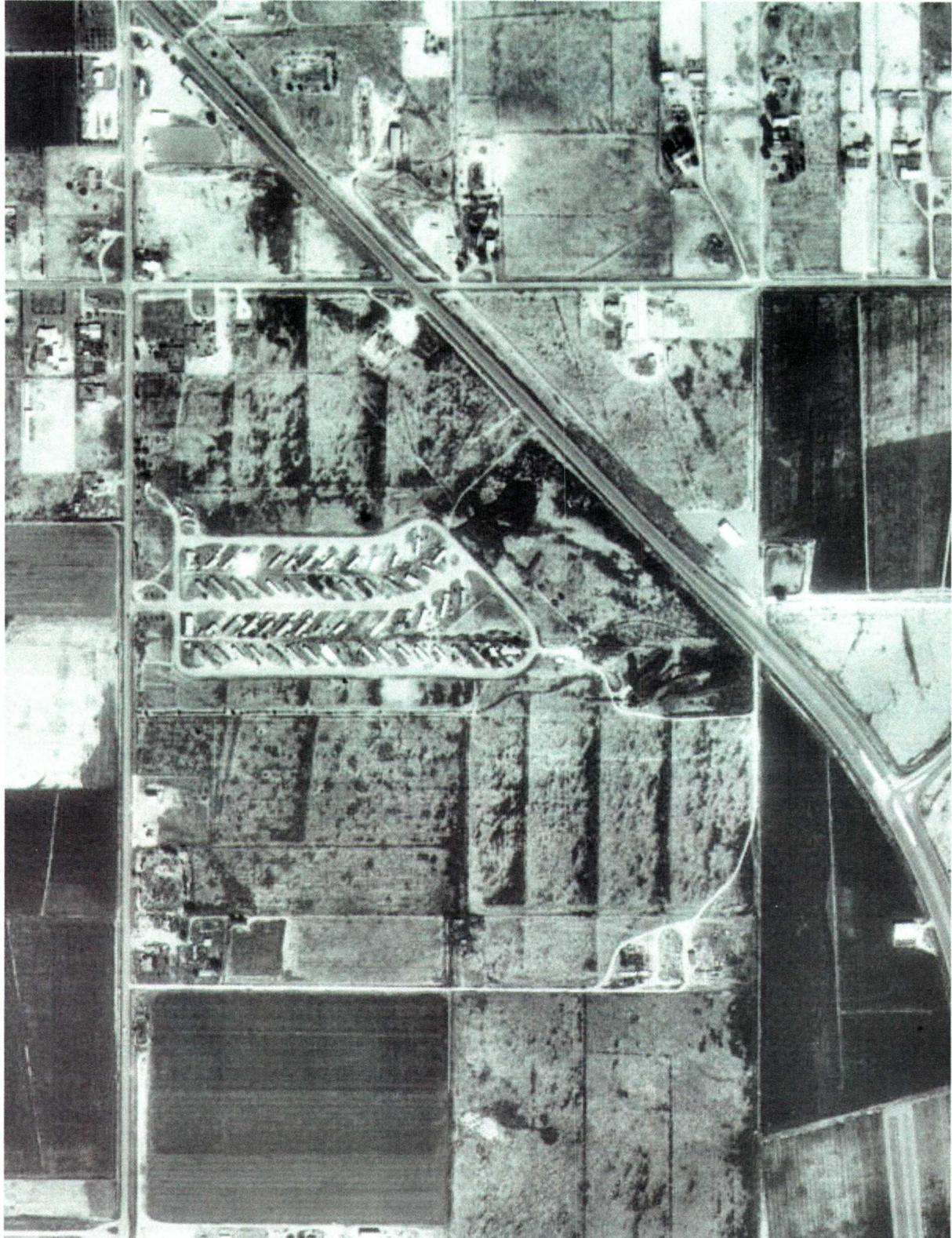
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**USGS 5 km N of Artesia, New Mexico, United States 19 Oct 1997**



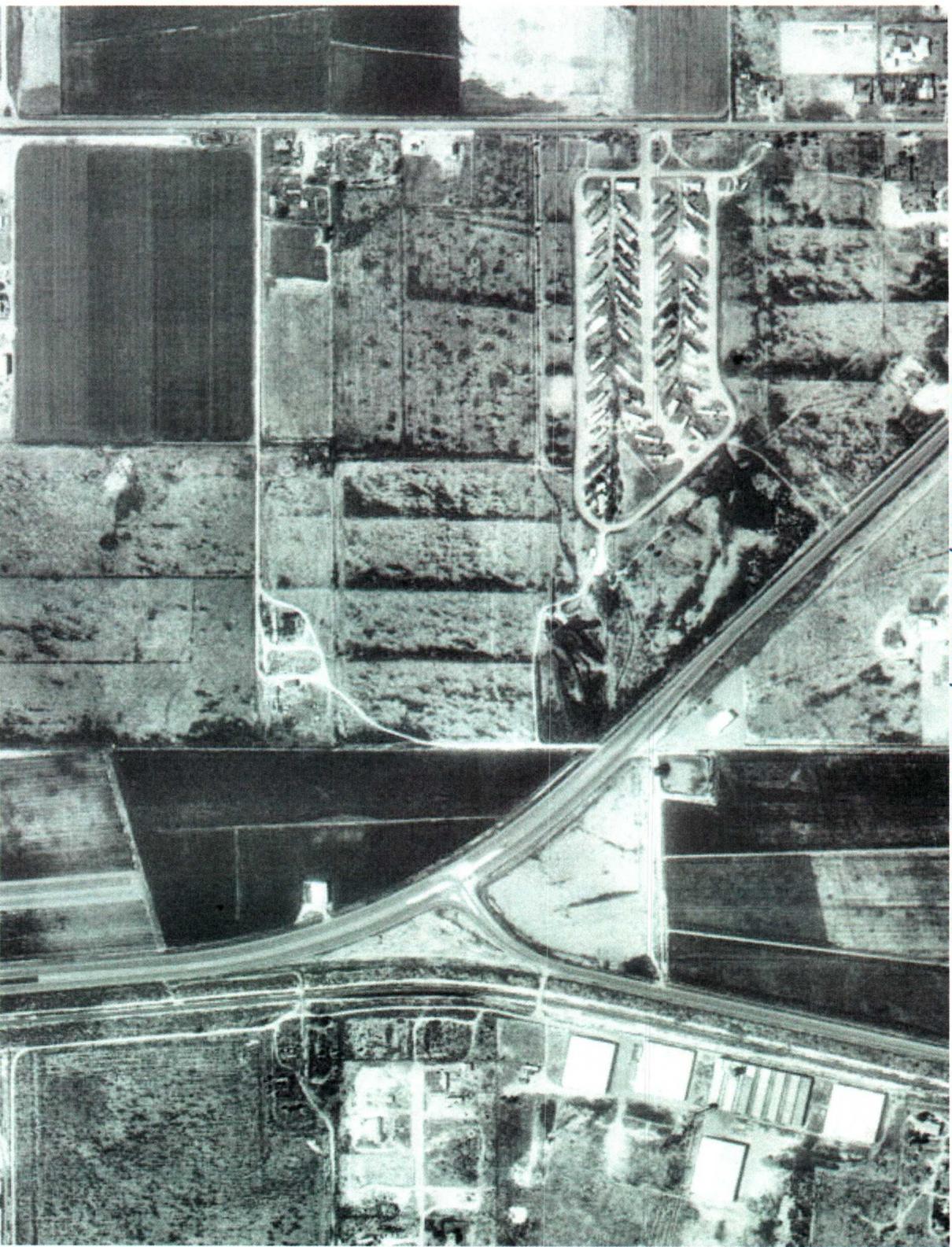
0 200M

0 200yd

Image courtesy of the U.S. Geological Survey

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0 200M

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0 100M

0 100yd

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# Company Maintenance

Mod Date 4/10/2002



## Operator Info with Main Business Offices Address

Company: PRESTON EXPLORATION, LLC  
First: RONALD G GENTZLER  
Address: P.O. BOX 7520  
(Suite, Etc.):  
City / St / Zip: THE WOODLANDS TX 77387 - 0000  
Country: Fax: 000-000-0000  
Phone: 000-000-0000 Ext:

User ID  
OGRID  
212226  
DOE No  
Status A  
Problem

Organization Rpt?   
Received:  
Last Financial Report  
Received:  
Secretary of State  
Qualified:

Oper  InjOper  Bondg  Drillr  Trans  Gathr  Haur  Pullr  Misc1  Misc2  Misc3  Misc4

District Office Address to use for Mailing of Notices Phone: Ext:

Address: City  
(Suite, Etc.) State / Zip / Zip

Scheduled Inspection Meeting Place: First Well on the List