

DATE IN 10-10-13	SUSPENSE	ENGINEER DV	LOGGED IN	TYPE NSL	PPR NO. 1330358210
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

*NSL-6879*

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication  
 NSL  NSP  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
- [D] Other: Specify \_\_\_\_\_

*Texland Petroleum - Hobbs  
 CP 3 State #2  
 30-025 - Pending  
 Unit I / Sec. 3 / 175/36 E*

- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Vickie Smith      Vickie Smith      Regulatory Analyst      10-10-13  
 Print or Type Name      Signature      Title      Date

\_\_\_\_\_  
 e-mail Address vsmith@texpetro.com

**TEXLAND PETROLEUM, L.P.**  
EXPLORATION AND PRODUCTION  
777 MAIN STREET, SUITE 3200  
FORT WORTH, TEXAS 76102

(817) 336-2751

October 10, 2013

Mr. David Brooks  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: *Application for administrative approval - unorthodox well location  
CP 3 State #2,  
Lea County, New Mexico*

Dear Mr. Brooks:

Texland Petroleum-Hobbs, LLC ("Texland") hereby seeks administrative approval pursuant to NMAC 19.15.15.13 for an unorthodox well location for its *CP 3 State #2* well (the "Well"). The Well will be drilled to the Wichita/Abo formation, which is governed by state rules providing for 40 acre spacing units. The rules also provide for orthodox well locations at least 330 feet from the boundary of the quarter/quarter spacing unit.

The proposed spacing unit for the Well is as follows:

Township 17 South, Range 36 East, NMPM, Lea County, New Mexico  
Section 3: NE/4SE/4 (Unit I)

In this case, the Well will be located 840 feet from the east line and 260 feet from the north line of Unit I.

An unorthodox location is required in this instance because of surface obstructions and geologic conditions. Texland's original desired location was 330 feet from the west line and 330 feet from the north line of Unit I. While staking the location, the surveyor discovered that the proposed location was directly under a power line running north/south at the approximate point of the power pole shown in the aerial photo on attached Exhibit A. The location also appears to be on top of or immediately adjacent to a pipeline right of way.

Mr. David Brooks  
October 10, 2013  
Page 2 of 2

Texland's desired location was positioned to encounter a grainstone shoal in the Wichita/Abo formation flanking the north edge of the Abo Reef. Moving the location further to the south to avoid the pipeline and power pole obstructions would place the wellbore at a point at or near the crest of the Abo Reef, and out of position to encounter the targeted grainstone. This is reflected on the enclosed Wichita Isopach on attached Exhibit B.

Accordingly, Texland seeks to move the well location the minimum distance necessary to the north and east to avoid the surface obstructions and still encounter the target formation. The proposed unorthodox location encroaches on Unit H only. NMAC 19.15.4.12 defines "Affected Parties" for such an unorthodox location as follows:

If the proposed location is unorthodox by being located closer to the spacing unit's outer boundary than 19.15.15 NMAC or applicable special pool orders permit, the applicant shall notify the affected persons in the adjoining spacing units towards which the unorthodox location encroaches.

Unit H is under lease to OXY USA WTP LP, which is the only affected party. Texland and Oxy are partnering to drill wells on both Unit H and I targeting the same formation, and Oxy will participate in the drilling of this unorthodox well. Texland has notified OXY of this request by sending OXY a copy of this application in accordance with NMAC 19.15.4.12 (A)(2)(c).

As required under NMAC 19.15.15.13 (C), please find the following additional enclosures:

Exhibit C is a plat that shows the subject area, the 40-acre proposed spacing unit comprised of the NE/4SE/4 of Section 3, the proposed unorthodox well location and the offsetting spacing unit.

Exhibit D is the C-102 filed for the well that shows the surveyed location of the well.

Your attention to this application is appreciated.

Yours very truly,



Vickie Smith  
Regulatory Analyst

Enclosures  
cc: OCD/Hobbs District 1

Exhibit "A"

Google earth

feet  
meters



500



Original stated location

CP 9 State #2 Revised location

Google earth  
Earth from



TEXLAND PETROLEUM

EXHIBIT C

LEA COUNTY, NM

WELL SYMBOLS  
● Location Only

October 10, 2013

SEC 3-17S-36E

3

OXY

CP STATE

●  
2

TEXLAND

Exhibit "C"

Exhibit "D"

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
111 S. First St., Artesia, NM 88210  
Phone: (575) 748-1253 Fax: (575) 748-9720  
District III  
1000 Rio Arriba Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6176  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-41474</b>		2 Pool Code <b>40470</b>		3 Pool Name <b>Longton, Abs</b>	
4 Property Code <b>35596</b>		5 Property Name <b>CP 3 STATE</b>		6 Well Number <b>2</b>	
7 OGRID No. <b>113315</b>		8 Operator Name <b>TEXLAND PETROLEUM, LP</b>		9 Elevation <b>3857.0</b>	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>1</b>	<b>3</b>	<b>T-17-S</b>	<b>R-36-E</b>	<b>9</b>	<b>2380'</b>	<b>SOUTH</b>	<b>840'</b>	<b>EAST</b>	<b>LEA</b>

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres <b>40</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.

<p><b>SECTION 3</b></p> <p>CP 3 STATE No.2 ELEV. 3857.0 X=806237.9 Y=679217.6 LAT=32° 51' 47.794" LONG=103° 20' 09.658"</p> <p>CP 3 STATE No.1 ELEV. 3865</p> <p>TEXLAND 3 STATE No.1 ELEV. 3865</p>	<p>16 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Vickie Smith</i> Signature Date</p> <p><b>Vickie Smith</b> 10/01/13 Printed Name</p> <p><b>vsmith@texpetro.com</b> E-mail Address</p>
	<p>17 SURVEYOR CERTIFICATION</p> <p>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.</p> <p><b>OCTOBER 1, 2013</b> Date of Survey</p> <p><i>Jesse M. Martin</i> Signature and Seal of Professional Surveyor</p> <p><b>Jesse M. Martin</b> 10/2/13 Certificate Number 7911 78-477 PG. 20-21 37.647</p>

HORIZONTAL-NAD27 NEW MEXICO EAST  
VERTICAL-NGVD29

7013 1710 0000 1867 5740

HOUSTON TX 77046

Postage	\$1.12	0640
Insurance	\$3.10	11
Registration	\$2.55	
Signature	\$0.00	
Other	\$6.77	



Occidental Attn: Jeffrey Thompson  
 5 Greenway Plaza, Ste 110  
 Houston, Tx 77046

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> <i>Jeffrey Thompson</i> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  <i>JEFFREY THOMPSON</i></p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Occidental Oil &amp; Gas Corp.          Attn: Jeffrey Thompson          5 Greenway Plaza, Ste 110          Houston, Tx 77046</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type  <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number          (Transfer from service label)</p>	