

DATE IN 07/14/2014	SUSPENSE	ENGINEER mam	LOGGED IN 7/15/2014	TYPE NSL	APP NO. DMA1419633409
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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

#### 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 \_\_\_\_\_

#### [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 7-10-14  
 Print or Type Name Signature Title Date  
vsmithe@terpetro.com  
 e-mail Address

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

(817) 336-2751

RECEIVED CCD  
2014 JUL 14 P 3:05

July 11, 2014

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  
XTO 9 State #1 well, 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 *XTO 9 State #1* 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 9: NW/4NE/4 (Unit B)

In this case, the Well will be located 130 feet from the north line and 2,310 feet from the north line of Unit B.

An unorthodox location is required in this instance because of geologic conditions within the unit. Texland's desired location is 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 qualify as a standard location would place the wellbore structurally lower with an overall thinner pay section. This is reflected on the enclosed Structure Map on top of the Wichita formation on attached Exhibit A.

Accordingly, Texland seeks to move the well location the minimum distance necessary to the north encounter the target formation at an optimal point. The proposed

Mr. David Brooks  
July 11, 2014  
Page 2 of 2

unorthodox location only encroaches on Unit O of Section 4, T17S, R36E. 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.

Section 4 Unit O is under lease to OXY USA WTP LP, which is the only affected party. Texland and Oxy are partnering to drill wells on both Section 4 Unit O and Section 9 Unit B 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 B is a plat that shows the subject area, the 40-acre proposed spacing unit comprised of the NW/4NE/4 of Section 9, the proposed unorthodox well location and the offsetting spacing unit.

Exhibit C 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

cc: OXY USA WTP LP  
Attn: Becky Bledsoe, Land Negotiator  
5 Greenway Plaza, Suite 110  
Houston, TX 77046

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
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  
**HOBBS 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

**RECEIVED**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-41960	<sup>2</sup> Pool Code 40470	<sup>3</sup> Pool Name LOVINGTON L-CHITTA, ABO
<sup>4</sup> Property Code 373482	<sup>5</sup> Property Name XTO 9 STATE	
<sup>7</sup> OGRJD No. 113815	<sup>8</sup> Operator Name TEXLAND PETROLEUM, LP	<sup>6</sup> Well Number 1
		<sup>9</sup> Elevation 3870

<sup>10</sup> 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	9	T-17-S	R-36-E		150'	NORTH	2310'	EAST	LEA

<sup>11</sup> 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

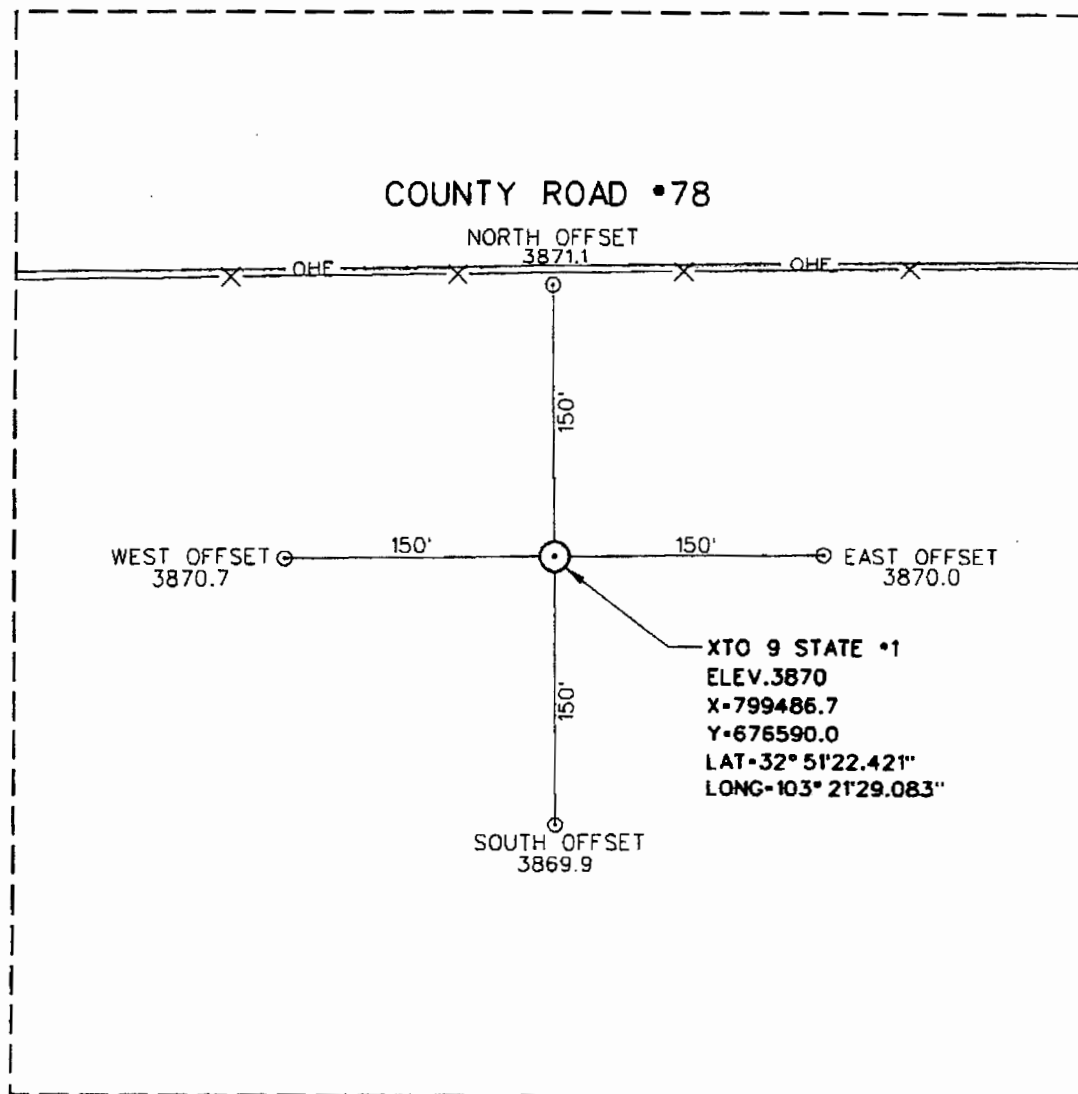
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>XTO 9 STATE No.1 ELEV=3870 X=799486.7 Y=676590.0 LAT=32° 51'22.421" LONG=103° 21'29.083"</p> <p>150'</p> <p>1623'</p> <p>2310'</p> <p>YP 9 STATE No.1 EL.3870</p> <p>Treland, et al</p>	<p><sup>17</sup> OPERATOR CERTIFICATION 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><u>Vickie Smith</u> 7/16/14 Signature Date</p> <p><u>Vickie Smith</u> Printed Name</p> <p><u>vsmith@terpetro.com</u> E-mail Address</p>	
	<p><sup>18</sup> SURVEYOR CERTIFICATION 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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><u>Esse M. Martin</u> 7/16/14 Professional Surveyor Certificate Number 7911 PB-477 PG.20-22 37,810</p>	
	<p>SURVEY DATUM: HORIZONTAL-NAD27 NEW MEXICO EAST VERTICAL-NGVD29</p>	

JUL 15 2014

SECTION 9, TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.  
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION  
FROM THE CENTER OF LOVINGTON, NEW MEXICO  
TRAVEL SOUTH ALONG STATE HWY. 483 APPROX.  
6.0 MILES. TURN RIGHT ON CO. RD. 78 AND GO  
WEST APPROX. 0.44 MILES, LOCATION IS 150' SOUTH.

XTO 9 STATE #1  
LOCATED 150 FEET FROM THE NORTH LINE  
AND 2310 FEET FROM THE EAST LINE OF  
SECTION 9, TOWNSHIP 17 SOUTH, RANGE  
36 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO

SCALE: 1" = 100'	REVISION:	PLAT DATE: 7-3-14
CLIENT: TEXLAND PETROLEUM, LP		
DRAWN BY: B. BURROW	SURVEY DATE: 7-3-14	
SURVEYED BY: J.M. MARTIN	FIELD BOOK: 477, PG. 20-22	
FILE: section3.dgn	FILE NO. 37,810	SHEET NO. 1

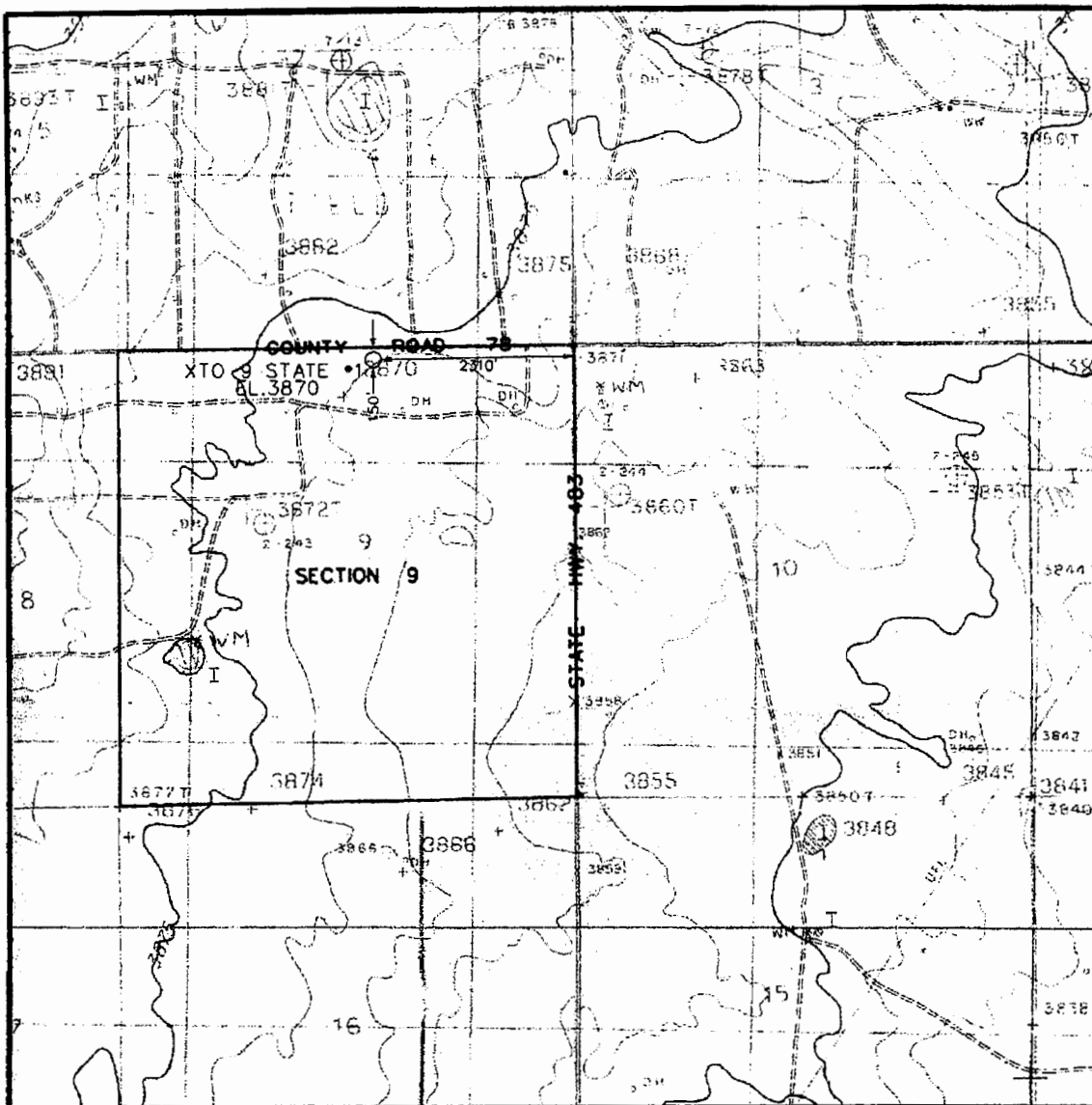


**WILSON SURVEYING Co., INC**  
Registered Professional Land Surveyors

3330 - 70th Street, Suite 201 - Lubbock, Texas 79413  
Office 806.792.4751 Fax 806.792.646



# LOCATION VERIFICATION MAP



Operator: TEXLAND PETROLUEM, L.P. Lease: XTO 9 STATE •1

Description 150 FEET FROM THE NORTH LINE AND 2310 FEET FROM THE EAST LINE

Section	Township	Range	Survey	County
9	17-S	36-E	N.M.P.M.	LEA

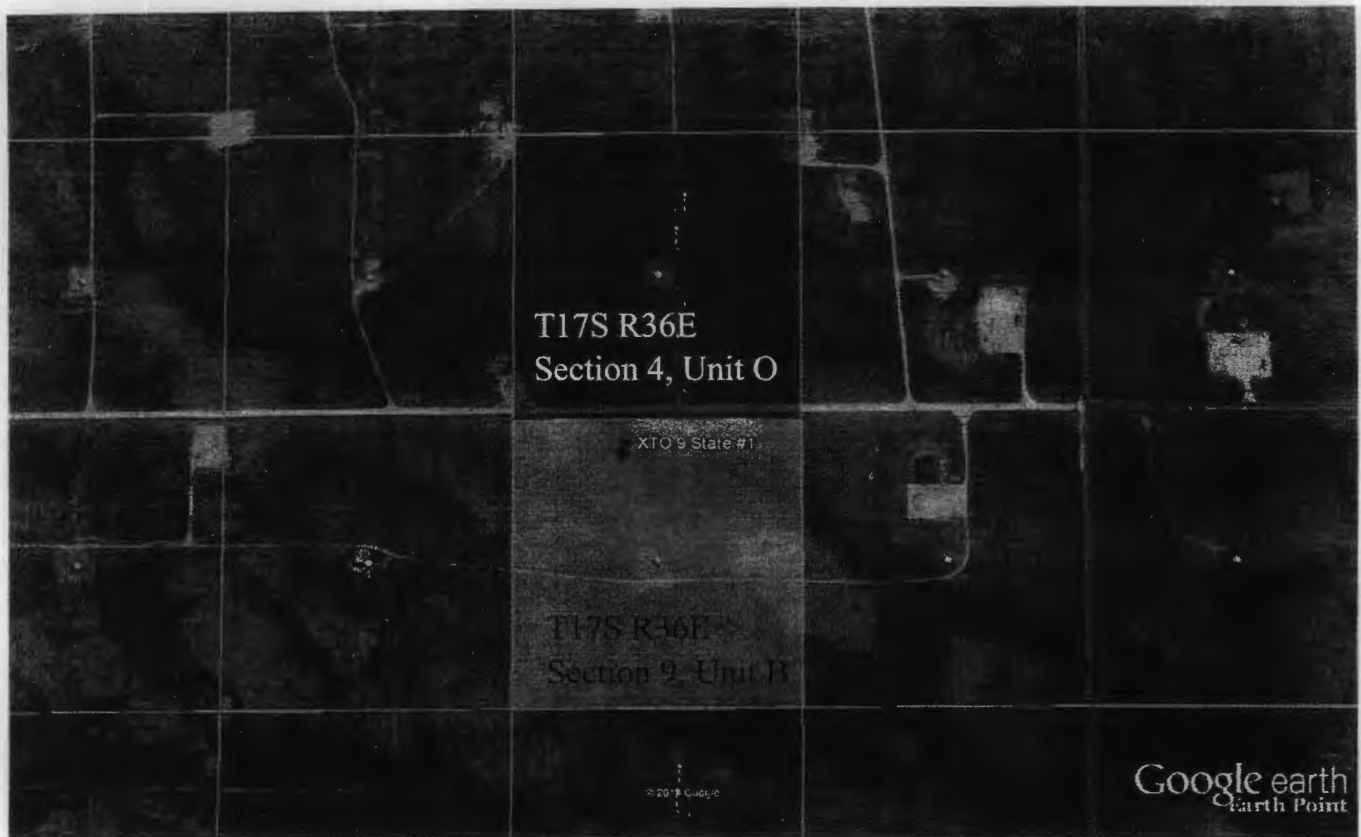


**WILSON SURVEYING Co., INC.**

Registered Professional Land Surveyors  
Global Positioning System Surveyors

3330 70th ST., SUITE 201 • LUBBOCK, TX. 79413  
(806) 792-4731 • FAX (806) 792-1646





Google earth

feet  
km







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: OXY USA WTP LP Consent to Texland Petroleum, L.P.  
Application for administrative approval - unorthodox well location  
XTO 9 State #1 well, Lea County, New Mexico*

Dear Mr. Brooks:

As you know, Texland Petroleum – Hobbs, LLC has made an application for administrative approval pursuant to NMAC 19.15.15.13 for an unorthodox well location with respect to its XTO 9 State #1 well, located on the following described lands (the “Land”):

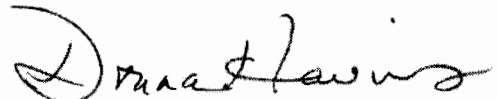
Township 17 South, Range 36 East, NMPM, Lea County, New Mexico  
Section 9: NW/4NE/4 (Unit B)

As noted in Texland’s application, the unorthodox location requested in Section 9, Unit B is 150 FNL and 330 FWL. This location affects Section 4, Units N and O. OXY USA WTP LP (“Oxy”) is the only Affected Party with respect to both Units N and O.

Please accept this letter as a waiver by OXY USA WTP LP with respect to any objection to the unorthodox location proposed by Texland. As recited in Texland’s application, OXY has been notified of the request and is participating in the proposed well.

Please contact me if you have any additional questions.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Donna Havins", written in a cursive style.

Donna Havins