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|-----------------|----------|-------------|-------------------|----------|---------------------|
| DATE IN 5.11.12 | SUSPENSE | ENGINEER DB | LOGGED IN 5.11.12 | TYPE NSI | APP NO. 121325.3860 |
|-----------------|----------|-------------|-------------------|----------|---------------------|

PTG-W

ABOVE THIS LINE FOR DIVISION USE ONLY

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



3 Rivers Operating 2722955

Tiger "H" Fed # 1H

ADMINISTRATIVE APPLICATION CHECKLIST 30-025-40430

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 _____

D-11-205-34E

2012 MAY 11 P 2:26
RECEIVED OGD

[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.

Adam G. Rankin
 Print or Type Name

[Signature]
 Signature

Attorney
 Title

10/11/12
 Date

agrarkin@hollandhart.com
 e-mail Address

HOLLAND & HART^{LLP}



Adam G. Rankin
Phone 505-954-7294 ✓
Fax 505-983-6043
AGRankin@hollandhart.com

May 11, 2012

VIA HAND DELIVERY

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

2012 MAY 11 PM 2:26
RECEIVED OGD

Re: Application of Three Rivers Operating Company for administrative approval of an unorthodox well location for its Tiger 11 Federal No. 1H well in Section 11, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Bailey:

Three Rivers Operating Company (OGRID No. 272295) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its Tiger 11 Federal No. 1H well to be located in Section 11, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The proposed well is to be drilled at a surface location 30 feet from the North line and 990 feet from the West line of Section 11. The bottom-hole location will be 330 feet from the South line and 990 feet from the West line of Section 11. A 160-acre project area has been dedicated to this horizontal well comprised of the W/2 W/2 of Section 11.

Exhibit A is a land plat for Section 11 and surrounding sections that shows the proposed non-standard location of the Tiger 11 Federal No. 1H well in relation to adjoining units. This location is unorthodox because the Lea-Bone Spring Pool (Pool Code 37570) under this acreage provides for wells to be located within 150 feet of the center of any quarter-quarter section. The completed interval of the lateral well bore as proposed will be closer than 150 feet from the center of the non-standard spacing and proration unit dedicated to this well and, therefore, will be at an unorthodox location.

Exhibit B is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed Tiger 11 Federal No. 1H well encroaches on the spacing and proration units to North, East, and South.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

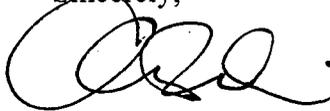
110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻️

Exhibit C is a list of the affected parties. Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, well bore encroaches to the North, which is a unit operated by Three Rivers in the Bone Spring formation. The affected parties, therefore, include the State Land Office as trustee of the state mineral interest and Armstrong Energy, which is the operator of the working interest in zones shallower than the Bone Spring. The well bore also encroaches to the East, which is a unit also operated by Three Rivers Operating. The affected party, therefore, is the mineral owner who is the Bureau of Land Management. The well bore also encroaches to the South, which is a unit operated by Read & Stevens. A copy of this application with all attachments was mailed to all the notice recipients indicated in Exhibit C.

Your attention to this application is appreciated.

Sincerely,



Adam G. Rankin
ATTORNEY FOR THREE RIVERS OPERATING CO.

cc: David K. Brooks, Oil Conservation Division
Tim Kane, Three Rivers Operating Company (w/o enclosures)



SE New Mexico

Tiger 11 Federal #1H

T20S-R34E

BSPG_TJK_030512 OVL



By: T. Kinley

May 9, 2012

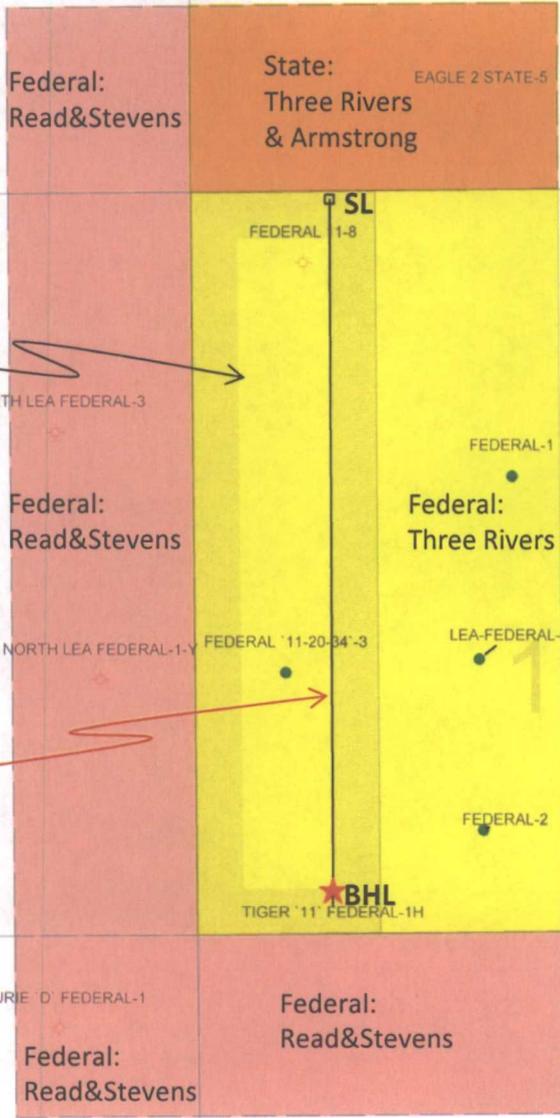
EAGLE 2 STATE 2

MOBIL STATE-1

3

MARK FEDERAL-7

2



160 Ac. Project Area (Shaded)

Permitted Well Path: Tiger 11 Federal #1H

FEDERAL-2-10

FEDERAL 1-8

LEA FEDERAL UNIT-18

NORTH LEA FEDERAL-2

NORTH LEA FEDERAL-3

FEDERAL-1

Federal: Read&Stevens

Federal: Three Rivers

UNION 'A' FEDERAL-2

NORTH LEA FEDERAL-1-Y

FEDERAL '11-20-34'-3

LEA-FEDERAL-1

LEA UNIT-6

UNION 'A' FEDERAL-1

10

11

TIGER '11' FEDERAL-1H

LAURIE 'D' FEDERAL-1

Federal: Read&Stevens

LEA FEDERAL UNIT-20

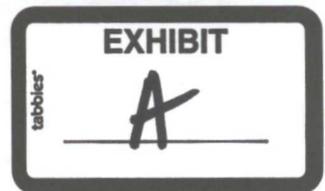
MUD SLIDE SLIM 15 FEDERAL COM-1



15

AZTEC-FEDERAL 14-2

14



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 593-6161 Fax: (575) 593-0720

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
Phone (575) 746-1283 Fax: (575) 746-8729

DISTRICT III
1000 Rio Brazos Rd., 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

HOBBS OCD

JAN 23 2012

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | | |
|-----------------------------------|--|--------------------|------------------------------|
| API Number 30-025-40430 | | Pool Code 37570 | Pool Name LEA-BONE SPRING |
| Property Code 39041 | Property Name TIGER "11" FEDERAL | | Well Number 1H |
| OGRID No. 272295 | Operator Name THREE RIVERS OPERATING COMPANY, LLC | | Elevation 3656' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 11 | 20 S | 34 E | | 30 | NORTH | 990 | WEST | LEA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 11 | 20 S | 34 E | | 330 | SOUTH | 990 | WEST | LEA |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | Order No. |
|------------------------|-----------------|--------------------|-----------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
3657.1' 3659.5' OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

POE
30' FNL & 990' FWL
SURFACE LOCATION
Lat - N 32°35'41.39"
Long - W 103°32'10.59"
NMSPC - N 581049.997
E 786811.112
(NAD-83)

PROJECT AREA
PRODUCING AREA

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32°34'52.70"
Long - W 103°32'10.61"
NMSPC - N 576129.717
E 786846.041
(NAD-83)

990' 30' 3655.9' 3654.6' 4921.3' 330' B.H.

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.

Joe T. Janica
Signature Date
Joe T. Janica 11/03/11
Printed Name
joejanica@valornet.com
Email Address

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.

OCTOBER 12, 2011
Date Surveyed
Signature & Seal of Professional Surveyor
G.O. No. 25362
Certificate No. Gary L. Jones 7977
BASIN SURVEYS 25362

EXHIBIT "A"

tabbies
EXHIBIT
B

EXHIBIT C
Three Rivers Operating Company's NSL Application
Tiger 11 Federal No. 1H

North

New Mexico State Land Office
Mineral Resources Division
310 Old Santa Fe Trail
Santa Fe, NM 87501

Armstrong Energy
P.O. Box 1973
Roswell, New Mexico 88202

East

Carlsbad Field Office
Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

South

Read & Stevens
P.O. Box 1518
Roswell, New Mexico 88202

HOLLAND & HART^{LLP}



Adam G. Rankin
Phone 505-988-4421
Fax 505-983-6043
agrarkin@hollandhart.com

May 11, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Three Rivers Operating Company for administrative approval of an unorthodox well location for its Tiger 11 Federal No. 1H well in Section 11, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Three Rivers Operating Company for administrative approval of an unorthodox well location for its Tiger 11 Federal No. 1H well to be located in Section 11, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The proposed well is to be drilled at a surface location 30 feet from the North line and 990 feet from the West line of Section 11. The bottom-hole location will be 330 feet from the South line and 990 feet from the West line of Section 11. A 160-acre project area has been dedicated to this horizontal well comprised of the W/2 W/2 of Section 11.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Sincerely,

Adam G. Rankin
ATTORNEY FOR THREE RIVERS OPERATING CO.

Enclosures

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

Brooks, David K., EMNRD

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Thursday, May 31, 2012 8:27 AM
To: Brooks, David K., EMNRD
Subject: Three Rivers Operating NSL application Tiger 11 Federal No. 1H
Attachments: ARMSTRONG_Letter(Document.pdf).PDF

David,

Attached is a letter from Armstrong Energy indicating it has no objection to the NSL application filed by Three Rivers for the Tiger 11 Fed. 1H located in Section 11, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. There were other affected parties, but the application was filed May 10, so 20 days has passed.

When you have time can you let me know if any objections have been received and whether this application will be approved?

Many thanks.

Adam



500 North Main Street, Suite 200
P.O. Box 1973
Roswell, New Mexico 88202-1973
(575) 625-2222
Fax (575) 622-2512

May 17, 2012

Holland & Hart, LLC
PO Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Adam G. Rankin

Re: Tiger 11 Federal 1H
Three Rivers Operating Company
Lea County, New Mexico

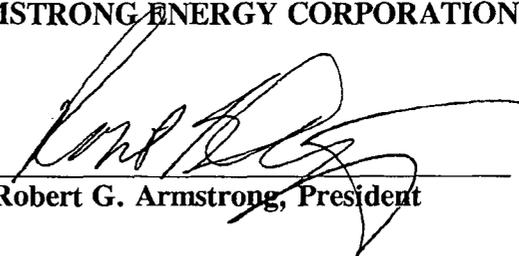
Dear Mr. Rankin:

I am in receipt of your letter referencing the application filed with the New Mexico Oil Conservation Division for approval of an unorthodox well location for the captioned well. As an offset operator we have reviewed this application and do not have any objection to it.

If there is anything further you need, please do not hesitate to contact me.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By: 

Robert G. Armstrong, President

RGA/jb