

7.20.05
DATE IN

7/20/05
SUSPENSE

Cedranach
ENGINEER

7.20.05
LOGGED IN

TYPE CTB

APP NO. Psemo520146388

ABOVE THIS LINE FOR DIVISION USE ONLY

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



192

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.

Print or Type Name _____ Signature _____ Title _____ Date _____

_____ e-mail Address _____

FAX

Texland Petroleum, L.P.
777 Main Street #3200
Ft. Worth, Texas 76102
(817) 338-2751 ext 233
Fax: (817) 900-1294

TO: David Catanach

FROM: Wickie Smith

DATE: 7-20-05

of pages including cover sheet: 8

COMMENTS:

Original will be emailed & a copy to
Hobbs O&G District I. If any questions
please give me a call.
Thanks
Wickie

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave. Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Texland Petroleum-Hobbs, LLC
OPERATOR ADDRESS: 777 Main Street, Suite 3200, Fort Worth, Texas 76102
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attach sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners. Attached

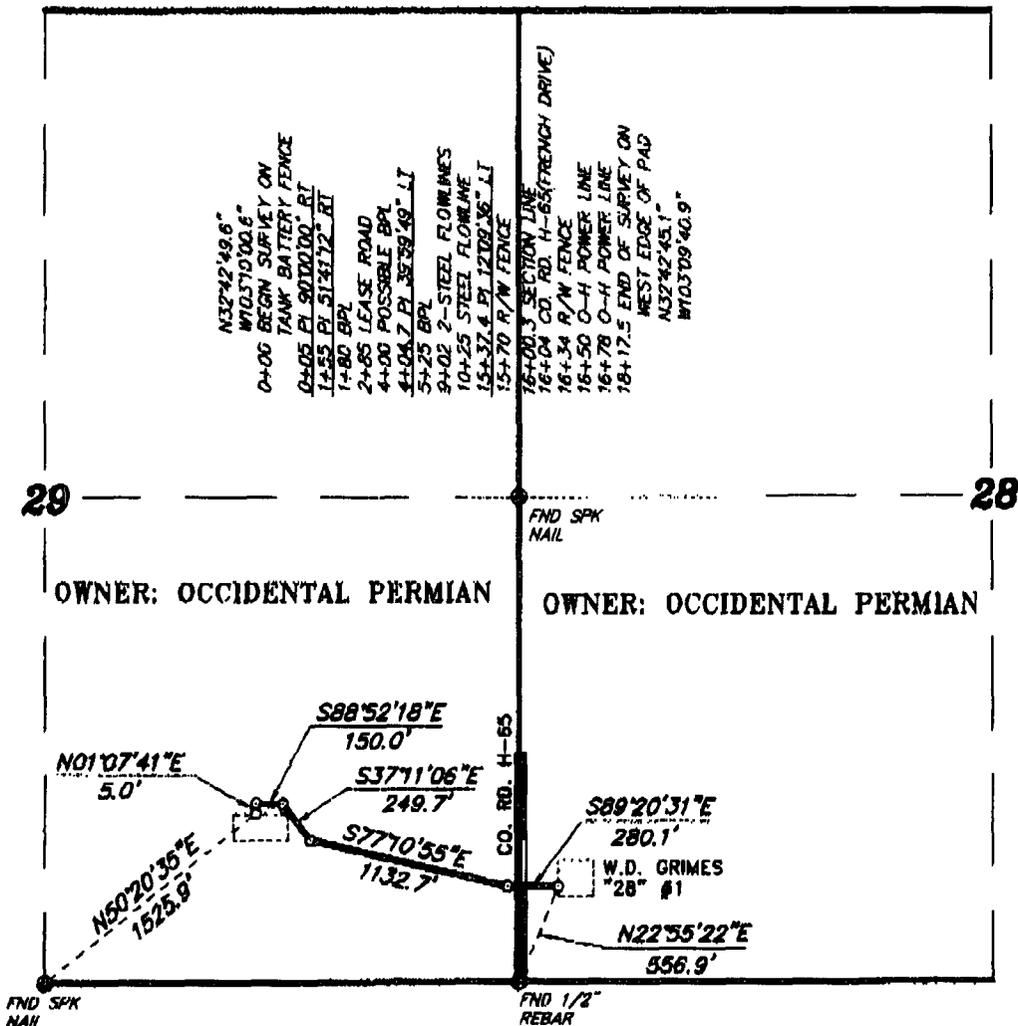
(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Leases and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Vickie Smith TITLE: Production Analyst DATE: 7/14/05
TYPE OR PRINT NAME Vickie Smith TELEPHONE NO.: 817-336-2751
E-MAIL ADDRESS: vsmith@texpetro.com

**SECTIONS 28&29, TOWNSHIP 18 SOUTH, RANGE 38 EAST,
LEA COUNTY, NEW MEXICO.**



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTIONS 28&29, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES N.50°20'35"E., 1525.9 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 29; THENCE N.01°07'41"E., 5.0 FEET; THENCE S.88°52'18"E., 150.0 FEET; THENCE S.37°11'06"E., 249.7 FEET; THENCE S.77°10'55"E., 1132.7 FEET; THENCE S.89°20'31"E., 280.1 FEET TO THE END OF THIS LINE WHICH LIES N.22°55'22"E., 556.9 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 28. SAID STRIP OF LAND BEING 1817.5 FEET OR 110.15 RODS IN LENGTH.

SEC. 29 1600.3 FEET OR 96.99 RODS
SEC. 28 217.2 FEET OR 13.16 RODS

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THE STATUTES OF THE STATE OF NEW MEXICO.

GARY L. JONES N.M. TEXAS No. 7977
REGISTERED PROFESSIONAL SURVEYOR



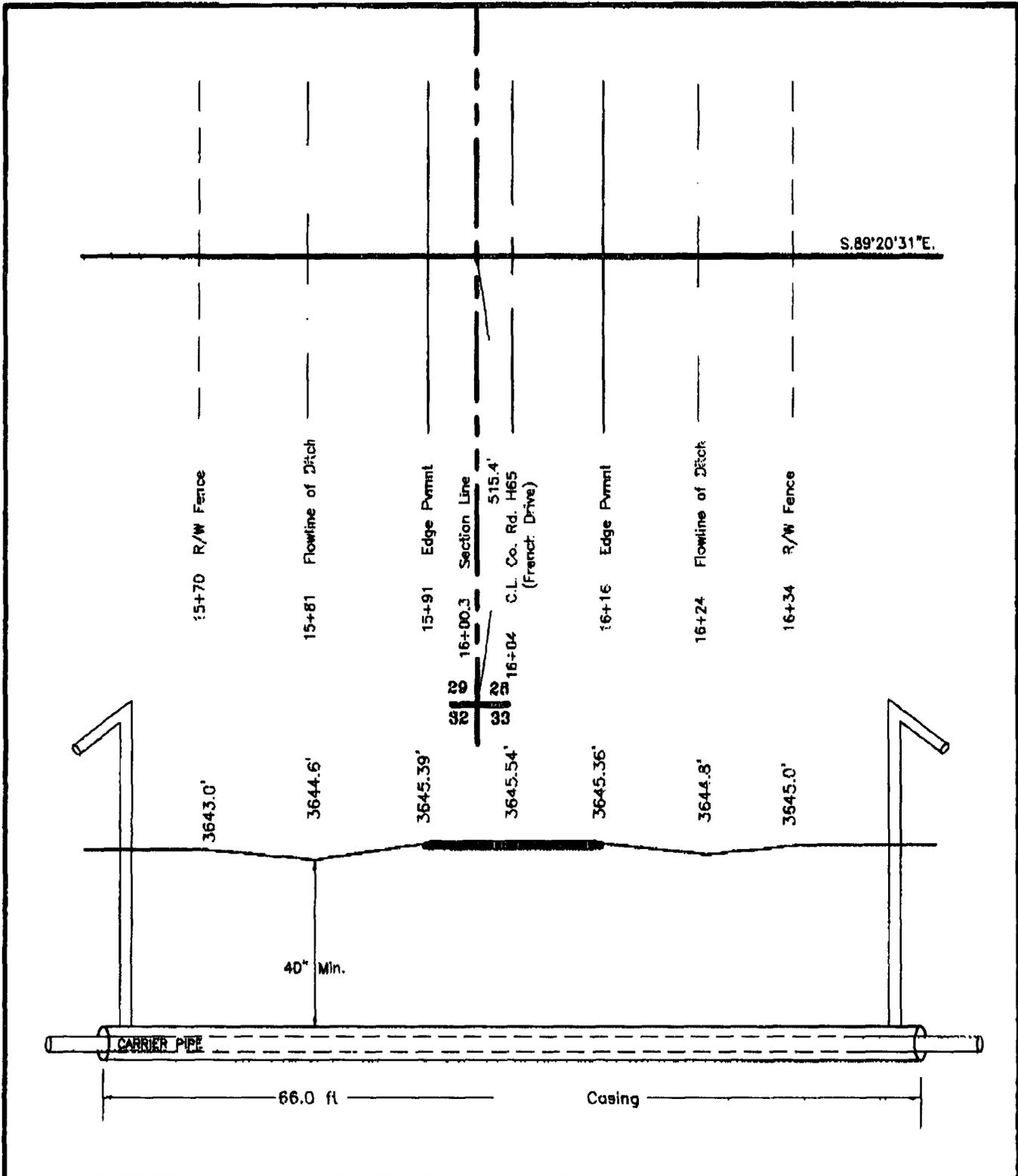
TEXLAND PETROLEUM INC.

REF: PROPOSED INJECTION LINE TO THE W.D. GRIMES "28" #1

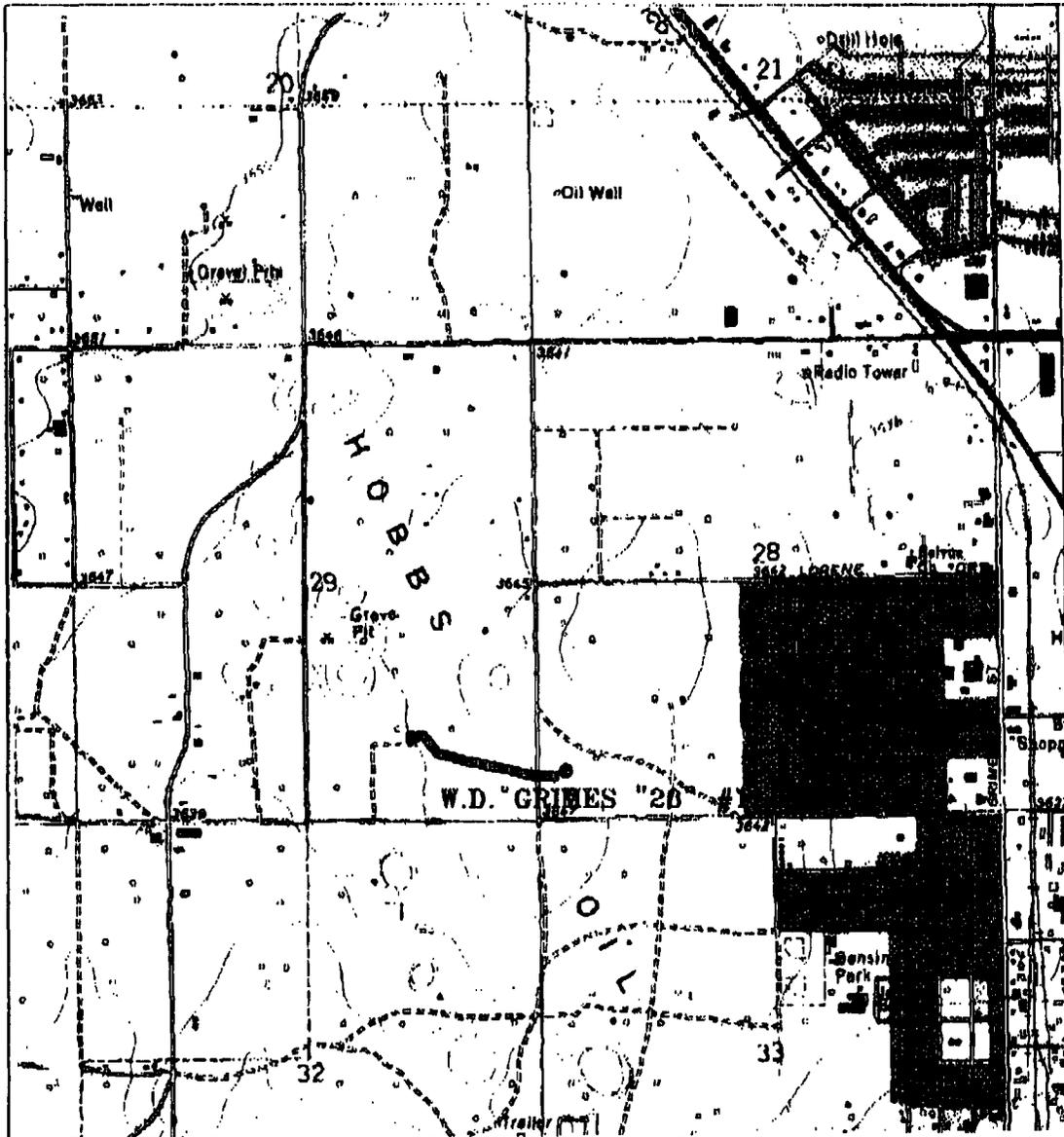
A PIPELINE CROSSING FEE LAND IN
SECTIONS 28&29, TOWNSHIP 18 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Basin Surveys P.O. BOX 1786--HOBBS, NEW MEXICO

W.O. Number: 5532	Drawn By: K. GOAD
Date: 06-22-2005	Disk: KJC CD#5 - 1EX5532A.DWG
Survey Date: 06-21-2005	Sheet 1 of 1 Sheets



	Carrier Pipe	Casing Pipe	PROPOSED CROSSING OF MAHAN DRIVE
Contents			TEXLAND PETROLEUM
O.D.			REF: PROP. INJECTION LINE TO THE W.D. GRIMES "28" #1
I.D.			A ROAD CROSSING LOCATED IN
Material			SECTIONS 28&29, TOWNSHIP 18 SOUTH, RANGE 3B EAST,
W.T.			N.M.P.M., LEA COUNTY, NEW MEXICO.
Grade			



PROPOSED PIPELINE TO THE W.D. GRIMES "28" #1
 Sections 28&29, Township 18 South, Range 38 East,
 N.M.P.M., Lea County, New Mexico.

basin surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88741
 (505) 395-7516 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 5032AA - KJC CD#4
Survey Date: 06-20-2005
Scale: 1" = 2000'
Date: 06-22-2005

**TEXLAND
 PETROLEUM INC.**

TEXLAND PETROLEUM, INC.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 9200

FORT WORTH, TEXAS 76116

AREA 817 998 0751

July 14, 2005

Re: Consent for Off Lease Storage for:
Grimes 28 #1
Sec. 28, T18S, R38E
Lea County, New Mexico

30-025-37191

To Working Interest Owners:

This notice is a formal request for consent to store off lease oil production from the above captioned well. A flow line will be laid from the Grimes 28#1 well bore to the State 1-29 Battery Facility located in Sec. 29. Production will be stored separately in two 500 gallon tanks. Measurement and sales of the oil will take place at this facility. Approximately 1817.5 ft of flow line will be laid. The intended flow line has been surveyed and a copy is enclosed for your records.

If you have any questions please do not hesitate to contact us.

Sincerely,

Mark Jacoby
Mark Jacoby
Petroleum Engineer

The undersign hereby agrees to the operation described above:

Schumacher Partners II LP
Schumacher TPI, Inc.

Robert J. Schumacher
Robert J. Schumacher

Keith W. Davis
Keith W. Davis

Judy McGinn
Judy McGinn

William F. Pendleton
William F. Pendleton

James H. Wilkes
James H. Wilkes

M.E. Chapman
M.E. Chapman

Bryan E. Lee
Bryan E. Lee

Jerome N. Namy
Jerome N. Namy

Gary Phillips
Gary Phillips

TEXLAND PETROLEUM, INC.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

AREA 8172385201

July 14, 2004

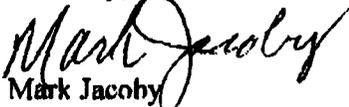
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If you have any questions please do not hesitate to contact us.

Sincerely,



Mark Jacoby
Petroleum Engineer

The undersign hereby agrees to the operation described above:

Rector Oil LTD.



Andy Rector

Jul-19-2005 13:20 From-APACHE PRODUCTION DEPT

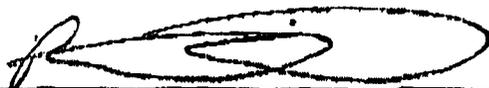
+19104914980

T-188 P.002/002 F-386

July 15, 2005**Texland Petroleum – Hobbs, L.L.C.**

Apache Corporation is in approval of Texland Petroleum operated leases in the Hobbs Upper Blinbry Pool Cooperative Waterflood be allowed a total project allowable. Apache operates the State "A" 80 acre lease, the N/2 NE/4, which is included in the project area of this Cooperative Waterflood.

This will allow compliance of Articles Nos. 13 & 14 of Case No. 12666 in Order No. R-11638 written by the OCD giving approval of this Cooperative Waterflood. These two articles discuss recovery of additional reserves by Waterflood which would not be otherwise recovered and preventing waste without violating correlative rights.

APPROVED:

**Mr. Rick Crist
Apache Corporation**

TRANSACTION REPORT

P. 01

JUL-20-2005 WED 08:37 AM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
JUL-20	08:34 AM	817 9001294	2' 34"	8	RECEIVE	OK		

Submit To Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-105
 Revised June 10, 2003

WELL API NO.
 30-025-27191

5. Indicate Type of Lease
 STATE FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion:
 NEW WORK DEEPEN PLUG DIFF.
 WELL OVER BACK RESVR. OTHER

7. Lease Name or Unit Agreement Name

W.D. Grimes 28

2. Name of Operator
 Texland Petroleum-Hobbs, LLC

8. Well No.
 #1

3. Address of Operator
 777 Main Street, Suite 3200, Fort Worth, TX 76102

9. Pool name or Wildcat
 Hobbs, Upper Blinebry

4. Well Location
 Unit Letter M : 520 Feet From The South Line and 330 Feet From The West Line
 Section 28 Township 18S Range 38E NMPM Lea County

10. Date Spudded 5/29/05 11. Date T.D. Reached 6/12/05 12. Date Compl. (Ready to Prod.) 7/11/05 13. Elevations (DF& RKB, RT, GR, etc.) 3645' GR 14. Elev. Casinghead
 15. Total Depth 6050' 16. Plug Back T.D. 6040' 17. If Multiple Compl. How Many Zones? _____ 18. Intervals Drilled By Rotary Rotary Tools Rotary Cable Tools _____

19. Producing Interval(s), of this completion - Top, Bottom, Name 5897-5944; Blinebry 20. Was Directional Survey Made yes

21. Type Electric and Other Logs Run CN/GR 22. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	1550'	12 1/4"	750 sks	circ 128 sks
5 1/2"	15.5 & 17#	6050'	7 7/8"	1500 sks	circ 90 sks

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8"	5890'	n/a

26. Perforation record (interval, size, and number)
5897, 5908, 10, 17, 19, 21, 25, 29, 35, 37, & 5944'; 22 holes 2 spf

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL 5897-5944' AMOUNT AND KIND MATERIAL USED acdz w/2350 gals 15% NEEF

28. PRODUCTION

Date First Production 7/11/05 Production Method (*Flowing, gas lift, pumping - Size and type pump*) pumping Well Status (*Prod. or Shut-in*) producing

Date of Test 7/16/05 Hours Tested 24 hrs Choke Size open Prod'n For Test Period _____ Oil - Bbl 438 Gas - MCF 32 Water - Bbl 732 Gas - Oil Ratio 74

Flow Tubing Press. 60# Casing Pressure 50# Calculated 24-Hour Rate _____ Oil - Bbl 438 Gas - MCF 32 Water - Bbl 732 Oil Gravity - API - (*Corr.*) 40.0

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*) flaring; w/o connection Test Witnessed By Kirk Jackson

30. List Attachments
C-104, deviation survey, E-logs

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature Vickie Smith Printed Name Vickie Smith Title Production Analyst Date 7/20/95