Stogner, Michael, EMNRD

From: Stogner, Michael, EMNRD **Sent:** Fri 12/23/2005 2:05 PM
To: Mike Pippin
Cc: Hayden, Steven, EMNRD
Subject: HEC Petroleum's proposed Montoya "25" #4
Attachments:

RE: pSEM0-534134307

Mr. Pippin,

Within the cover letter of your application dated Nov. 28, 2005, you state that "HEC would like to drill this well in the south half of the northwest quarter of Section 25 for geological and drainage reasons." However, there is no discussion or explanation, geologic maps, or other support data attached to the application to valid the necessity for this location. Please supplement your application with a detailed discussion to support your request with the necessary geological maps and drainage calculations.

HEC PETROLEUM, INC.
c/o Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) **505-564-8656 (fax)
Email: mpippin@ddbroadband.net

2005 DEC 29 PM 12 28

December 27, 2005

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504

RE: Answer to Your Requests
Application for Administrative Approval of Unorthodox Location
HEC Petroleum Inc.'s Montoya B 25 #4 Well
2360' FNL and 1165' FWL
Unit E, Section 25, T32N, R13W
San Juan County, New Mexico
Basin Fruitland Coal

Dear Mr. Stogner:

Thank you for your e-mail dated 12/23/05 requesting additional information on HEC Petroleum's NSL application on the proposed referenced well. I hope the following will help clarify HEC Petroleum's reasons to drill in the south half of the northwest quarter of section 25 and for an NSL. You asked for a discussion and support data as to why we wanted to drill in the south half of the northwest quarter of section 25.

We have enlarged the area of review from 9 sections on the original application to 16 sections. There were no Fruitland Coal wells in sections 13, 14, or 15, T32N R13W or section 18, T32N R12W. These four sections are on the north edge of the review area.

We believe that the south half will be more prolific than the north half of the northwest quarter of section 25 for the following reasons. The Fruitland Coal outcrops just north of the review area. We believe that three problems increase significantly as Fruitland Coal gas wells approach the outcrop.

1. There is gas leak-off or drainage from the outcrop. This can be seen from the attached Cumulative Gas map,(Exhibit #1) of the review area along with the Average Gas Production map, (Exhibit #2) and the Cumulative Gas Contour map, (Exhibit #3). All the better Fruitland Coal wells are further from the outcrop and south of the proposed well. There are at least seven Fruitland Coal wells closer to the outcrop that are all poor gas wells. See the wells in sections 22, 23, & 24 T32N R13W and section 19 T32N R12W.

2. There is water influx into the Fruitland Coal from the outcrop. This can be seen from the attached Cumulative Produced Water map, (Exhibit #4), along with the Average Water Production map, (Exhibit #5), and the Cumulative Produced Water Contour map, (Exhibit #6). These maps indicate that Fruitland Coal wells closer to the outcrop produce much more water than wells further away from the outcrop.

3. Wells drilled near the outcrop can have major deviation problems due to the rapid incline of the formation structure. See the attached Deviation Report on BR's Cundiff #100 (30-045-31794) located in unit letter A section 19, T32N R12W.

However, these reasons to drill in the south half of the northwest quarter of section 25 did not cause the location to be non-standard. The surface landowner, Mr. Montoya, has requested that the referenced well be moved from a standard location we had staked, to the proposed non-standard location because the non-standard location is on disturbed ground (near a pipeline ROW).

HEC Petroleum would like to request your Administrative Approval for the unorthodox location based on the above additional information. Should you need anything further, please feel free to contact me at (505) 327-4573.

Best Regards,

Mike Pippin
Petroleum Engineer
Agent - HEC Petroleum, Inc.

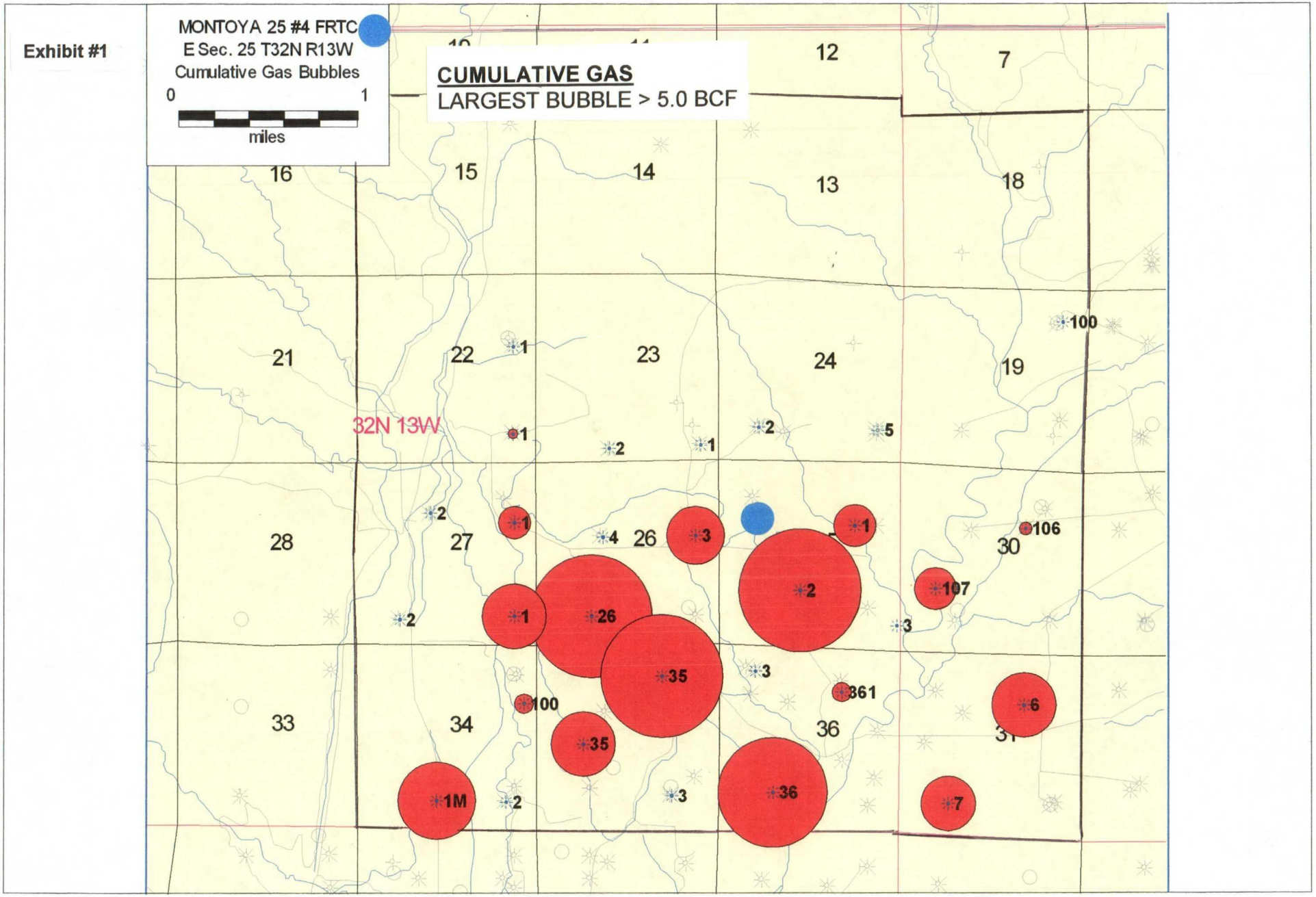
cc: Steve Hayden

PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\MONTOYA4.MDB

Date: 12/27/2005
Time: 11:36 AM

Exhibit #1

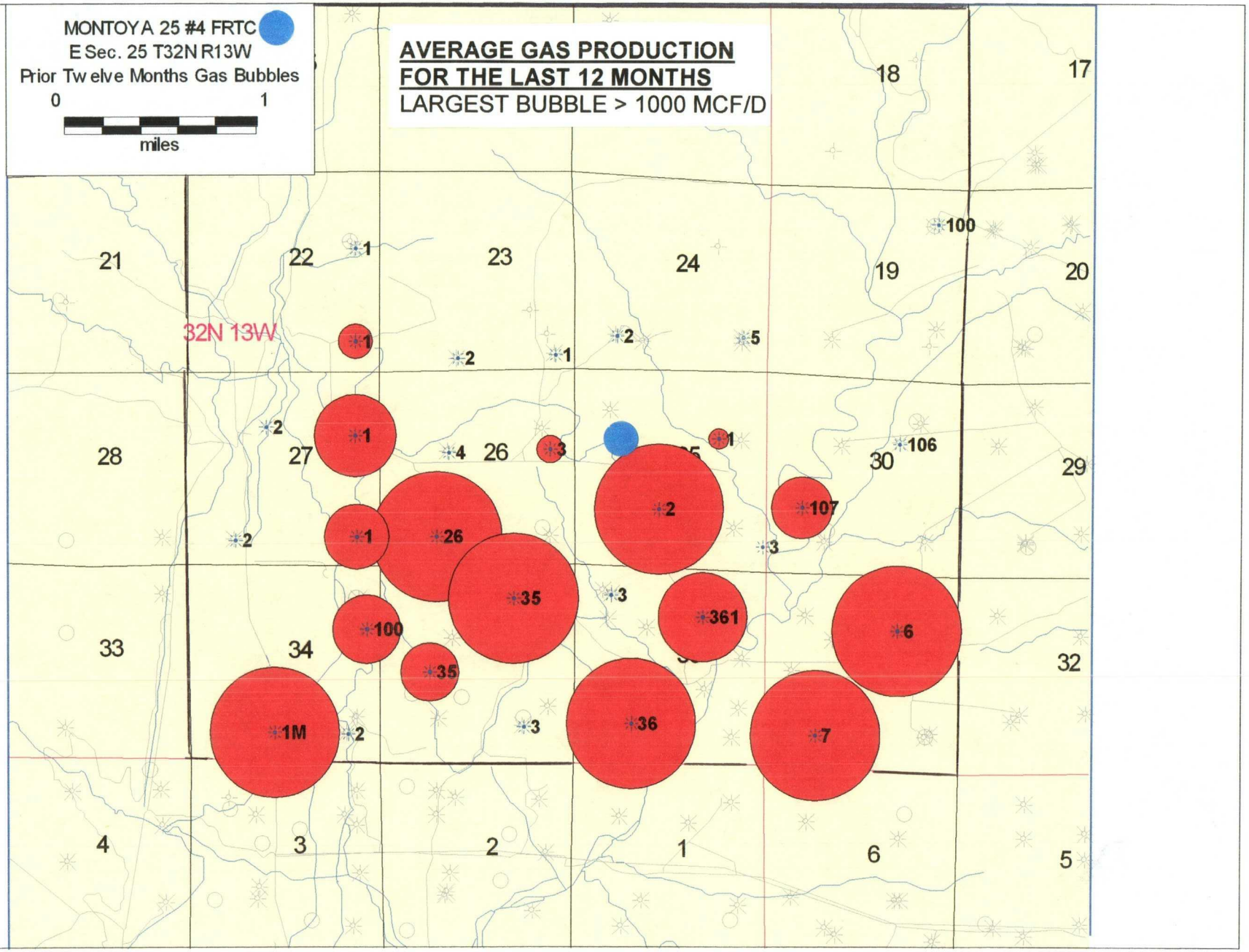


PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\MONTOYA4.MDB

Date: 12/27/2005
Time: 11:56 AM

Exhibit #2

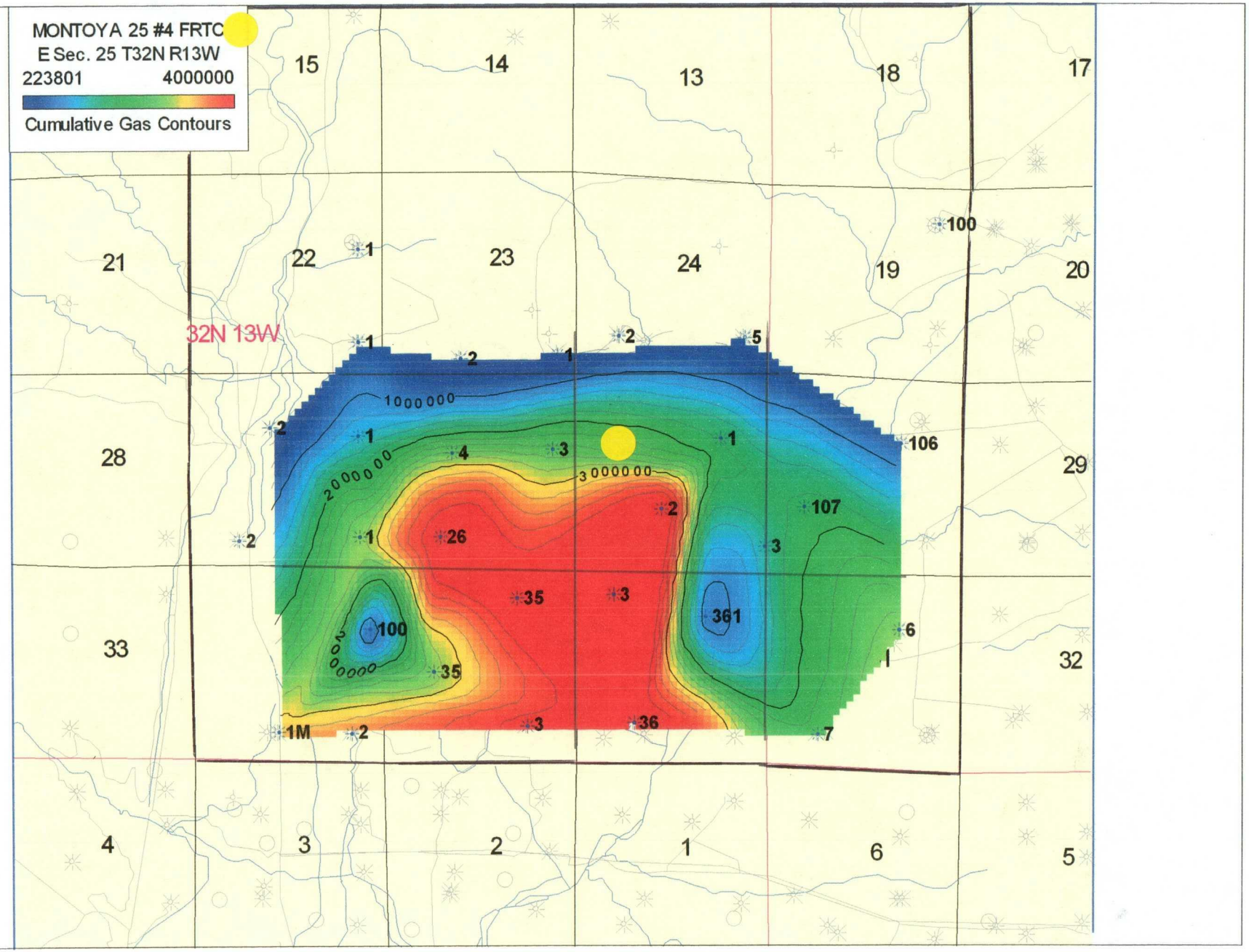


PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\MONTOYA4.MDB

Date: 12/27/2005
Time: 1:34 PM

Exhibit #3

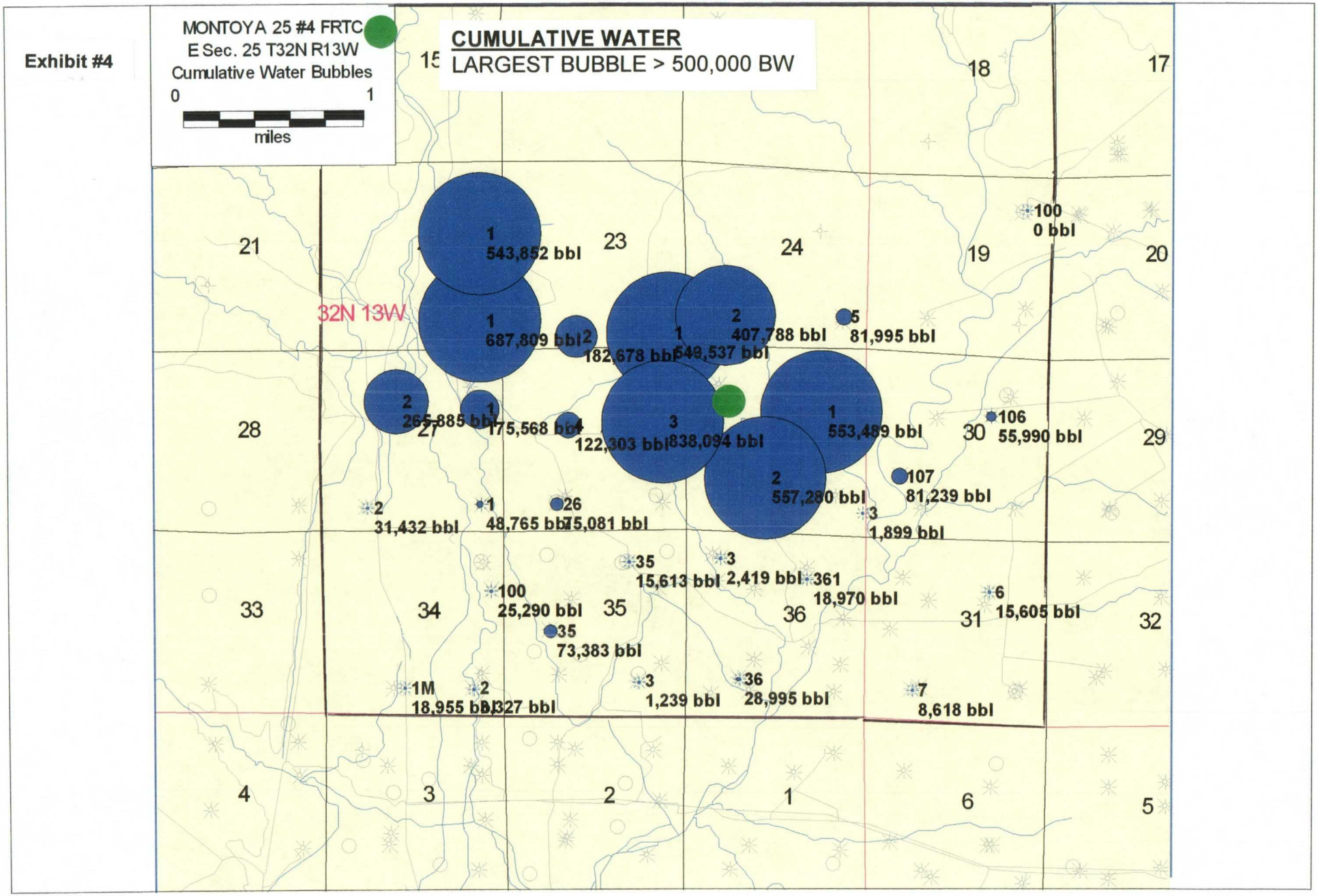


PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\MONTOYA4.MDB

Date: 12/27/2005
Time: 1:08 PM

Exhibit #4

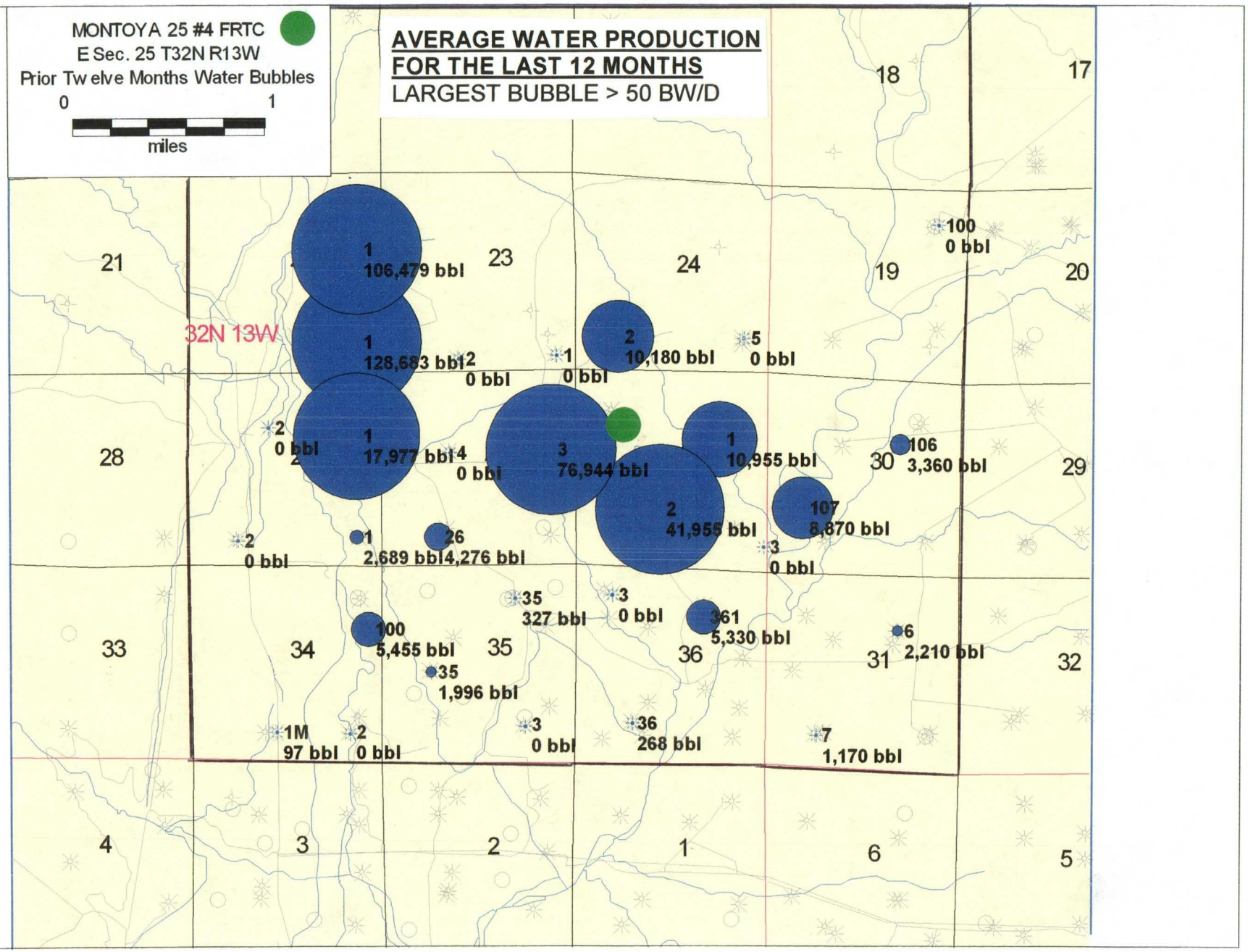


PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\MONTOYA4.MDB

Date: 12/27/2005
Time: 1:04 PM

Exhibit #5

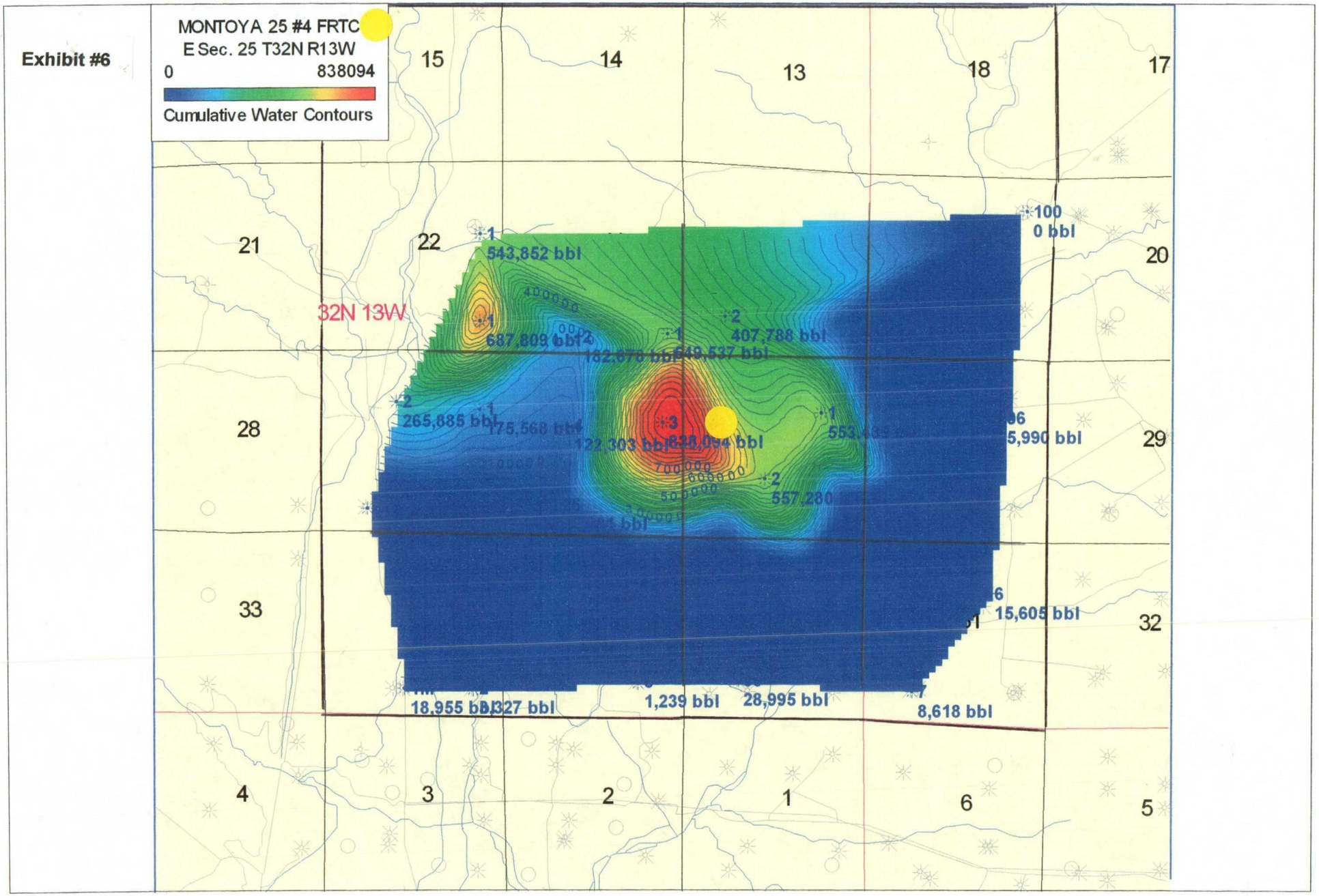


PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\MONTOYA4.MDB

Date: 12/27/2005
Time: 1:11 PM

Exhibit #6



Deviation Report

Name of Company	Address	
Burlington Resources Oil & Gas Company	P.O. Box 4289, Farmington, NM 87499	
Lease Name and Number (API Number)	**Location** 955	**Sec. Twn. Rge.**
CUNDIFF #100 (30-045-31794)	1900 FNL 930 FEL	19-032N-012W
Pool and Formation	**County**	**State**
BASIN FRUITLAND COAL	SAN JUAN	NEW MEXICO

(OH)

Depth (ft)	Deviation (degrees)
60	0.75
100	0.68
120	1.00
200	1.26
242	1.75
300	2.46
400	2.84
455	3.00
500	3.41
548	3.50
600	3.63
642	3.25
700	4.09
737	3.00
800	4.24
831	3.25
900	5.02
925	4.25
1,000	5.46
1,020	5.50
1,082	5.50
1,100	5.31
1,146	5.25
1,200	5.41
1,209	5.25
1,273	6.00
1,300	6.75
1,343	7.00
1,400	7.00
1,423	7.75
1,486	6.25
1,500	6.38
1,549	6.25
1,600	7.37
1,612	7.25
1,674	5.00
1,700	9.41
1,737	10.00
1,800	10.25
1,800	11.21
1,863	11.25
1,900	10.56
1,925	10.25
2,000	9.39
2,030	10.00