

DATE IN 2/6/06	SUSPENSE 2-27-06	ENGINEER MIKE	LOGGED IN 2/7/06	TYPE NSL	APP NO. p TDS 06 03 752812
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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 \_\_\_\_\_

2006 FEB 6 PM 1 00

- [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.

<u>David Stewart</u> Print or Type Name	<u></u> Signature	<u>SR, Analyst</u> Title	<u>2/1/06</u> Date
<u>david.stewart@ocd.com</u> e-mail Address			



February 1, 2006

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

Attention: Mike Stogner

Re: **Application for Administrative Approval of Unorthodox Gas Well Location –  
Non-Standard Proration Unit – Simultaneous Dedication –  
Blinebry Oil & Gas Pool  
Brunson B #7 – 622 FSL 1990 FWL Unit N Section 3 T22S R37E  
Lea County, New Mexico**

Dear Mr. Stogner:

OXY USA WTP Limited Partnership respectfully requests administrative approval under Rule 104 (F) of this application for the subject unorthodox gas well location on the Brunson B #7. OXY also requests a Non-standard Proration Unit and Simultaneous Dedication for the above mentioned well and the Brunson B #2 which is currently producing from the Blinebry Oil & Gas pool and is located 1912 FSL 1912 FWL Unit K Sec 3 T22S R37E, Lea County, NM. According to NMOCD records the Brunson B #2 currently has either a 160 or 120 acre proration unit, depending on which records you review. To clean up this situation, OXY proposes a 120 acre proration unit consisting of Units K, M, & N. The Blinebry Gas wells in this 120 acre spacing unit would consist of the Brunson B #2 and #7.

Due to a well already located at 660 FSL and 1980 FWL, the Brunson B #7 was drilled and completed in 1948 and has produced from the Drinkard and Tubb pools. Due to the existing location of the original well this makes the Brunson B #7 an unorthodox location for the Blinebry Gas Pool. The previous zones have depleted past economic consideration and the plugback to the Blinebry field is the last zone for this well to be completed and produced out of before permanently abandoning the well.

To support this request, the following information has been submitted for your review:

1. NMOCD C-102 for the proposed well
2. NMOCD C-102 with offsetting spacing units
3. List of affected offset operators that adjoin the non-standard spacing unit, along with a copy of the certified return receipts. Copies of the signed certified receipts will be furnished upon request.

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart  
Sr. Regulatory Analyst  
OXY USA WTP LP

Attachments

CC: NMOCD-Artesia

9:40 AM 2-16-06  
called David to  
ask about #6 well  
in Unit M (30-525-  
04918). Bl. plugged off in  
2003 and is not contributing  
to this unit or zone.

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 & Natural Resources

Form C-102  
Revised June 10, 2003

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-09980		<sup>2</sup> Pool Code 72480		<sup>3</sup> Pool Name Blinebry Oil & Gas	
<sup>4</sup> Property Code 27936		<sup>5</sup> Property Name Brunson B			<sup>6</sup> Well Number 7
<sup>7</sup> OGRID No. 192463		<sup>8</sup> Operator Name OXY USA WTP Limited Partnership			<sup>9</sup> Elevation 3418'

<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
N	3	22S	37E		622	south	1990	west	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 120	<sup>13</sup> Joint or Infill Y	<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><sup>16</sup></p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>David Stewart</i></p> <hr/> <p>Signature David Stewart</p> <hr/> <p>Printed Name Sr. Regulatory Analyst</p> <hr/> <p>Title and Email 21106</p> <hr/> <p>Date</p>
	<p><sup>18</sup> 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> <hr/> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <hr/> <p>Certificate Number</p>

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 & Natural Resources

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1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Blinebry Oil & Gas			
<sup>4</sup> Property Code		<sup>5</sup> Property Name				<sup>6</sup> Well Number	
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name				<sup>9</sup> Elevation	

<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
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<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		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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>Apache Corp 4 10012</p> <p>H</p>				<p>3 BEC Corp 10005</p> <p>E</p>				<p>BEC Corp 09992</p> <p>F</p>				<p>Chevron 09995</p> <p>G</p>				<p><sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title and Email _____</p> <p>Date _____</p>			
<p>OXY USA 10016</p> <p>I</p>				<p>Chesapeake 10004</p> <p>L</p>				<p>OXY USA 12573</p> <p>K</p>				<p>John Hendrix</p> <p>J</p>							
<p>Chesapeake 10047</p> <p>P</p>				<p>OXY USA 09977 09980</p> <p>M</p>				<p>Hendrix 09987</p> <p>N</p>				<p><sup>18</sup> SURVEYOR CERTIFICATION <i>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.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyer: _____</p>							
<p>9 Pure Resources 10145</p> <p>A</p>				<p>10 Pure Resources 10178</p> <p>D</p>				<p>Pure Resources 10179</p> <p>C</p>											

Certificate Number

**Service List – NSL/NSP/SD  
OXY USA WTP LP  
Brunson B #7  
Sec 3 T22S R37E**

New Mexico Oil Conservation Division  
1625 N. French Dr.  
Hobbs, NM 88240

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

**Affected Offset Operators:**

BEC Corporation – 1958  
P.O. Box 1392  
Midland, TX 79702

Chesapeake Operating, Inc. - 147179  
P.O. Box 18496  
Oklahoma City, OK 73154

Chevron USA Inc. - 4323  
P.O. Box 4791  
Houston, TX 77210

Chevron USA Inc. – 4323  
15 Smith Rd.  
Midland, TX 79705

John H. Hendrix Corp. – 12024  
P.O. Box 3040  
Midland, TX 79702

OXY USA WTP LP - 192463  
P.O. Box 50250  
Midland, TX 79710-0250

Pure Resources, LP – 150628  
500 W. Illinois Ave  
Midland, TX 79707



PO Box 50250  
Midland, TX 79710-0250

February 1, 2006

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

(Offset Operator Address)

Re: ***Application for Administrative Approval of Unorthodox Gas Well Location –  
Non-Standard Proration Unit – Simultaneous Dedication -  
Blinebry Oil & Gas Pool  
Brunson B #7 – 622 FSL 1990 FWL Unit N Section 3 T22S R37E  
Lea County, New Mexico***

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA WTP Limited Partnership, requesting administrative approval under Rule 104 (F) of an unorthodox gas well location, non-standard proration unit and simultaneous dedication. As an affected party, notice is being provided to you pursuant to Rule 104 (F). The well is located in the SESW/4 of Section 3 T22S R37E, Lea County, NM. If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Mike Stogner).

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart  
Sr. Regulatory Analyst  
OXY USA WTP LP

Attachments

**COMPLETE THIS SECTION**  
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
Chevron USA Inc.  
15 Smith Rd.  
Midland, TX 79705

2. Article Number  
(Transfer from service label)  
PS Form 3811, February 2004

7005 0390 0002 9908 9247  
Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**  
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
John H. Hendrix Corp.  
P.O. Box 3040  
Midland, TX 79702

2. Article Number  
(Transfer from service label)  
PS Form 3811, February 2004

7005 0390 0002 9908 9230  
Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**  
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
Pure Resources, LP  
500 W. Illinois Ave  
Midland, TX 79707

2. Article Number  
(Transfer from service label)  
PS Form 3811, February 2004

7005 0390 0002 9908 9223  
Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

102595-02-M-1540

102595-02-M-1540

102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BEC Corporation  
P.O. Box 1392  
Midland, TX 79702

2. Article Number

(Transfer from service label)

7005 0390 0002 9908 9278

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chesapeake Operating, Inc.  
P.O. Box 18496  
Oklahoma City, OK 73154

2. Article Number

(Transfer from service label)

7005 0390 0002 9908 9261

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Inc.  
P.O. Box 4791  
Houston, TX 77210

2. Article Number

(Transfer from service label)

7005 0390 0002 9908 9254

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

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 type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p>
<p>1. Article Addressed to:</p> <p>New Mexico Oil Conservation Division  1625 N. French Dr.  Hobbs, NM 88240</p>	<p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>2. Article Number  (Transfer from service label)</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>PS Form 3811, February 2004</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>7005 0390 0002 9908 9285</p>	
<p>Domestic Return Receipt 102595-02-M-1540</p>	

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 type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p>
<p>1. Article Addressed to:</p> <p>New Mexico Oil Conservation Division  1220 South St. Francis Dr.  Santa Fe, NM 87505</p>	<p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>2. Article Number  (Transfer from service label)</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>PS Form 3811, February 2004</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>7005 0390 0002 9908 9292</p>	
<p>Domestic Return Receipt 102595-02-M-1540</p>	