

NSL-012. N15

# EnergyPro, Inc.

3003 Dawn Drive

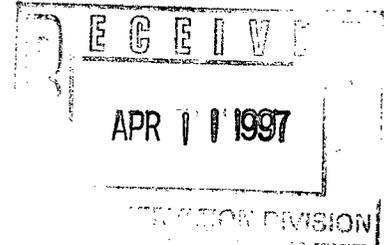
Suite 104

Georgetown, Texas 78628

Phone: (512) 869-7971 FAX: (512) 869-8543

April 10, 1997

Mr. Michael E. Stogner  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505



RE: Petroleum Development Corporation  
Warren State No. 1 Well  
Section 35, T15S, R37E  
Lea County, New Mexico

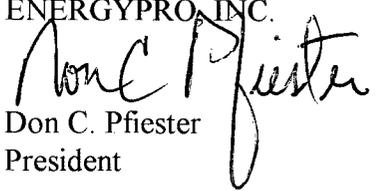
Dear Mr. Stogner:

Enclosed please find two copies of a land plat for the proposed well showing the various leases affected by the well. Also, included are copies of a geological discussion and Devonian structure map for the proposed well and the South Denton Field.

I hope this data will be sufficient for your needs in granting the drilling permit for the well. Thanks very much for your assistance with this matter.

Sincerely,

ENERGYPRO, INC.

  
Don C. Pfister  
President

R 37 E

Santa Fe Ener.  
V-4638

H.E. Yates et al.  
V-4724

Petroleum Development Corp.  
VA-964

EnergyPro  
VA-965

1-NEW MEXICO "M"  
-9261

T  
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1-WARREN STATE

1-KELLY STATE  
-9078

1-STATE SDA  
-9183

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1-HUBER STATE  
-9098

EnergyPro  
VA-967

EnergyPro  
VA-966

2-TEKELL STATE  
-9133

2-GULF STATE  
-9267

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Yates et al.  
V-4660

R 38 E



**Petroleum Development Corporation**

Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD

LEA COUNTY, NEW MEXICO

LEASE PLAT

Date: 4-10-97

C.I.:

Scale: 1" = 500'

## Petroleum Development Corporation

### Warren-State No. 1

1295' FSL & 880' FEL of Section 35, T15S, R37E

### Geological Discussion

Abandoned fields throughout southeastern New Mexico undoubtedly still hold millions of barrels of unrecovered reserves. In order to produce these reserves in an economic and prudent manner, it is necessary to drill additional infield wells at locations that are geologically correct without regard to the existing surface boundaries whenever possible. To do otherwise will result in very little bypassed oil being recovered because, in most cases, the optimum locations chosen due to surface lease constraints have already been drilled by wells that are now abandoned.

The South Denton Field produced in excess of 3.7MM barrels of oil from 1955 through 1990 from the Devonian formation. Detailed examination of the production from the field's wells indicates that there remains the potential to produce a large volume of unrecovered reserves from the abandoned field. Proper placement of new wells in the field should result in these additional reserves being produced. The Warren-State No. 1 location was chosen in an effort to drill the well in the best geological position without regard for existing section or lease lines. It is believed that drilling the well at a "regular" location will not optimize the total oil reserves that the well would otherwise recover.

The most prolific producer in the field was the Signal Petroleum Kelly-State No. 1 located approximately 550' FSL & 500' FEL of Section 35, T15S, R37E ( 800' southeast from the proposed Warren-State No. 1 location). This well produced in excess of 1.5MM barrels of oil and 15MM barrels of salt water. The proposed Warren-State No. 1 location was chosen in order to optimize the production of oil and minimize the effects of water coning from plugged wells in the common pool. The Warren-State No. 1 location (as shown on the attached Devonian structure map) is approximately 58' higher than the Kelly-State No. 1 well on the Devonian structure. The proposed location should allow the production of a fairly large volume of unrecovered reserves that otherwise would not be produced from the common Devonian pool. Although the structure map shows a fairly large area to the northeast of the Kelly-State No. 1 to be structurally higher, placing the Warren-State No. 1 location at least 800' from the Kelly-State No. 1 should delay and possibly deter water coning effects that were present when the Kelly-State No. 1 was abandoned in 1990.

R 37 E

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Petroleum Development Corp.

VA-964

-9200'

1-NEW MEXICO "M"

-9261

-9100'

1-WARREN STATE

-9020'

1-KELLY STATE

-9078

1-STATE SDA

-9183

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1-HUBER STATE

-9098

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2-TEKELL STATE

-9133

2-GULF STATE

-9267

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R 38 E

**Petroleum Development Corporation**

Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD

LEA COUNTY, NEW MEXICO

STRUCTURE MAP

TOP DEVONIAN

Date: 4-10-97

C.I.: 20'

Scale: 1" = 500'

## **Petroleum Development Corporation**

### Warren-State No. 1

1295' FSL & 880' FEL of Section 35, T15S, R37E

### **Geological Discussion**

Abandoned fields throughout southeastern New Mexico undoubtedly still hold millions of barrels of unrecovered reserves. In order to produce these reserves in an economic and prudent manner, it is necessary to drill additional infield wells at locations that are geologically correct without regard to the existing surface boundaries whenever possible. To do otherwise will result in very little bypassed oil being recovered because, in most cases, the optimum locations chosen due to surface lease constraints have already been drilled by wells that are now abandoned.

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Santa Fe Ener.  
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-9098

EnergyPro  
VA-967

EnergyPro  
VA-966

2-TEKELL STATE  
-9133

2-GULF STATE  
-9267

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Yates et al.  
V-4660



**Petroleum Development Corporation**

Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD

LEA COUNTY, NEW MEXICO

LEASE PLAT

R 38 E

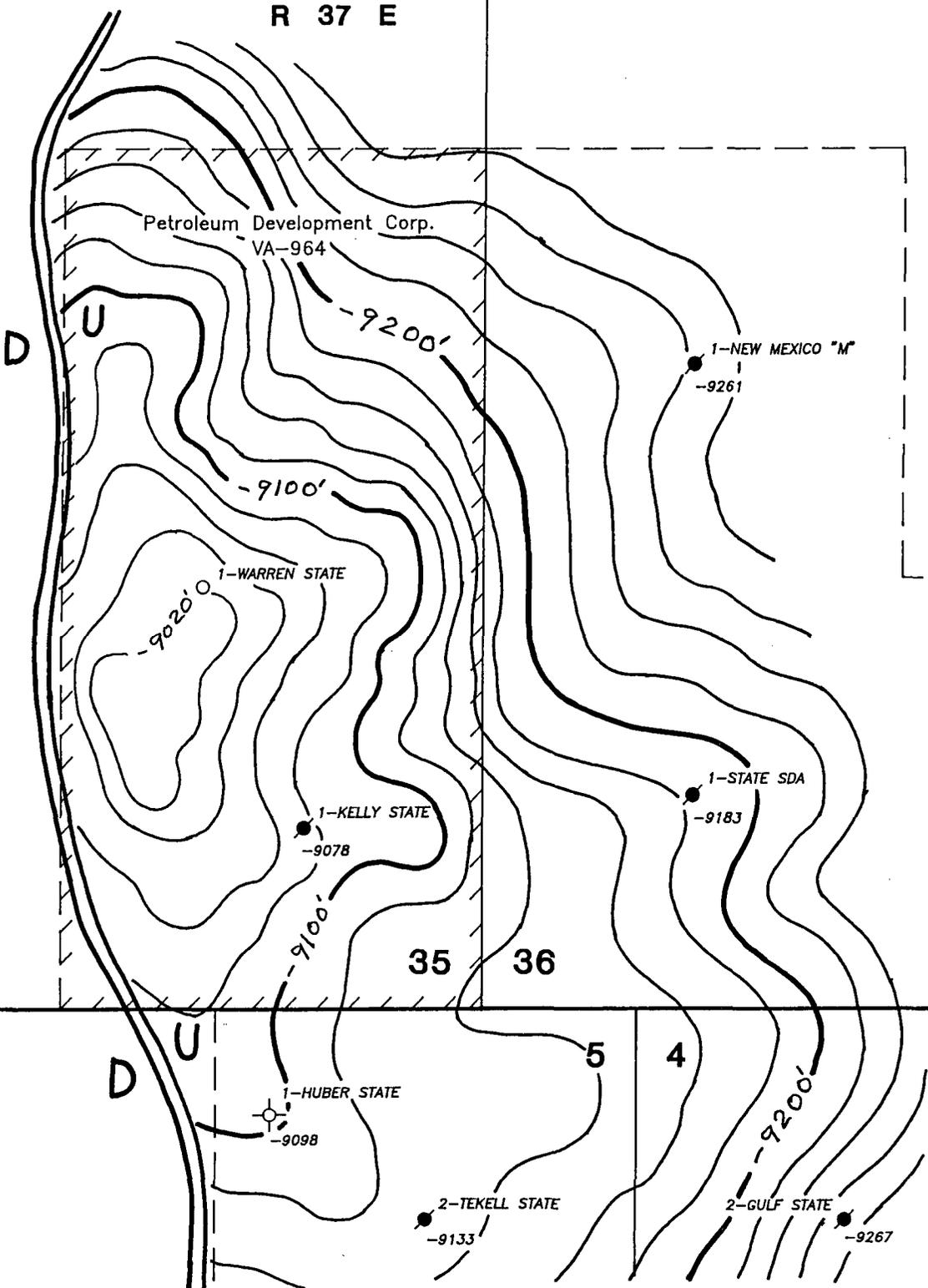
Date: 4-10-97

C.I.:

Scale: 1" = 500'

R 37 E

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R 38 E



**Petroleum Development Corporation**  
Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD  
LEA COUNTY, NEW MEXICO  
STRUCTURE MAP  
TOP DEVONIAN

Date: 4-10-97	c.l.: 20'	Scale: 1" = 500'
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NSL 3/3/97

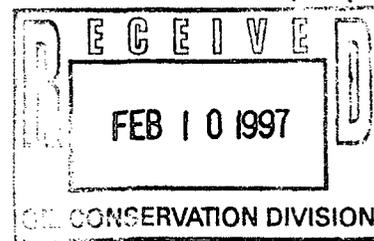
# EnergyPro, Inc.

3003 Dawn Drive

Suite 104

Georgetown, Texas 78628

Phone: (512) 869-7971 FAX: (512) 869-8543



February 5, 1997

Mr. Michael Stogner  
State of New Mexico  
Oil conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

RE: Petroleum Development Corporation  
Warren-State No. 1 Well  
South Denton Field  
Lea County, New Mexico

Dear Mr. Stogner:

EnergyPro, Inc. is acting as agent for Petroleum Development Corporation in the acquisition of a drilling permit for the referenced well. Enclosed please find the pertinent forms relating to the drilling permit for a non-standard location for well. The well is being drilled in a non-standard location due to geological reasons that hopefully will re-establish production from South Denton field which has not produced for several years.

EnergyPro, Inc. and Yates Petroleum Corporation are the only lease owners offsetting the drilling location. Enclosed is a waiver letter for EnergyPro, Inc. We have sent a waiver letter to Yates Petroleum Corporation which we fully expect to be signed in the near future. We will forward same to you as soon as we receive it back from Yates Petroleum.

We appreciate your assistance in providing the drilling permit.

Sincerely,

ENERGYPRO, INC.

  
Don C. Pfister  
President

**Waiver of Protest to a Non-Standard Drilling Location**

EnergyPro, Inc., 3003 Dawn Drive, Ste. 104, Georgetown, Texas, 78628, as owner to an oil and gas lease offsetting the proposed well as described below hereby waves any and all rights of protest to the drilling and completion of the referenced well.

Operator: Petroleum Development Corporation  
Well Name: Warren-State No. 1  
Location: 1295' FSL & 880' FEL of SE/SE Section 35, T15S, R37E  
Lea County, NM

By: Ann C. Pfeister

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Waiver of Protest to a Non-Standard Drilling Location**

Yates Petroleum Corporation, 1053 4th Street, Artesia, NM, 88210, as owner to an oil and gas lease offsetting the proposed well as described below hereby waves any and all rights of protest to the drilling and completion of the referenced well.

Operator: Petroleum Development Corporation  
Well Name: Warren-State No. 1  
Location: 1295' FSL & 880' FEL of SE/SE Section 35, T15S, R37E  
Lea County, NM

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-101  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address. Petroleum Development Corporation 9720-B Candelaria, N.E. Albuquerque, NM 87112		<sup>2</sup> OGRID Number
		<sup>3</sup> API Number 30 - 0
<sup>4</sup> Property Code	<sup>5</sup> Property Name Warren-State	<sup>6</sup> Well No. 1

<sup>7</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
P	35	15 S	37 E		1295	South	880	East	Lea

<sup>8</sup> Proposed 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>9</sup> Proposed Pool 1 Denton, South					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3759
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 13,300	<sup>18</sup> Formation Devonian	<sup>19</sup> Contractor --	<sup>20</sup> Spud Date 3/01/97

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48	370'	400	Surface
12-1/4	9-5/8	36	5000'	1555	Surface
8-3/4	7	23/26	13300'	640	7800'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill well utilizing hole sizes & casings as shown above. Logs will be run to total depth & production casing set or well plugged as required. Specific BOP system is not yet known, but adequate protection equipment including minimum 5000 psi hydraulic rams, 5000 psi Hydril, 5000 psi choke manifold & connections will be provided.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

*Don C. Pfeister*

Printed name: Don C. Pfeister

Title: Agent

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
P.O. Box 2088

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, New Mexico 87504-2088

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Denton, South
Property Code	Property Name WARREN STATE	Well Number 1
OGRID No.	Operator Name PETROLEUM DEVELOPMENT CORP.	Elevation 3759'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	15 S	37 E		1295	SOUTH	880	EAST	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

Dedicated Acres	Joint or Infill	Consolidation Code	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>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Don C. Efiester</i> Signature</p> <p>Don C. Efiester Printed Name</p> <p>Agent Title</p> <p>2/05/97 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><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>JANUARY 29, 1997 Date Surveyed</p> <p>CDG</p> <p>Signature &amp; Seal of Professional Surveyor <i>Ronald J. Eidson</i></p> <p>REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 3239 87-11-01 1-31-97</p>
	<p>Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 EIDSON 12641</p>

# EnergyPro, Inc.

3003 Dawn Drive

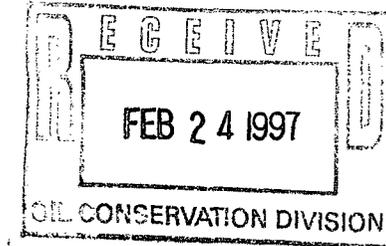
Suite 104

Georgetown, Texas 78628

Phone: (512) 869-7971 FAX: (512) 869-8543

February 19, 1997

Mr. Michael Stogner  
State of New Mexico  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505



RE: Petroleum Development Corporation  
Warren-State No. 1 Well Drilling Permit  
South Denton Field  
Lea County, New Mexico

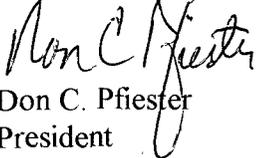
Dear Mr. Stogner:

Enclosed please find a signed Waiver of Protest to a Non-Standard Drilling Location from Yates Petroleum pertaining to the referenced drilling permit. Since Yates Petroleum is the only offset operator that had not previously signed a waiver, this waiver should suffice as far as obtaining waivers for all offsetting operators.

We would appreciate the permit being issued at your earliest convenience.

Sincerely,

ENERGYPRO, INC.

  
Don C. Pfister  
President

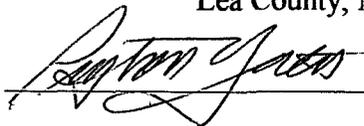
cc: District 1 Office  
Mr. Jim Johnson, Jr.  
Petroleum Development Corporation

**Waiver of Protest to a Non-Standard Drilling Location**

Yates Petroleum Corporation, 1053 4th Street, Artesia, NM, 88210, as owner to an oil and gas lease offsetting the proposed well as described below hereby waves any and all rights of protest to the drilling and completion of the referenced well.

Operator: Petroleum Development Corporation  
Well Name: Warren-State No. 1  
Location: 1295' FSL & 880' FEL of SE/SE Section 35, T15S, R37E  
Lea County, NM

By:

  
\_\_\_\_\_

Name: Peyton Yates

Title: Attorney-in-Fact

Date: 2-12-97



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

March 7, 1997

EnergyPro, Inc.  
3003 Dawn Drive - Suite 104  
Georgetown, Texas 78628

Attention: Don C. Pfiester  
President

*Re: Application on behalf of Petroleum Development Corporation for administrative approval to drill the Warren State Well No. 1 at an unorthodox oil well location 1295 feet from the South line and 880 feet from the East line (Unit P) of Section 35, Township 15 South, Range 37 East, NMPM, to test the South Denton-Devonian Pool, Lea County, New Mexico.*

Dear Mr. Pfiester:

Please supplement the subject application with the required geological information, see Division General Rule 104.F(3). Also submit a land plat outlining Petroleum Developments Warren State lease. Thank you.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs  
William J. LeMay, Director - OCD, Santa Fe



Sec : 35 Twp : 15S Rng : 37E Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
MI	MI	MI	MI
V04724 09/00 YATES PETROLEUM C	V04724 09/00 YATES PETROLEUM C	V04724 09/00 YATES PETROLEUM C	VA0964 07/98 ENERGYPRO, INC.
M	N	O	P
40.00	40.00	40.00	40.00
MI	MI	MI	MI
V04724 09/00 YATES PETROLEUM C	V04724 09/00 YATES PETROLEUM C	V04724 09/00 YATES PETROLEUM C	VA0964 07/98 ENERGYPRO, INC.

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD    PF08 FWD        PF09 PRINT   PF10 SDIV     PF11            PF12

Sec : 35 Twp : 15S Rng : 37E Section Type : NORMAL

D	C	B	A
40.00	40.00	40.00	40.00
Fee owned	Fee owned	Fee owned	Fee owned
E	F	G	H
40.00	40.00	40.00	40.00
MI	MI	MI	MI
V04724 09/00	V04724 09/00	V04724 09/00	V04724 09/00
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
 PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

NSL-3786A



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

9/10/99

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC \_\_\_\_\_
- DHC \_\_\_\_\_
- NSL   X   \_\_\_\_\_
- NSP \_\_\_\_\_
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Petroleum Development Corp Warren State # 1-P-35-15s-37e  
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

None.

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Yours very truly,

Chris Williams  
Supervisor, District 1

/ed