

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Overland #1

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 _____

RECEIVED

APR 15 2003

Oil Conservation Division

[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.

William R. Huck

William R. Huck

VP - Engr. & Operations

4/14/03

Print or Type Name

Signature

Title

Date

billh@pecoilproduction.com
 e-mail Address

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

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- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
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 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 _____

APR - 4 2003

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William R. Huck		VP - Engr. & Operations	4/03/03
Print or Type Name	Signature	Title	Date
		billh@pecosproduction.com	
		e-mail Address	



400 W. Illinois, Suite 1070, Midland, Texas 79701 | 915-620-8480 ofc | 915-682-2197 fax

April 03, 2003

Oil Conservation Division
Kathy Valdez
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Pecos Production Company – Non-Standard Location Application's
Fort 21 No. 1 and Overland No. 1

Dear Kathy:

Enclosed please find the Administrative Application for Non-Standard location for the wells listed above. Please forward the Fort 21 No. 1 application to Mr. Michael Stogner for his review. If you need additional information or have any questions contact me at (915) 620-8480.

Thank you,
Dora Bustamante *DB*
Engineer Assistant

**Pecos Production Company
400 W. Illinois Suite 1070
Midland, TX 79701**

April 14, 2003

RECEIVED

APR 15 2003

Oil Conservation Division

New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, New Mexico 87505

Attn: Michael Stogner

RE: Administrative Application of Pecos Production Company
For Approval of an Non-Standard Well Location.
Section 2, T-16S, R-37E, Lea Co., New Mexico

Mr. Stogner,

Pecos Production Company, in accordance with Rule 19 NMAC 15.C.104.F, hereby re-submits this application to the New Mexico Oil Conservation Division for approval of an non-standard well location for any production from the Wolfcamp and Upper Penn Formations for its proposed OVERLAND NO. 1 well, to be drilled at a location 1276' FSL and 1724' FWL of Section 2, Township 16 South, Range 37 East, Lea County, New Mexico. Production from the Wolfcamp would be dedicated to a proposed 40 acre proration unit in the Southeast Dean-Wolfcamp Pool (97005), consisting of the SE/4 of SW/160 ac of Section 2. Production from the Upper Penn, if encountered, to be dedicated to a proposed 80 acre proration unit in the Northeast Lovington-Upper Penn Pool (40760), consisting of the E/2 of SW/160 ac of Section 2. In support of the application, Pecos Production Company respectfully submits the following:

1. That Pecos Production Company is the operator of the subject well, and the operator of the entire leasehold interest in the South 320 acres of Section 2. (C-102 attached as Exhibit 1a and 1b).
2. The proposed well is a wildcat test, and its location was chosen from analysis of 3-D seismic data as the optimum location for a successful test of the target formations. (Geological analysis attached as Exhibit 2).
3. Working Interest and Mineral Ownership is common for the entire 160 acres as well as the entire south 320 acres of Section 2.

4. An additional consideration was the coincidental fact that the proposed location is located on the only "non-crop" ground in this 160 acre tract. This will result in the least possible amount of interference with existing crop operations. Diagram of the surface conditions is attached as exhibit 3.

Pecos Production Company therefore requests that this application be approved administratively, or in the timeliest manner possible.

Respectfully submitted,

Pecos Production Company



William R. Huck, P.E.
Vice President, Engr & Operations.

Enclosures

DISTRICT I
P.O. Box 1980, 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., Artec, NM 87410

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
		Southeast Dean-Wolfcamp
Property Code	Property Name	Well Number
97005	OVERLAND	1
OGRID No.	Operator Name	Elevation
215758	Pecos Production Company	3791'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
V	2	16-S	37-E		1276	SOUTH	1724	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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

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

GEODETIC COORDINATES
NAD 27 NMEZ
Y=710103.7
X=840574.5
LAT. 32°56'49.97"N
LONG. 103°13'23.34"W

LOT 4	LOT 3	LOT 2	LOT 1
49.35 AC	49.22 AC	49.08 AC	48.95 AC
LOT 5	LOT 6	LOT 7	LOT 8
40 AC.	40 AC.	40 AC.	40 AC.
LOT 12	LOT 11	LOT 10	LOT 9
40 AC.	40 AC.	40 AC.	40 AC.
LOT 13	LOT 14	LOT 15	LOT 16
40 AC.	40 AC.	40 AC.	40 AC.

SCALE: 1" = 2000'

OPERATOR CERTIFICATION

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

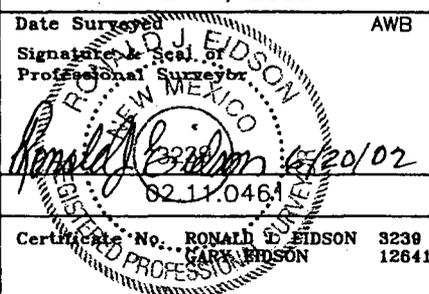


Signature
William R. Huck
Printed Name
VP-Engr. & Operations
Title
4/2/03
Date

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.

JUNE 18, 2002

Date Surveyed
Signature & Seal of Professional Surveyor

8211.0464
Certification No. RONALD D. EDSON 3239
LEA COUNTY 12641

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

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., Artesia, NM 87410

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
		Northeast Lovington-Upper Penn
Property Code	Property Name	Well Number
40760	OVERLAND	1
OGRID No.	Operator Name	Elevation
215758	Pecos Production Company	3791'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
V	2	16-S	37-E		1276	SOUTH	1724	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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40 AC.	40 AC.	40 AC.	40 AC.
LOT 13	LOT 14	LOT 15	LOT 16
40 AC.	40 AC.	40 AC.	40 AC.

SCALE: 1" = 2000'

OPERATOR CERTIFICATION

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

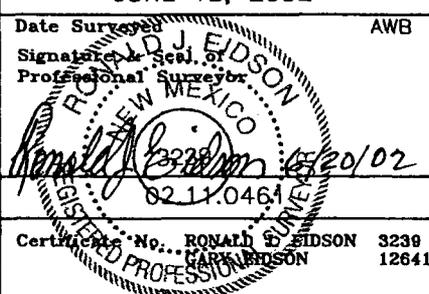


Signature
William R. Huck
Printed Name
VP-Engr. & Operations
Title
4/2/03
Date

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.

JUNE 18, 2002

Date Surveyed
Signature & Seal of Professional Surveyor

Professional Surveyor
02.11.0464

Certificate No. **RONALD D. EDSON 3239**
Professional Surveyor
12641

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

Form C-101
Revised March 17, 1999

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

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

¹ Operator Name and Address Pecos Production Company 400 W. Illinois, Suite 1070 Midland, TX 79701		² OGRID Number 215758
³ Property Code		³ API Number 30 -
⁵ Property Name Overland		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
V	2	16-S	37-E		1276'	South	1724'	West	Lea

⁸ 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
⁹ Proposed Pool 1 Southeast Dean-Wolfcamp					¹⁰ Proposed Pool 2 Northeast Lovington-Upper Penn				

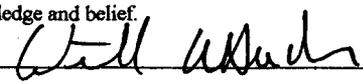
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3791'
¹⁴ Multiple No	¹⁷ Proposed Depth 11,500'	¹⁸ Formation Wolfcamp	¹⁹ Contractor Unknown	²⁰ Spud Date As Soon As Approved

²¹ 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#	400'	400 sxs	Circ
11"	8-5/8"	32#	4,800'	865sxs	500'
7-7/8"	5-1/2"	17#	11,500'	465 sxs	7,000'

²² 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.

See Attached Well Program.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by:	
Printed name: William R. Huck		Title:	
Title: VP - Engr. & Operations		Approval Date:	Expiration Date:
Date: 4-14-03	Phone: (915) 620-8480	Conditions of Approval: Attached <input type="checkbox"/>	

Pecos Production Company
400 W. Illinois, Suite 1070
Midland, Texas 79701
(915) 620-8480

March 27, 2003

New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Attn: Engineering Section

Re: Request for unorthodox location
#1 Overland
1276' FSL & 1724' FWL
Section 2, T16S-R37E
Lea County, New Mexico

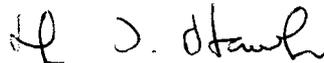
To Whom It May Concern:

This letter is included with Pecos Production Company's application for administrative approval of the referenced unorthodox location. The #1 Overland will drill to 11,500' to test a 3D defined Wolfcamp pinnacle reef.

Included with this letter is a depth map on the top of the Wolfcamp shale that immediately overlies the reef. As you can see from the map this reef has limited aerial extent (approximately 70 acres) and should be most efficiently drained by one producing well. Because of the nature of our target we feel it behooves us to drill in the absolute optimal location as defined by the 3D seismic. The internal complexity of these reefs is such that the apex of the reef offers the greatest chance of penetrating reef core as opposed to flanking debris beds that might be masking the seismic image. Although small in map view the height of these pinnacles allow for economic accumulations of hydrocarbon.

Please feel free to call if you have any questions concerning this matter.

Sincerely,



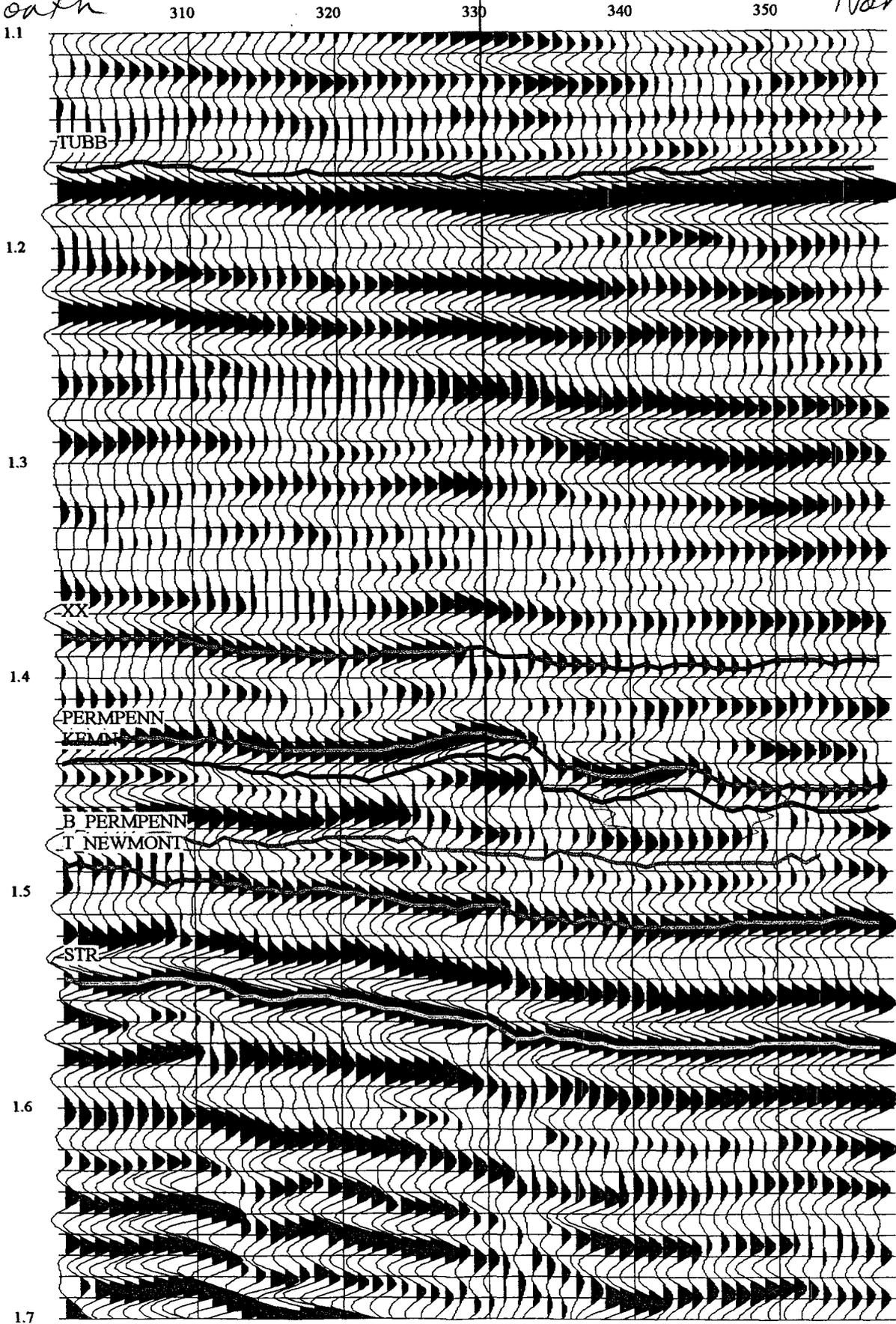
Mark T. Hawkins
Vice President Exploration

X-Line 166
Project OVERLAND180

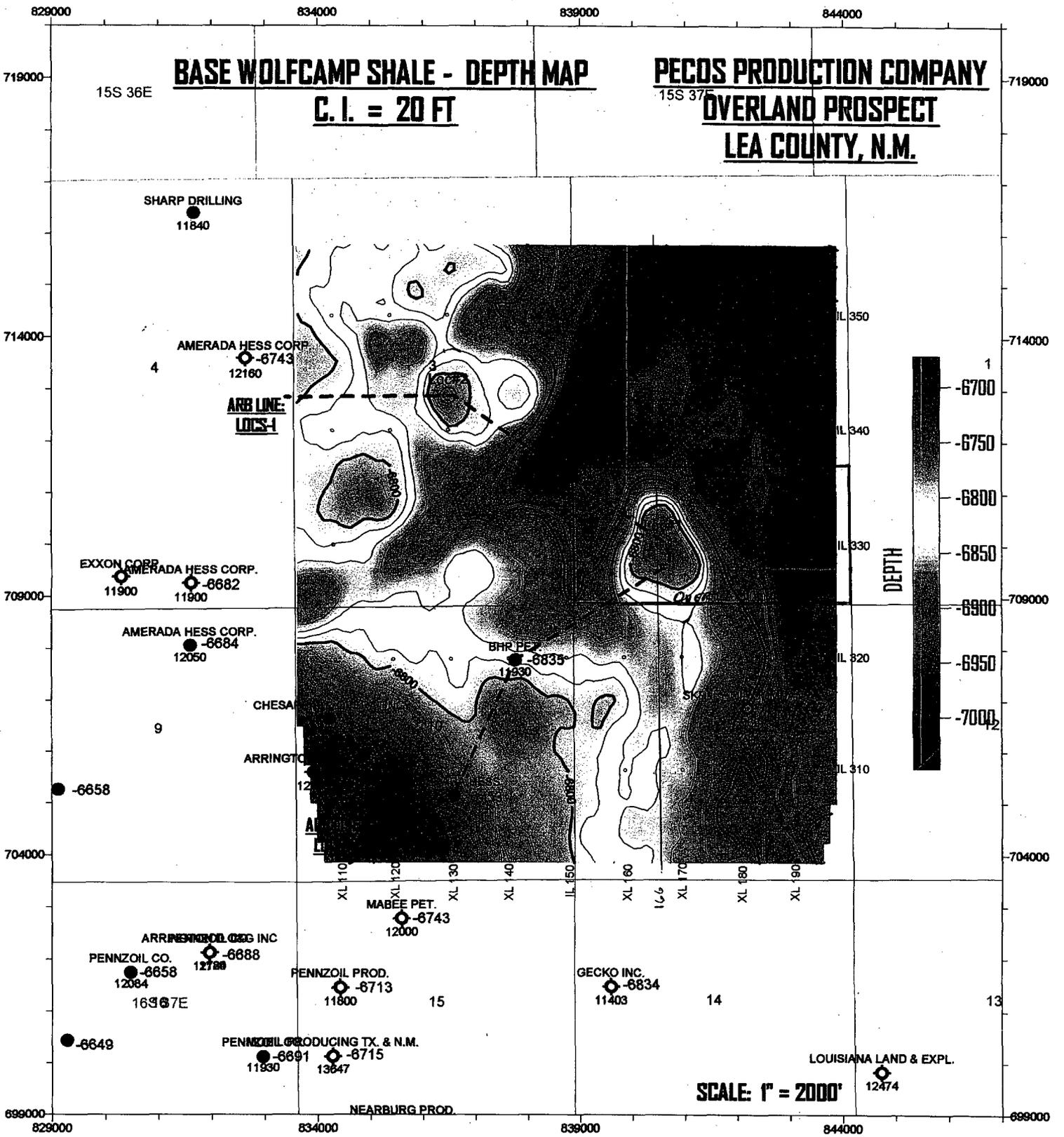
#1 Overland

South

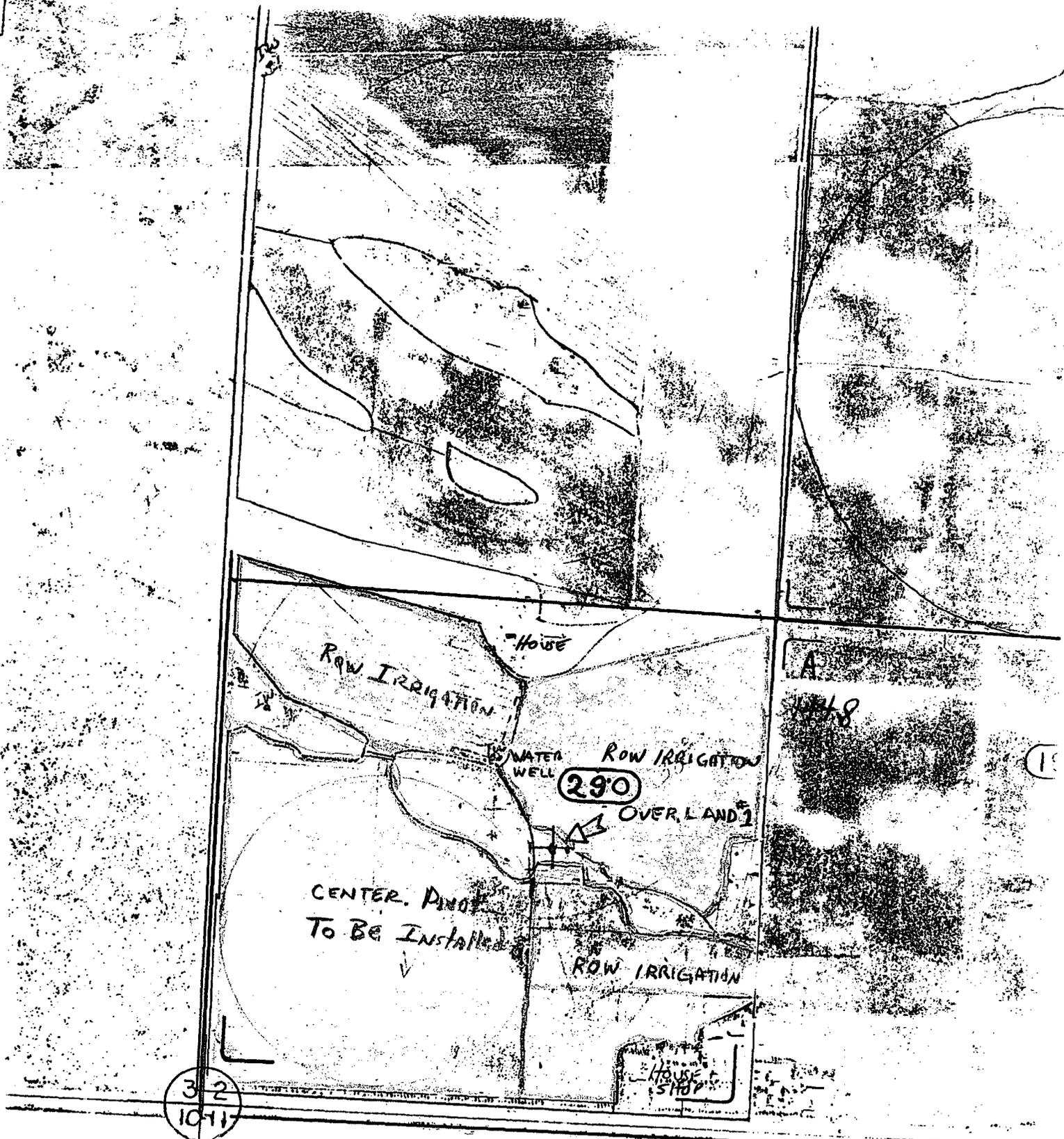
North



Attachment to Exhibit 2

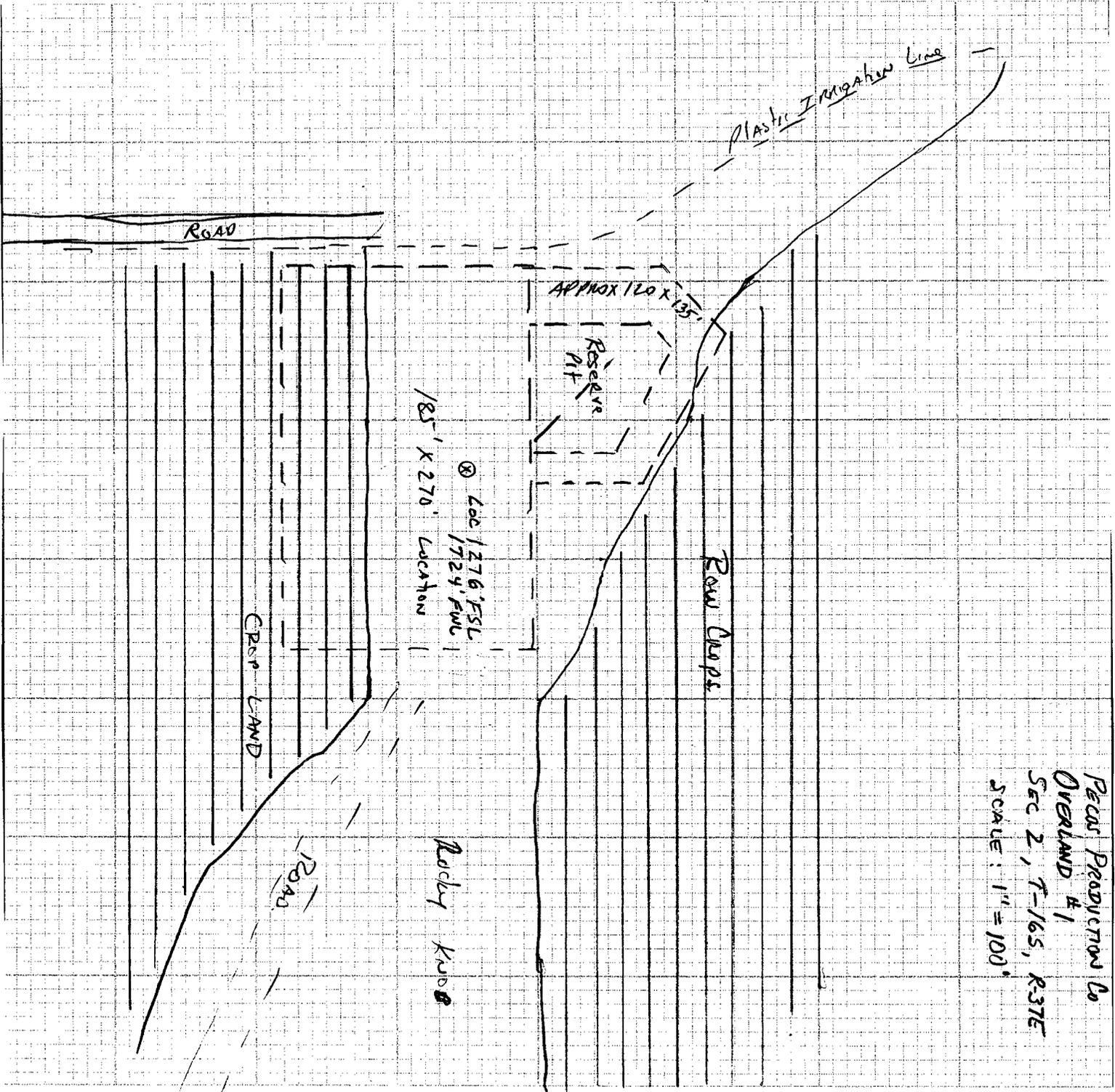


ATTACHMENT TO EXHIBIT 2



Copy of AERIAL Photo
 SW/4 of Section 2, T-16S, R-37E
 Lea Co., NM.
 Scale: 1" = Approx 660'.

Pecos Production Co
Overland #1
Sec 2, T-16S, R37E
SCALE: 1" = 100'

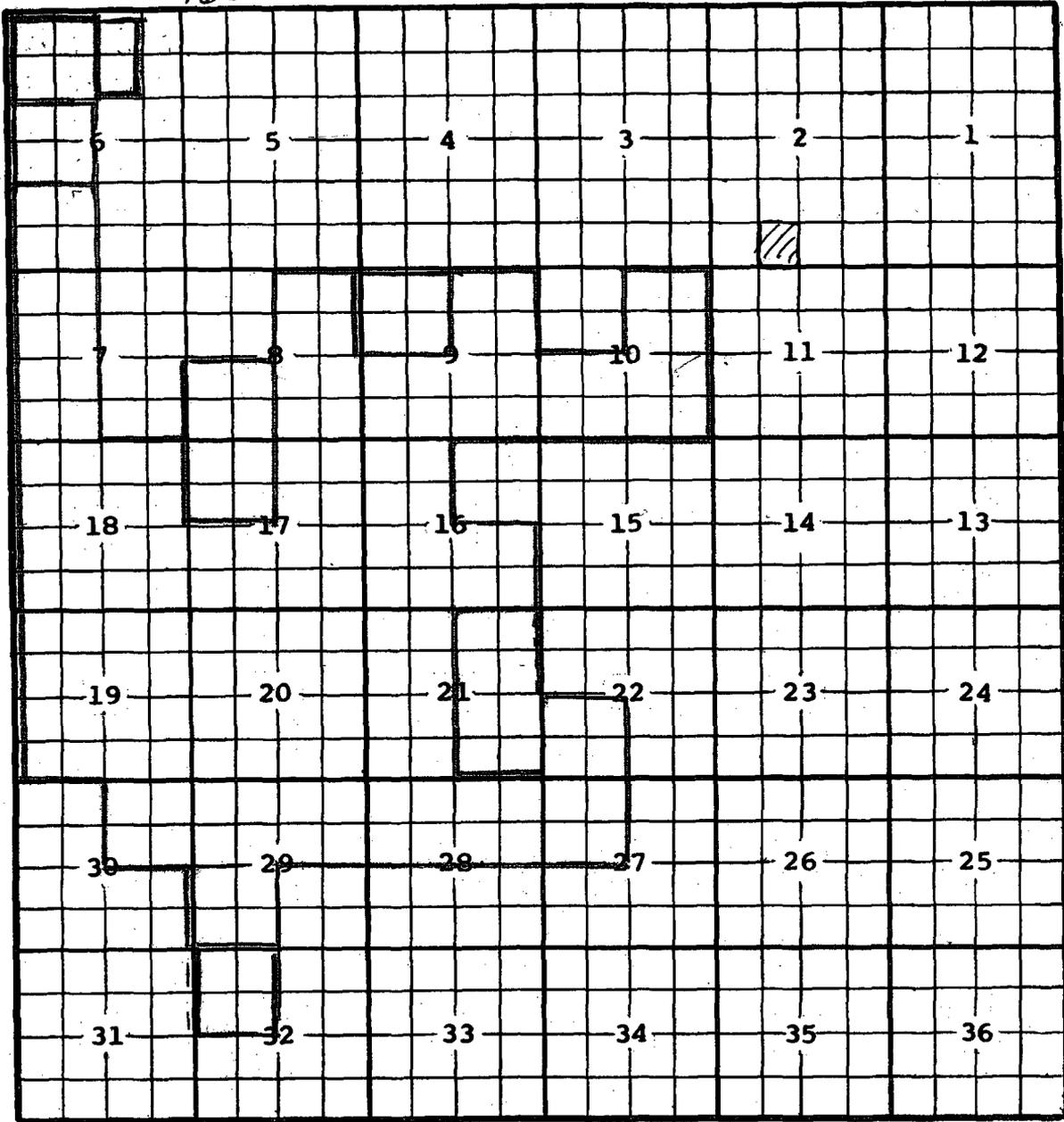


Upper

TOWNSHIP 16S

RANGE 37E

NMPM



DESC: SW/4 SEC 16, SE/4 SEC 17, SE/4 SEC 18; ALL SEC 19; NE/4, S/2 SEC 20;
 NW/4 SEC 21 (R-3816, 9/14/69, EFFEC: 9/1/69) EXT: NE/4 SEC 18 (R-6328, 5/1/80)
 EXT: NW/4 SEC 29 (R-8536, 12/1/80) EXT: W/2 SEC 18 (R-6724, 7/16/81)
 EXT: SW/4 SEC 7 (R-6923, 3/9/82) EXT: NW/4 SEC 20 (R-7076, 9/27/82)
 EXT: SE/4 SEC 8, NE/4 SEC 17 (R-7322, 8/1/83) EXT: NE/4 SEC 30 (R-7351, 9/1/83)
 EXT: SW/4 SEC 21 (R-7607, 7/27/84) EXT: NW/4 SEC 28 (R-7800, 1/31/85)
 EXT: S/2, NE/4 SEC 9 (R-7858, 3/28/88) EXT: NE/4 SEC 28 (R-7959, 6/12/85)
 EXT: NE/4 SEC 8, S/2 SEC 10 (R-8193, 3/21/86) EXT: SW/4 SEC 17, NE/4 SEC 29 (R-8214, 5/1/86)
 EXT: SW/4 SEC 6, NW/4 SEC 7 (R-8388, 1/14/87) EXT: SE/4 SEC 16 (R-8409, 3/7/87)
 EXT: NW/4 SEC 16, SW/4 SEC 29 (R-8584, 1/11/88) EXT: NE/4 SEC 10 (R-8603, 2/19/88)
 EXT: SW/4 SEC 8, NW/4 SEC 17, NW/4 SEC 32 (R-8826, 12-22-88) EXT: E/2 SEC 21
 (R-8946, 7-1-89) EXT: Lots 11, 12, 13, 14 SEC 6 (R-8772, 11-1-88) EXT: Lots 3, 4, 5, 6 SEC 6 (R-10974, 4-13-98)
 EXT: Lots 2 and 7 Sec. 6 (R-11111, 1-2-99) EXT: NW/4 SEC 9 (R-11728, 2-20-02)

