

NSL 8/28/00

211120

OGS OPERATING COMPANY, INC.

550 W. TEXAS, SUITE 1140
MIDLAND, TEXAS 79701
(915) 682-6373
(915) 682-4634 FAX

CERTIFIED MAIL RETURN RECEIPT REQUESTED

AUGUST 3, 2000

**MR. MICHAEL E. STOGNER
CHIEF HEARING OFFICER/ENGINEER
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NM 87505**

**Re: Request for exception to Special Rules and Regulations for the Bluitt San Andres Associated Pool
The S/2 of Section 8, T-8-S, R-37-E, Roosevelt County, New Mexico.**

Dear Mr. Stogner:

This letter is a request for an exception to Rule 2. of the Special Rules and Regulations for the Bluitt San Andres Associated Pool.

The Special Rules and Regulations for the Bluitt San Andres Associated Pool are as follows:

**"RULE 2. (a) A standard oil proration unit shall be 80 acres. A standard gas proration unit shall be 320 acres.
(b) Oil wells shall be located within 150 feet of the center of a quarter-quarter section.
Gas wells shall be located not closer than 990 feet to the quarter section line nor closer than 330 feet to any quarter-quarter section line."**

This request concerns the following wells proposed to be drilled by OGS Operating Company, Inc. in the Bluitt San Andres Associated Pool in Roosevelt County, New Mexico:

The Bluitt 8 Federal Com #1 well to be located 1,980' FWL & 900 FSL of Section 8.

The Bluitt 8 Federal #2 well located 685' FSL & 835' FEL of Section 8, this will be the second well located on the S/2 of Section 8 Proration Unit the being 320± acres.

These wells will be drilled to a depth sufficient to test a mid to lower San Andres oil zone, but will likely be completed in a shallower San Andres gas zone. Should the wells be completed as oil wells they will be in compliance with Rule 2. (a) the standard oil proration unit 80 acres, however if they are gas wells an exception Rule 2. (a) will be needed.

The well locations are dictated by surface conditions. The #1 well by sandy soil and the #2 well by a high pressure gas pipeline that crosses the property. Neither location is in compliance with Rule 2(b).

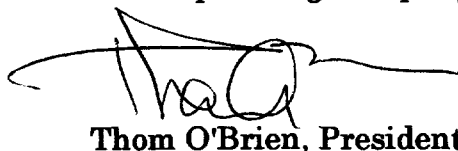
This letter is intended as an application, for each well, for an exception to RULE 2. (a) and (b) of the Special Rules and Regulations for the Bluitt-San Andres Associated Pool

Enclosed is a plat showing the proration units and the operator of affected leases offsetting these wells.

A copy of this letter has been sent Certified Mail Return Receipt Requested to the affected offset operators (see the attached list).

Please call if you have a question.

**Sincerely,
OGS Operating Company, Inc.**



Thom O'Brien, President

**ADDRESS LIST
OFFSET OPERATORS
S/2 OF SECTION 8, T-8-S, R-37-E ROOSEVELT COUNTY, NEW MEXICO**

Certified Return Receipt

**H.L. BROWN , JR.
300 W. LOUISIANA
MIDLAND, TX 79702-2237
ATTN: PETER COURTNEY**



P 329 341 617

**(915) 683-5216
(915) 688-3737 fax**

H.L. Brown, Jr., owns the oil and gas leases covering the N/2 of Section 8 (north offset) and the S/2 of Section 9 (east offset) T-8-S, R-37-E, Roosevelt County, New Mexico.

OGS Operating Company Inc. owns the oil and gas lease covering the N/2 of Section 17 (south offset) and owns rights to the base of the San Andres under the oil and gas leases covering the S/2 of Section 8 and the S/2 of Section 7 (west offset).

U.S.
J.D.
Weaver

3578	213978	213982
H.L. Brown, Jr.	(Felmont)	
 S.C	H.L. Brown, Jr.	
S.6MIL	HBP	
21513		0474
"Fed."		
- - - - -	4	- - - - -
Bargo Ener.	(Felmont)	
HBC	I.B.	
021087	 0474	
	S.8Mil.	
	H.L. Brown, Jr.	
	Fed.	
	U.S.	
	w.L. Beegs(S)	

BTA Oil
 0474
 (BBL, Ltd.) - C
 Fed.
 3.1 Mil
 H.L. Brown, Jr.
 Fed.
 Felmont
 HBP
 0474
 Inco
 0474
 Felmont
 Fed.
 Felmont Ltd.
 9
 H.L. Brown, Jr.
 7-1-81
 28054
 2325
 KGS
 U.S. M.I.
 F.M. Bord (S)
 BTA Oil
 Felmont
 Ltd.
 164638

OGS Oper. etal
VA-1297 Mil.
2 BUA
Shell
Bluitt Unit
TO12595
D/A1-5-56
16
OGS Oper. etal
4-1-2003
V-5291
14167
1 BUA
TO9460 State
8

Amoco
4.1.93
54906

Irex Oper.
6.1.89
58538
11711
KGS

21

DISTRICT II

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

DISTRICT III

1000 Rio Braxos Rd., Aztec, NM 87410

DISTRICT IV

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name BLUITT 8 FEDERAL		Well Number 1
OGRID No.	Operator Name O. G. S. OPERATING CO., INC.		Elevation 4046

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	8	8 S	37 E		900	SOUTH	1980	WEST	ROOSEVELT

Bottom Hole Location If Different From Surface

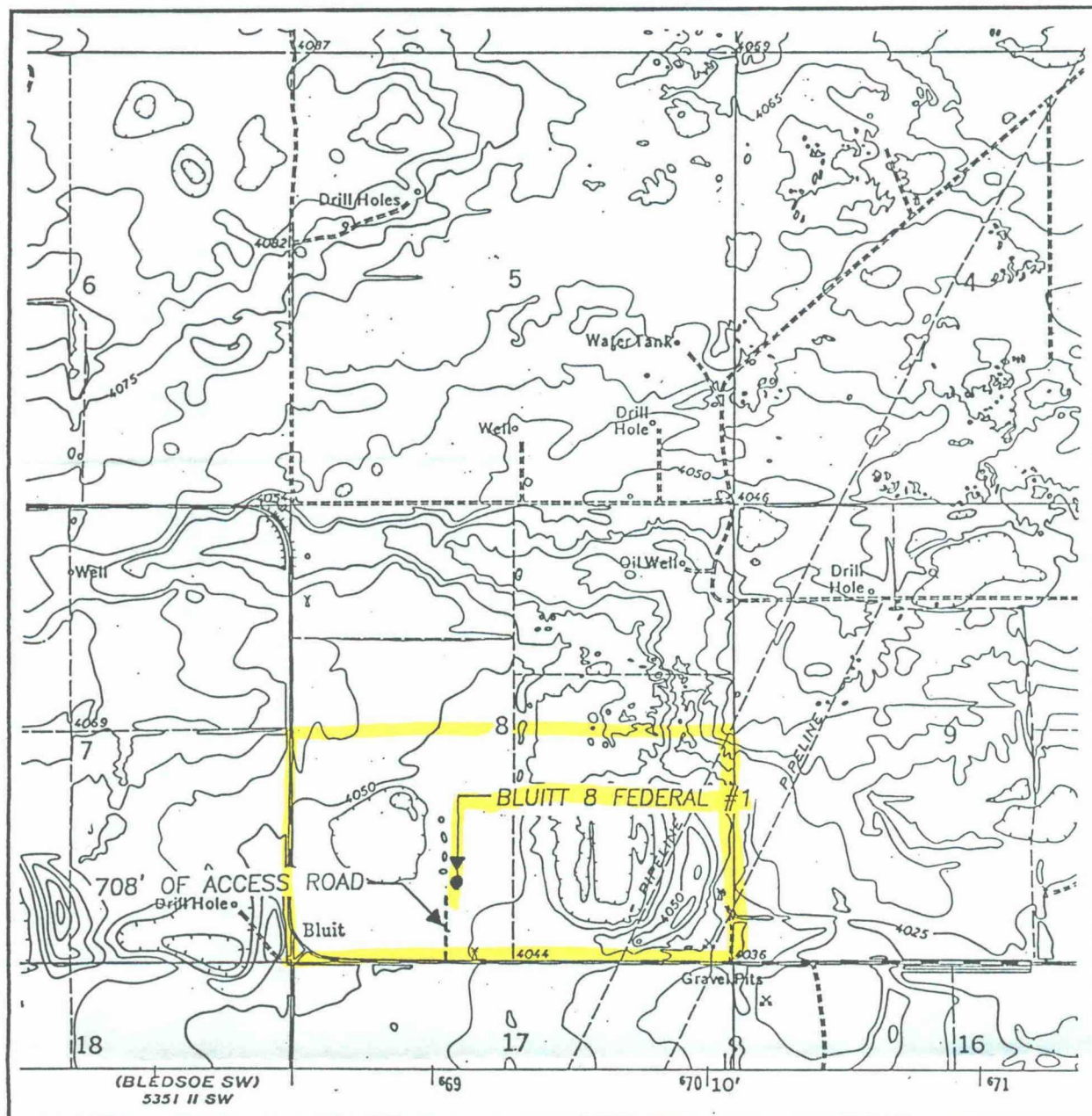
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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>SEE DETAIL</p> <p>1980'</p> <p>900'</p> <p>4048.7' 4045.1'</p> <p>4045.7' 4043.9'</p> <p>DETAIL</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> <p>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> <p>JULY 22, 2000</p> <p>Date Surveyed _____ LMP</p> <p>Signature & Seal of Professional Surveyor _____</p> <p><i>GARY J. EIDSON</i></p> <p>00-11-0885</p> <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 MACON McDONALD 12185</p>
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LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
BLUIT, N.M. - 5'

SEC. 8 TWP. 8-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY ROOSEVELT

DESCRIPTION 900' FSL & 1980' FWL

ELEVATION 4046

OPERATOR O.G.S. OPERATING CO., INC.

LEASE BLUITT 8 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

BLUIT, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

DISTRICT II

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

DISTRICT III

1000 Rio Bravos Rd., Axtec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name BLUITT 8 FEDERAL		Well Number 2
OGRID No.	Operator Name O. G. S. OPERATING CO., INC.		Elevation 4046

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	8	8 S	37 E		685	SOUTH	835	EAST	ROOSEVELT

Bottom Hole Location If Different From Surface

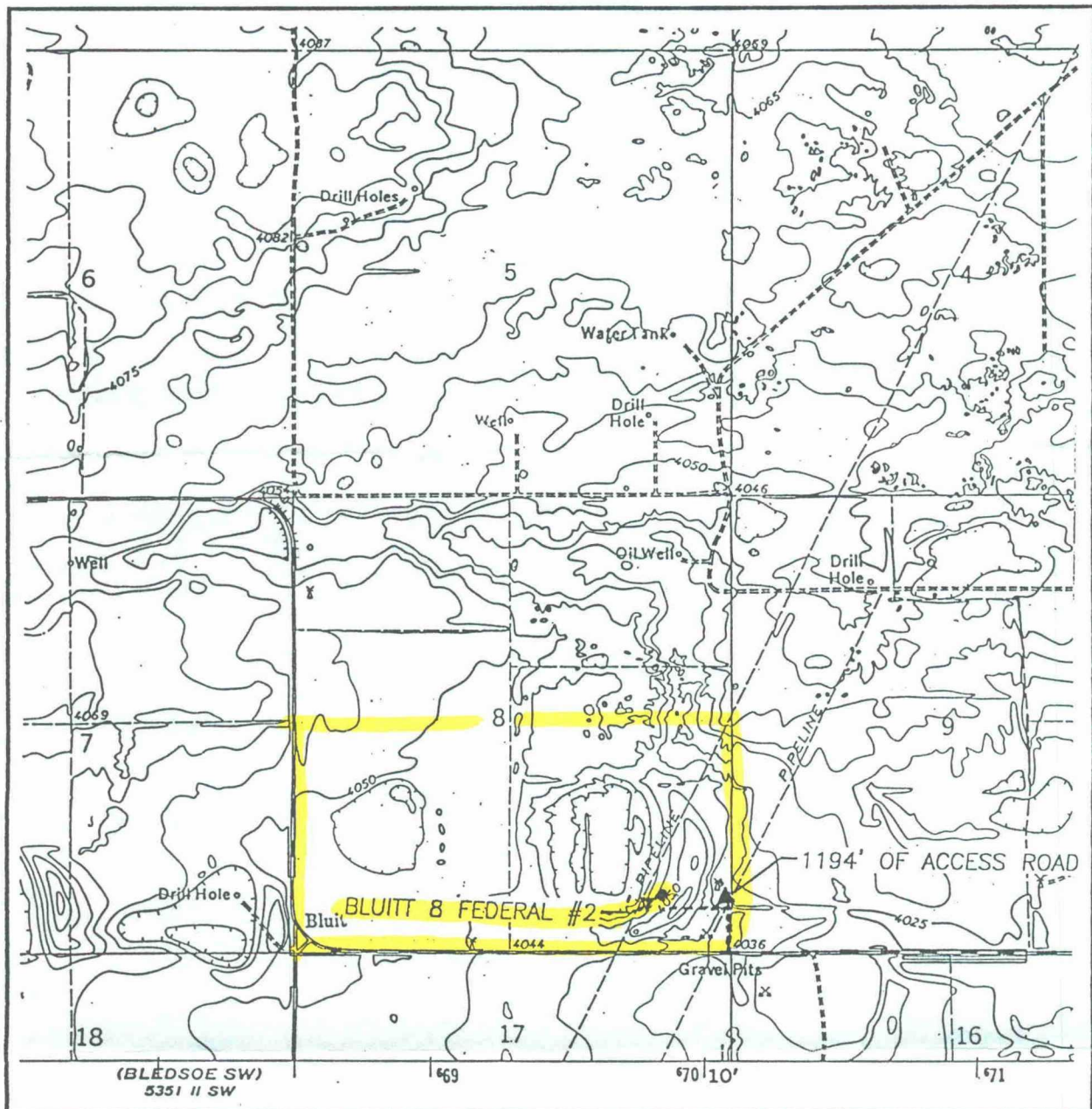
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> _____ Signature _____ Printed Name _____ Title _____ Date
	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> JULY 21, 2000 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641 MACON McDONALD 12185

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
BLUIT, N.M. - 5'

SEC. 8 TWP. 8-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY ROOSEVELT

DESCRIPTION 685' FSL & 835' FEL

ELEVATION 4046

OPERATOR O.G.S. OPERATING CO., INC.

LEASE BLUITT 8 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

BLUIT, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

OGS OPERATING COMPANY, INC.

550 W. TEXAS, SUITE 1140
MIDLAND, TEXAS 79701
(915) 682-6373
(915) 682-4634 FAX

CERTIFIED MAIL RETURN RECEIPT REQUESTED

AUGUST 4, 2000

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NM 87505

Attention: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer

Re: OGS Operating Company, Inc., Proposed Bluitt 8 Federal #1 & #2 wells
S/2 Section 8, T-8-S, R-37-E
Roosevelt County, New Mexico

Gentlemen:

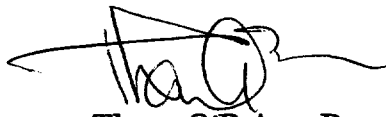
Please refer to my letter dated August 3, 2000 in which I requested an exception to Rule 2. (a) and (b) of the special rules and regulations of the Bluitt-San Andres Associated Pool for the referenced wells.

In connection with my request, attached are copies of all of the "Return Receipts" for the copies of the August 3, 2000 letter which I sent to the affected offset Operator H.L. Brown, Jr.

H.L. Brown Jr. received the letter on August 4, 2000.

Please call if you have a question.

Sincerely,
OGS Operating Company, Inc.

A handwritten signature in black ink, appearing to read "Thom O'Brien", with a long horizontal flourish extending to the left.

Thom O'Brien, President

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:

H.L. BROWN, JR
300 W. LOUISIANA
MIDLAND, TX 79702-2237
ATTN: PETER COURTNEY

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

PETER COURTNEY

8-4-00

C. Signature

X

☐ Agent☐ AddresseeD. Is delivery address different from item 1? ☐ YesIf 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

2. Article Number (Copy from service label)

P 329 341 617

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/21/00 15:59:16
OGOMES -TPHU
PAGE NO: 2

Sec : 08 Twp : 08S Rng : 37E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/21/00 15:59:12
OGOMES -TPHU
PAGE NO: 1

Sec : 08 Twp : 08S Rng : 37E Section Type : NORMAL

D 40.00 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned A A
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12