

DATE 1/18/00	SUBMIT 2/7/01	BY MS	LOGGED MN	TITLE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

102240825

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling  
 NSL     NSP     DD     SD

Check One Only for [B] and [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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORR) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Elm Ridge Resources, Inc.

*Patrick Hegarty*  
Signature

Agent

Title

1-05-01

Date

Print or Type Name

Patrick Hegarty

Kelly IND. 1E -  
660' FWL - 2480' FNL  
Section 12, T27N, R13W

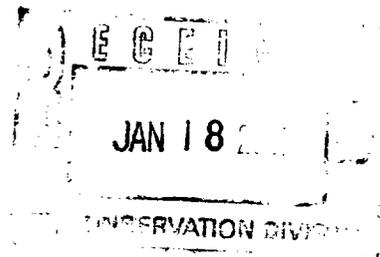


27 C.R. 3025 • P.O. BOX 1317  
AZTEC, NEW MEXICO 87410  
(505) 325-5449 • FAX: (505) 334-4992  
E-MAIL: synergy@cyberport.com

December 29, 2000

Mike Stogner  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Re: Application for Unorthodox Location  
Kelly IND. 1E - Elm Ridge Resources, Inc.  
660' FWL - 2480' FNL - Section 12, T27N, R13W  
San Juan County, New Mexico



Gentlemen:

Elm Ridge Resources, Inc. hereby requests administrative approval of an unorthodox location for the captioned well based upon topographic conditions and a Farmington Indian Mineral Office request.

As indicated by the attached topographic map, there exists a high power electric transmission line that is interfering with a legal location. Also cultural resources have ruled out development of other locations in this section.

Cross Timbers Operating Company, Energen Corp., Rocanville Corp. BP Amoco Exploration and Curtis Little Oil & Gas, offsetting operators, as indicated on the attached lease plat, have been notified of this application by certified mail.

Also attached are: the C-102 plat, producers map, Administrative Cover Sheet and a copy of a letter from Farmington Indian Minerals Office.

Please contact us if anything further is required to complete this application.

Respectfully submitted,

  
Patrick Hegarty, Agent  
Elm Ridge Resources, Inc.

PH/mac  
Attachments

XC: Steve Hayden, NMOCD, NM  
Cross Timbers Operating Company,  
Energen Corp.,  
Rocanville Corp.  
BP Amoco Exploration  
Curtis Little Oil & Gas,

NMOCD



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*Lozi  
Rottenberg*

December 29, 2000

Mike Stogner  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Re: Application for Non-standard ~~Proration Unit~~  
Kelly IND. 1E - Elm Ridge Resources, Inc.  
660' FWL - 2480' FNL - Section 12, T27N, R13W  
San Juan County, New Mexico

*Location*

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PH/mac  
Attachments

XC: Steve Hayden, NMOCD, NM  
Cross Timbers Operating Company,  
Energen Corp.,  
Rocanville Corp.  
BP Amoco Exploration  
Curtis Little Oil & Gas,

NMOCD

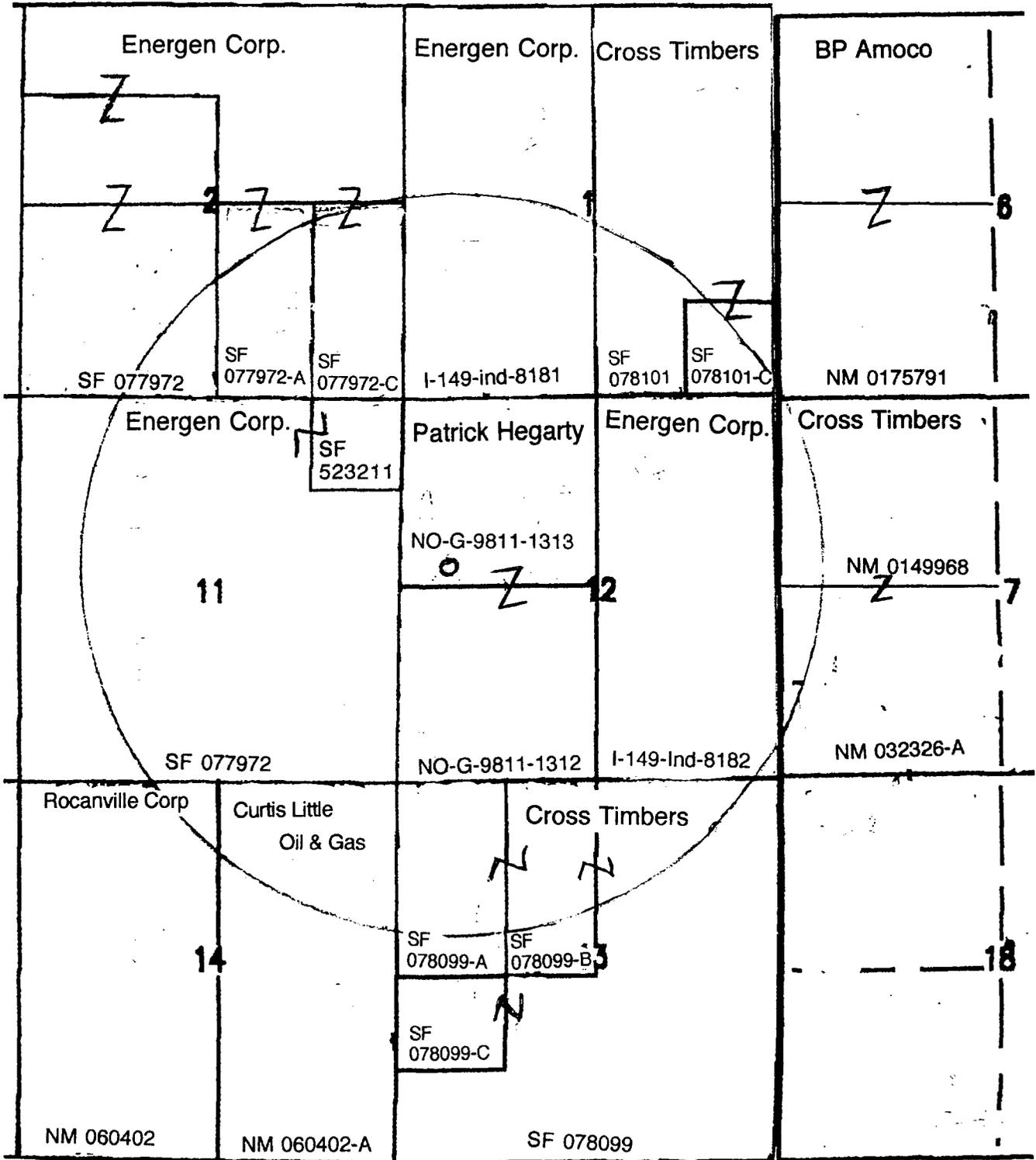


# LEASE PLAT

TOWNSHIP 27 NORTH, RANGES 12 & 13 WEST

R 13W

R12W

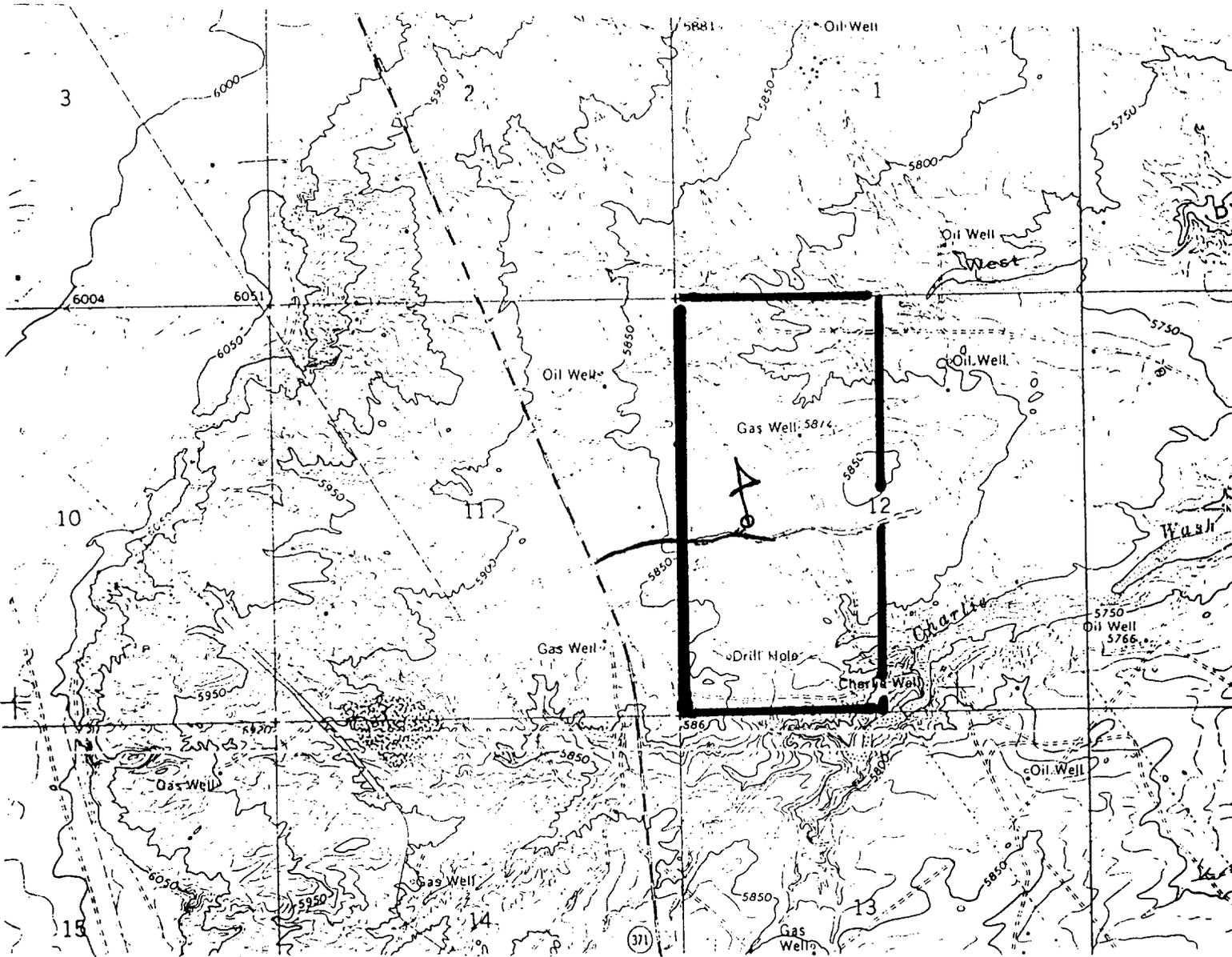


**OFFSETTING OPERATORS:**

Cross Timbers Operating Company,  
 Energren Corp.,  
 Rocanville Corp.  
 BP Amoco Exploration  
 Curtis Little Oil & Gas,

Appl. for Unorthodox Location  
 Elm Ridge Resources, Inc.  
 Kelly IND. 1E -  
 660' FWL - 2480' FNL  
 Section 12, T27N, R13W  
 San Juan County, N. M.

# TOPO PLAT



QUADRANGLE LOCATION

**HUGH LAKE, N. MEX.**  
N3630—W10807.5/7.5

1:24 000

1965  
PHOTOREVISED 1979  
DMA 4357 II SW—SERIES V881

**ROAD CLASSIFICATION**

- Medium-duty.       Light-duty
- Unimproved dirt
- State Route

Appl. for Unorthodox Location  
Elm Ridge Resources, Inc.  
Kelly IND. 1E -  
660' FWL - 2480' FNL  
Section 12, T27N, R13W

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-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies  
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71599		3 Pool Name BASIN DAKOTA	
4 Property Code		5 Property Name KELLY IND		6 Well Number 1E	
7 OGRID No.		8 Operator Name DELHI-TRADING INCORPORATED		9 Elevation 5824'	

10 Surface Location

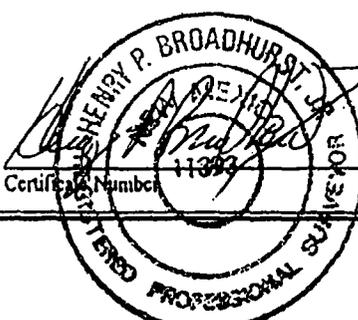
Ul. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	27N	13W		2480'	NORTH	660'	WEST	SAN JUAN

11 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

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 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

16 N89°59'W reissued to show revised location * Non-standard due to Powerlines and access to existing roads 5280.00' 2480' 660' Section 12 5281.32' S89°59'W	5282.64' 5280.00' Signature <i>Patrick Henry</i> Printed Name PATRICK HENRY Title PRESIDENT Date 10-24-00
	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
5281.32' North 100°01'W	18 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. Date of Survey 10/06/00 Signature and Seal of Professional Surveyer:  Certificate Number 11393



# United States Department of the Interior

## FARMINGTON INDIAN MINERALS OFFICE

1235 La Plata Highway Suite B  
Farmington, New Mexico 87401-1805

December 18, 2000

Elm Ridge Resources  
C/O Patrick Hegarty, President  
DELHI-Trading Incorporated  
P.O. Box 1317  
Aztec, New Mexico 87410

Re: UNORTHODOX LOCATION  
Kelly Ind. Well (SW/4 NW/4)  
W/2 of Section 12 -T27N, R13W  
Indian Allotted Leases:  
NW/4 - BIA # No-G-9811-1313  
SW4 - BIA # No-G-9811-1312  
San Juan County, New Mexico

Gentlemen:

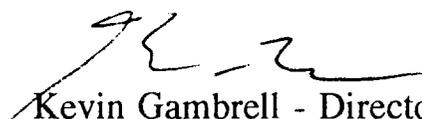
It was brought to our attention that you will be needing to apply for an unorthodox location for the captioned Dakota well in the 320 acre proration Unit, being the W/2 of section 12 T27N, R13W which involve the following two Indian Allotted Leases: NW/4 - BIA # No-G-9811-1313, and in the SW4 - BIA # No-G-9811-1312.

The need for moving the location of the well located in the NW/4 to the new site is based upon interference with a high voltage electric power line. Also key to this request for moving the location is the need to reduce Off-Road-Vehicle traffic on Indian Allotted lands. This restriction will limit off-road-vehicle travel in order to avoid an adverse grazing impact by unnecessary road construction.

A well site of 660' From West Line and 2480' from North Line in the W/2 of section 12 will assist in placing the location much closer to an existing road. This unorthodox location will minimize off-road-vehicle travel which is consistent with our supervisory role set forth for Indian Allotted lands.

It is hoped that this unorthodox location will receive administrative approval by the governing officer.

Sincerely,  
Farmington Indian Minerals Office

  
Kevin Gambrell - Director

KG/mac

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ .55
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.95</b>

Postmark  
Here

Recipient's Name (Please Print Clearly) (To be completed by mailer)  
 Rich Corcoran - Energen  
 Street, Apt. No.; or PO Box No.  
 2190 Bloomfield Hwy  
 City, State, ZIP+4  
 Farmington, NM 87401  
 PS Form 3800, February 2000 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ .55
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.95</b>

Postmark  
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Recipient's Name (Please Print Clearly) (To be completed by mailer)  
 Sylvia Little - Little Oil & Gas  
 Street, Apt. No.; or PO Box No.  
 2346 E. 20th Ave.  
 City, State, ZIP+4  
 Farmington, NM 87401  
 PS Form 3800, February 2000 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
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Postmark  
Here

Recipient's Name (Please Print Clearly) (To be completed by mailer)  
 Steve Hayden NM ACD  
 Street, Apt. No.; or PO Box No.  
 1000 Rio Brazos rd.  
 City, State, ZIP+4  
 Aztec, NM 87410  
 PS Form 3800, February 2000 See Reverse for Instructions

U.S. Postal Service  
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Postmark  
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Recipient's Name (Please Print Clearly) (To be completed by mailer)  
 J.B. Avavnt - Rocanville Corp.  
 Street, Apt. No.; or PO Box No.  
 P.O. Box 191108  
 City, State, ZIP+4  
 Dallas, TX 75219-1108  
 PS Form 3800, February 2000 See Reverse for Instructions

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ .55
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Postmark  
Here

Recipient's Name (Please Print Clearly) (To be completed by mailer)  
 Steve Reinert - LAND BP Amoco  
 Street, Apt. No.; or PO Box No.  
 P.O. Box 3092  
 City, State, ZIP+4  
 Houston TX 77253-3092

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ .55
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Postmark  
Here

Recipient's Name (Please Print Clearly) (To be completed by mailer)  
 Cross Timbers Oper. Co.  
 Street, Apt. No.; or PO Box No.  
 810 Houston st.  
 Attn: Land SUITE 2000  
 City, State, ZIP+4  
 Fort Worth, TX. 76102



JAN 17 REC'D

January 11, 2001

New Mexico Oil Conservation Division  
Attn: Michael E. Stogner  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
KELLY 1E  
660' FWL AND 2480' FNL  
SECTION 12-T27N-R13W  
SAN JUAN COUNTY, NEW MEXICO

Dear Mr. Stogner:

*Reference is made to Hegarty and Associates application for administrative approval relative to the subject well.*

Energen Resources Corporation has no objection to their request and hereby waives opposition to this application.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Richard Corcoran".

Richard Corcoran  
District Landman

cc: Patrick Hegarty