

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 \_\_\_\_\_

### [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.

James Bruce  
 Print or Type Name

Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

Date

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

November 15, 2002

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Ricks Exploration, Inc. applies for administrative approval of an unorthodox gas well location for the following well:

|                   |                                                                                                    |
|-------------------|----------------------------------------------------------------------------------------------------|
| <u>Well:</u>      | State "IE" Com. Well No. 3                                                                         |
| <u>Location:</u>  | 829 feet FNL & 363 feet FWL                                                                        |
| <u>Well Unit:</u> | W $\frac{1}{2}$ of Section 16, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico |

The well will be drilled to test the Morrow formation (Happy Valley-Morrow Gas Pool), which is spaced on statewide rules. ✓

The application is based on topographic, geologic, and engineering reasons. Referring to the aerial photograph and topographic plat attached as Exhibit A, there are few flat locations in the W $\frac{1}{2}$  of Section 16, which limits well locations. Also, there are existing roads nearby, so only a short length of new road must be built.

In addition, applicant desires to remain in the NW $\frac{1}{4}$  of Section 16 for geologic reasons. Referring to the land plat attached as Exhibit B, there is a plugged Morrow well in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 16, which applicant desires to move away from.

Finally, directionally drilling to an orthodox bottom hole location will cost approximately \$100,000. Due to the extra cost, applicant does not desire to directionally drill the well.

Referring to the land plat and Exhibit C, the W $\frac{1}{2}$  of Section 16 and the E $\frac{1}{2}$  of Section 17 are covered by one operating agreement, under which working interest ownership is uniform. Therefore, no working interest owner is adversely affected. Please also note that there ✓

is an existing Morrow well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 17, so the interest owners are producing their share of the reservoir. However, because the royalty ownership is different, we have notified the Bureau of Land Management (the royalty owner in the E $\frac{1}{2}$  of Section 17) of this application. The notice letter is attached as Exhibit D.

If you need any further information on this matter, please call.

Very truly yours,



James Bruce

Attorney for Ricks Exploration, Inc.

30-015-23498  
Federal BN well No. 1  
H-ym Vels. Mon En (78060)  
H / 1992 FNL/444 FEL / 17/225/26E  
w/2 = 320 acres

660' FNL/660' FWL

829' FNL/363' FWL

22S-20

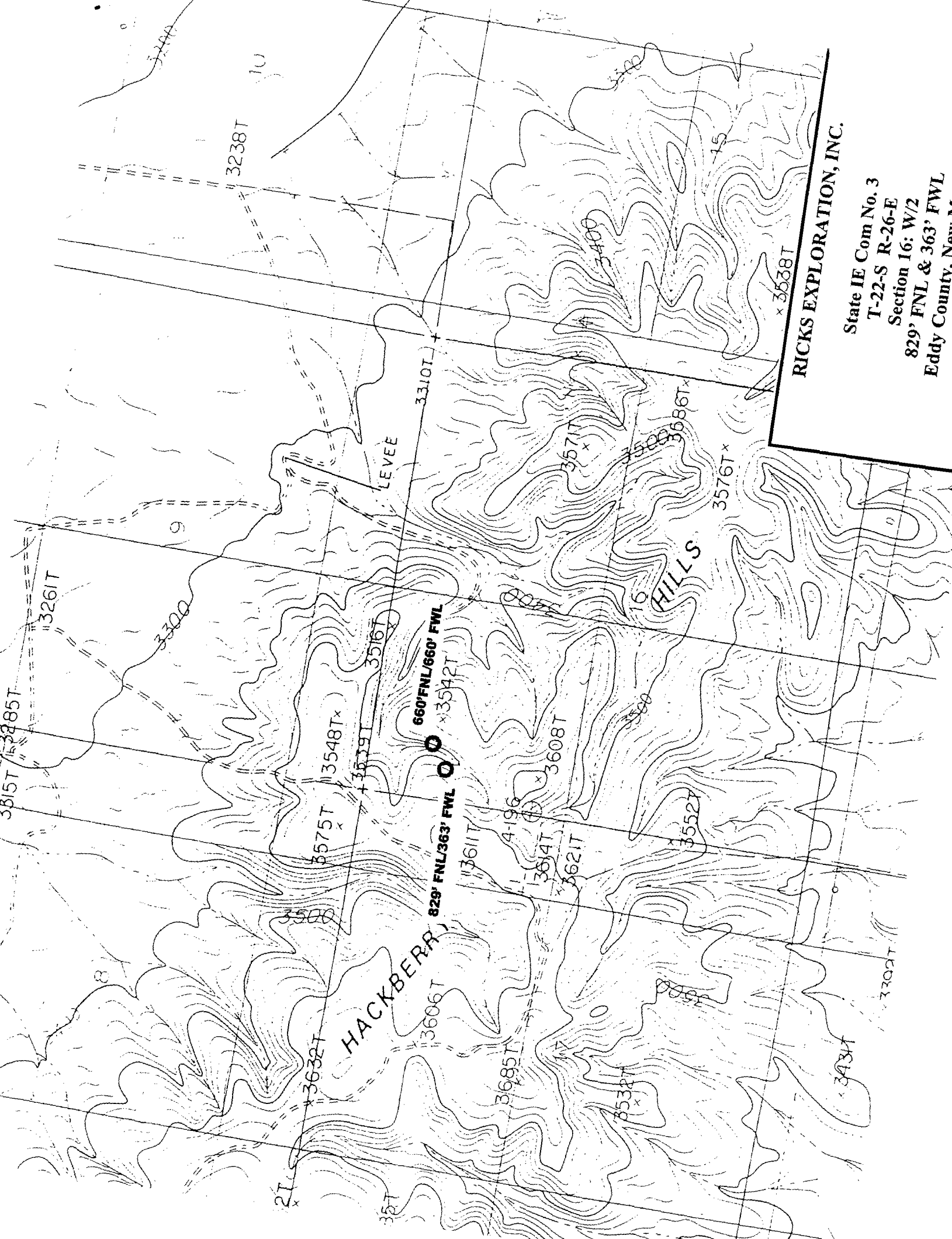
EXHIBIT

A

Blumberg No. 5208

RICKS EXPLORATION, INC.

State IE Com No. 3  
T-22-S R-26-E  
Section 16: W/2  
829' FNL & 363' FWL  
Eddy County, New Mexico



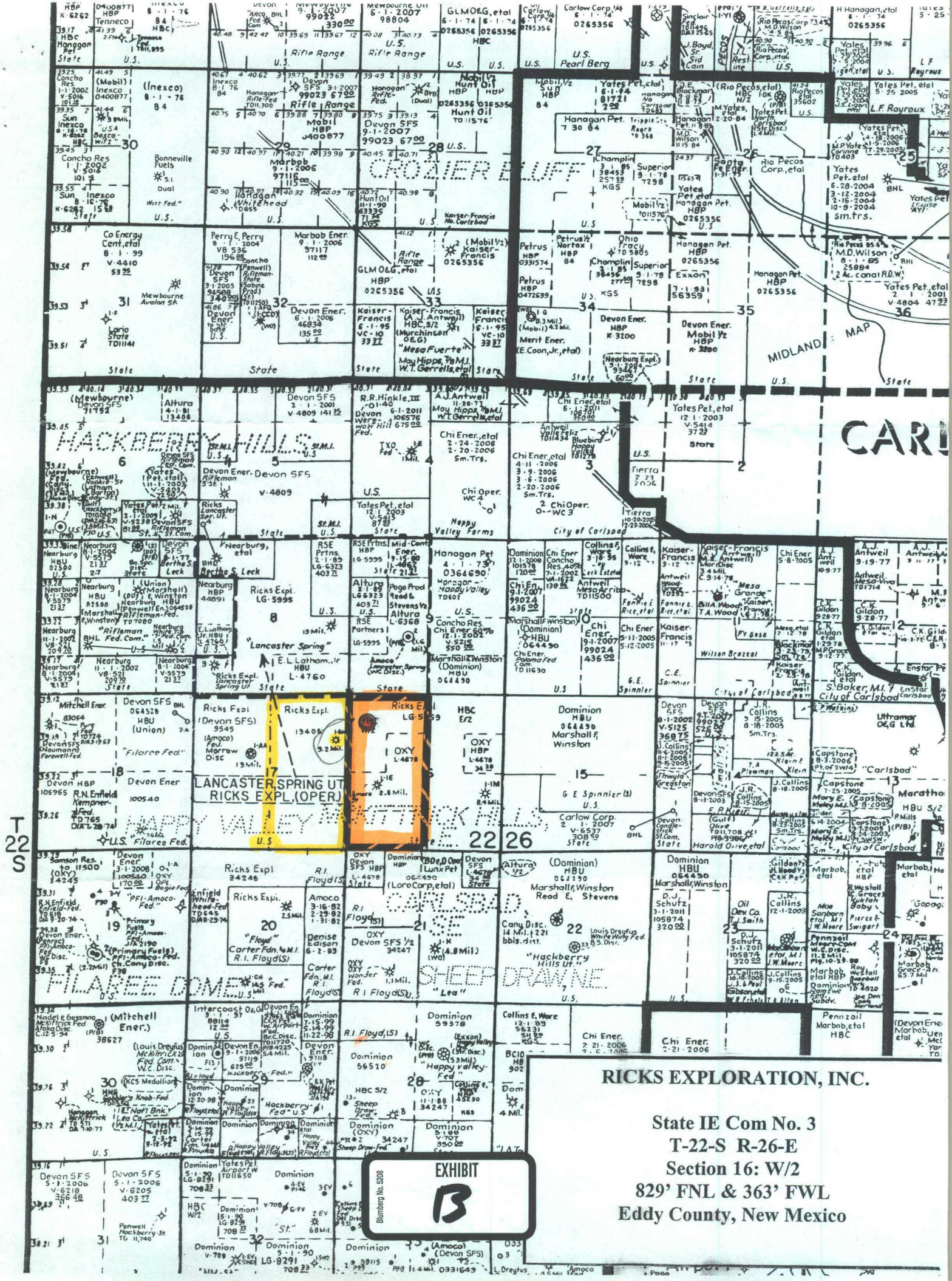
**RICKS EXPLORATION, INC.**

State IE Com No. 3  
T-22-S R-26-E

Section 16: W/2

829' FNL & 363' FWL  
Eddy County, New Mexico







**RICKS EXPLORATION, INC.**  
**State IE Com No. 3**  
**T-22-S R-26-E**  
**Section 16: W/2**  
**829' FNL & 363' FWL**  
**Eddy County, New Mexico**

|  |                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                   |           |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
|  | <p>17</p> <p>Ricks Exploration Inc<br/>Devon SFS Opr. Inc.<br/>Newfield Expl. Mid-<br/>Continent Inc.<br/>Loro Corporation<br/>Finwing Corporation<br/>EGL Resources Inc.<br/>Darren K. Printz<br/>Lynx Petroleum<br/>Consultants, Inc.</p> | <p>Ricks Exploration Inc<br/>Devon SFS Opr. Inc.<br/>Newfield Expl. Mid-<br/>Continent Inc.<br/>Loro Corporation<br/>Finwing Corporation<br/>EGL Resources Inc.<br/>Darren K. Printz<br/>Lynx Petroleum<br/>Consultants, Inc.</p> | <p>16</p> |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|



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jamesbruc@aol.com

November 15, 2002

**CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED**

Bureau of Land Management  
2909 West Second Street  
Roswell, New Mexico 88201

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Ricks Exploration, Inc., requesting administrative approval of an unorthodox gas well location in the Morrow formation in the W½ of Section 16, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. If you object to the well's location, you must notify the Division in writing within 20 days of the date of this letter (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Ricks Exploration, Inc.





CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

12/06/02 13:16:58  
OGOWVJ -TQBU  
PAGE NO: 1

Sec : 16 Twp : 22S Rng : 26E Section Type : NORMAL

|                                                                                                             |                                                                  |                                                                    |                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <i>State IF Con well no. 3</i><br>D<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>05/01/88          | C<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>05/01/88 | B<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>C 05/01/88 | A<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>C 05/01/88                                                  |
| <i>afford 8/29/11</i><br>E<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>05/01/88                   | F<br>40.00<br>CS<br>L04678 0002<br>OCCIDENTAL PERMIA<br>07/21/80 | G<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>C 05/01/88 | H<br>40.00<br>CS<br>L04678 0002<br>OCCIDENTAL PERMIA<br>C 07/21/80                                                  |
| L<br>40.00<br>CS<br>L04678 0002<br>OCCIDENTAL PERMIA<br>07/21/80                                            | K<br>40.00<br>CS<br>L04678 0002<br>OCCIDENTAL PERMIA<br>07/21/80 | J<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>C 05/01/88 | I<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>C 05/01/88<br><i>A State Im con #1<br/>30-05-23461</i>      |
| M<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>05/01/88<br><i>A no completion<br/>30-015-32410</i> | N<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>05/01/88 | O<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>C 05/01/88 | P<br>40.00<br>CS<br>LG5359 0003<br>RICKS EXPLORATION<br>C 05/01/88<br><i>Happy Valley - ATEN (7855)<br/>3200000</i> |

*State IF Con well no. 2*  
PF01 HELP PF02  
PF07 BKWD PF08 FWD PF03 EXIT PF04 GoTo PF05  
PF09 PRINT PF10 SDIV PF11 PF12  
*Placed narrow well 1-IF*  
*State*  
*Happy Valley - ATEN (7855)*  
*30-015-32410*

CMD :  
OG5ULST

ONGARD  
INQUIRE ULSTR PRODUCTION AND AGREEMENT DATA

12/06/02 13:17:50  
OGOWVJ -TQBU  
PAGE NO: 1

Sec : 16 Twp : 22S Rng : 26E UL: M Lot-Idn :  
Acreage : 40.00 Bene Grp : CS Seismic Permit :  
Lease Number : LG5359 3 Expr Dte : 05/01/1988  
Lessee : 215234 RICKS EXPLORATION II, L.P.  
Comm Agr Names :

Unit Agr Names : 000000

000000

---

| S | API Num | Status |
|---|---------|--------|
|---|---------|--------|

---

30 015 32410 A

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

CMD ;  
OG6CLOG

ONGARD  
C105-WELL COMPLETION OR RECOMP CASING LOG

12/06/02 13:18:20  
OGOWVJ -TQBU

OGRID Identifier : 193407 CONCHO OIL & GAS CORP.  
Prop Identifier : 30428 STATE IE COM  
API Well Identifier : 30 15 32410 Well No : 002  
Surface Locn - UL : M Sec : 16 Twp : 22S Range : 26E Lot Idn :  
Multiple comp (S/M/C): S TVD Depth (Feet) : MVD Depth (Feet):  
Spud Date : P/A Date :  
Casing/Linear Record:

-----  
S Size Grade Weight Depth(ft) Depth(ft) Hole Size Cement ---- TOC ----  
(inches) (lb/ft) Top-Liner Bot-Liner (inches) (Sacks) (feet) Code  
-----

EG042: Record not found; Authority denied to ADD/MODIFY

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12



CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

12/06/02 13:18:03  
OGOWVJ -TQBU

API Well No : 30    L# 32410    Eff Date : 12-06-2002    WC Status :  
Pool Idn :  
OGRID Idn :  
Prop Idn :

Well No :  
GL Elevation:

| U/L Sec | Township | Range | North/South | East/West | Prop/Act(P/A) |
|---------|----------|-------|-------------|-----------|---------------|
|---------|----------|-------|-------------|-----------|---------------|

|                                                                |     |   |     |   |  |
|----------------------------------------------------------------|-----|---|-----|---|--|
| B.H. Locn :                                                    | FTG | F | FTG | F |  |
| Lot Identifier:                                                |     |   |     |   |  |
| Dedicated Acre:                                                |     |   |     |   |  |
| Lease Type : S                                                 |     |   |     |   |  |
| Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) : |     |   |     |   |  |

E6426: No well completions exist for this API Well nbr

|           |      |           |              |              |             |
|-----------|------|-----------|--------------|--------------|-------------|
| PF01 HELP | PF02 | PF03 EXIT | PF04 GoTo    | PF05         | PF06        |
| PF07      | PF08 | PF09      | PF10 NEXT-WC | PF11 HISTORY | PF12 NXTREC |

CMD :  
OG6CLOG

ONGARD  
C105-WELL COMPLETION OR RECOMP CASING LOG

12/06/02 13:22:13  
OGOWVJ -TQBU

OGRID Identifier : 168489 RICKS EXPLORATION, INC.  
Prop Identifier : 26041 STATE IM COM  
API Well Identifier : 30 15 23461 Well No : 001  
Surface Locn - UL : I Sec : 16 Twp : 22S Range : 26E Lot Idn :  
Multiple comp (S/M/C): S TVD Depth (Feet) : 99999 MVD Depth (Feet):  
Spud Date : P/A Date :  
Casing/Linear Record:

| S Size<br>(inches) | Grade Weight<br>(lb/ft) | Depth(ft)<br>Top-Liner | Depth(ft)<br>Bot-Liner | Hole Size<br>(inches) | Cement<br>(Sacks) | TOC<br>(feet) | Code |
|--------------------|-------------------------|------------------------|------------------------|-----------------------|-------------------|---------------|------|
| 99.000             | 99.0                    | 99999.0                | 99999.0                | 99.000                | 9999              | 99999         | C    |

E0043: Record found; Authority denied to MODIFY/ADD

|           |      |              |           |      |              |
|-----------|------|--------------|-----------|------|--------------|
| PF01 HELP | PF02 | PF03 EXIT    | PF04 GoTo | PF05 | PF06 CONFIRM |
| PF07      | PF08 | PF09 COMMENT | PF10 TLOG | PF11 | PF12         |

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

12/06/02 13:22:24  
OGOWVJ -TQBU

API Well No : 30 15 23461 Eff Date : 03-01-2000 WC Status : A  
Pool Idn : 78055 HAPPY VALLEY;ATOKA (GAS)  
OGRID Idn : 168489 RICKS EXPLORATION, INC.  
Prop Idn : 26041 STATE IM COM

Well No : 001  
GL Elevation: 3580

|           | U/L | Sec | Township | Range | North/South  | East/West   | Prop/Act (P/A) |
|-----------|-----|-----|----------|-------|--------------|-------------|----------------|
| B.H. Locn | : I | 16  | 22S      | 26E   | FTG 1880 F S | FTG 660 F E | A              |

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

|           |      |           |              |              |             |
|-----------|------|-----------|--------------|--------------|-------------|
| PF01 HELP | PF02 | PF03 EXIT | PF04 GoTo    | PF05         | PF06        |
| PF07      | PF08 | PF09      | PF10 NEXT-WC | PF11 HISTORY | PF12 NXTREC |

CMD : ONGARD 12/06/02 13:24:00  
OG6C102 C102-WELL LOCATION, DEDICATED ACREAGE PLAT OGOWVJ -TQBU

API Well No : 30 15 23461 Well No : 1 Eff Date : 03-01-2000  
Pool Idn : 78055 HAPPY VALLEY;ATOKA (GAS)

Prop Idn : 26041 STATE IM COM

OGRID Idn : 168489 RICKS EXPLORATION, INC.  
GL Elevation : 3580

|           | U/L | Sec | Township | Range | North/South      | East/West | Prop/Act(P/A) |
|-----------|-----|-----|----------|-------|------------------|-----------|---------------|
| B.H. Locn | : I | 16  | 22S      | 26E   | FTG 1880 F S FTG | 660 F E   | A             |

OCD U/L : I

Lot Identifier: API County : 15

Ogrid Name at Plugging time :

If more than 1 lease of different ownership is dedicated to the  
well, have the interest of all owners been consolidated? (Y/N) :

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

A0001: Invalid fast path id.

|           |      |            |              |              |              |
|-----------|------|------------|--------------|--------------|--------------|
| PF01 HELP | PF02 | PF03 EXIT  | PF04 GoTo    | PF05         | PF06 CONFIRM |
| PF07      | PF08 | PF09 PRINT | PF10 NEXT-WC | PF11 HISTORY | PF12 ACRE    |



CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

12/06/02 14:23:39  
OGOWVJ -TQGU

API Well No : 30 15 23498 Eff Date : 03-01-2000 WC Status : A  
Pool Idn : 78060 HAPPY VALLEY;MORROW (GAS)  
OGRID Idn : 168489 RICKS EXPLORATION, INC.  
Prop Idn : 26055 FEDERAL BN

Well No : 001  
GL Elevation: 3604

*offset well*

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn : H 17 22S 26E FTG 1592 F N FTG 444 F E A

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

|           |      |           |              |              |             |
|-----------|------|-----------|--------------|--------------|-------------|
| PF01 HELP | PF02 | PF03 EXIT | PF04 GoTo    | PF05         | PF06        |
| PF07      | PF08 | PF09      | PF10 NEXT-WC | PF11 HISTORY | PF12 NXTREC |