



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 27, 2004

St. Mary Land & Exploration Company

580 Westlake Park Blvd.

Houston, TX 77079

Attn: Ms. Marcie St. Germain or To Whom It May Concern:

RE: Shut In Order for the East Burton Flats 36 State Well # 1-S, located in Unit I, 1376' FSL & 1667' FEL (Bottom Hole Location) of Section 36 in Township 19 South, Range 29 East in Eddy County, New Mexico. API # 30-015-26593

Dear Ms. Germain or To Whom It May Concern:

The above referenced well is to be shut in immediately for non-compliance with the New Mexico Oil Conservation Division's (NMOCD) Rules and Regulations. Supporting evidence is your information submitted and received by our office on 8/20/2004, requesting for an allowable to transport and sell production on NMOCD form C-104.

A field inspection of said well clearly shows that oil is being produced into a tank battery. From information submitted on your C-104 of 1 BO /per day, said well appears to have been producing into this tank battery for an extended period of time. In addition from the reported production and the bottom hole location of this well it appears that this well shall be designated as an oil well. If this being the case said well is non-standard for an oil well and will require an approved NSL from Santa Fe in order to produce.

As discussed by phone on 8/25/2004, the NMOCD is in need of:

- ALL electric logs ran on the sidetrack portion of the well bore.
- NMOCD form C-105
- The actual directional survey ran of the sidetrack portion of the well bore.
- NMOCD form C-102 reducing the acreage to 40 acres as a Wildcat; Atoka Oil well.

I have provided for your reference the NMOCD's Rules and Regulations that I am currently aware of that this well is in violation of.

19.15.3.104 WELL SPACING
AND LOCATION:

(1) Well Tests and Classification. It is the responsibility of the operator of any wildcat or development gas well to which more than 40 acres has been dedicated to conduct a potential test within 30 days following completion of the well and to file the test with the division within 10 days following completion of the test. (See Rule 401)

(a) The date of completion for a gas well is the date of the conclusion of active completion work on the well.

(b) If the division determines that a well should not be classified as a gas well, the division will reduce the acreage dedicated to the well to the standard acreage for an oil well.

Failure of the operator to file the test within the specified time will also subject the well to such acreage reduction.

(2) Non-Standard Spacing Units. Any well that does not have the required amount of acreage dedicated to it for the pool or formation in which it is completed may not be produced until a standard spacing unit for the well has been formed and dedicated or until a non-standard spacing unit has been approved.

19.15.3.111 DEVIATION
TESTS AND DIRECTIONAL WELLS:

B. Deviated Wellbores

(1) Deviation Tests Required. Any vertical or deviated well, which is drilled or deepened, shall be tested at reasonably frequent intervals to determine the deviation from the vertical. Such tests shall be made at least once each 500 feet or at the first bit change succeeding 500 feet. A tabulation of all deviation tests run, sworn to and notarized shall be filed with Form C-104, Request for Allowable and Authorization to Transport Oil and Natural Gas.

(4) Directional Surveys Required. A directional survey shall be required on each well drilled under the provisions of this section. The appropriate division district office shall be notified of the approximate time all directional surveys are to be conducted. All directional surveys run on any well in any manner for any reason must be filed with the division upon completion of the well. The division shall not assign an allowable to the well until all such directional surveys have been filed. If the directional survey indicates that any part of the producing interval is outside of the producing area, or, in the case of an approved unorthodox location, less than the approved setback requirements from the outer boundary of the applicable unit, then the operator shall file an application with the Division director, copy to the appropriate division district office, and shall otherwise follow the normal process outlined in Section 104, Subsection F, Paragraph (3) of 19.15.3 NMAC to obtain approval of the unorthodox location.

19.15.13.1102 WELL
LOCATION AND ACREAGE DEDICATION
PLAT (Form C-102):

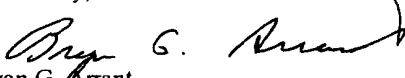
D. Amended form C-102 (in triplicate or quadruplicate) shall be filed in the event there is a change in any of the information previously submitted. The well location need not be certified when filing amended form C-102. [1-1-65...2-1-96; 19.15.13.1102 NMAC - Rn, 19 NMAC 15.M.1102, 06/30/04]

19.15.13.1105 WELL
COMPLETION OR RECOMPLETION
REPORT AND LOG (Form C-105):

A. Within 20 days following the completion or recompletion of any well, the operator shall file form C-105 with the division. It must be filed in quintuplicate and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, one copy of all electrical and radio-activity logs run on the well must be filed with form C-105. If the form C-105 with attached log(s) and summaries is not received by the division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with.

If you have any questions on this matter, please contact me.

Yours truly,


Bryan G. Arrant
PES

Cc: Tim Gum- District Supervisor, Artesia
Michael Stogner-Chief Hearing Examiner, Santa Fe
Well File

580 WESTLAKE PARK BLVD., SUITE 600

HOUSTON, TEXAS 77079

281/677-2800

FAX 281/677-2810



August 20, 2004

**New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210**

RECEIVED

AUG 25 2004

OOD-ARTESIA

**Attn: Tim W. Gum
District Supervisor**

**In Re: Request for Allowable and
Authorization to Transport
East Burton Flats State 36 1S**

Dear Mr. Gum:

Enclosed is the Request for Allowable and Authorization to Transport Form C-104 for the East Burton Flats State 36 1S. This well was temporarily abandoned in June 2004. The test tank on the property contains approximately 300 bbls of oil and we are requesting permission to transport the oil so we can relocate the tank.

If additional information is required, please contact me at 281/677-2772. I appreciate your assistance.

Sincerely,

Marcie St. Germain

**Marcie St. Germain
Production Tech**

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2003

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

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address St. Mary Land & Exploration Company 580 Westlake Park Blvd. Suite 600 Houston, TX 77079		² OGRID Number 154903
		³ Reason for Filing Code/ Effective Date
⁴ API Number 30-015-26593	⁵ Pool Name Undesignated Parkway Atoka	⁶ Pool Code
⁷ Property Code 31923	⁸ Property Name East Burton Flats State 36	⁹ Well Number 1-S

II. ¹⁰ Surface Location

Ul or lot no. I	Section 36	Township 19S	Range 29E	Lot Idn	Feet from the 2240	North/South South	Line	Feet from the 660	East/West line East	County Eddy
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¹¹ Bottom Hole Location

UL or lot no. J	Section 36	Township 19S	Range 29E	Lot Idn	Feet from the 1376	North/South South	line	Feet from the 1667	East/West line East	County Eddy
¹² Lse Code S	¹³ Producing Method Code	¹⁴ Gas Connection Date N/A	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date					

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
015694	Navajo Refining Company 501 E. Main P O Box 159 Artesia, NM 88211-0159 (505) 748-3311	X	O	RECEIVED AUG 25 2004 OCD-ARTESIA

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date 04-01-03	²⁶ Ready Date	²⁷ TD 11266	²⁸ PBTB 11140 CIBP	²⁹ Perforations 11192-11197 11862-11889	³⁰ DHC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
26"	20"	382'	900sx+18yds RM		
17 1/2"	13 3/8"	1348'	1675sx		
12 1/4"	8 5/8"	3198'	1750sx		
7 7/8"	5 1/2"	11350'	650sx		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date 06-24-04	³⁸ Test Length 24 hours	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure 600
⁴¹ Choke Size	⁴² Oil 1	⁴³ Water 3	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <u>Marcie St. Germain</u>		OIL CONSERVATION DIVISION DENIED	
Printed name: Mary C. St. Germain		Approved by:	
Title: Production Tech		Title:	
E-mail Address: mstgermain@stmaryland.com		Approval Date: AUG 27 2004	
Date: 8-20-04	Phone: 281/677-2772		