

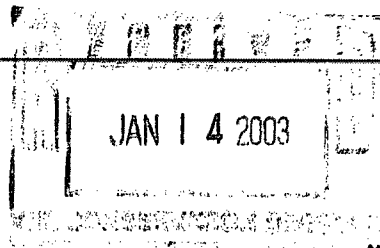
Stogner, Michael

From: Bonnie Husband [bhusband@sagapetroleum.com]

Sent: Tuesday, January 14, 2003 9:53 AM

To: Stogner, Michael

Subject: State Land Sec. 32 #10 well NSL



Have mailed letters to Offset operators on NSL Tubbb completion Conoco State #3 well. No paperwork filed regarding NSL Tubbbb completion State Land Sec. 32 #9 well. This was before my time @ Saga, do not know if anyone @ Saga was notified that this was NSL at that time, however will followup w/NSL letters to offset operators ASAP.

1/14/2003

January 14, 2003

Michael E Stogner
Chief Hearing Officer/Engineer
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

via email mstogner@state.nm.us

Re: Application to Drill NSL
State Land Sec. 32 #10 Well
2223' FSL & 860' FEL
Sec. 32 (I), T18S, R38E
Lea County, NM

Dear Mr. Stogner:

Please accept my apology for all the confusion with the original filing of the referenced NSL well. I had originally called the Hobbs office about required paperwork with a NSL, any changes, new requirements, etc.; either I didn't make my self clear or misunderstood the instructions. The Application to Drill paperwork was only filed with the District and not Santa Fe, as I understood someone to say, the District handled NSL's and forwarded to Santa Fe; if no protests were received from offset operators in 30-days, etc. Santa Fe assigned a NSL number. Your office did not mishandle or misplace the application.

Saga's geological staff proposed the NSL because the #8 well completed in the Bowers 7 Rivers Pool is in the ¼ ¼ section and at sometime this SI well could be recompleted/deepened to the Queen. Geological memos enclosed. The well was moved to the northwest because of surface obstructions, power line and a Duke Energy gas pipeline. See enclosed plat/drawing.

Letters mailed to offset operators on October 2, 2002. Apache & Brothers Production returned "No Objection Letter", no response from Oxy Permian's Eden Settegast in the Houston office. Offset operator list enclosed.

Your prompt consideration of Saga's request for administrative approval to drill the State Land Section 32 #10 well at a NSL is respectfully submitted.

Yours very truly,

Bonnie Husband
Production Analyst

Enclosures - mailed Jan 14, 2003

Stogner, Michael

✓ **From:** Stogner, Michael
Sent: ~~Tuesday, January 14, 2003 12:31 PM~~
To: 'Bonnie Husband'
Cc: Williams, Chris; Mull, Donna; Jones, William V; Wrotenbery, Lori; Ezeanyim, Richard; 'William F. Carr (E-mail)'
Subject: Saga's three pending unorthodox well locations.

RE:

(1) Conoco Well No. 3 (administrative application reference No. pKRV0-235835106):

It is my understanding that the required notification under Division Rule 1207.A (2) has been provided to all of the appropriate "affected parties" [for definition see Rule 1207.A (2) (a)]. I will be expecting the supplemental data I requested by my letter of December 27, 2002. Upon its arrival I will resume processing your application of December 23, 2002.

(2) State Land Section "32" Well No. 9 (API No. 30-025-23309):

Please submit a formal application to me here in Santa Fe, pursuant to Division Rules 104.F and 1207.A (2), an exception to Division Rule 104.C (3) for the Tubb wildcat gas production from this well within seven days in order to avoid a shut-in order.

(3) State Land Section "32" Well No. 10 (to be drilled 2223' FSL & 860' FEL-I-Sec. 32-T18S-R38E):

Upon receipt of your application (mailed on January 14th) for an unorthodox oil well location in the Hobbs-Drinkard Pool within a proposed standard 80-acre stand-up oil spacing and proration unit comprising the E/2 SE/4 of Section 32, I will commence its review accordingly.

-----Original Message-----

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<attachment>

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