

DATE IN 3/15/02	SUSPENSE 4/4/02	ENGINEER MS	LOGGED IN KV	TYPE NSP	APP NO. 207457316
--------------------	--------------------	----------------	-----------------	-------------	----------------------

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.

William F. Carr  
 Print or Type Name

William F. Carr  
 Signature

Manager  
 Title

3-15-02  
 Date

wearr@howardhart.com  
 e-mail Address

02 MAR 15 PM 3:05  
 OIL CONSERVATION DIV.

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

March 15, 2002

**HAND-DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: *Application of David H. Arrington Oil & Gas, Inc. for administrative approval of an unorthodox gas well location for its Ralph Davis Well No. 1 located 990 feet from the South line and 330 feet from the East of Section 29, and a non-standard gas spacing unit for this well, comprised of 51.95 acres in the southeast quarter equivalent of Section 29, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico.*

Dear Ms. Wrotenbery:

David H. Arrington Oil & Gas, Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, of an unorthodox gas well location for its Ralph Davis Well No. 1 to be re-completed as a wildcat Queen gas well at an unorthodox well location 990 feet from the South line and 330 feet from the East line Section 29, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico. This location is unorthodox because it is governed by the Division's statewide rules which provide for gas wells on 160-acre spacing units to be located no closer than 660 feet to any boundary of such tract.

This well was drilled to test the San Andres formation, East Hobbs-San Andres Pool. Since the well has been drilled, this unorthodox location is required by topographic conditions. It watered out and has been shut-in since the early 1970's. Arrington plans to re-enter the well, repair a casing leak, plug back to

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 15, 2002  
Page 2

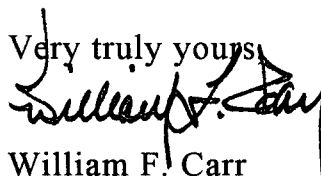
approximately 4000 feet, and complete it in the Queen formation. The unorthodox location is the result of this recompletion in an existing wellbore.

Pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, David H. Arrington Oil & Gas, Inc. also seeks administrative approval of a 51.95 acre non-standard gas spacing and proration for the Ralph Davis Well No. 1 to be comprised of the southeast quarter equivalent of Section 29, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico.

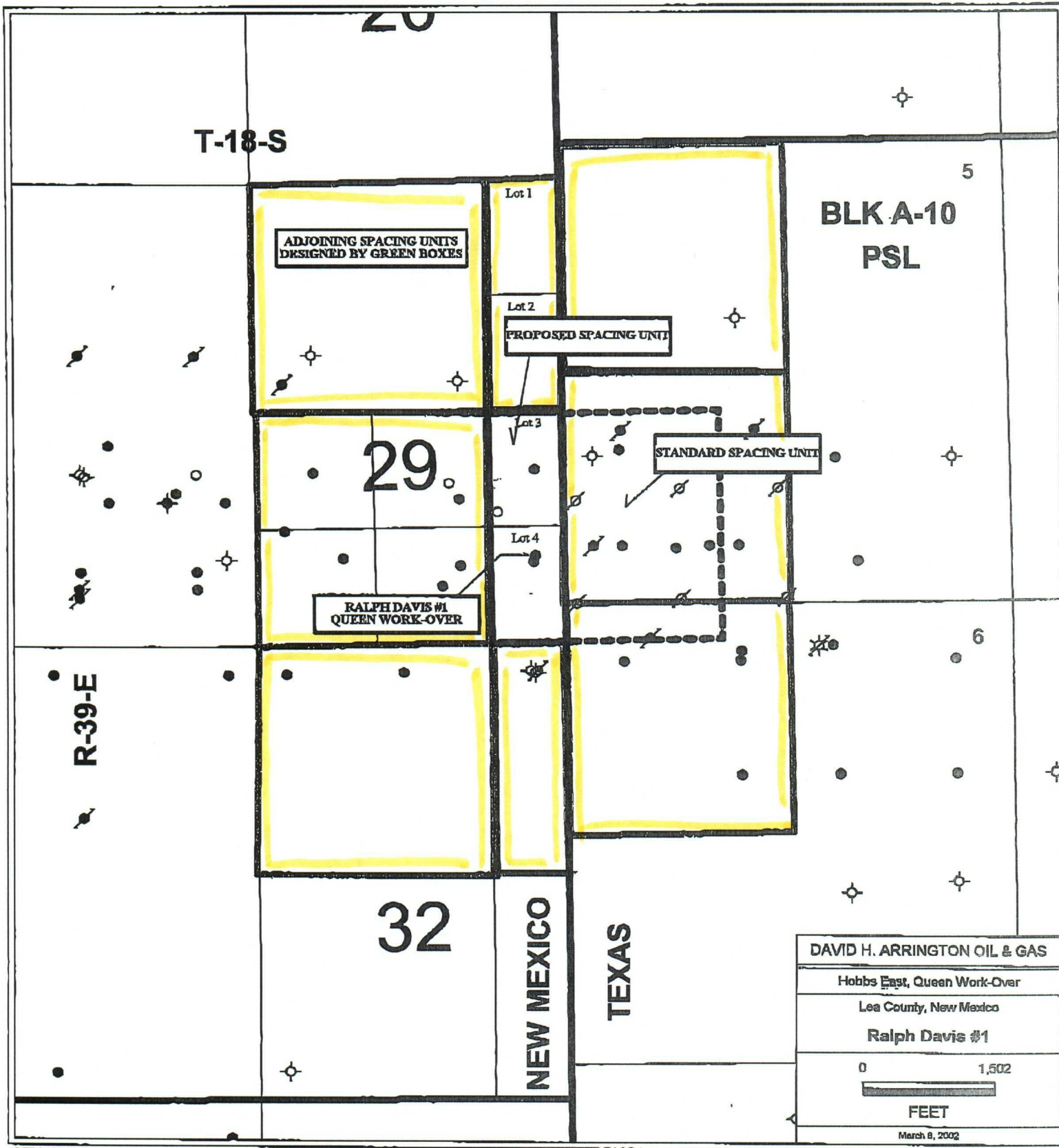
This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. This unit is comprised of contiguous lots on the New Mexico-Texas border which lie wholly within a single governmental quarter section and are joined by a common side. Attached is a plat which shows the subject spacing unit and all adjoining spacing units or leases. Also attached is a list of all parties affected by this application.

On or before the date on which this application was filed with the Division, a copy of this application with all attachments thereto was mailed to all owners in the mineral estate to be excluded from the proration unit in Section 29 and offset operators or mineral interest owners in New Mexico and Texas by Certified Mail-Return Receipt Requested. Each of these parties was advised that if they have an objection to the proposed non-standard spacing or proration unit it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. They were also advised that if no objections were received by the Division within twenty days, the Division Director could approve the application.

Your attention to this application is appreciated.

Very truly yours,  
  
William F. Carr

cc: John McRae



Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 15, 2002  
Page 3

**NOTIFICATION LIST**

Application of David H. Arrington Oil & Gas, Inc.  
administrative approval of an unorthodox gas well location and  
a non-standard spacing or proration unit  
Ralph Davis Well No. 1  
990 feet from the South line and 330 feet from the East line  
51.95 acres (Southeast Quarter Equivalent)  
Section 29, Township 18 South, Range 39 East, NMPM  
Lea County, New Mexico.

**Township 18 South Range 39 East, NMPM**  
**Section 29; Lots 1 and 2**  
**Lessees of Record**

Sam K. Vierson  
Sam K. Vierson, Jr.  
C/o Brian C. Johnson  
Vierson Oil & Gas Co.  
Post Office Box 280  
Okmulgee, Oklahoma 74447

The Protestant Episcopal Church  
Foundation of the Diocese of Oklahoma  
924 North Robinson  
Oklahoma City Oklahoma 73102

Allen J. Watts  
2208 North Loop 250 W  
Midland, Texas 79797

Burtram Collver Hopkins III  
Trustee for Mark Collver Hopkins  
and Julie Ann Hopkins  
7214 Wild Valley  
Dallas, Texas 75231

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 15, 2002  
Page 4

Ann Elizabeth Taylor, fka Ann Elizabeth Davis  
1107 Erin Lane  
Nashville, Tennessee 37221

Nancy de Cordova  
1636 Queenstown Road  
Oklahoma City, Oklahoma 73116

Hugh B. Key II  
Post Office Box 389  
Sugar Loaf Shores, Florida 33044

Ruth D. Ingold  
1001 South Highland Avenue  
Los Angeles, California 90024

B. G. Urfer  
C/o James F Urfer, Trustee of the  
Urfer Family Trust Dated 4/28/99  
65 Eucalyptus Knoll  
Mill Valley, California 94941

**Section 29: NW/4**  
**Operator**

EnerQuest Oil & Gas, Ltd.  
303 W. Wall, Suite 1400  
Midland, Texas 79702

**Section 29: SW/4**  
**Operators**

Enerquest Oil & Gas, Ltd.  
303 West Wall, Suite 1400  
Midland, Texas 79702

Texland Petroleum, Inc.  
777 Main Street, Suite 3200  
Ft. Worth, Texas 76102

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
March 15, 2002  
Page 5

**Section 32: Lots 1 and 2**  
**Mineral Owner**

New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Jami Bailey, Director  
Oil, Gas and Minerals Division

**Section 32:NW/4**  
**Operator**

EnerQuest Oil & Gas, Ltd.  
303 West Wall, Suite 1400  
Midland, Texas 79702

**Gaines County, Texas**  
**BLK A 10, PSL**  
**Section 5: SW/4**  
**Section 6: NW/4**

Texland Petroleum, Inc.  
777 Main Street, Suite 3200  
FT. Worth, Texas 76102

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-8043

William F. Carr

wcarr@hollandhart.com

March 15, 2002

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO ALL AFFECTED INTEREST OWNERS:

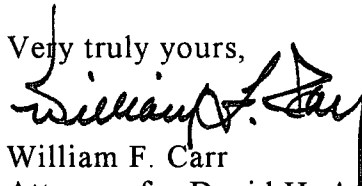
Re: Application of David H. Arrington Oil & Gas, Inc., for administrative approval of an unorthodox gas well location and a 51.95 acre non-standard spacing or proration unit in the Queen formation in the southeast quarter equivalent of Section 29, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by David H. Arrington Oil & Gas, Inc. for administrative approval of a 51.95 acre non-standard gas spacing and proration unit comprised of the southeast quarter equivalent of Section 29, Township 18 South, Range 39 East, N.M.P.M., Lea County, New Mexico. This spacing and proration unit will be dedicated to the Ralph Davis Well No. 1 to be recompleted in the Queen formation as a wildcat well 990 feet from the South line and 330 feet from East line of said Section 29..

As the owner of an interest which will be affected by the proposed non-standard unit, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the non-standard spacing or proration unit may be approved.

Very truly yours,



William F. Carr  
Attorney for David H. Arrington  
Oil & Gas, Inc.

cc: John McRae