

Sect = 11-29-04

PMESD-432358333

11-10

## MILLER STRATVERT

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### Reply to Santa Fe

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- \* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law
- \*\* New Mexico Board of Specialization Recognized Specialist in Real Estate Law

November 10, 2004

Writer's Direct E-Mail:  
shall@mstlaw.com

# RECEIVED

NOV 9 2004

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87504

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Re: Request for Administrative Approval for Unorthodox Well Location  
Alberding 3-07 Well.  
Blanco Mesaverde Pool  
1857' FNL and 2303' FEL  
E/2 Section 3 T-31-N, R-13-W, NMPM, San Juan County, New Mexico

Dear Mr. Stogner:

Patina San Juan, Incorporated requests administrative approval for an unorthodox well location for its Alberding 3-07 Well at the surface and bottom-hole locations reflected above. The basis for the request is restrictions on the use of the surface at the original standard location. The straight-hole well will be drilled to a depth sufficient to test the Mesaverde formation, Blanco Mesaverde pool (72319; Order No. R-10987-A, as amended.). The pool rules for the pool currently provide that wells shall be drilled no closer than 660' to the outer boundary of the 320-acre GPU and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. The E/2 of Section 3, T-31-N, R-13-W will be dedicated to the well and is the third Mesaverde well within the GPU.

The Alberding 3-07 well was originally planned to be drilled at a location 1980' FNL and 1980' FEL of Section 3, but access to the planned location was obstructed by the surface owner. Patina San Juan has concluded that under present circumstances, there is insufficient time to seek judicial enforcement of its right to drill at the original location. Due to the current high demand for drilling rigs in the San Juan Basin, Patina San Juan faces a substantial likelihood that it will lose access to a presently-scheduled drilling rig for this and other projects if it is not permitted to drill at the proposed unorthodox location. Consequently, there is a substantial likelihood that the well may

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Mr. Michael Stogner  
Page 2  
November 10, 2004

not be drilled, resulting in unrecovered reserves. The owner of the surface at the proposed unorthodox location has consented to the relocation of the well.

A plat showing the E/2 spacing unit, the proposed unorthodox surface and bottom hole locations, and adjoining spacing unit and wells is attached as Exhibit A.

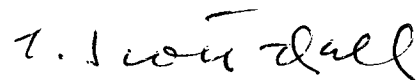
A list of affected parties to whom notice and waiver requests are being sent is attached as Exhibit B.

Due to the time constraints resulting from the limited availability of drilling rigs, Patina San Juan requests expedited consideration of this administrative application.

Thank you for your consideration of this request.

Very truly yours,

MILLER STRATVERT P.A.

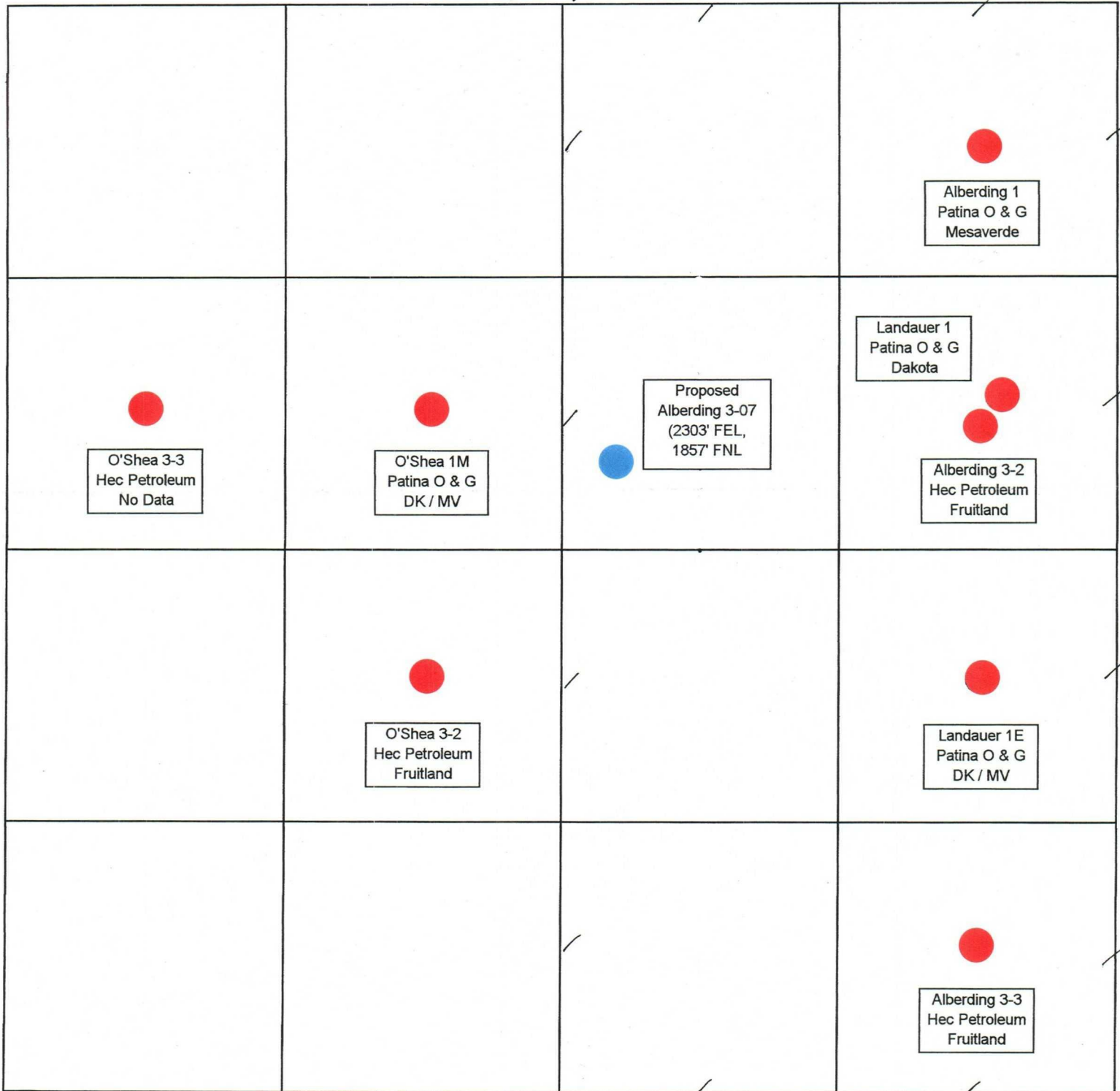
A handwritten signature in black ink, appearing to read "J. Scott Hall".

J. Scott Hall  
Attorneys for Patina San Juan, Inc.

JSH/glb  
Enclosures  
cc: Bill Marquis, Patina San Juan, Inc.

# Exhibit "A"

## T31N-R13W, Section 3




Patina San Juan, Incorporated  
Proposed Alberding 3-07  
(Mesaverde)

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

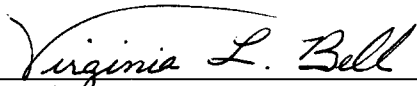
**AFFIDAVIT**

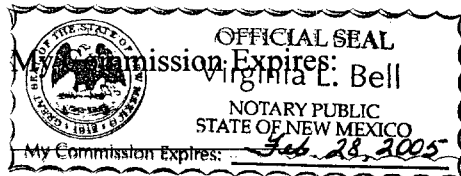
STATE OF NEW MEXICO   )  
  )ss.  
COUNTY OF SANTA FE   )

J. SCOTT HALL, attorney in fact and authorized representative of Patina San Juan, Inc. the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "B" attached hereto, and that pursuant to Rule 1207 A(2), notice has been given at the correct addresses provided by such rule.

  
\_\_\_\_\_  
J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 10th day of November, 2004.

  
\_\_\_\_\_  
Notary Public



## **EXHIBIT "B"**

Shirley Mizzy Trust  
c/o Shirley Mizzy Trustee  
2920 Neilson Way, No. 404  
Santa Monica, CA 92604

Segal Oil & Gas, Inc.  
c/o A. Segal  
10 East 70<sup>th</sup> Street (6A)  
New York, New York 10021-4913

HEC Petroleum, Inc.  
500 West Illinois Ave.  
Midland, Texas 79701

Doris Leeds Trust  
c/o Richard F. Leeds, Trustee  
15 Shearwater  
Irvine, CA 92604

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November 10, 2004

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

Shirley Mizzy Trust  
c/o Shirley Mizzy Trustee  
2920 Neilson Way, No. 404  
Santa Monica, CA 92604

Re: Notification of Request for Administrative Approval for Unorthodox Well Location  
Alberding 3-07 Well.  
Blanco Mesaverde Pool  
1857' FNL and 2303' FEL  
E/2 Section 3 T-31-N, R-13-W, NMPM, San Juan County, New Mexico

Dear Sir or Madam:

This firm represents Patina San Juan, Incorporated, (Patina San Juan). Pursuant to New Mexico Oil Conservation Division (NMOCD) Rule 1207 A(2), you are hereby notified that Patina San Juan has made application to the NMOCD for administrative approval for an unorthodox well location for its Alberding 3-07 Well at the surface and bottom-hole locations reflected above for a straight-hole well to be drilled to a depth sufficient to test the Mesaverde formation, Blanco Mesaverde pool. A copy of the application is enclosed.

As the owner of an interest that may be affected, you have the right to object to the application. To do so, you must file a written protest with the NMOCD within twenty days. Failure to do so will prevent you from challenging the matter at a later time. A letter of protest may be sent to the NMOCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

## LAW OFFICES

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(505) 842-1950

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Shirley Mizzy Trust  
c/o Shirley Mizzy, Trustee  
November 10, 2004  
Page 2

Should you consent to the application and the proposed unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Very truly yours,



J. Scott Hall  
MILLER STRATVERT P.A.  
Attorneys for Patina San Juan, Inc.

JSH/glb

Enclosure

cc: Mr. Bill Marquis, Patina San Juan, Inc.

CONSENT:

---

Shirley Mizzy Trust  
Shirley Mizzy, Trustee

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## **RETURN RECEIPT REQUESTED**

HEC Petroleum, Inc.  
500 West Illinois Ave.  
Midland, Texas 79701

Re: Notification of Request for Administrative Approval for Unorthodox Well Location  
Alberding 3-07 Well.  
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HEC Petroleum  
November 10, 2004  
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J. Scott Hall  
MILLER STRATVERT P.A.  
Attorneys for Patina San Juan, Inc.

JSH/glb  
Enclosure  
cc: Mr. Bill Marquis, Patina San Juan, Inc.

CONSENT:

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HEC Petroleum, Inc.

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November 10, 2004

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## **RETURN RECEIPT REQUESTED**

Segal Oil & Gas, Inc.

c/o A. Segal

10 East 70<sup>th</sup> Street (6A)

New York, New York 10021-4913

Re: Notification of Request for Administrative Approval for Unorthodox Well Location  
Alberding 3-07 Well.

Blanco Mesaverde Pool

1857' FNL and 2303' FEL

E/2 Section 3 T-31-N, R-13-W, NMPM, San Juan County, New Mexico

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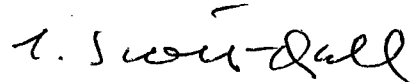
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Segal Oil & Gas, Inc.  
November 10, 2004  
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MILLER STRATVERT P.A.  
Attorneys for Patina San Juan, Inc.

JSH/glb  
Enclosure  
cc: Mr. Bill Marquis, Patina San Juan, Inc.

CONSENT:

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Segal Oil & Gas, Inc.

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15 Shearwater  
Irvine, CA 92604

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Attorneys for Patina San Juan, Inc.

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cc: Mr. Bill Marquis, Patina San Juan, Inc.

CONSENT:

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Richard F. Leeds, Trustee