

DATE IN 11/05/13	SUSPENSE	ENGINEER <i>JD</i>	LOGGED IN 11/06/13	TYPE NSL	APP NO. PPRG1331041119
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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 \_\_\_\_\_

*Texland Petroleum  
 JR Holt #3  
 30-025 - Pending  
 D | Sec. 2 | 11/14/13*

[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.**

Vickie Smith  
 Print or Type Name

Vickie Smith  
 Signature

Regulatory Analyst  
 Title

10-1-13  
 Date

VSmith@texpetro.com  
 e-mail Address

**TEXLAND PETROLEUM, L.P.**  
EXPLORATION AND PRODUCTION  
777 MAIN STREET, SUITE 3200  
FORT WORTH, TEXAS 76102

(817) 336-2751

October 1, 2013

Mr. David Brooks  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: *Application for administrative approval - unorthodox well location  
JR Holt #3 well,  
Lea County, New Mexico*

Dear Mr. Brooks:

Texland Petroleum-Hobbs, LLC ("Texland") hereby seeks administrative approval pursuant to NMAC 19.15.15.13 for an unorthodox well location for its JR Holt #3 well (the "Well"). The Well will be drilled to the Strawn formation, which is governed by state rules providing for 80 acre spacing units. The rules also provide for orthodox well locations within 150 feet of the center of any quarter/quarter section included in the spacing unit for a well.

The proposed spacing unit for the Well is as follows:

Township 17 South, Range 37 East, NMPM, Lea County, New Mexico  
Section 2: NW/4NW/4 and NE/4NW/4 (Units D and C)

In this case, the Well will be located 1060 feet from the west line and 830 feet from the north line of Unit D, or approximately 428 feet to the south and east of the center of Unit D.

The unorthodox location is required in this instance because of geologic conditions. The proposed location is positioned to encounter a small Strawn algal mound reservoir at its center and at the highest point possible in order to insure the reservoir is drained optimally. This is reflected on the Strawn Isochron on attached Exhibit A. Because of the limited size of the reservoir, drilling in a location other than the seismic-derived location presents considerable risk of encountering plugged porosity and non-productive pay.

Mr. David Brooks  
October 1, 2013  
Page 2 of 2

As required under NMAC 19.15.15.13 (C), please find the following additional enclosures:

Exhibit B is a plat that shows the subject area, the 80-acre proposed spacing unit comprised of the N/2 NW/4 of Section 2, the proposed unorthodox well location and the offsetting spacing unit.

Exhibit C is the C-102 filed for the well that shows the surveyed location of the well.

Exhibit D is a list of affected parties. As required by NMAC 19.15.4.12 (A)(2)(c), a copy of this application (with attachments) has been sent to those listed on Exhibit D and they have been advised that objections to this application must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was received by your office.

Your attention to this application is appreciated.

Yours very truly,

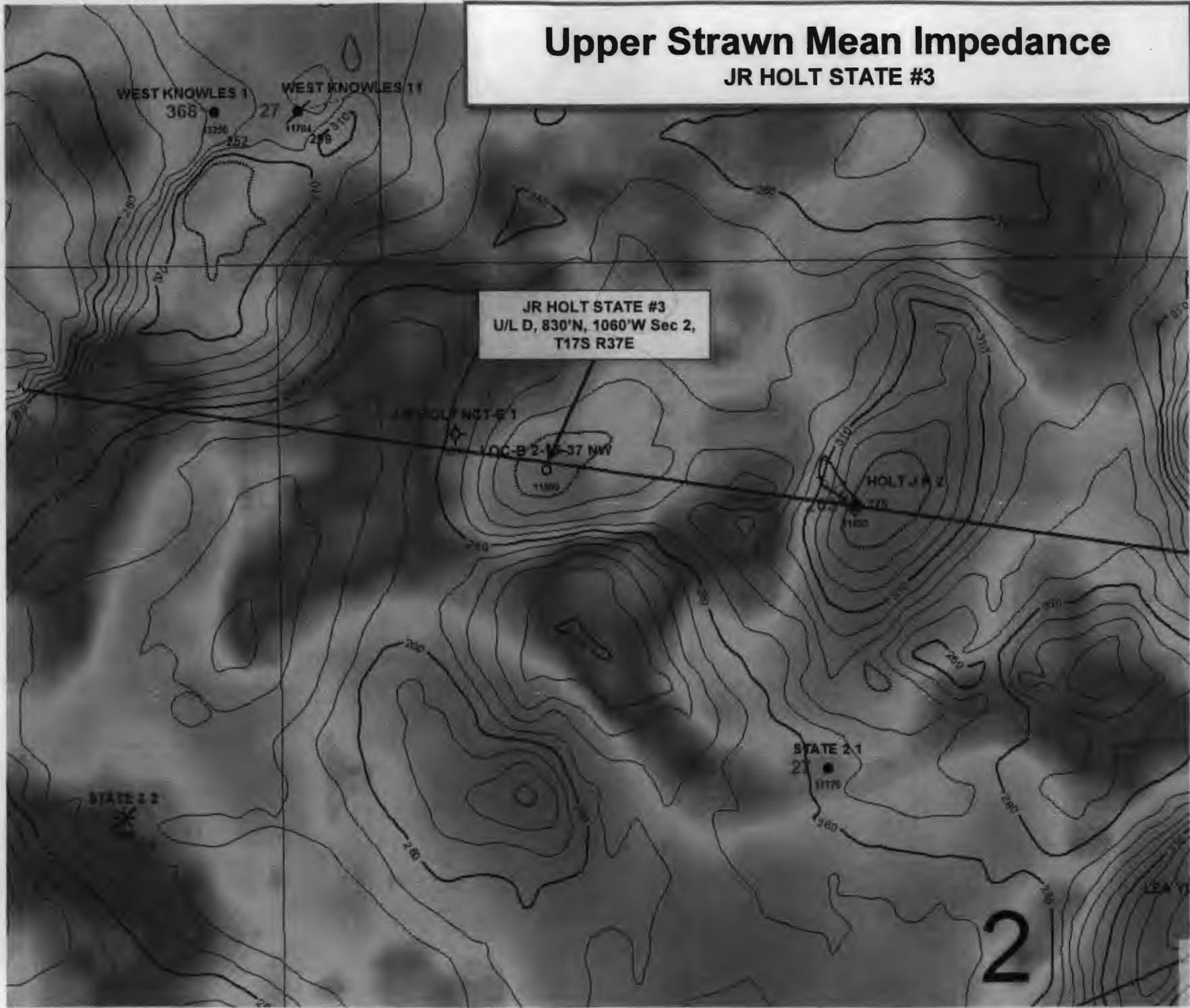
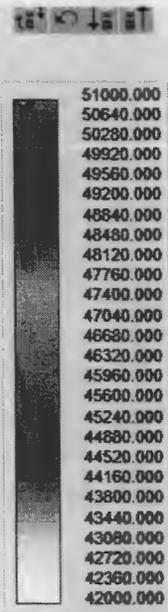
Vickie Smith  
Regulatory Analyst

Enclosures

cc: OCD/Hobbs District 1

# Upper Strawn Mean Impedance

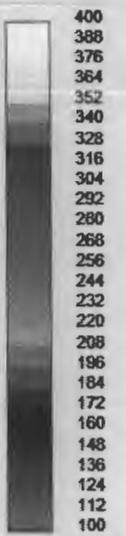
JR HOLT STATE #3



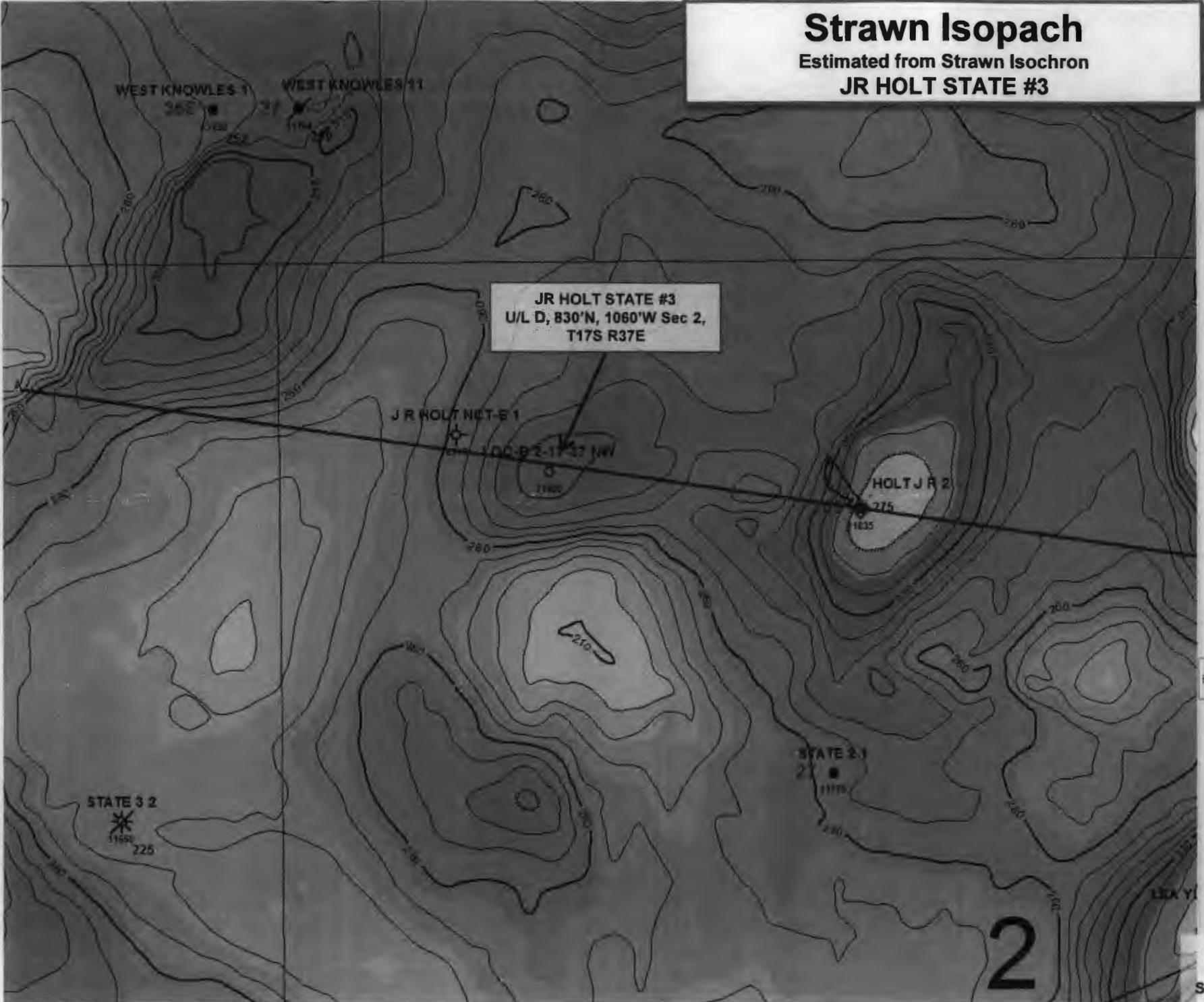
Well Labels:  
Oil Cum MBO  
Strawn Isochron

# Strawn Isopach

Estimated from Strawn Isochron  
JR HOLT STATE #3



JR HOLT STATE #3  
U/L D, 830'N, 1060'W Sec 2,  
T17S R37E



Well Labels:  
Oil Cum MBO  
Strawn Isochron

JR HOLT NCT-E



HOLT



HOLT JR



AMERIND OIL COMPANY  
CIMARRON EXPLORATION  
CHEVRON U.S.A  
BADGER SERVICES  
CONOCO INC.

2

TEXLAND PETROLEUM

EXHIBIT B

LEA COUNTY, NM

WELL SYMBOLS

- Location Only
- Oil Well
- Dry Hole

October 2, 2013

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-	<sup>2</sup> Pool Code 551095	<sup>3</sup> Pool Name Shipps Strawn
<sup>4</sup> Property Code	<sup>5</sup> Property Name J.R. HOLT	
<sup>7</sup> OGRID No. 113315	<sup>8</sup> Operator Name TEXLAND PETROLEUM, LP	
		<sup>6</sup> Well Number 3
		<sup>9</sup> Elevation 3761

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	2	17-S	37-E	4	830	NORTH	1060	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 80	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>
	<p>Signature _____ Date _____</p> <p><i>Vickie Smith</i> 8/29/13</p> <p>Printed Name _____</p> <p><i>Vickie Smith</i></p> <p>E-mail Address _____</p> <p><i>VSmith@terpetro.com</i></p>
<p>SECTION 2</p>	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JULY 22, 2013</p>
	<p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number 7911 JESSE M. MARTIN 37,596</p>

Exhibit C

**TEXLAND PETROLEUM, L.P.**  
EXPLORATION AND PRODUCTION  
777 MAIN STREET, SUITE 3200  
FORT WORTH, TEXAS 76102

(817) 336-2751

October 1, 2013

Working Interest Owners

Township 17 South, Range 37 East, Lea County New Mexico

Section 2: Units C, E, and F

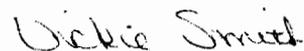
*Re: Texland Petroleum-Hobbs, LLC  
Request for Administrative Approval of Unorthodox Well Location  
Section 2, Unit D*

Ladies and Gentlemen:

Please find enclosed a copy of Texland Petroleum-Hobbs, LLC's request for administrative approval of an unorthodox location for its JR Holt #3 well. Please be advised that this request was sent to the New Mexico Oil Conservation Division on October 1, 2013. Pursuant to NMAC 19.15.13.13.D, you have 20 days from the date the NMOCD receives the application to file a written objection.

Please call at the number above if you have any questions.

Yours very truly,



Vickie Smith  
Regulatory Analyst

Enclosures

**Exhibit C to Application  
J. R. Holt #3 Well  
Lea County, New Mexico**

**Affected Parties**

NMAC 19.15.4.12 defines "Affected Parties" for an unorthodox location as follows:

If the proposed location is unorthodox by being located closer to the spacing unit's outer boundary than 19.15.15 NMAC or applicable special pool orders permit, the applicant shall notify the affected persons in the adjoining spacing units towards which the unorthodox location encroaches.

Texland's proposed location encroaches 428 feet to the south and east from the center of Unit D. Accordingly, working interest owners in tracts located in Units C, E, and F are entitled to notice of this application. Texland is the operator of Unit C, and working interest ownership is the same as Unit D; thus, notice is not required. The working interest of Units E and F are owned as follows:

**Units E and F**

**Amerind Oil Company, Ltd.  
415 W. Wall St., Suite 500  
Midland, TX 79701-4467**

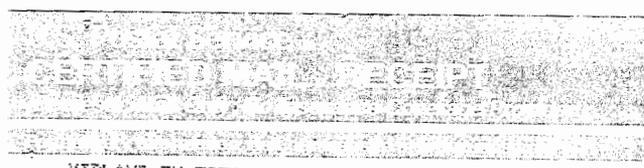
**Cimarron Exploration  
Company  
500 N. Main St., #101  
Roswell, NM 88201**

**Chevron North America  
Exploration and Production  
Attn: Land Department  
P.O. Box 4538  
Houston, Texas 77210-4538**

**Badger Services, Inc.  
Attn: Linda Gross  
422 West Alegre  
Hobbs, NM 88240**

**Conoco Inc.  
Attn: Land Department  
P.O. Box 2197  
Houston, TX 77252-2197**

7013 1710 0000 1866 6403



MIDLAND TX 79701

Postage	\$1.12	0640
Postage and Fees	\$3.10	11
Postage and Fees	\$2.55	
Postage and Fees	\$0.00	
Postage and Fees	\$6.77	10/04/2013



**Amerind Oil Co., LTD  
415 W. Wall St., Suite 500  
Midland, Texas 79701-4467**

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Amerind Oil Co., LTD  
415 W. Wall St., Suite 500  
Midland, Texas 79701-4467**

2. Article Number  
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*Linda Bommar*

B. Received by (Printed Name) C. Date of Delivery  
*Linda Bommar* *10-7*

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

7013 1710 0000 1866 6397

ROSWELL NM 88201

Postage	\$1.12	0640
Insurance	\$3.10	11
Registration Fee	\$2.55	
Signature Fee	\$0.00	
Postage Insurance	\$6.77	

OCT 4 2013

Cimarron Exploration Co.  
201 W. Third St.  
Roswell, NM 88201

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>Louise K Schmitt</i>
1. Article Addressed to:  <p>Cimarron Exploration Co. <del>201 W. Third St.</del> 500 N Main #101 Roswell, NM 88201</p>	B. Received by (Printed Name)      C. Date of Delivery <i>Louise K Schmitt</i> <i>10/1/13</i>
2. Article Number (Transfer from service label)	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No <p>500 N Main St</p>
PS Form 3811, February 2004	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

7013 1710 0000 1867 8000

HOUSTON TX 77210

Basic Rate	\$1.12	0640
Postage Fee	\$3.10	03
Postage Insurance Fee	\$2.55	
Postage Insurance Fee	\$0.00	
Postage Insurance Fee	\$6.77	10/18/2013

**Chevron North America**  
**Exploration & Production**  
**Attn; Land Department**  
**P.O. Box 4538**  
**Houston, Texas 77210-4538**

**COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete Restricted Delivery if desired. Your name and address on the reverse will be returned to you. Attach this card to the back of the mailpiece, front if space permits.

Addressed to:

**Chevron North America**  
**Exploration & Production**  
**Attn; Land Department**  
**P.O. Box 4538**  
**Houston, Texas 77210-4538**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

*[Handwritten Signature]*

Agent Addressed

B. Received by (Printed Name)

Date of Delivery



D. Is delivery address different from item 1?  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail®  Priority Mail Express™
- Registered  Return Receipt for Merchandise
- Insured Mail  Collect on Delivery

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label)

7013 1710 0000 1867 8000

7013 1710 0000 1867 7997

HOUSTON TX 77252

Postage	\$1.12	0640
Delivery Fee	\$3.10	03
Return Receipt Fee	\$2.55	
Registered Mail Fee	\$0.00	
<b>Total</b>	<b>\$6.77</b>	<b>10/18/2013</b>

**Conoco Inc.**  
**Attn: Land Dept.**  
**P.O. Box 2197**  
**Houston, Texas 77252-2197**

**SENDER: COMPLETE THIS SECTION**

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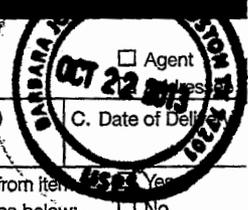
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**Conoco Inc.**  
**Attn: Land Dept.**  
**P.O. Box 2197**  
**Houston, Texas 77252-2197**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X



Agent

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail®  Priority Mail Express™
- Registered  Return Receipt for Merchandise
- Insured Mail  Collect on Delivery

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number

(Transfer from service label)

7013 1710 0000 1867 7997

TEXLAND PETROLEUM, L.P.  
EXPLORATION AND PRODUCTION  
777 MAIN STREET, SUITE 3200  
FORT WORTH, TEXAS 76102

(817) 336-2751

**HAND DELIVERED**

October 30, 2013

Working Interest Owners  
Township 17 South, Range 37 East, Lea County New Mexico  
Section 2: Units C, E, and F

Re: *Texland Petroleum-Hobbs, LLC*  
*Request for Administrative Approval of Unorthodox Well Location*  
*Section 2, Unit D*

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Please call at the number above if you have any questions.

Yours very truly,



Vickie Smith  
Regulatory Analyst

Enclosures



Received by Linda Gross

October 30, 2013