

DATE 2/26/2014	SUSPENSE	ENGINEER ham	LOGGED IN 2/27/2014	TYPE NSL	APP NO. 7MAM1405829248
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RECEIVED  
ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

2014 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.

Vickie Smith  
Print or Type Name

Vickie Smith  
Signature

Regulatory Analyst  
Title

2-26-14  
Date

vsmith@texpetro.com  
e-mail Address

- NSL

- Texland Petroleum - Hobbs  
113315

- well

Simmons Estate #2  
30-025 - Pending

Pool

Ship Strawn  
55695

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

(817) 336-2751

February 20, 2014

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  
Simmons Estate #2 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 *Simmons Estate #2* 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 at least 100 feet from the center of any one of the quarter/quarter spacing units included in the 80 acre spacing unit.

The proposed spacing unit for the Well is as follows:

Township 17 South, Range 37 East, NMPM, Lea County, New Mexico  
Section 3: N/2SW/4 (Units K and L)

In this case, the Well will be located 350 feet from the east line and 330 feet from the south line of Unit L.

 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.

# Exhibit C

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 Hondo 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 <b>30-025-</b>	<sup>2</sup> Pool Code <b>55695</b>	<sup>3</sup> Pool Name <b>Shipp, Strawn</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>SIMMONS ESTATE</b>	<sup>6</sup> Well Number <b>2</b>
<sup>7</sup> GRID No. <b>113315</b>	<sup>8</sup> Operator Name <b>TEXLAND PETROLEUM, LP</b>	<sup>9</sup> Elevation <b>3769</b>

### " Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>3</b>	<b>17-S</b>	<b>37-E</b>		<b>1650</b>	<b>SOUTH</b>	<b>970</b>	<b>WEST</b>	<b>LEA</b>

### " 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

<sup>12</sup> Dedicated Acres <b>80</b>	<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.

<div style="text-align: center;">SECTION 3</div>				<b>" OPERATOR CERTIFICATION</b> 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 an undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well in 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. <u>Vickie Smith</u> 2-26-14 Signature Date <u>Vickie Smith</u> Printed Name <u>vsmith@trapekco.com</u> E-mail Address	
				<b>"SURVEYOR CERTIFICATION</b> 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. JULY 22, 2013 Date of Survey <u>Jesse M. Martin</u> Signature and Seal of Professional Surveyor.  Certificate Number 7911 FB-478 P. 4-5 PROFESSIONAL LAND SURVEYOR 37,595	

Accordingly, Texland seeks to move the well location the minimum distance necessary to the south and east to encounter the target formation. The proposed unorthodox location encroaches on Unit M and N only. NMAC 19.15.4.12 defines "Affected Parties" for such 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.

Units M and N are under lease to Texland. There are two unleased parties in Units K, L, M, and N: Kaiser-Francis Oil Company ("Kaiser") and Black Stone Minerals Company, L.P. ("Black Stone"). Texland, Kaiser, and Black Stone are partnering to drill the unorthodox well. Kaiser and Black Stone have joined in this request for approval in accordance with NMAC 19.15.4.12 (A)(2)(c).

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/2SW/4 of Section 3, 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.

Your attention to this application is appreciated.

Yours very truly,

TEXLAND PETROLEUM-HOBBS, L.P.

Vickie Smith  
By: Vickie Smith, Regulatory Analyst

KAISER-FRANCIS OIL COMPANY

BLACK STONE MINERALS COMPANY, L.P.

By: attached  
Name and Title:

By: attached  
Name and Title:

Mr. David Brooks  
February 20, 2014  
Page 2 of 2

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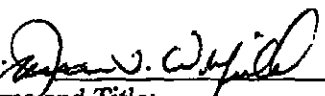
Yours very truly,

TEXLAND PETROLEUM-HOBBS, L.P.

By: Vickie Smith, Regulatory Analyst

KAISER-FRANCIS OIL COMPANY

BLACK STONE MINERALS COMPANY, L.P.

By:   
Name and Title:  
Senior Reservoir Engineer Manager

By: \_\_\_\_\_  
Name and Title:

Mr. David Brooks  
February 20, 2014  
Page 2 of 2

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TEXLAND PETROLEUM-HOBBS, L.P.

By: Vickie Smith, Regulatory Analyst

KAISER-FRANCIS OIL COMPANY

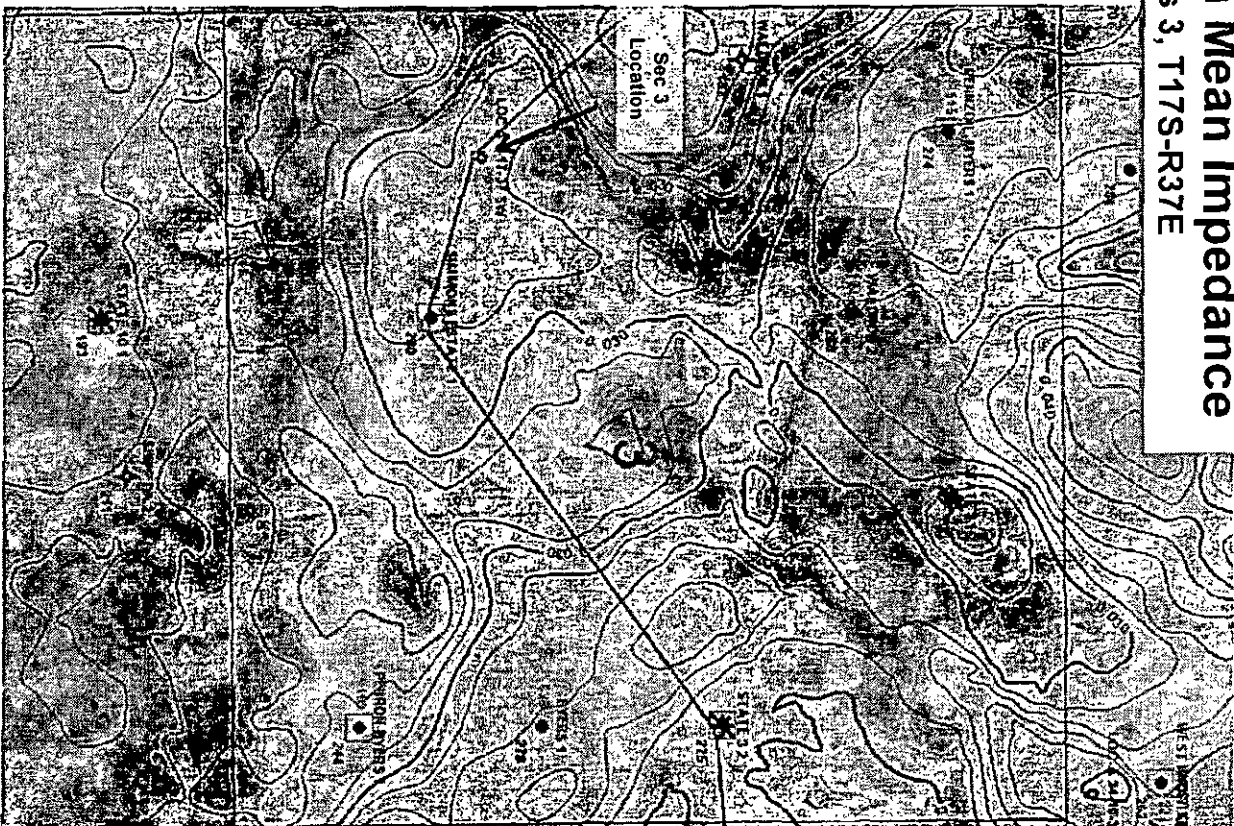
BLACK STONE MINERALS COMPANY, L.P.

By: \_\_\_\_\_  
Name and Title:

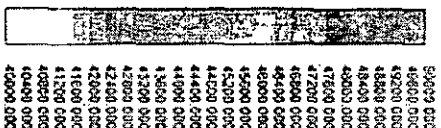
By:   
Name and Title: Thad Montgomery V  
Sr. Landman

# Exhibit A

## Upper Strawn Mean Impedance Sections 3, T17S-R37E



STATION 1



Strn\_Inversion\_YatMean\_UpperStrn\_MDkp

Well Labels:  
Oil Gum NBO  
Strawn Isochron

Exhibit B

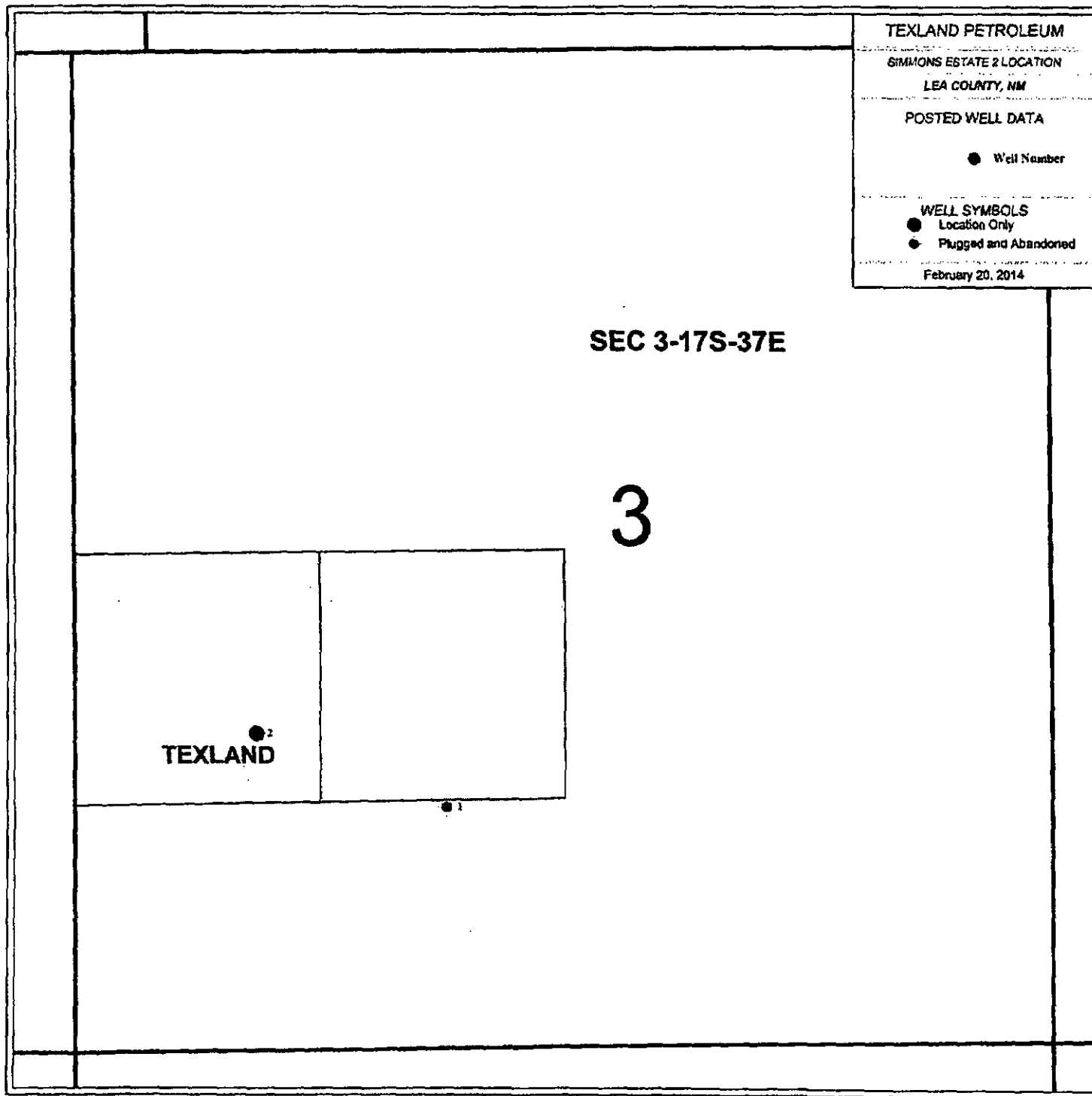
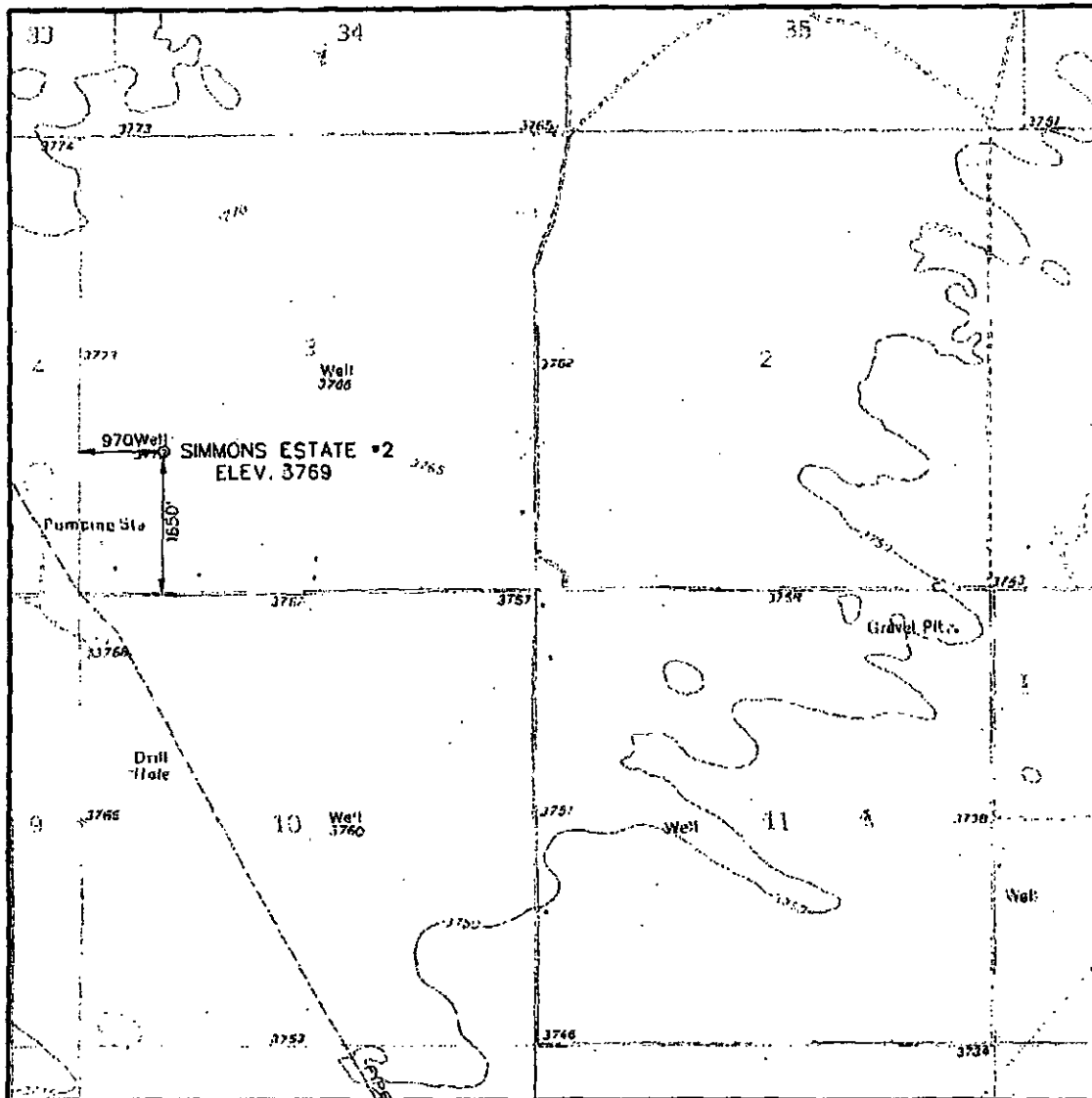




Exhibit C,

# LOCATION VERIFICATION MAP



U.S.G.S. TOPOGRAPHIC MAP - HUMBLE CITY, N.M.

Operator: TEXLAND PETROLEUM, L.P. Lease: SIMMONS ESTATE

Description: 1650 FEET FROM THE SOUTH LINE AND 970 FEET FROM THE WEST LINE

3	17-S	37-E	N.M.P.M.	LEA
Section	Township	Range	Survey	County



**WILSON SURVEYING Co., INC.**

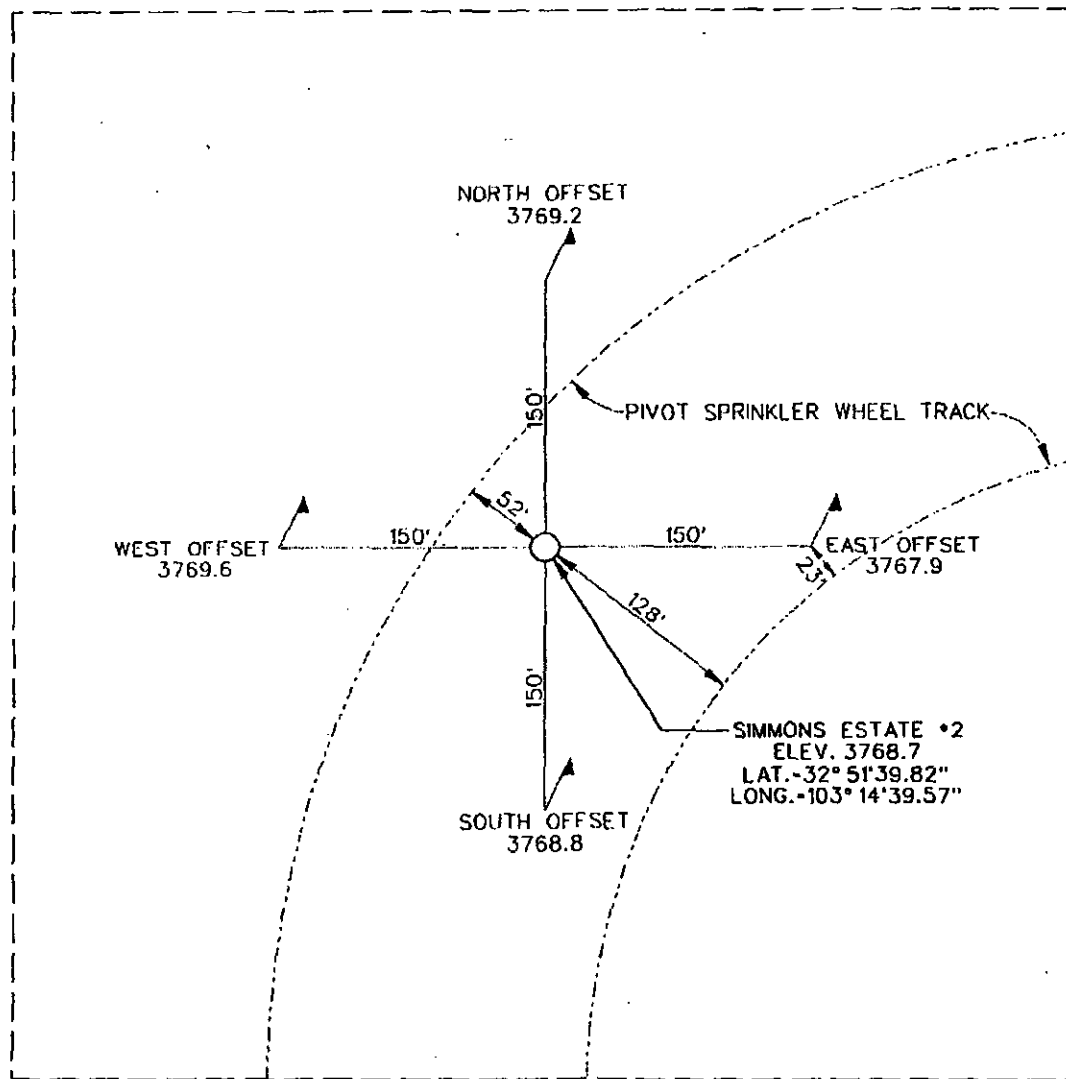
Registered Professional Land Surveyors  
Global Positioning System Surveyors

3330 70th ST., SUITE 201 LUBBOCK, TX. 79413  
(806) 792-4731 • FAX (806) 792-1646



# Exhibit C2

## SECTION 3, TOWNSHIP 17 SOUTH, RANGE 37 EAST, N.M.P.M. LEA COUNTY, NEW MEXICO



### DIRECTIONS TO LOCATION

FROM THE CENTER OF LOVINGTON, NEW MEXICO  
TRAVEL SOUTHEAST ALONG STATE HWY. 18 APPROX.  
6.55 MILES. TURN LEFT ON W. STILES ROAD AND GO  
EAST APPROX. 1.7 MILES. LOCATION IS 1650 FEET NORTH.

SIMMONS ESTATE #2  
LOCATED 1650 FEET FROM THE SOUTH LINE  
AND 970 FEET FROM THE WEST LINE OF  
SECTION 3, TOWNSHIP 17 SOUTH, RANGE  
37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO

SCALE: 1" = 100'	REVISION:	PLAT DATE: 7-29-13
CLIENT: TEXLAND PETROLEUM, LP		
DRAWN BY: B. BURROW	SURVEY DATE: 7-22-13	
SURVEYED BY: J.M. MARTIN	FIELD BOOK: 478, PG. 4-5	
FILE: 37595.dgn	FILE NO. 37,595	SHEET NO. 1



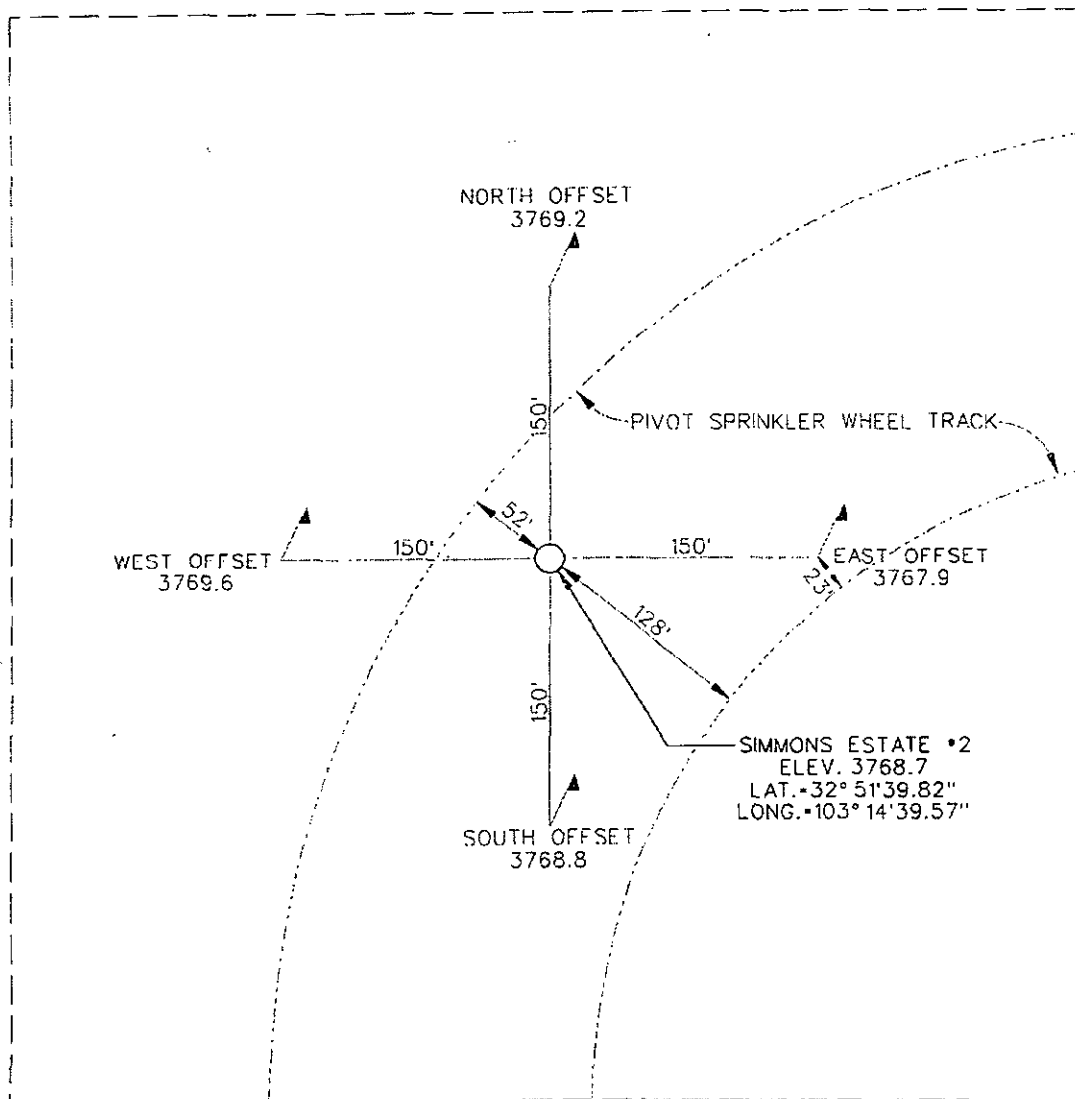
**WILSON SURVEYING Co., INC.**  
Registered Professional Land Surveyors

3330 - 70th Street, Suite 201 • Lubbock, Texas 79413  
Office 806.792.4731 Fax 806.792.1546



Exhibit C2

SECTION 3, TOWNSHIP 17 SOUTH, RANGE 37 EAST, N.M.P.M.  
LEA COUNTY, NEW MEXICO



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LEA COUNTY, NEW MEXICO

SCALE: 1" = 100' REVISION: PLAT DATE: 7-29-13

CLIENT: TEXLAND PETROLEUM, LP

DRAWN BY: B. BURROW

SURVEY DATE: 7-22-13

SURVEYED BY: J.M. MARTIN

FIELD BOOK: 478, PG. 4-5

FILE: 37595.dgn

FILE NO. 37,595

SHEET NO. 1



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