

DATE IN 4/21/06	SUSPENSE	ENGINEER MIKE STOGNER	LOGGED IN 4/31/06	TYPE NSL	APP NO. PTDS0611160537
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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 REGULATION 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.

Ocean Munds Dry Ocean Munds Dry Attorney 4-20-06
 Print or Type Name Signature Title Date
 omundsdry@hollandhart.com
 e-mail Address

2006 APR 20 PM 2 55



April 20, 2006

HAND DELIVERY

Mr. Mark Fesmire, 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 Texland Petroleum-Hobbs LLC, for administrative approval of an unorthodox well location for its CP 3 State Well No. 1, to be drilled to the Drinkard formation at a surface location 1229 feet from the South line and 1005 feet from the East line of Section 3, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Fesmire:

Texland Petroleum-Hobbs LLC ("Texland") hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2)-(4), of an unorthodox well location in the Lovington Pool for its CP 3 State Well No. 1 located 1229 feet from the South line and 1005 feet from the East line of Section 3 (Unit P), Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

This proposed location in the Drinkard formation is unorthodox because it is governed by statewide rules which provides for wells on 40-acre spacing units to be located 330 feet from any boundary of the spacing unit. The proposed unorthodox well location is only 91 feet from the northern boundary of the proposed spacing unit. A standard 40-acre spacing unit and proration unit comprised of the SE/4 SE/4 of Section 3 will be dedicated to the well.

The non-standard location is required by geologic conditions. As shown on the attached **Exhibit A**, the proposed location is positioned to encounter the Drinkard formation at the highest and thickest point possible.

HOLLAND & HART LLP



Exhibit B is a plat that shows the subject area, the 40-acre proposed spacing unit comprised of the SE/4 SE/4 of Section 3, the proposed unorthodox well location and the offsetting spacing units.

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

Pursuant to Division Rule 1210(A)(2), there are no affected parties to notify as Texland is the operator in the offsetting spacing unit and ownership is common.

Also enclosed is a proposed administrative order prepared by Texland on behalf of the Division.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry
ATTORNEY FOR TEXLAND
PETROLEUM-HOBBS LLC

Enclosures

cc: Vickie Smith

Texland Petroleum-Hobbs LLC

Attention: Vickie Smith

Administrative Order NSL-_____

Dear Ms. Smith:

Reference is made to your application dated April 20, 2006 for an unorthodox well location for Texland Petroleum-Hobbs LLC's CP 3 State Well No. 1 to be drilled to the Drinkard formation in the Lovington Pool. Said well will be located 1229 feet from the South line and 1005 feet from the East line of Section 3, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico.

A 40-acre spacing and proration unit in the Drinkard formation comprising the SE/4 SE/4 of said Section 3 is to be dedicated to said well.

This application has been duly filed under the provisions of Rule 104.F of the General Rules of the Oil Conservation Division revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By authority granted me under the provisions of Rule 104.F(2), the above-described unorthodox well location within this 40-acre unit in the Strawn formation is hereby approved.

Sincerely,

Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Hobbs/Artesia

3

B-8197

40 ACRE
SPACING UNIT

TEXLAND PETROLEUM-HOBBS

CP3 STATE #1

3 - T17S - R36E, LEA COUNTY, N.M.

DRINKARD STRUCTURE & POROSITY ISC

Non- Standard Location Request

April 19, 2006

9/2006 10:49:30 AM

EXHIBIT A

2

1-2
4

40 ACRE
SPACING UNIT

B-8197

1

1-01579

3

10

26

38
1

3-1

1

EXHIBIT B

TEXLAND PETROLEUM-HOBBS LLC

CP3 STATE #1

LEA COUNTY, N.M.

3 - T17S - R36E

Non-Standard Location Request

April 18, 2006

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1400 N. FRANKLIN DR., ALBUQUERQUE, NM 87102

DISTRICT II

1301 W. GRAND AVENUE, ALBUQUERQUE, NM 87102

DISTRICT III

7000 Rio Grande Rd., Alamo, NM 87410

DISTRICT IV

1400 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102

Revised October 19, 2000

Submit to appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025	Pool Code	Pool Name Lovington Drinkard
Property Code	Property Name CP 3 STATE	Well Number 1
OGRIID No. 113315	Operator Name TEXLAND PETROLEUM - HOBBS, LLC	Elevation 3867'

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	17-S	36-E		1229	SOUTH	1005	EAST	LEA

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

Dedicated Acres	Joint or InRd	Consolidation Code	Order No.
40			

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

LOT 4	LOT 3	LOT 2	LOT 1
39.37 AC	39.42 AC	39.47 AC	39.52 AC
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=678067.2 N X=806080.6 E</p> <p>LAT.=32°51'36.58" N LONG.=103°20'11.63" W</p>			
<p>Texland et al B-0197</p>			
<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p><u>Vickie Smith 4/12/06</u> Signature Date</p> <p><u>Vickie Smith</u> Printed Name</p>			
<p>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>MARCH 30, 2006</p> <p>Date Surveyed</p> <p>Signature in Test of Professional Surveyor</p> <p><u>Harry A. Kellum 4/6/06</u> 06.11.0557</p> <p>Certificate No. GARY KIDSON 12641</p>			

EXHIBIT C

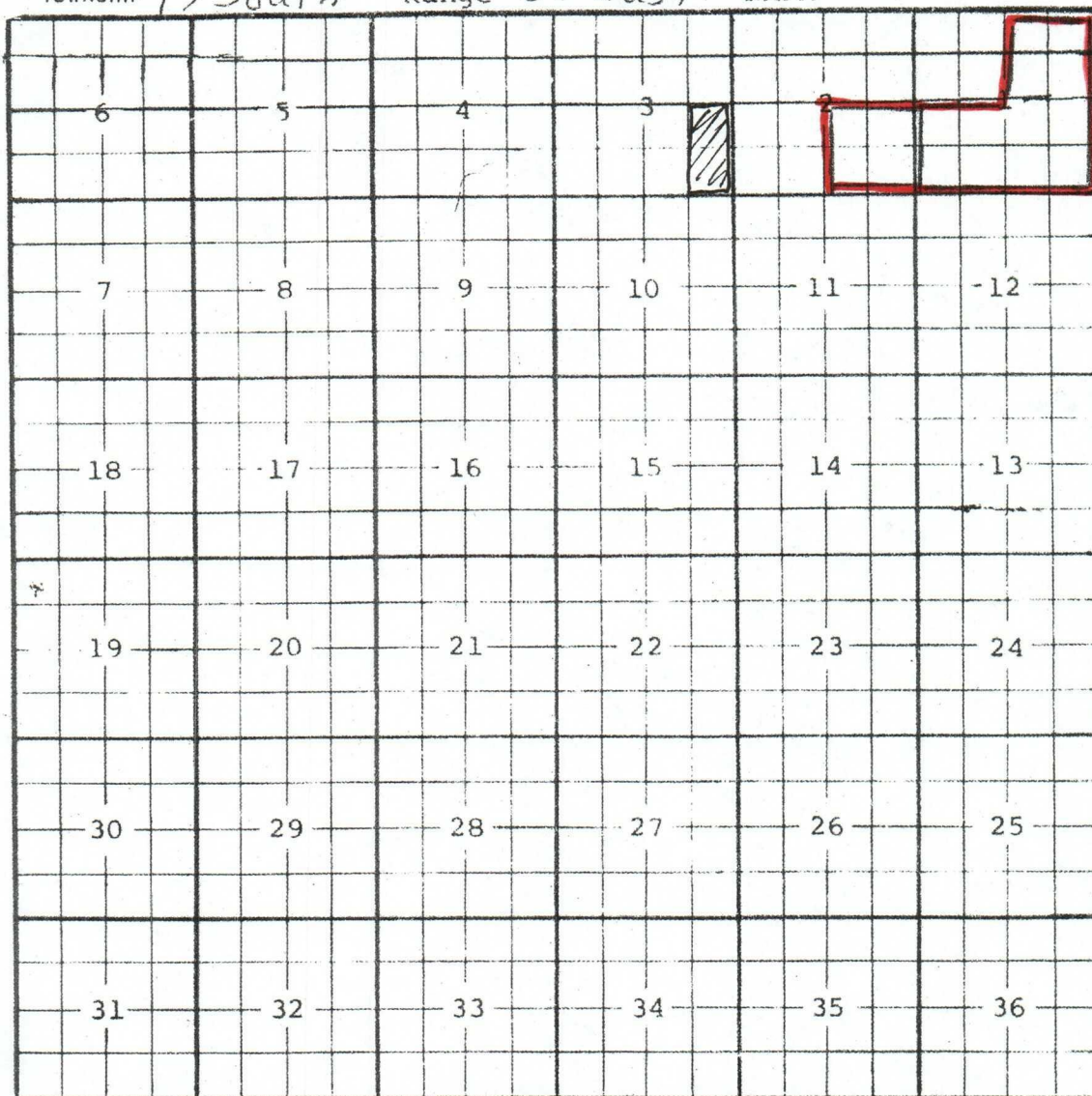
County Lea

Pool Lovington-Drinkard

TOWNSHIP 17 South

Range 36 East

NMPM



Ext: NE 1/4 and S 1/2 Sec. 1 (A-11243, 9-15-99) Ext: SE 1/4 Sec. 2 (A-11425, 10-24-00)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/26/06 09:30:45
OGOMES -TP9D
PAGE NO: 1

Sec : 03 Twp : 17S Rng : 36E Section Type : NORMAL

4 39.37 CS B04286 0001 FRED TURNER JR ES 05/10/45	3 39.42 CS B04286 0001 FRED TURNER JR ES 05/10/45	2 39.47 CS B03009 0001 MOBIL PRODUCING T 06/11/44	1 39.52 CS B03009 0001 MOBIL PRODUCING T 06/11/44
E 40.00 Fee owned A	F 40.00 CS B04286 0001 FRED TURNER JR ES 05/10/45 P	G 40.00 CS B01553 0014 OCCIDENTAL PERMIA 01/23/39	H 40.00 CS B01553 0014 OCCIDENTAL PERMIA 01/23/39
L 40.00 CS B04119 0013 CONOCOPHILLIPS CO U 04/10/45 A	K 40.00 CS B04119 0016 OXY USA WTP LIMIT 04/10/45	J 40.00 CS V07377-0001 TEXLAND PETROLEUM 04/01/10	I 40.00 CS B08197 0001 CONOCOPHILLIPS CO 06/10/49
M 40.00 Federal owned U A A A	N 40.00 CS B04119 0016 OXY USA WTP LIMIT 04/10/45	O 40.00 CS V07377-0001 TEXLAND PETROLEUM 04/01/10	P 40.00 CS B08197 0001 CONOCOPHILLIPS CO 06/10/49