

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.

James Bruce  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

*James Bruce*  
 \_\_\_\_\_  
 Signature

Attorney for Applicant  
 \_\_\_\_\_  
 Title

12/21/06  
 \_\_\_\_\_  
 Date

jamesbruc@aol.com  
 \_\_\_\_\_  
 e-mail Address

2006 DEC 21 PM 2 53

**JAMES BRUCE**  
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December 21, 2006

Hand delivered

Richard Ezeanyim  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Ezeanyim:

Pursuant to Division Rule 104.F(2), Pride Energy Company applies for approval of an unorthodox oil and gas well location for the following well:

<u>Well:</u>	Inbe 24 Well No. 1 (API No. 30-025-38084)
<u>Location:</u>	660 feet FNL & 2310 feet FEL
<u>Well Units:</u>	(1) W½NE¼ of Section 24 (Permo-Pennsylvanian formation) (2) N½ of Section 24 (Atoka, Morrow, and Mississippian formations)
	Township 11 South, Range 33 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the (wildcat) Mississippian formation. However, one of the primary target zones for the well is the Permo-Pennsylvanian formation. Therefore, applicant requests unorthodox location approval in the Permo-Pennsylvanian, Atoka, Morrow, and Mississippian formations.

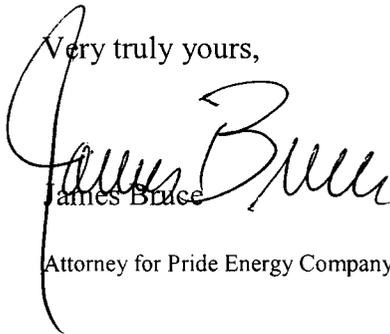
The proposed well is within the Inbe Permo-Pennsylvanian Pool, which is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section. See Exhibit A. The Atoka, Morrow, and Mississippian formations are spaced on statewide regulations, with 320 acre spacing, and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line.

The well's location is based upon geologic reasons in the Permo-Pennsylvanian formation. An isopach for the Bough 'C' zone (a commonly used designation for the Permo-Pennsylvanian) is attached as Exhibit B. Moving the well west of an orthodox location will allow the well to penetrate a thicker Bough 'C' zone. Obtaining the best possible location is also necessary because this area has a number of wells in the Permo-Pennsylvanian formation which have produced to depletion. Thus, the best location must be obtained to avoid drainage effects.

A land plat is attached as Exhibit C. The N½ of Section 24 is a single fee tract, with common ownership throughout the half section. The well location is internal to the well unit, and does not encroach on any offset acreage. Therefore, there is no adversely affected offset owner, and notice of this application has not been given to anyone.

Please contact me if you need any further information.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name and title.

James Bruce

Attorney for Pride Energy Company

**INBE-PENNSYLVANIAN POOL  
Lea County, New Mexico**

Order No. R-2325. Creating and Adopting Temporary Operating Rules for the Inbe-Pennsylvanian Pool, Lea County, New Mexico, October 1, 1962, Made Permanent by Order No. R-2325-A, August 21, 1963.

*Application of L. R. French, Jr., for the creation of a new oil pool and for the establishment of temporary rules, Lea County, New Mexico.*

CASE NO. 2635  
Order No. R-2325

**ORDER OF THE COMMISSION**

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on September 11, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of October, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

**FINDS:**

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That a new oil pool for Pennsylvanian production should be created and designated the Inbe-Pennsylvanian Oil Pool. This pool was discovered by the L. R. French, Jr., Gulf-State Well No. 1, located in Unit A of Section 18, Township 11 South, Range 34 East, NMPM, Lea County, New Mexico. Said well was completed in the Bough "C" zone of the Pennsylvanian formation August 19, 1962, and the top of the perforations is at 9867 feet.

(3) That L. R. French, Jr., seeks promulgation of temporary special rules and regulations for the Inbe-Pennsylvanian Oil Pool to provide for 80-acre proration units therein.

(4) That the evidence concerning the reservoir characteristics of the Inbe-Pennsylvanian Oil Pool justifies the establishment of 80-acre proration units for said pool for a temporary one-year period.

(5) That the evidence establishes that the Inbe-Pennsylvanian Oil Pool can presently be efficiently and economically drained on 80-acre proration units.

(6) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(7) That this case should be reopened at an examiner hearing in August, 1963, at which time the operators in the subject pool should be prepared to appear and show cause why the Inbe-Pennsylvanian Oil Pool should not be developed on 40-acre proration units.

**IT IS THEREFORE ORDERED:**

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated as the Inbe-Pennsylvanian Oil Pool, consisting of the following-described area:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM  
Section 18: E/2 NE/4

(2) That Special Rules and Regulations for the Inbe-

Pennsylvanian Oil Pool are hereby promulgated as follows, effective October 1, 1962.

**SPECIAL RULES AND REGULATIONS  
FOR THE  
INBE-PENNSYLVANIAN OIL POOL**

**RULE 1.** Each well completed or recompleted in the Inbe-Pennsylvanian Oil Pool or in the Pennsylvanian formation within one mile of the Inbe-Pennsylvanian Oil Pool, and not nearer to or within the limits of another designated Pennsylvanian pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

**RULE 2.** Each well completed or recompleted in the Inbe-Pennsylvanian Oil Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

**RULE 3.** For good cause shown, the Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Inbe-Pennsylvanian Oil Pool as the acreage in such non-standard unit bears to 80 acres.

**RULE 4.** The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either quarter-quarter section or lot in the 80-acre unit. Any subsequent additional well on the 80-acre unit shall be located within 150 feet of the center of the other quarter-quarter section or lot in the unit.

**RULE 5.** An 80-acre proration unit (79 through 81 acres) in the Inbe-Pennsylvanian Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

(3) That this case shall be reopened at an examiner hearing in August, 1963, at which time the operators in the subject pool may appear and show cause why the Inbe-Pennsylvanian Oil Pool should not be developed on 40-acre proration units.

**IT IS FURTHER ORDERED:**

That applicant's well, the L. R. French, Jr., Gulf-State No. 1, located in Unit A of Section 18, Township 11 South, Range 34 East, NMPM, Lea County, New Mexico, shall receive an 80-acre allowable effective on October 1, 1962, or on the date Form C-128 is filed, showing thereon 80-acres dedicated to said well and accompanied by a substantiating well test on Form C-116, Gas-Oil Ratio Test, whichever date is later.

**IT IS FURTHER ORDERED:**

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

EXHIBIT     A

**NORTH BAGLEY-WOLFCAMP POOL**  
Lea County, New Mexico

Order No. R-2347, November 1, 1962, Establishing Pool, as Amended by Order No. R-2507, July 1, 1963; Order No. R-3166, January 1, 1967.

Pool abolished by Order No. R-7279, June 1, 1983.

**BUFFALO VALLEY-PENNSYLVANIAN GAS POOL**  
Chaves County, New Mexico

Order No. R-2349, November 1, 1962, Establishing Pool, as Amended by Order No. R-3411, June 1, 1968; Order No. R-3818, September 1, 1969; Order No. R-3958, May 1, 1970; Order No. R-4086, February 1, 1971; Order No. R-4146, June 1, 1971; Order No. R-4167, August 1, 1971; Order No. R-4437, December 1, 1972; Order No. R-4540, June 1, 1973; Order No. R-4850, October 1, 1974; Order No. R-4957, March 1, 1975; Order No. R-5015, June 1, 1975; Order No. R-5361, March 1, 1977; Order No. R-5511, September 1, 1977; Order No. R-5667, April 1, 1978; Order No. R-5754, July 1, 1978; Order No. R-5987, May 1, 1979; Order No. R-6274, March 1, 1980; Order No. R-6420, August 1, 1980; Order No. R-6499, November 1, 1980; Order No. R-6838, December 1, 1981; Order No. R-6912, March 1, 1982; Order No. R-7419, January 1, 1984; Order No. R-8021, September 1, 1985; Order No. R-8747, October 1, 1988; Order No. R-8827, January 1, 1989; Order No. R-9096, January 1, 1990; Order No. R-9578, October 1, 1991; Order No. R-11384, June 1, 2000; Order No. R-11691, December 1, 2001.

T-14-S, R-27-E Sec. 25; S/2 Sec. 26; Secs. 35, 36.  
T-14-S, R-28-E Sec. 31.  
T-15-S, R-27-E Secs. 1, 2; N/2 Sec. 3; Secs. 4, 11 through 14; E/2 Sec. 15; E/2 Sec. 22; Secs. 23, 24, 25, 26.  
T-15-S, R-28-E Secs. 6, 7; S/2 Sec. 8; Secs. 16, 17; N/2 Sec. 18; N/2 Sec. 20; W/2, NE/4 Sec. 21.

**GOODWIN-ABO POOL**  
Lea County, New Mexico

Order No. R-2363, December 1, 1962, Establishing Pool, as Amended by Order No. R-2578, November 1, 1963; Order No. R-11183, June 1, 1999; Order No. R-11304, February 1, 2000.

T-18-S, R-36-E SE/4 Sec. 6; NE/4 Sec. 36.  
T-18-S, R-37-E SW/4 Sec. 30; W/2 Sec. 31.  
T-19-S, R-36-E NE/4 Sec. 1.  
T-19-S, R-37-E NW/4 Sec. 6.

**TEXLINE-PENROSE GAS POOL**  
Lea County, New Mexico

Order No. R-2386, December 5, 1962, Establishing Pool.

T-18-S, R-39-E Lots 1, 2, 3, 4 Sec. 32.

**SOUTH PRAIRIE-SAN ANDRES POOL**  
Roosevelt County, New Mexico

Order No. R-2393, January 1, 1963, Establishing Pool, as Amended by Order No. R-2870, March 1, 1965; Order No. R-3019, January 1, 1966; Order No. R-3262, July 1, 1967; Order No. R-4279, April 1, 1972.

T-8-S, R-36-E S/2 Sec. 16; S/2 SE/4 Sec. 17; NE/4 Sec. 20; NW/4 Sec. 21.

**SOUTH ANDERSON-WOLFCAMP POOL**  
Lea County, New Mexico

Order No. R-2393, January 1, 1963, Establishing Pool.

Pool abolished by Order No. R-3205, April 1, 1967.

**INBE PERMO-PENNSYLVANIAN POOL**  
Lea County, New Mexico

Order No. R-2325, October 1, 1962, Establishing Pool, as Amended by Order No. R-2485, June 1, 1963; Order No. R-2552, September 1, 1963; Order No. R-2639, February 1, 1964; Order No. R-2692, May 1, 1964; Order No. R-2879, April 1, 1965; Order No. R-2946, September 1, 1965; Order No. R-2985, November 1, 1965; Order No. R-3080, July 1, 1966; Order No. R-3182, February 1, 1967; Order No. R-3205, April 1, 1967; Order No. R-3262, July 1, 1967; Order No. R-3295, September 1, 1967; Order No. R-3355, January 1, 1968; Order No. R-3381, March 1, 1968; Order No. R-3402, May 1, 1968; Order No. R-3411, June 1, 1968; Order No. R-3472, September 1, 1968; Order No. R-3505, October 1, 1968; Order No. R-3662, February 1, 1969; Order No. R-3681, March 1, 1969; Order No. R-3758, June 1, 1969; Order No. R-3802, August 1, 1969; Order No. R-6876, January 1, 1982.

T-10-S, R-33-E Secs. 13, 14; SE/4 Sec. 21; Secs. 22, 23, 24; W/2 Sec. 25; Secs. 26, 27; NE/4 Sec. 28; N/2 NE/4 Sec. 33; Secs. 34, 35; S/2 Sec. 36.

T-11-S, R-33-E SE/4 Sec. 1; Secs. 12, 13; NE/4 Sec. 14; SE/4 Sec. 23; Sec. 24; N/2 N/2 Sec. 25; NE/4 Sec. 26.

T-11-S, R-34-E Lots 1, 2, 3, 4, S/2 Sec. 4; Lots 1, 2, 3, 4, S/2 Sec. 5; Secs. 6, 7; W/2, NE/4 Sec. 8; NW/4 Sec. 9; W/2 NW/4 Sec. 17; Secs. 18, 19.

**BIG EDDY-WOLFCAMP GAS POOL**  
Eddy County, New Mexico

Order No. R-2393, January 1, 1963, Establishing Pool.

T-20-S, R-31-E SE/4 Sec. 3.

**DIABLO-SAN ANDRES POOL**  
Chaves County, New Mexico

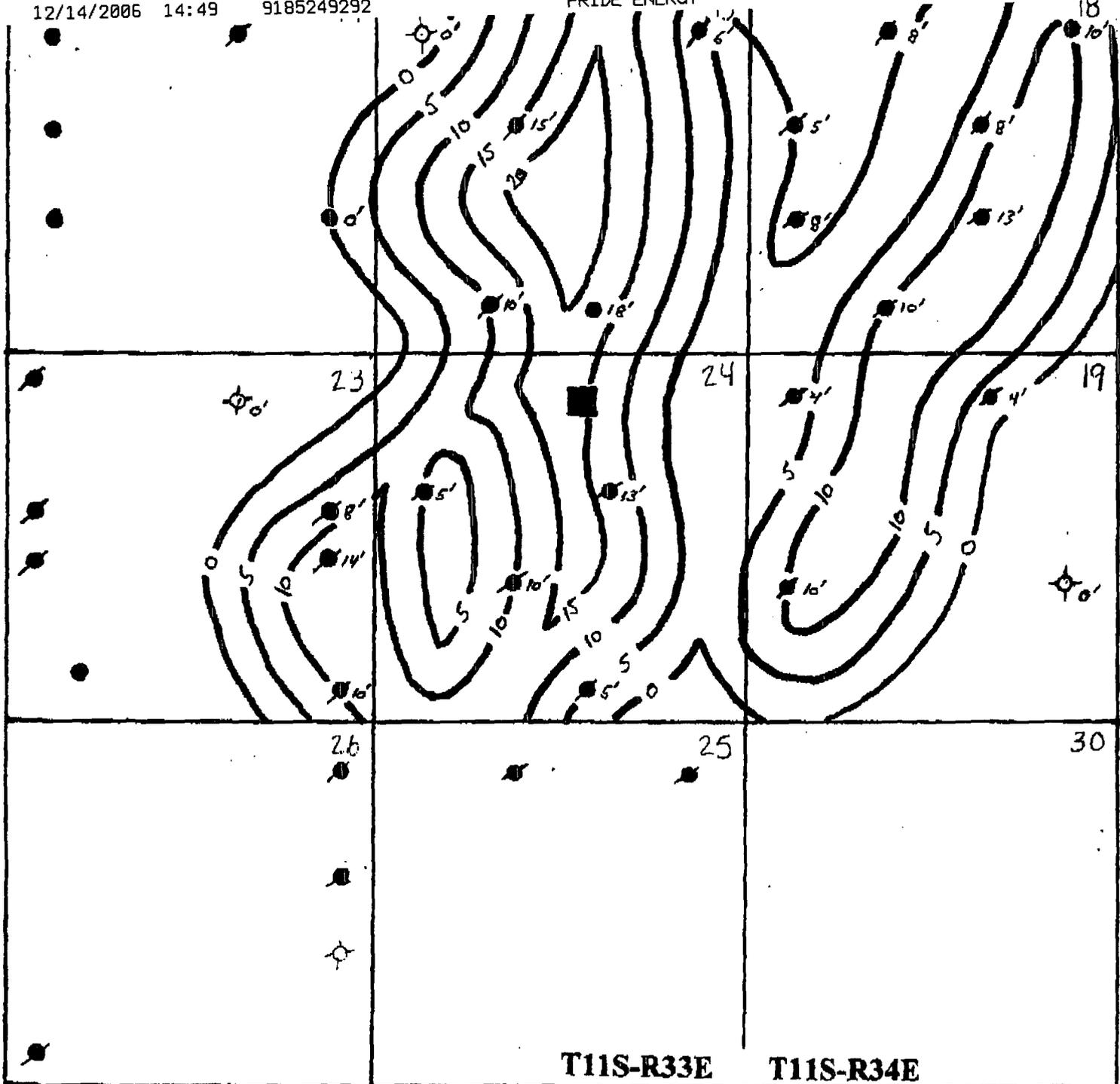
Order No. R-2393, January 1, 1963, Establishing Pool, as Amended by Order No. R-2485, June 1, 1963; Order No. R-6211, January 1, 1980; Order No. R-6623, April 1, 1981; Order No. R-8257, July 1, 1986; Order No. R-8391, February 1, 1987; Order No. R-8431, May 1, 1987; Order No. R-8665-A, July 1, 1988; Order No. R-8892, April 1, 1989; Order No. R-8969, August 1, 1989; Order No. R-9609, November 1, 1991.

T-10-S, R-27-E SW/4 SW/4 Sec. 15; SE/4 Sec. 16; E/2 Sec. 21; S/2, W/2 NW/4 Sec. 22; N/2, SW/4 Sec. 27; E/2 Sec. 28; N/2, SE/4 Sec. 34.

**NORTH BAISH-WOLFCAMP POOL**  
Lea County, New Mexico

Order No. R-2410, February 1, 1963, Establishing Pool, as Amended by Order No. R-12046, November 1, 2003.

T-17-S, R-32-E S/2 Sec. 10.



**Pride Energy Company**

**Inbe #24-1**

**Location Proposal**

**660' FNL, 2310' FEL**

**Section 24, T11S-R33E**

**Lea County, New Mexico**

**Bough 'C' Fm**

**Net Porosity Isopac**

**CI = 5ft**

**Scale 1" = 2000ft**

EXHIBIT B

