

25 April 07 DATE IN	4/25/07 SUSPENSE	D. Catanach ENGINEER	26 April 07 LOGGED IN	NSL TYPE	RELPO711651623 APP NO.
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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



5616

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

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[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

Signature

Attorney for Applicant
Title Date

jamesbruc@aol.com
e-mail Address

4/25/07

JAMES BRUCE
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April 25, 2007

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Purvis Operating Co. applies for approval of an unorthodox gas well location for the following well:

<u>Well:</u>	Coyote State Com. Well No. 1 (API No. 30-025-38037)
<u>Location:</u>	990' FNL & 1316' FWL
<u>Well Unit:</u>	N½ of Section 8 Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico

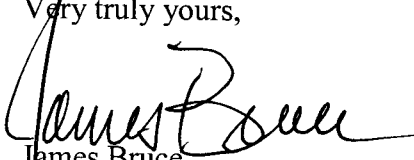
The well was commenced earlier this year to comply with lease expiration deadlines, and is being drilled to a depth sufficient to test the Morrow and Mississippian formations. Both formations are spaced on statewide regulations (320 acre well units, with wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line).

The location was chosen for geological reasons. However, the Hobbs District Office erroneously approved the location even though the well is too close to a quarter-quarter section line. As a result, because the well is drilling, applicant requests unorthodox location approval (for both the Morrow and the Mississippian formations).

The well is internal to the 320 acre well unit. Also, in the event that production is encountered in shallower zones, equities will not be affected: The entire NW¼ of Section 8 is subject to a single state lease (VB-563-1), which has common ownership as to all depths. Thus, the well's does not adversely affect any offset owner.

Please contact me if you need any further information.

Very truly yours,


James Bruce

Attorney for Purvis Operating Co.