

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
SUITE 1330  
550 WEST TEXAS  
MIDLAND, TEXAS 79701  
(915) 687-3551

*page 540*  
*South Corbin*  
*Wolfcamp Pool*

September 9, 1992

RECEIVED

SEP 09 1992

VIA HAND DELIVERY

OIL CONSERVATION DIV.  
SANTA FE

William J. LeMay, Director  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: Request for Administrative Approval of an  
Unorthodox Oil Well Location

Dear Mr. LeMay:

Santa Fe Energy Operating Partners, L.P. requests administrative approval of an unorthodox oil well location, because of topographical conditions, for its Kachina "9" Federal No. 1 Well, to be located 1730 feet FWL and 740 feet FNL of Section 9, Township 18 South, Range 33 East, Lea County, New Mexico. The well is a proposed 11,500 foot Wolfcamp test in the South Corbin-Wolfcamp Pool. The proration unit is the N $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 9, which is entirely within United States Oil and Gas Lease NM 55145.

The reasons for the proposed unorthodox location are as follows:

1. The Special Pool Rules for the South Corbin-Wolfcamp Pool provide for 80 acre spacing with a standard location to be within 150 feet of the center of a governmental quarter-quarter section. Currently Oxy USA operates a Queen injection well (the Central Corbin Queen Unit No. 401) located 660 feet FNL and 1980 feet FWL of Section 9. Oxy USA also operates a Queen producer (the Central Corbin Queen Unit No. 402) located 660 feet FNL and 660 feet FWL of Section 9. Drilling a well to a deeper horizon within 150 feet of wells in an active waterflood is not a desirable practice.
2. Overhead powerlines exist to the south and east of our preferred location of 660 feet FNL and 1980 feet FWL, which prohibits the safe placement of a drilling rig in that portion of the 80 acre proration unit.

William J. LeMay  
September 9, 1992  
Page Two

3. The proposed location of 1730 feet FWL and 740 feet FNL provides for the safe placement of a drilling rig and minimizes the amount of surface disturbance by utilizing existing roads to the Central Corbin Queen Unit No. 401 Well location.

Attached are the following:

Exhibit A, a plat showing the proposed well location and the placement of existing wells on the proration unit.

Exhibit B, a listing of operators of leases offsetting the spacing unit for the proposed well. This information is current and correct.

Exhibit C, a Form C-102 indicating the proposed well location and the location of the overhead powerlines. We note that the well location is not moving closer to any offset operator.

Directionally drilling this well to a standard bottomhole location is not feasible because it would add \$75,000-\$100,000 to the cost of this well. More importantly, oil wells in this pool eventually must be placed on rod pump after the reservoir pressure has depleted to a point that they cease to flow. Rod pumping a deviated wellbore is cost prohibitive due to the problems associated with worn tubing and rods caused by the movement in the deviated portion of the wellbore.

Letters asking for waiver of objection, together with a copy of this application, were sent to all offsetting operators by certified mail on this date. The certified return receipts will be forwarded to the Division upon receipt by us.

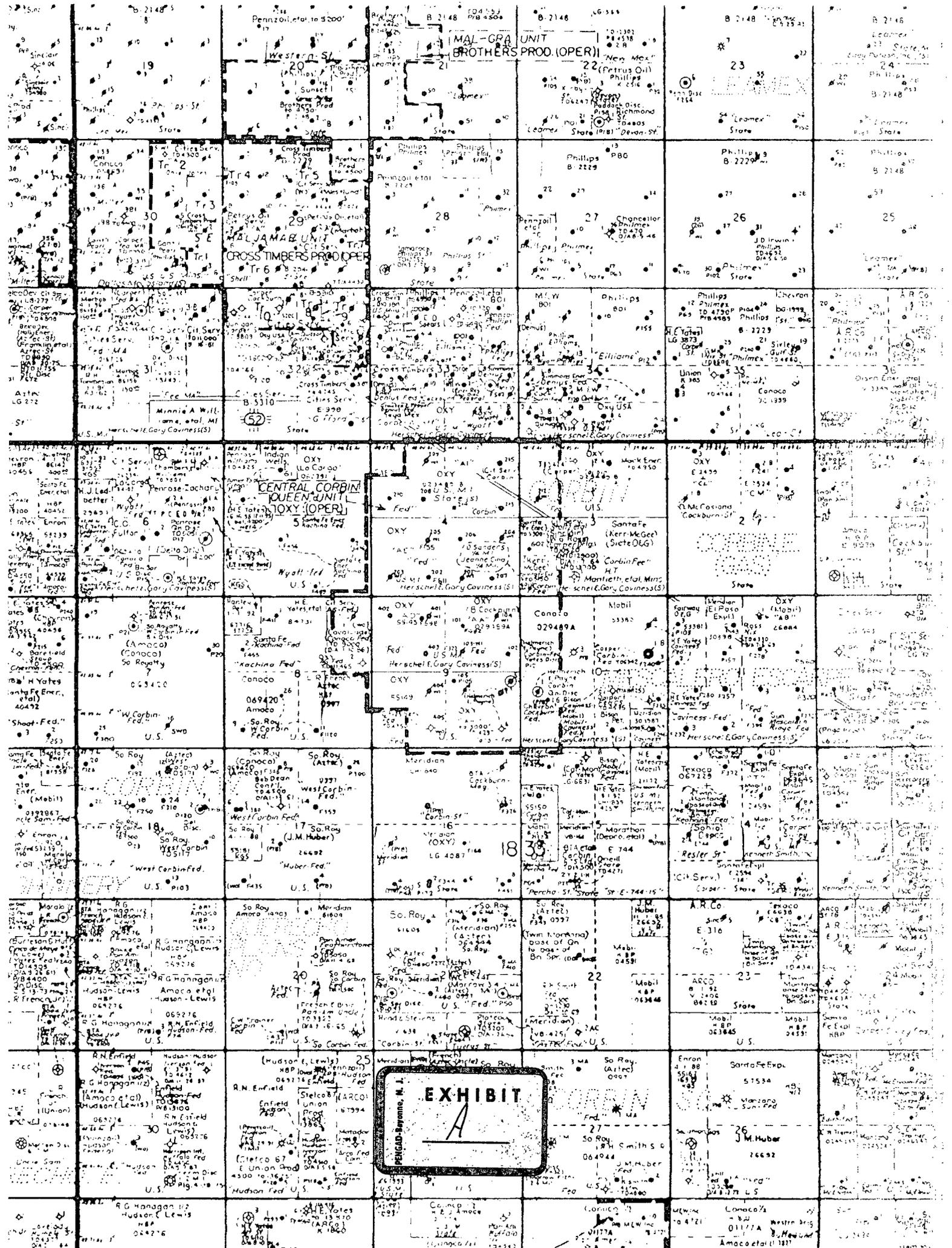
An original and two copies of this application are being submitted.

Very truly yours,

SANTA FE ENERGY OPERATING PARTNERS,  
L.P.

By: Darrell Roberts  
Darrell Roberts  
Senior Drilling Engineer

Enclosures



**EXHIBIT**  
**A**

RECORD-BYRON, N. 1

OFFSET OPERATORS

Oxy USA, Inc.  
P. O. Box 50250  
Midland, Texas 79710

American Exploration Company  
2100 NCNB Center, 700 Louisiana  
Houston, Texas 77002

Meridian Oil Corporation  
21 Desta Drive  
3300 North "A", Building 6  
Midland, Texas 79705

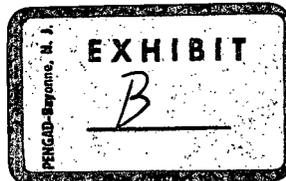
Bison Petroleum Corporation  
5809 S. Western, Suite 200  
Amarillo, Texas 79710-3607

Marathon Oil Company  
P. O. Box 552  
Midland, Texas 79702

Conoco, Inc.  
10 Desta Drive West  
Midland, Texas 79705

H.E. Yates (HEYCO)  
P. O. Box 1933  
One Sunwest Centre  
Roswell, New Mexico 88201

pr2361



**HEYCO**

**HARVEY E. YATES COMPANY**

PETROLEUM PRODUCERS  
DIVISION:  
RECEIVED



P.O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

'92 SEP 16 AM 9 06

September 14, 1992

Mr. William LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Unorthodox Location for  
Kachina 9 Federal #1  
1730' FWL & 740' FNL Sec. 9,  
T-18S, R-33E, N.M.P.M.  
Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is a letter ballot signed by A. J. Deans, Executive Vice-President, on behalf of Harvey E. Yates Company, indicating that it has no objection to the unorthodox location proposed for the Kachina 9 Federal #1, to be drilled by Santa Fe Energy Operating Partners, L.P.

Very truly yours,

Melissa Randle  
Landman

MVR/dlm  
Enclosure  
kachina9.ocd/NL

xc: Santa Fe Energy Operating Partners L.P.  
Attn: Gary Green  
550 W. Texas  
Suite 1330  
Midland, Texas 79701

OFFSET OPERATORS

Kachina Prospect - Lea County, New Mexico

T-18-S, R-33-E

Section 3

N/2 - Oxy

S/2 - Santa Fe Energy

(Note: W/2W/2 of Section 3 is in Central Corbin Queen Unit - Oxy Operator)

Section 4

Oxy - All

(Note: All except NW/4NW/4 of Section 3 is in Central Corbin Queen Unit - Oxy Operator)

Section 5

N/2NE/4 - Oxy

NE/4NW/4 - American Exploration Company

NW/4NW/4, S/2N/2 and S/2 - Santa Fe Energy

Section 8

NW/4 and W/2NE/4 - Santa Fe Energy

E/2NE/4 - Oxy

(Note: E/2NE/4 of Section 8 is in Central Corbin Queen Unit - Oxy Operator)

S/2 - Meridian Oil Corporation

Section 9

Oxy - All

(Note: All except SW/4SW/4 of Section 9 is in Central Corbin Queen Unit - Oxy Operator)

Section 10

W/2W/2 - Oxy

(W/2W/2 of Section 10 is in Central Corbin Queen Unit - Oxy Operator)

E/2W/2 - Conoco, Inc.

NE/4 and NE/4SE/4 - H.E. Yates (HEYCO)

W/2SE/4 - Bison Petroleum Corporation

SE/4SE/4 - Meridian Oil Corporation

Section 15

N/2 - H.E. Yates (HEYCO)

SW/4 - Meridian Oil Corporation

SE/4 - Marathon Oil Company

Section 16

Meridian and Oxy - All

Section 17

Meridian - All

pr2362

Submit to Appropriate  
 District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

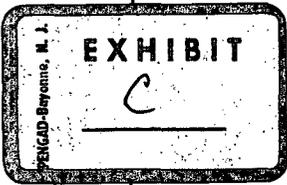
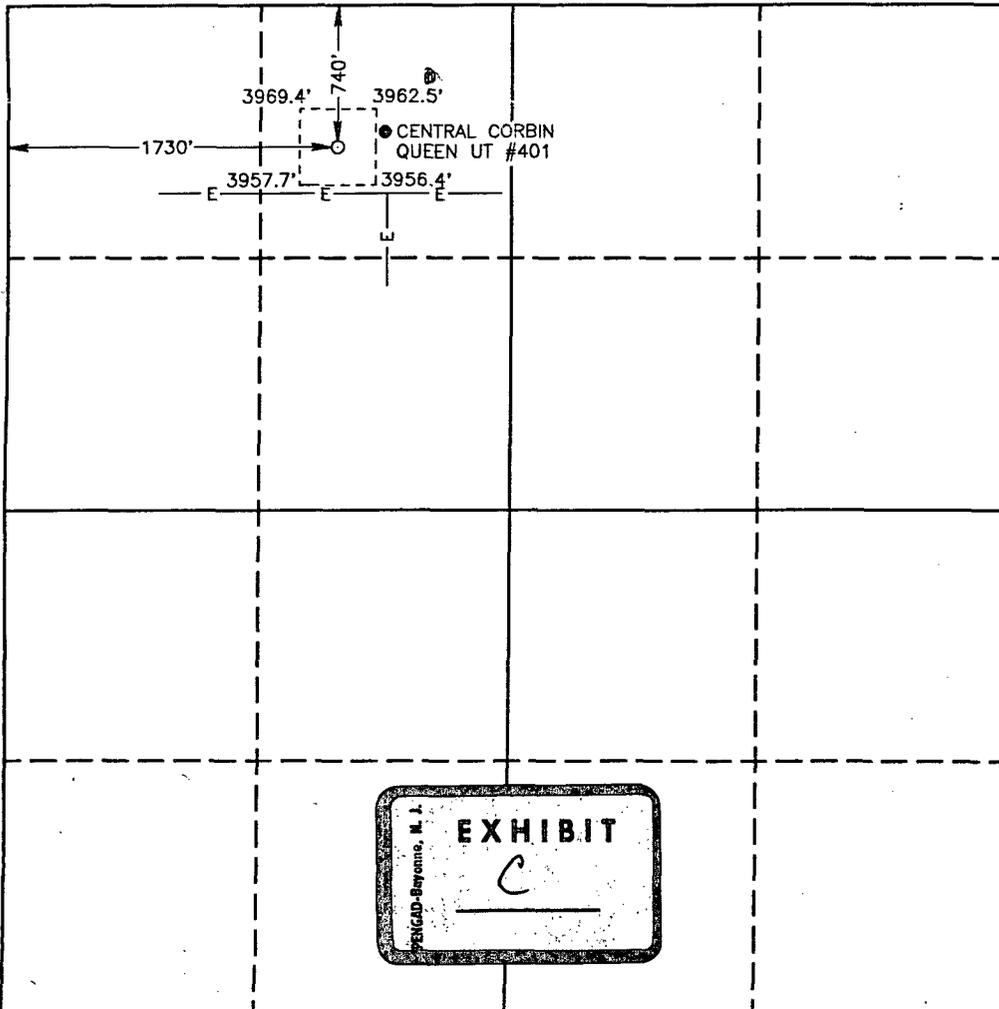
Operator <b>SANTA FE ENERGY RESOURCES</b>			Lease <b>KACHINA 9</b>		Well No. <b>1</b>
Unit Letter <b>C</b>	Section <b>9</b>	Township <b>18 SOUTH</b>	Range <b>33 EAST</b>	County <b>NMPM LEA</b>	
Actual Footage Location of Well: <b>740</b> feet from the <b>NORTH</b> line and <b>1730</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>3961.4'</b>	Producing Formation		Pool	Dedicated Acreage: <b>Acres</b>	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 

Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

**SURVEYOR CERTIFICATION**

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 knowledge and belief.

Date Surveyed  
**SEPTEMBER 1, 1992**

Signature & Seal of Professional Surveyor  

 Signature: *Ronald E. Eidson*

Certificate No. **3239** JOHN W. WEST 676  
**RONALD E. EIDSON**  
 GARY L. JONES 7977



SEP 11 1992



**Santa Fe Energy Operating Partners, L.P.**

Santa Fe Pacific Exploration Company  
Managing General Partner

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

September 9, 1992

Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88201

Gentlemen:

This is to inform you, pursuant to the requirements of Section F, Rule 104, Rules and Regulations of the New Mexico Oil Conservation Division, that Santa Fe Energy Operating Partners, L.P., whose address is 550 W. Texas, Suite 1330, Midland, Texas 79701 (Phone 915-687-3551), is filing an application with the Division for administrative approval of an unorthodox location, because of topographical conditions, for the Kachina "9" Federal No. 1 to be located 1730' from the west line and 740' from the north line of Section 9, T-18-S, R-33-E, Lea County, New Mexico.

A copy of the application is enclosed for your information.

We would appreciate you waiving objection to the unorthodox location and so indicating by signing one copy of this letter and mailing it to:

Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Your favorable consideration will be appreciated.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By: Gary Green  
Gary Green, Division Landman

GG:pr2370

NO OBJECTION OFFERED.  
HARVEY E. YATES COMPANY

By: A. Deans  
Executive Vice-President

Date: 9-11-92

Permian Basin District  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551



**Santa Fe Energy Operating Partners, L.P.**

Santa Fe Pacific Exploration Company  
Managing General Partner

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

September 9, 1992

Oxy USA, Inc.  
P. O. Box 50250  
Midland, Texas 79710

*NSL-3170*

Gentlemen:

This is to inform you, pursuant to the requirements of Section F, Rule 104, Rules and Regulations of the New Mexico Oil Conservation Division, that Santa Fe Energy Operating Partners, L.P., whose address is 550 W. Texas, Suite 1330, Midland, Texas 79701 (Phone 915-687-3551), is filing an application with the Division for administrative approval of an unorthodox location, because of topographical conditions, for the Kachina "9" Federal No. 1 to be located 1730' from the west line and 740' from the north line of Section 9, T-18-S, R-33-E, Lea County, New Mexico.

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P. O. Box 2088  
Santa Fe, New Mexico 87501

Your favorable consideration will be appreciated.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By: *Gary Green*  
Gary Green, Division Landman

GG:pr2364

NO OBJECTION OFFERED.

By: *Richard E. Foy*

Date: 9-28-92

Permian Basin District  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551

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SEP 10 1992

LAND DEPARTMENT  
WESTERN REGION

Received 9/9/92

Release Date 9/29/92

April 10, 1990

Santa Fe Energy Operating Partners, L.P.

Suite 1330

550 West Texas

Midland, TX 79701

Attention: Darrell Roberts

Administrative Order NSL- 3170 ~~\_\_\_\_\_~~

Dear Mr. Roberts :

*September 9, 1992*

Reference is made to your application dated ~~October 1, 1990~~ for a non-standard oil well location for your Kachina "9" Federal Well No. 1 to be located 740 feet from the North line and 1730 feet from the West line (Unit C) of Section 9, Township 18 South, Range 33 East, NMPM, Undesignated South Corbin Wolfcamp Pool, lea County, New Mexico. The 1/2 x 1/4 of said Section 9 shall be dedicated to the well forming a standard 80 -acre oil spacing and proration unit for said pool.

*RULES of the Special Rules and Regulations for the South Corbin Wolfcamp Pool, as promulgated by Division Order No. A-8181-B,*

By the authority granted me under the provisions of ~~General Rule 104 (H)~~ the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
N.E. B.M. - Carlshud



**Santa Fe Energy Operating Partners, L.P.**

OIL CONSERVATION DIVISION

Santa Fe Pacific Exploration Company  
Managing General Partner

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CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

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SEP 14 1992  
MIDLAND  
LAND DEPT.

September 9, 1992

Meridian Oil Corporation  
21 Desta Drive, Building 6  
Midland, Texas 79705

Gentlemen:

This is to inform you, pursuant to the requirements of Section F, Rule 104, Rules and Regulations of the New Mexico Oil Conservation Division, that Santa Fe Energy Operating Partners, L.P., whose address is 550 W. Texas, Suite 1330, Midland, Texas 79701 (Phone 915-687-3551), is filing an application with the Division for administrative approval of an unorthodox location, because of topographical conditions, for the Kachina "9" Federal No. 1 to be located 1730' from the west line and 740' from the north line of Section 9, T-18-S, R-33-E, Lea County, New Mexico.

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New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Your favorable consideration will be appreciated.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By: *Gary Green*  
Gary Green, Division Landman

GG:pr2366

NO OBJECTION OFFERED.

By: *Craig L. Wall*

Date: 9/18/92

Permian Basin District  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551

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