

DATE IN 10/29/07	SUSPENSE 10/29/07	ENGINEER Brooks	LOGGED IN 10/31/07	NSP TYPE SD	APP NO. PKVR07030436563
		Brooks	10/31/07	SD	PKVR0730437393

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Petrohawk
NSP-1636-C
SD 200804

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.

Eddie Seay
Print or Type Name

Eddie W Seay
Signature

Agent
Title

10/23/2007
Date

seay04@leaco.net
E-Mail Address

RECEIVED
2007 OCT 29 PM 12:41

October 22, 2007

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

Attention: Mr. Mark E. Fesmire, P.E.
Director

Re: Amendment of Division Order NSP-1636-B (L)(SD)
Non-standard Gas Spacing Unit & Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Gas Pool ("Jalmat Gas Pool")

Dear Mr. Fesmire:

Petrohawk Operating Company hereby respectfully requests an amendment to Division Order No. NSP-1636-B (L)(SD) dated May 29, 2002, which approved a 400.50-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool (79240) comprising Lots 3 (NE/4 NW/4) and 4 (NW/4 NW/4), SE/4 NW/4, SW/4, W/2 SE/4 and the SE/4 SE/4 of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Order No. NSP-1636-B (L)(SD) also authorized the simultaneous dedication of the following-described wells to the non-standard gas unit:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State A A/C 2 No. 2	30-025-08791	1980' FSL & 660' FWL (Unit L)
State A A/C 2 No. 27	30-025-08789	660' FSL & 660' FEL (Unit P)
State A A/C 2 No. 33	30-025-08793	660' FSL & 1980' FEL (Unit O)
State A A/C 2 No. 34	30-025-08794	1980' FSL & 1980' FEL (Unit J)
State A A/C 2 No. 44	30-025-08797	1980' FNL & 1980' FWL (Unit F)
State A A/C 2 No. 46	30-025-08800	660' FSL & 1980' FWL (Unit N)
State A A/C 2 No. 47	30-025-08798	660' FNL & 1980' FWL (Unit C)
State A A/C 2 No. 81	30-025-35868	2080' FSL & 1980' FWL (Unit K)

All of the subject wells are located at standard gas well locations for the Jalmat Gas Pool pursuant to the requirements of Division Order No. R-8170-P dated December 14, 2001.

A gas well in the Jalmat Gas Pool is defined as a well producing from the vertical limits of the pool with a gas-liquid ratio in excess of 100,000 cubic feet of gas per barrel of oil, and an oil well is defined as a well producing from the vertical limits of the pool and not classified as a gas well. The producing characteristics of the Jalmat Gas Pool

are such that wells frequently change classification from oil wells to gas wells, and vice versa. Recently, the State A A/C 2 Well No. 78 (API No. 30-025-34910) located at a standard gas well location 1980' FNL & 660' FWL of Section 5, and the State A A/C 2 Well No. 28 (API No. 30-025-08792) located at a standard gas well location 1980' FSL & 660' FEL of Section 5, were reclassified from oil wells to gas wells in the Jalmat Gas Pool. In addition, the State A A/C 2 Well No. 47, described above, has been reclassified from a gas well to an oil well. The following-described production data shows the current gas-liquid ratio for the State A A/C 2 Wells No. 78, 28 and 47:

<u>Well Name & Number</u>	<u>Current Production (July, 2007)</u>	<u>Gas-Liquid Ratio</u>
State A A/C 2 No. 78	306 MCFG; 0 BO	> 100,000 ft ³ Gas/Bbl Oil
State A A/C 2 No. 28	2,325 MCFG; 8 BO	290,625 ft ³ Gas/Bbl Oil
State A A/C 2 No. 47	1,685 MCFG; 188 BO	8,963 ft ³ Gas/Bbl Oil

As a result of the reclassification of the State A A/C 2 Wells No. 78, 28 and 47, it is requested that the NE/4 NW/4 of Section 5 be excluded from the unit, and that the SW/4 NW/4 and the NE/4 SE/4 be added to the unit. The resulting non-standard gas unit will consist of 440.05-acres, more or less, and will comprise Lot 4 (NW/4 NW/4), S/2 NW/4 and the S/2 of Section 5. The wells that are to be simultaneously dedicated to this unit are the State A A/C 2 Wells No. 2, 27, 28, 33, 34, 44, 46, 78 and 81.

Within Section 5, State of New Mexico Lease No. AO-0983 comprises the W/2 and SE/4, and State of New Mexico Lease No. BO-1506 comprises the NE/4. Consequently, all of the acreage within the proposed non-standard gas unit is a single State of New Mexico lease, which is currently operated by the applicant. All of the acreage in Section 5 that is not included in the proposed non-standard gas unit will be dedicated to other wells (either oil or gas) in the Jalmat Gas Pool.

Recent data indicates that production from the proposed non-standard gas unit is approximately 384 MCF of gas per day and less than 1 barrel of oil per day. Due to the marginal producing nature of the wells within the proposed unit, no offset operator will be adversely affected by approval of this application.

Attachment 1 is a plat showing the proposed non-standard gas proration unit, and the wells that will be dedicated to the unit.

Attachment 2 is a plat showing the offset oil and gas proration units in the Jalmat Gas Pool.

Enclosed is a copy of the notice letter that has been sent to all offset operators. Attachment 3 is a list of such operators.

Upon approval of the application, Petrohawk Operating Company will file new Division Form C-102's for each of the wells within the unit, and for the reclassified State A A/C 2 Well No. 47, to which a standard 40-acre oil spacing and proration unit comprising Lot 3 (NE/4 NW/4) of Section 5 will now be dedicated.

In summary, Petrohawk Operating Company believes that approval of the application is in the best interest of conservation, prevention of waste and protection of correlative rights.

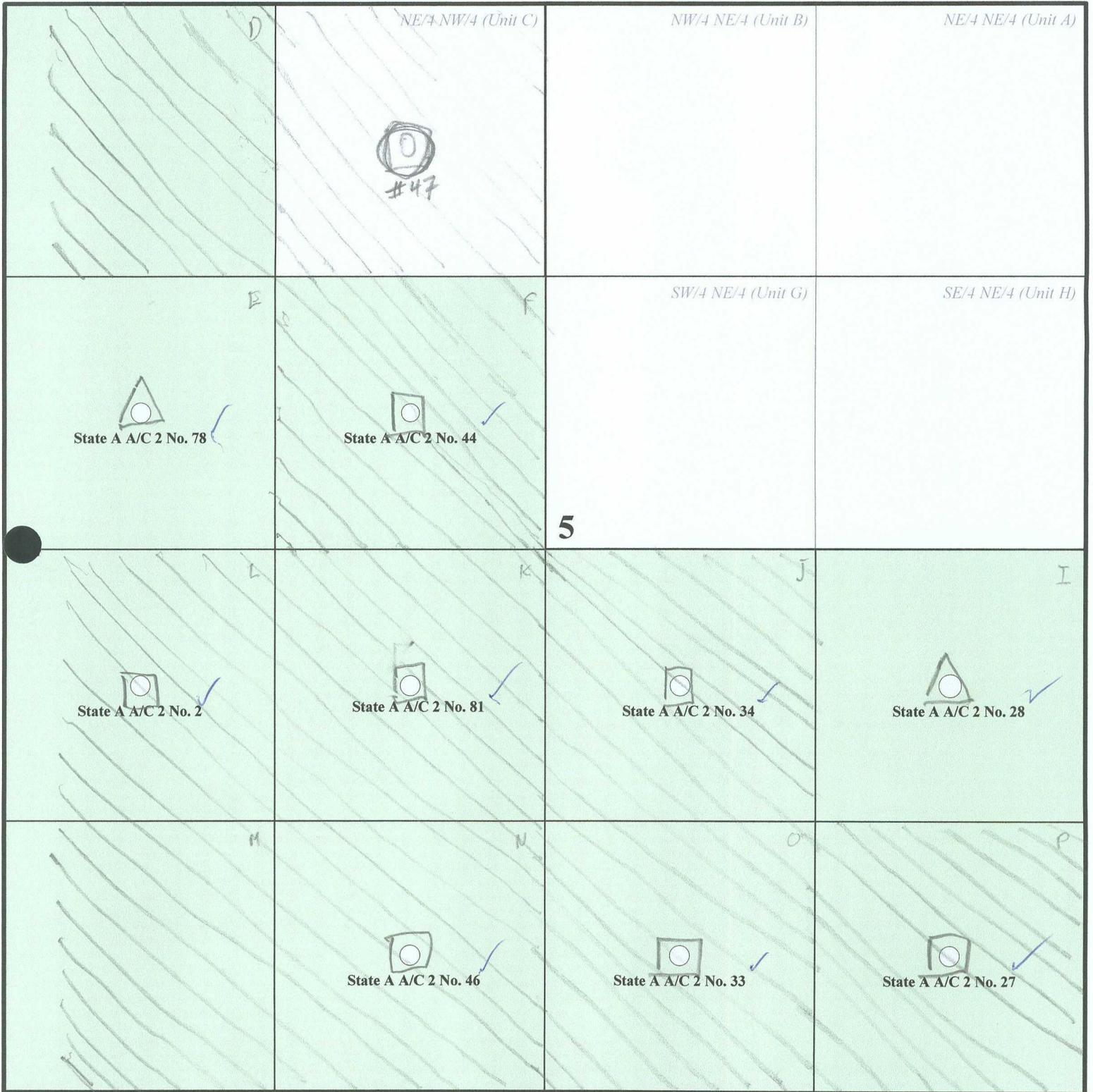
If you should have any questions, please call me at (505) 392-2236 or at (505) 390-2454.

Sincerely



Eddie Seay
Agent for Petrohawk Operating Company
601 W. Illinois
Hobbs, New Mexico 88242

Petrohawk Operating Company
 Proposed Non-Standard Gas Proration Unit
 Jalmat (Tansil-Yates-Seven Rivers) Pool



Section 5, Township 22 South, Range 36 East, NMPM

Attachment 1

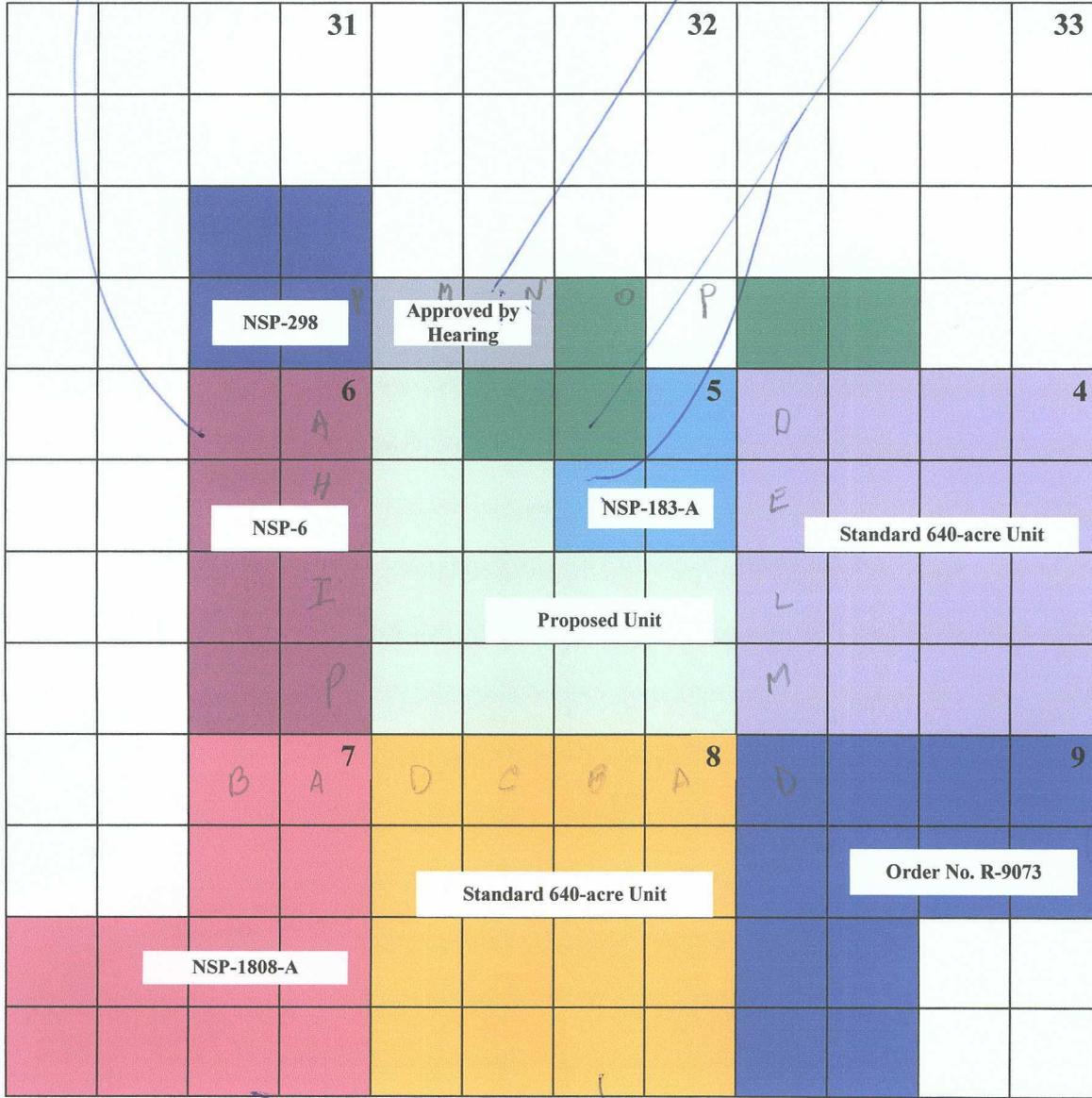
- Existing gas wells
- Re-classified as gas
- Re-classified as oil
- Existing G.P.U.

Duck Lake
Chesapeake
Petrohawk

R-36E

T-21S

T-22S



**Standard & Non-Standard Proration Units
 Offsetting the Proposed Non-Standard Gas Unit**



Indicates Standard 40-acre Oil Units

October 22, 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS AND/OR OFFSET OPERATORS

Re: Petrohawk Operating Company
Application for a Non-Standard Gas Proration Unit &
Simultaneous Dedication
Jalmat (Tansil-Yates-Seven Rivers) Pool
Section 5, T-22 South, R-36 East, NMPM,
Lea County, New Mexico

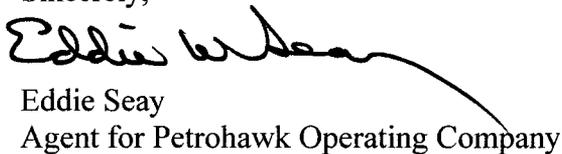
Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Petrohawk Operating Company to amend Division Order No. NSP-1636-B (L) (SD), to add and delete acreage within an existing 400.50-acre non-standard gas spacing and proration unit in the Jalmat (Tansil-Yates-Seven Rivers) Gas Pool. The proposed unit will contain 440.50-acres, more or less, and will comprise the NW/4 NW/4, S/2 NW/4 and S/2 of Section 5, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. The change in the gas proration unit is necessary due to the reclassification of certain wells within the unit from oil to gas and vice versa.

As the owner of an interest that may be affected by the proposed non-standard unit, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 390-2454.

Sincerely,


Eddie Seay
Agent for Petrohawk Operating Company

601 W. Illinois
Hobbs, New Mexico 88242

Enclosure

*Petrohawk Operating Company
Application to Amend Order No. NSP-1636-B (L) (SD)
Proposed Non-Standard Gas Proration Unit &
Simultaneous Dedication*

Offset Operator Notification List

Guadalupe Operating, Inc.
1407 Cuthbert Ave.
Midland, Texas 79701

Burgundy Oil & Gas of New Mexico, Inc.
401 W. Texas
Suite 1003
Midland, Texas 79701

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

Campbell & Hedrick
P.O. Box 401
Midland, Texas 79701

Chevron USA, Inc.
P.O. Box 4791
Houston, Texas 77210-4791

XTO Energy, Inc.
200 North Loraine
Suite 800
Midland, Texas 79701

Attachment 3

7007 0220 0001 1732 0941

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
MIDLAND TX 79701
OFFICIAL USE

Postage	\$	\$1.14
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.94



Sent To: **XTO Energy Inc.**
200 North Loraine, Ste. 800
Midland, TX 79701
PS Form 3800, August 2006 See Reverse for Instructions

7005 1820 0004 7482 8060

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
MIDLAND TX 79701
OFFICIAL USE

Postage	\$	\$0.97
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.77



Sent To: **Guadalupe Operating, Inc.**
1407 Cuthbert Ave.
Midland, TX 79701
PS Form 3800, June 2002 See Reverse for Instructions

7007 0220 0001 1731 7859

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
OKLAHOMA CITY OK 73154
OFFICIAL USE

Postage	\$	\$1.14
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.94



Sent To: **Chesapeake Operating, Inc.**
P.O. Box 18496
Oklahoma City, OK 73154-0496
PS Form 3800, August 2006 See Reverse for Instructions

7007 0220 0001 1732 0934

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
MIDLAND TX 79701
OFFICIAL USE

Postage	\$	\$1.14
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.94

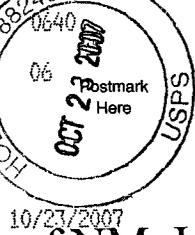


Sent To: **Campbell & Hedrick**
P.O. Box 401
Midland, TX 79701
PS Form 3800, August 2006 See Reverse for Instructions

7007 0220 0001 1732 0927

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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MIDLAND TX 79701
OFFICIAL USE

Postage	\$	\$1.31
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.11

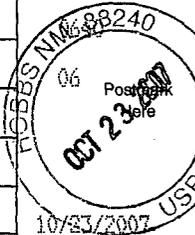


Sent To: **Burgundy Oil & Gas of NM, Inc.**
401 W. Texas, Ste. 1003
Midland, TX 79701
PS Form 3800, August 2006 See Reverse for Instructions

7007 0220 0001 1731 7866

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
HOUSTON TX 77210
OFFICIAL USE

Postage	\$	\$1.31
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.11



Sent To: **Chevron USA, Inc.**
P.O. Box 4791
Houston, TX 77210-4791
PS Form 3800, August 2006 See Reverse for Instructions

RECEIVED
2008 JAN 23 PM 2 04

January 15, 2008

NMOCD
ATTN: David K. Brooks
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Petrohawk Operating Co.
Application for Non Standard Unit and Simultaneous Dedication
Amendment Order NSP-1636-B (L) (SD)
Section 5, Tws. 22 S., Rng. 36 E. Lea County
Also:
Amendment Order NSP-1809 (L) (SD)
Section 3, Tws. 23 S., Rng. 36 E. Lea County

Mr. Brooks:

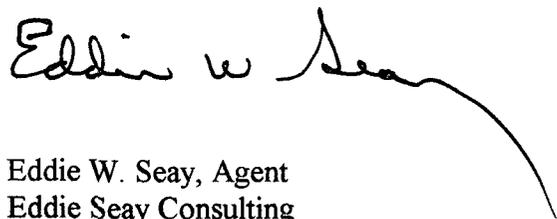
Find attached the supplement information for the above listed applications.

Also, the only working interest owner with Petrohawk is: Southwest Royalties, Inc. I have sent them copies of both applications through certified mail, as you requested.

I hope with the additional information, this will expedite the permit process.

Should you have any questions, please contact me. I appreciate your time in this project.

Sincerely,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

cc: Petrohawk Operating

U.S. Postal Service™
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For delivery information visit our website at www.usps.com

MIDLAND TX 79705 **OFFICIAL USE**

7007 0220 0001 1731 7941

Postage	\$	\$1.31
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.11

0640
11 Postmark
JAN 15 2008
Here

Sent To:
ATTN: Mr. Randy Howard
Street, Apt. No.,
or P.O. Box
6 Desta Drive, Suite 2100
City, State, ZIP+4
Midland TX 79705



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 2, 2008

Mr. Eddie Seay
601 W. Illinois
Hobbs, NM 88242

**Re: Petrohawk Operating Company
Application for Non-Standard Unit and Simultaneous Dedication
Amendment to Order NSP-1636-B(L)(SD)
Section 5-22S-36E**

Dear Mr. Seay:

I have before me the referenced application.

You state that all of Section 5 is included within two State leases: No. AO-0983 covering the W/2 and SE/4, and No. BO-1506 covering the NE/4. You further indicate that Lease No. AO-0983 is operated by Petrohawk. From division records, it appears that Petrohawk is also the operator the NE/4 of Section 5.

Pursuant to Rule 1210.A(2), if the applicant is the operator of a tract within the Section that is not included within the proposed non-standard unit, notice of the application is required to all working interest owners in the excluded tract unless (a) applicant owns 100% of the working interest, or (b) working interest ownership in the excluded tract is identical to working interest ownership in the proposed unit.

Please advise if exception (a) or (b) applies to the excluded acreage in Section 5. If not please furnish us with proof of notice to any working interest owners in the NE/4 of Section 5 other than Petrohawk.

Also, it is not clear from your recitation of the facts whether Petrohawk operates any of the Jalmat gas units offsetting the proposed unit other than in the NE/4 of Section 5. Please advise if this is, or is not, the case. If Petrohawk operates any of these offsetting units, notice to working interest owners in those units is required unless one of the exceptions noted above applies.

Copy

Supplement to Petrohawk Application to Amend Order NSP-1636-B(L)(SD)

Offsetting Jalmat Oil & Gas Proration Units

<u>No. of Acres</u>	<u>Description</u>	<u>Operator</u>
640 Acres	All of Section 4	XTO Energy, Inc.
40 Acres	SW/4 SW/4 Section 33	XTO Energy, Inc.
40 Acres	SE/4 SW/4 Section 33	XTO Energy, Inc.
120 Acres	E/2 NE/4, SW/4 NE/4 Section 5	Petrohawk Operating
40 Acres	NW/4 NE/4 Section 5	Petrohawk Operating
40 Acres	NE/4 NW/4 Section 5	Petrohawk Operating
40 Acres	SW/4 SE/4 Section 32	Chevron USA, Inc.
80 Acres	S/2 SW/4 Section 32	Chesapeake
160 Acres	SE/4 Section 31	Burgundy Oil & Gas
320 Acres	E/2 Section 6	Guadalupe Operating
480 Acres	E/2, SW/4 Section 7	Petrohawk Operating
640 Acres	All of Section 8	Petrohawk Operating
480 Acres	N/2, SW/4 Section 9	Petrohawk Operating

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> <i>Cindy Campbell</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Burgundy Oil & Gas of NM, Inc. 401 W. Texas, Ste. 1003 Midland, TX 79701	B. Received by (Printed Name) C. Date of Delivery <i>10/26</i>	
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article (Transf) 7007 0220 0001 1732 0927		
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> <i>Paty Edens</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: XTO Energy Inc. 200 North Loraine, Ste. 800 Midland, TX 79701	B. Received by (Printed Name) C. Date of Delivery <i>Paty Edens 10-26-07</i>	
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article (Transf) 7007 0220 0001 1732 0941		
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> <i>Kathryn McPherson</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Guadalupe Operating, Inc. 1407 Cuthbert Ave. Midland, TX 79701	B. Received by (Printed Name) C. Date of Delivery <i>Kathryn McPherson 10-29-07</i>	
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article (Trans) 7005 1820 0004 7482 8060		
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Campbell & Hedrick
P.O. Box 401
Midland, TX 79701

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 M. Stone Agent
 Addressee

B. Received by (Printed Name) *M. Stone* C. Date of Delivery *10/30*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article (Transfer) **7007 0220 0001 1732 0934**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154-0496

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 John Somers Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article No (Transfer) **7007 0220 0001 1731 7859**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA, Inc.
P.O. Box 4791
Houston, TX 77210-4791

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 M. Resner Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery *OCT 29 2007*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article (Transfer)

PS Form 595-02-M-1540

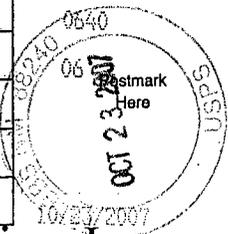
7005 1820 0004 7482 8060

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	\$0.97
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.77



Sent to: **Guadalupe Operating, Inc.**
Street, Apt. No., or PO Box No.: **1407 Cuthbert Ave.**
City, State, ZIP+4: **Midland, TX 79701**

PS Form 3800, June 2002 See Reverse for Instructions

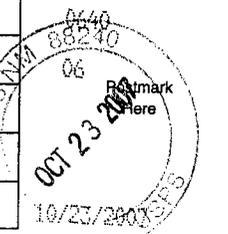
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OFFICIAL USE

Postage	\$	\$1.14
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.94



Sent to: **XTO Energy Inc.**
Street, Apt. No., or PO Box No.: **200 North Loraine, Ste. 800**
City, State, ZIP+4: **Midland, TX 79701**

PS Form 3800, August 2006 See Reverse for Instructions

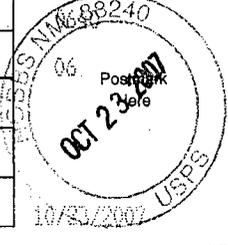
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Postage	\$	\$1.31
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.11



Sent to: **Chevron USA, Inc.**
Street, Apt. No., or PO Box No.: **PO Box 4791**
City, State, ZIP+4: **Houston, TX 77210-4791**

PS Form 3800, August 2006 See Reverse for Instructions

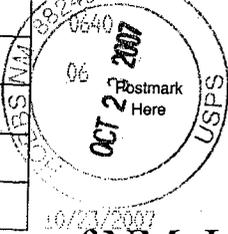
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OFFICIAL USE

Postage	\$	\$1.31
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.11



Sent to: **Burgundy Oil & Gas of NM, Inc.**
Street, Apt. No., or PO Box No.: **40 W. Texas, Ste. 1003**
City, State, ZIP+4: **Midland, TX 79701**

PS Form 3800, August 2006 See Reverse for Instructions

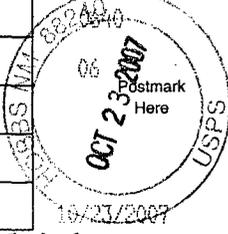
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Postage	\$	\$1.14
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.94



Sent to: **Campbell & Hedrick**
Street, Apt. No., or PO Box No.: **PO Box 401**
City, State, ZIP+4: **Midland, TX 79701**

PS Form 3800, August 2006 See Reverse for Instructions

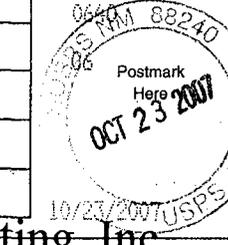
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For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	\$1.14
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.94



Sent to: **Chesapeake Operating, Inc.**
Street, Apt. No., or PO Box No.: **PO Box 18496**
City, State, ZIP+4: **Oklahoma City, OK 73154-0496**

PS Form 3800, August 2006 See Reverse for Instructions



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 2, 2008

Mr. Eddie Seay
601 W. Illinois
Hobbs, NM 88242

**Re: Petrohawk Operating Company
Application for Non-Standard Unit and Simultaneous Dedication
Amendment to Order NSP-1636-B(L)(SD)
Section 5-22S-36E**

Dear Mr. Seay:

I have before me the referenced application.

You state that all of Section 5 is included within two State leases: No. AO-0983 covering the W/2 and SE/4, and No. BO-1506 covering the NE/4. You further indicate that Lease No. AO-0983 is operated by Petrohawk. From division records, it appears that Petrohawk is also the operator the NE/4 of Section 5.

Pursuant to Rule 1210.A(2), if the applicant is the operator of a tract within the Section that is not included within the proposed non-standard unit, notice of the application is required to all working interest owners in the excluded tract unless (a) applicant owns 100% of the working interest, or (b) working interest ownership in the excluded tract is identical to working interest ownership in the proposed unit.

Please advise if exception (a) or (b) applies to the excluded acreage in Section 5. If not please furnish us with proof of notice to any working interest owners in the NE/4 of Section 5 other than Petrohawk.

Also, it is not clear from your recitation of the facts whether Petrohawk operates any of the Jalmat gas units offsetting the proposed unit other than in the NE/4 of Section 5. Please advise if this is, or is not, the case. If Petrohawk operates any of these offsetting units, notice to working interest owners in those units is required unless one of the exceptions noted above applies.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Legal Examiner

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected.

The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

14 Records Found

Displaying Screen 1 of 1

API Number	ULSTR	Footages
<input type="radio"/> 3002508817	A -7-22S-36E	660 FNL & 660 FEL
Well Name & Number: STATE A A/C 2 No. 005		
Operator: PETROHAWK OPERATING COMPANY		
<input type="radio"/> 3002508818	B -7-22S-36E	660 FNL & 1980 FEL
Well Name & Number: STATE A A/C 2 No. 006		
Operator: PETROHAWK OPERATING COMPANY		
<input type="radio"/> 3002508819	F -7-22S-36E	1650 FNL & 2310 FWL
Well Name & Number: STATE 157 B No. 002		
Operator: MIRAGE ENERGY INC		
<input type="radio"/> 3002508820	C -7-22S-36E	330 FNL & 2310 FWL
Well Name & Number: STATE 157 B No. 001		
Operator: MIRAGE ENERGY INC		
<input type="radio"/> 3002508821	P -7-22S-36E	660 FSL & 660 FEL
Well Name & Number: STATE A A/C 2 No. 008		
Operator: MISSION RESOURCES CORPORATION		
<input type="radio"/> 3002508822	G -7-22S-36E	1650 FNL & 2310 FEL
Well Name & Number: STATE A A/C 2 No. 009		
Operator: PETROHAWK OPERATING COMPANY		
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Well Name & Number: STATE A A/C 2 No. 011		
Operator: PETROHAWK OPERATING COMPANY		
<input type="radio"/> 3002508824	I -7-22S-36E	1980 FSL & 660 FEL
Well Name & Number: STATE A AC 2 No. 012		
Operator: CLAYTON WILLIAMS ENERGY INC		
<input type="radio"/> 3002508825	O -7-22S-36E	660 FSL & 1980 FEL
Well Name & Number: STATE A A/C 2 No. 019		
Operator: PETROHAWK OPERATING COMPANY		
<input type="radio"/> 3002508826	J -7-22S-36E	1980 FSL & 1980 FEL
Well Name & Number: STATE A A/C 2 No. 020		
Operator: PETROHAWK OPERATING COMPANY		
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Well Name & Number: STATE A A/C 2 No. 021		
Operator: RAPTOR RESOURCES INC		
<input type="radio"/> 3002508828	N -7-22S-36E	660 FSL & 2310 FWL
Well Name & Number: STATE A AC 2 No. 022		
Operator: CLAYTON W WILLIAMS JR		
<input type="radio"/> 3002525752	D -7-22S-36E	660 FNL & 990 FWL
Well Name & Number: STATE 157 B No. 003		



Operator: MIRAGE ENERGY INC

3002526602 E -7-22S-36E 1980 FNL & 855 FWL

Well Name & Number: PRE-ONGARD WELL No. 004

Operator: PRE-ONGARD WELL OPERATOR

14 Records Found

Displaying Screen 1 of 1

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