DATE IN 1/29/08

Brooks

1/24/08

MSL

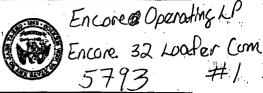
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ABOVE THIS LINE FOR DIVISION USE ONLY

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 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] IDHC-Downhole Commingling ICTB-Lease Commingling IPLC-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] Unable to Find Location - Spacing Unit - Simultaneous Dedication Property Name X NSL NSP SD Check One Only for [B] or [C] 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 SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. CERTIFICATION: I hereby certify that the information submitted with this application for administrative

[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.

An Burdett Witey

Signature

Kegulatany Manager

1/zg/0 d

awiley Centare Ocq. Com e-mail Address



777 Main Street Suite 1400 Fort Worth, Texas 76102 (817) 877-9955 fax: (817) 877-1655

January 25, 2008

New Mexico oil Conservation Division Attn: David Brooks 1220 South St. Francis Santa Fe, NM 87505

> Re: Request for Administrative Approval Of Non-Standard Location Encore "32" Loafer Com # 1 BHL 2310' FNL & 1980' FWL Sec. 32 T21S R23E Eddy County, NM

Dear Mr. Brooks:

Encore Operating, L.P. here by request NMOCD administrative approval for a non-standard location. With your approval we plan to produce the Encore "32" Loafer Com # 1 as a gas well in the Morrow Formation.

Base on statewide rules (320 acre proration unit for gas wells), the bottom hole location is a non-standard location, encroaching on an internal proration boundary. This is a directional well with the surface location selected as to minimize surface impact due to topographic relief and to best mitigate subsurface risks.

This is a communitized unit therefore no offset operator notice is necessary as this location encroaches only on an internal proration boundary.

Attached for your review is a C-102.

Sincerely

Ann Burdette Wiley

Regulatory Compliance Manager

Enclosure

Cc: Bryan Arrant - NMOCD Dist. II

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

DISTRICT III

DISTRICT IV

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

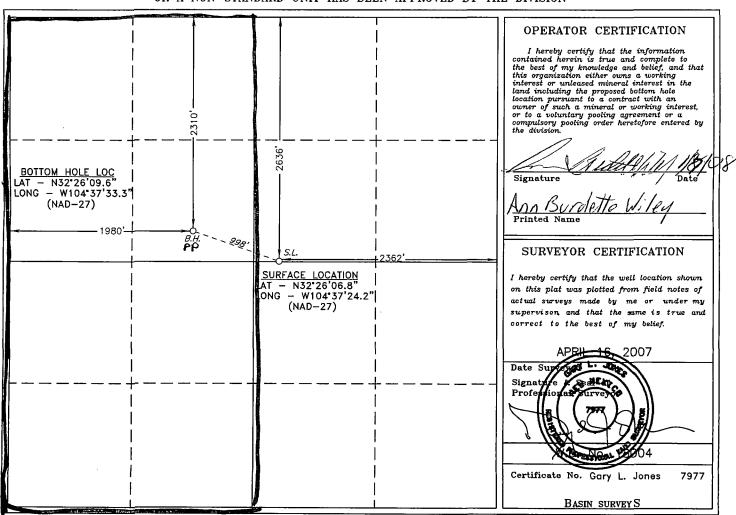
OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name API Number Pool Code Louter Draw Marrow. SE Property Code Well Number "32" LOAFER COM 1 ENCORE Operator Name Elevation OGRID No. 4063 ENCORE OPERATING, L.P. Surface Location UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County G 32 21 S 23 E 2636 NORTH 2362 **FAST EDDY** Bottom Hole Location If Different From Surface UL or lot No. Lot Idn Feet from the North/South line East/West line Section Township Range Feet from the County 32 21 S 23 E 2310 **NORTH** 1980 **WEST EDDY** Joint or Infill Consolidation Code Dedicated Acres Order No.

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



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.

4 Records Found

Displaying Screen 1 of 1

API Number ULSTR **Footages** Upper Penn Upper Penn Morrow Morrow 1650 FSL & 1650 FEL 3001510723 J-32-21S-23E Well Name & Number: NEW MEXICO DF STATE COM No. 001 Operator: CHEVRON U S A INC 3001529284 2000 FNL & 1650 FEL G -32-21S-23E Well Name & Number: NEW MEXICO DF STATE COM No. 003 Operator: CHEVRON US A INC 2310 FSL & 1650 FEL 3001531853 J-32-21S-23E Well Name & Number: NEW MEXICO DF STATE COM No. 004 Operator: CHEVRON US A INC 2636 FNL & 2362 FEL 3001536075 G -32-21S-23E Well Name & Number: ENCORE 32 LOAFER COM No. 001

4 Records Found

Operator: ENCORE OPERATING LP

Displaying Screen 1 of 1

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