

NSL-012. N15
EnergyPro, Inc.

3003 Dawn Drive

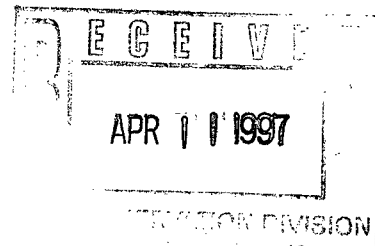
Suite 104

Georgetown, Texas 78628

Phone: (512) 869-7971 FAX: (512) 869-8543

April 10, 1997

Mr. Michael E. Stogner
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



RE: Petroleum Development Corporation
Warren State No. 1 Well
Section 35, T15S, R37E
Lea County, New Mexico

Dear Mr. Stogner:

Enclosed please find two copies of a land plat for the proposed well showing the various leases affected by the well. Also, included are copies of a geological discussion and Devonian structure map for the proposed well and the South Denton Field.

I hope this data will be sufficient for your needs in granting the drilling permit for the well. Thanks very much for your assistance with this matter.

Sincerely,

ENERGYPRO, INC.

Don C. Pfister
Don C. Pfister
President

R 37 E

Santa Fe Ener.
V-4638

H.E. Yates et al.
V-4724

Petroleum Development Corp.
VA-964

EnergyPro
VA-965

1-NEW MEXICO "M"
-9261

T
15
S

1-WARREN STATE

1-KELLY STATE
-9078

1-STATE SDA
-9183

35

36

5

4

1-HUBER STATE
-9098

EnergyPro
VA-967

2-TEKELL STATE
-9133

EnergyPro
VA-966

2-GULF STATE
-9267

T
16
S

Yates et al.
V-4660

R 38 E

Petroleum Development Corporation
Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD
LEA COUNTY, NEW MEXICO
LEASE PLAT

Date: 4-10-97

C.I.:

Scale: 1" = 500'

Petroleum Development Corporation

Warren-State No. 1

1295' FSL & 880' FEL of Section 35, T15S, R37E

Geological Discussion

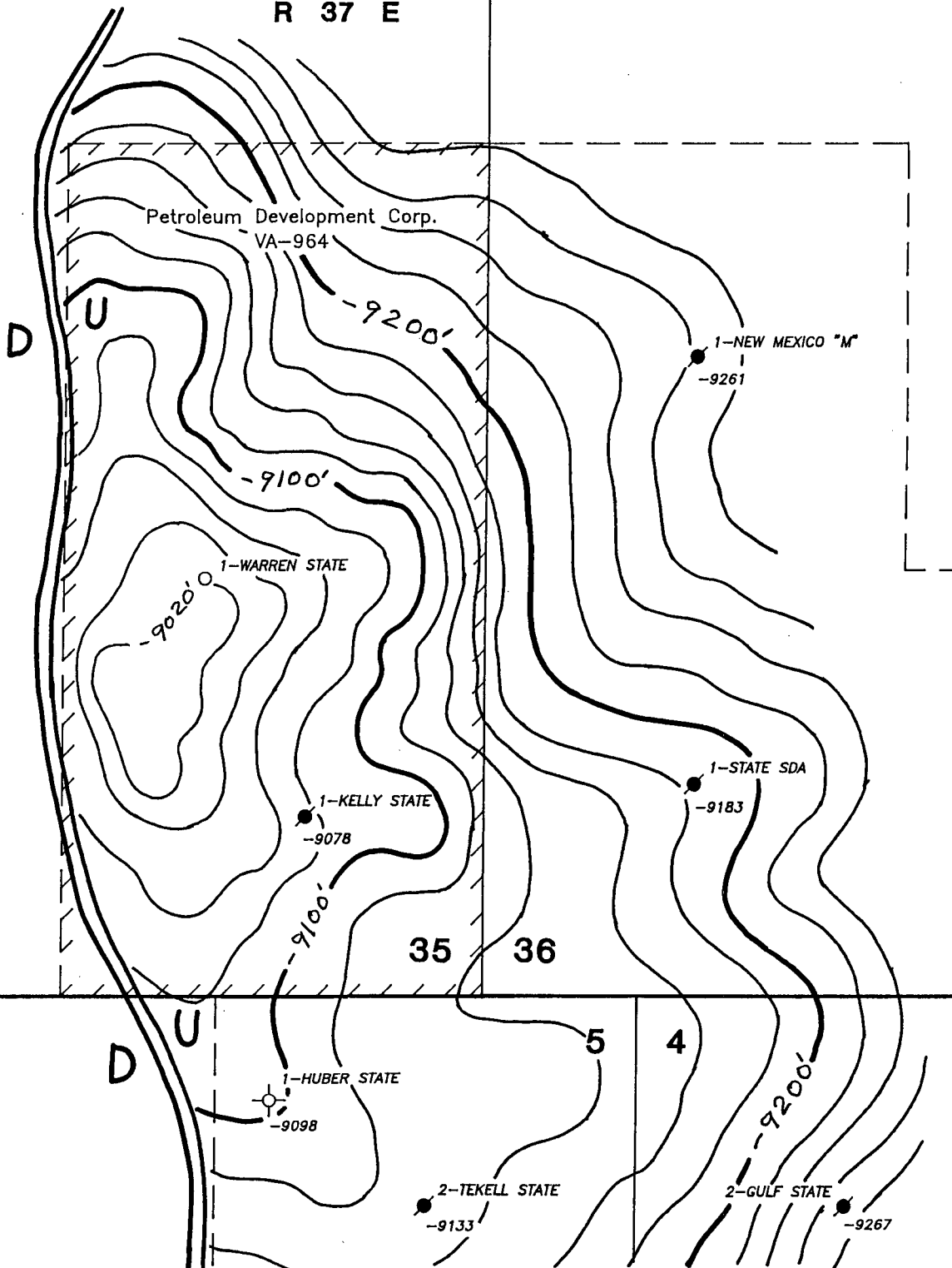
Abandoned fields throughout southeastern New Mexico undoubtedly still hold millions of barrels of unrecovered reserves. In order to produce these reserves in an economic and prudent manner, it is necessary to drill additional infield wells at locations that are geologically correct without regard to the existing surface boundaries whenever possible. To do otherwise will result in very little bypassed oil being recovered because, in most cases, the optimum locations chosen due to surface lease constraints have already been drilled by wells that are now abandoned.

The South Denton Field produced in excess of 3.7MM barrels of oil from 1955 through 1990 from the Devonian formation. Detailed examination of the production from the field's wells indicates that there remains the potential to produce a large volume of unrecovered reserves from the abandoned field. Proper placement of new wells in the field should result in these additional reserves being produced. The Warren-State No. 1 location was chosen in an effort to drill the well in the best geological position without regard for existing section or lease lines. It is believed that drilling the well at a "regular" location will not optimize the total oil reserves that the well would otherwise recover.

The most prolific producer in the field was the Signal Petroleum Kelly-State No. 1 located approximately 550' FSL & 500' FEL of Section 35, T15S, R37E (800' southeast from the proposed Warren-State No. 1 location). This well produced in excess of 1.5MM barrels of oil and 15MM barrels of salt water. The proposed Warren-State No. 1 location was chosen in order to optimize the production of oil and minimize the effects of water coning from plugged wells in the common pool. The Warren-State No. 1 location (as shown on the attached Devonian structure map) is approximately 58' higher than the Kelly-State No. 1 well on the Devonian structure. The proposed location should allow the production of a fairly large volume of unrecovered reserves that otherwise would not be produced from the common Devonian pool. Although the structure map shows a fairly large area to the northeast of the Kelly-State No. 1 to be structurally higher, placing the Warren-State No. 1 location at least 800' from the Kelly-State No. 1 should delay and possibly deter water coning effects that were present when the Kelly-State No. 1 was abandoned in 1990.

R 37 E

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Petroleum Development Corporation
Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD
LEA COUNTY, NEW MEXICO
STRUCTURE MAP
TOP DEVONIAN

Date: 4-10-97

C.I.: 20'

Scale: 1" = 500'

Petroleum Development Corporation

Warren-State No. 1

1295' FSL & 880' FEL of Section 35, T15S, R37E

Geological Discussion

Abandoned fields throughout southeastern New Mexico undoubtedly still hold millions of barrels of unrecovered reserves. In order to produce these reserves in an economic and prudent manner, it is necessary to drill additional infield wells at locations that are geologically correct without regard to the existing surface boundaries whenever possible. To do otherwise will result in very little bypassed oil being recovered because, in most cases, the optimum locations chosen due to surface lease constraints have already been drilled by wells that are now abandoned.

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2-GULF STATE
-9267

Yates et al.
V-4660

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R 38 E

Petroleum Development Corporation

Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD

LEA COUNTY, NEW MEXICO

LEASE PLAT

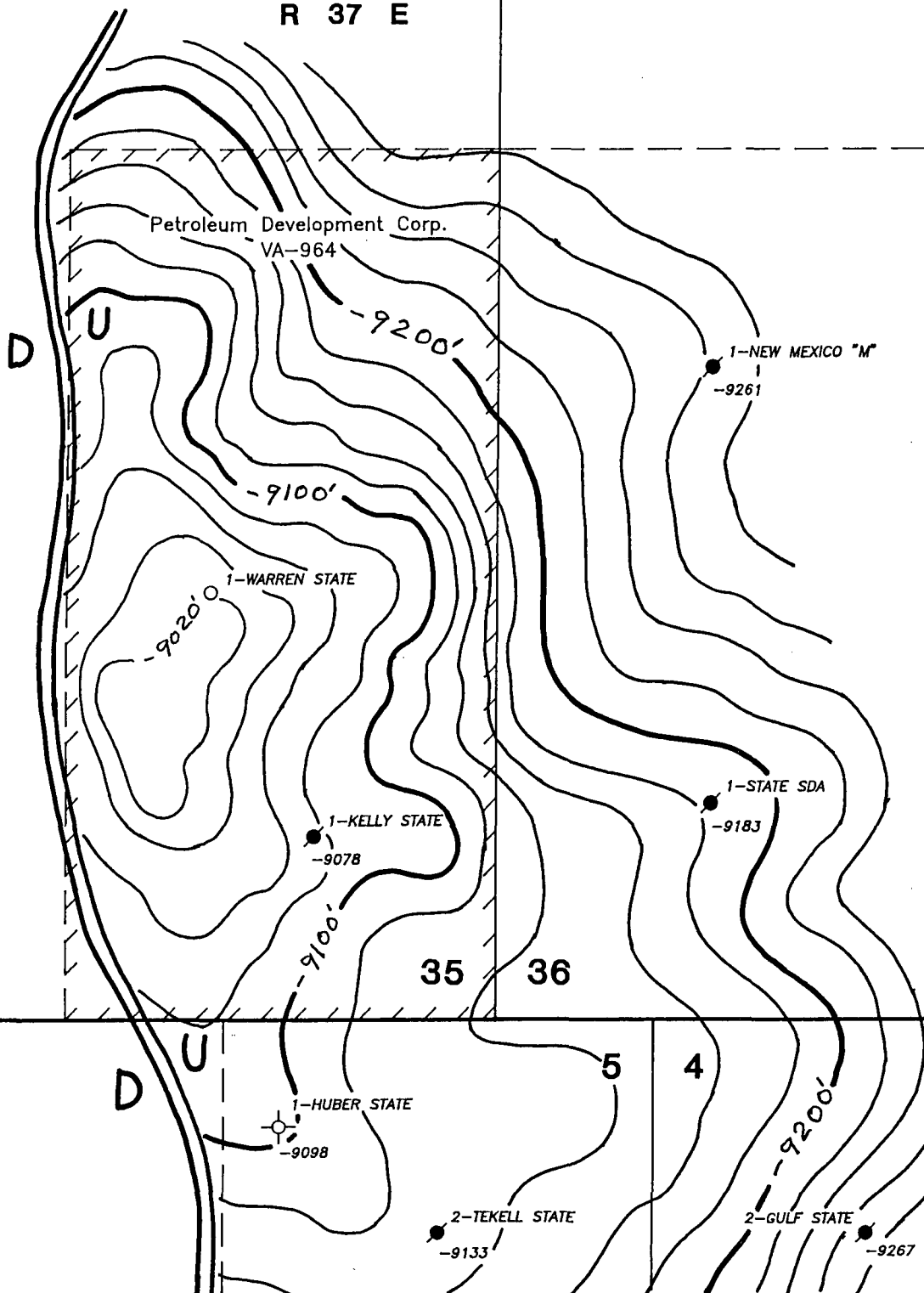
Date: 4-10-97

C.I.:

Scale: 1" = 500'

R 37 E

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R 38 E

Petroleum Development Corporation

Albuquerque, New Mexico

DENTON DEVONIAN, SOUTH FIELD

LEA COUNTY, NEW MEXICO

STRUCTURE MAP
TOP DEVONIAN

Date: 4-10-97

C.I.: 20'

Scale: 1" = 500'

NSL 3/3/97

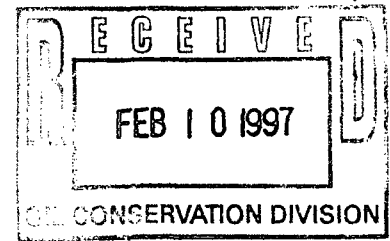
EnergyPro, Inc.

3003 Dawn Drive

Suite 104

Georgetown, Texas 78628

Phone: (512) 869-7971 FAX: (512) 869-8543



February 5, 1997

Mr. Michael Stogner
State of New Mexico
Oil conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: Petroleum Development Corporation
Warren-State No. 1 Well
South Denton Field
Lea County, New Mexico

Dear Mr. Stogner:

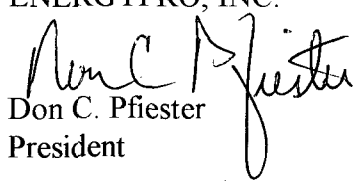
EnergyPro, Inc. is acting as agent for Petroleum Development Corporation in the acquisition of a drilling permit for the referenced well. Enclosed please find the pertinent forms relating to the drilling permit for a non-standard location for well. The well is being drilled in a non-standard location due to geological reasons that hopefully will re-establish production from South Denton field which has not produced for several years.

EnergyPro, Inc. and Yates Petroleum Corporation are the only lease owners offsetting the drilling location. Enclosed is a waiver letter for EnergyPro, Inc. We have sent a waiver letter to Yates Petroleum Corporation which we fully expect to be signed in the near future. We will forward same to you as soon as we receive it back from Yates Petroleum.

We appreciate your assistance in providing the drilling permit.

Sincerely,

ENERGYPRO, INC.


Don C. Pfister
President

Waiver of Protest to a Non-Standard Drilling Location

EnergyPro, Inc., 3003 Dawn Drive, Ste. 104, Georgetown, Texas, 78628, as owner to an oil and gas lease offsetting the proposed well as described below hereby waves any and all rights of protest to the drilling and completion of the referenced well.

Operator: Petroleum Development Corporation

Well Name: Warren-State No. 1

Location: 1295' FSL & 880' FEL of SE/SE Section 35, T15S, R37E
Lea County, NM

By: Ann C. Pfeister

Name: _____

Title: _____

Date: _____

Waiver of Protest to a Non-Standard Drilling Location

Yates Petroleum Corporation, 1053 4th Street, Artesia, NM, 88210, as owner to an oil and gas lease offsetting the proposed well as described below hereby waves any and all rights of protest to the drilling and completion of the referenced well.

Operator: Petroleum Development Corporation
Well Name: Warren-State No. 1
Location: 1295' FSL & 880' FEL of SE/SE Section 35, T15S, R37E
 Lea County, NM

By: _____

Name: _____

Title: _____

Date: _____

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Petroleum Development Corporation 9720-B Candelaria, N.E. Albuquerque, NM 87112		OGRID Number
		API Number 30 - 0
Property Code	Property Name Warren-State	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	15 S	37 E		1295	South	880	East	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Denton, South					Proposed Pool 2				

Work Type Code	Well Type Code	Cable/Rotary	Lease Type Code	Ground Level Elevation
N	O	R	S	3759
Multiple	Proposed Depth	Formation	Contractor	Spud Date
N	13,300	Devonian	--	3/01/97

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48	370'	400	Surface
12-1/4	9-5/8	36	5000'	1555	Surface
8-3/4	7	23/26	13300'	640	7800'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill well utilizing hole sizes & casings as shown above. Logs will be run to total depth & production casing set or well plugged as required. Specific BOP system is not yet known, but adequate protection equipment including minimum 5000 psi hydraulic rams, 5000 psi Hydril, 5000 psi choke manifold & connections will be provided.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Don C. Pfeister

Title: Agent

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
			Denton, South	
Property Code	Property Name			Well Number
	WARREN STATE			1
OGRID No.	Operator Name			Elevation
	PETROLEUM DEVELOPMENT CORP.			3759'

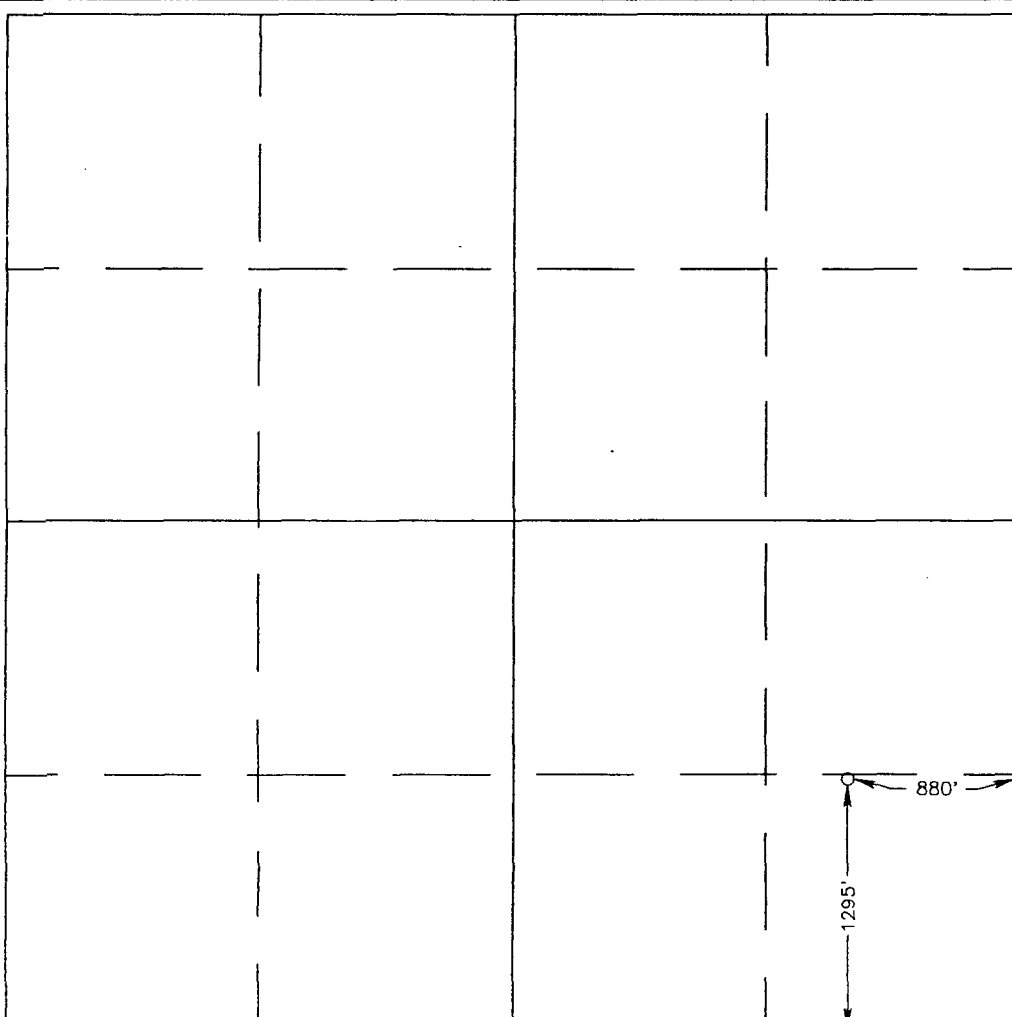

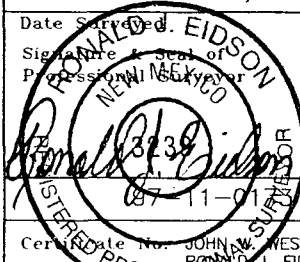
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	15 S	37 E		1295	SOUTH	880	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	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

	<div style="border: 1px solid black; padding: 5px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <div style="margin-bottom: 10px;">  <div style="display: flex; justify-content: space-between;"> Signature </div> </div> <div style="margin-bottom: 10px;"> <div style="display: flex; justify-content: space-between;"> Printed Name </div> <div style="text-align: center;">Don C. Efiester</div> </div> <div style="margin-bottom: 10px;"> <div style="display: flex; justify-content: space-between;"> Title </div> <div style="text-align: center;">Agent</div> </div> <div style="margin-bottom: 10px;"> <div style="display: flex; justify-content: space-between;"> Date </div> <div style="text-align: center;">2/05/97</div> </div> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">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 belief.</p> <div style="margin-top: 10px;"> <div style="display: flex; justify-content: space-between;"> Date Surveyed JANUARY 29, 1997 </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> Signature & Seal of Professional Surveyor CDG </div> <div style="text-align: center; margin-top: 10px;">  </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> Certificate No. JOHN W. WEST </div> <div style="display: flex; justify-content: space-between;"> RONALD J. EIDSON 676 </div> <div style="display: flex; justify-content: space-between;"> GARY EIDSON 3239 </div> <div style="display: flex; justify-content: space-between;"> 12641 </div> </div> </div>
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EnergyPro, Inc.

3003 Dawn Drive

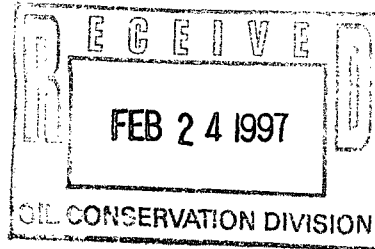
Suite 104

Georgetown, Texas 78628

Phone: (512) 869-7971 FAX: (512) 869-8543

February 19, 1997

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505



RE: Petroleum Development Corporation
Warren-State No. 1 Well Drilling Permit
South Denton Field
Lea County, New Mexico

Dear Mr. Stogner:

Enclosed please find a signed Waiver of Protest to a Non-Standard Drilling Location from Yates Petroleum pertaining to the referenced drilling permit. Since Yates Petroleum is the only offset operator that had not previously signed a waiver, this waiver should suffice as far as obtaining waivers for all offsetting operators.

We would appreciate the permit being issued at your earliest convenience.

Sincerely,

ENERGYPRO, INC.

Don C. Pfister
Don C. Pfister
President

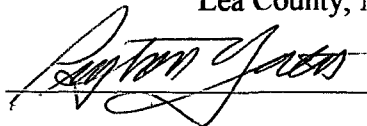
cc: District 1 Office
Mr. Jim Johnson, Jr.
Petroleum Development Corporation

Waiver of Protest to a Non-Standard Drilling Location

Yates Petroleum Corporation, 1053 4th Street, Artesia, NM, 88210, as owner to an oil and gas lease offsetting the proposed well as described below hereby waves any and all rights of protest to the drilling and completion of the referenced well.

Operator: Petroleum Development Corporation
Well Name: Warren-State No. 1
Location: 1295' FSL & 880' FEL of SE/SE Section 35, T15S, R37E
Lea County, NM

By:

 *Peyton Yates*

Name: Peyton Yates

Title: Attorney-in-Fact

Date: 2-12-97



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 7, 1997

EnergyPro, Inc.
3003 Dawn Drive - Suite 104
Georgetown, Texas 78628

Attention: Don C. Pfiester
President

Re: Application on behalf of Petroleum Development Corporation for administrative approval to drill the Warren State Well No. 1 at an unorthodox oil well location 1295 feet from the South line and 880 feet from the East line (Unit P) of Section 35, Township 15 South, Range 37 East, NMPM, to test the South Denton-Devonian Pool, Lea County, New Mexico.

Dear Mr. Pfiester:

Please supplement the subject application with the required geological information, see Division General Rule 104.F(3). Also submit a land plat outlining Petroleum Developments Warren State lease. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
William J. LeMay, Director - OCD, Santa Fe

COUNTY *Lea*

POOL *South Denton-Devonian*

TOWNSHIP 15-South

RANGE 37-East

NMPM

Description: $\frac{5}{8}$ " Sec. 35; $\frac{5}{8}$ " Sec. 36, (R-745, 7-20-56)

CMD : .
OG5SECT .

ONGARD
INQUIRE LAND BY SECTION

04/16/97 02:03:29
OGOMES -EMD7
PAGE NO: 2

Sec : 35 Twp : 15S Rng : 37E Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
MI	MI	MI	MI
V04724 09/00	V04724 09/00	V04724 09/00	VA0964 07/98
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	ENERGYPRO, INC.
M	N	O	P
40.00	40.00	40.00	40.00
MI	MI	MI	MI
V04724 09/00	V04724 09/00	V04724 09/00	VA0964 07/98
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	ENERGYPRO, INC.

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD : .
OG5SECT -

ONGARD
INQUIRE LAND BY SECTION

04/16/97 02:03:23
OGOMES -EMD7
PAGE NO: 1

Sec : 35 Twp : 15S Rng : 37E Section Type : NORMAL

D 40.00 Fee owned	C 40.00 Fee owned	B 40.00 Fee owned	A 40.00 Fee owned
E 40.00 MI V04724 09/00 YATES PETROLEUM C	F 40.00 MI V04724 09/00 YATES PETROLEUM C	G 40.00 MI V04724 09/00 YATES PETROLEUM C	H 40.00 MI V04724 09/00 YATES PETROLEUM C

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

NSL-3786A



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

9/10/99

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL X _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Petroleum Development Corp Warren State # 1.P-35-15s-37e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

None.

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed