

DATE IN 4-25-11	SUSPENSE	ENGINEER DB	LOGGED IN 4/25/11	TYPE NSL	APP NO. 1111544531
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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



PTG-W
OGX 217955
Cottonmouth 24 Fed Comm#1

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-38507

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

6375

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

Print or Type Name

James Bruce

Signature

Attorney

Title

4/25/11

Date

jamesbruce@aol.com

e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

April 25, 2011

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

Dear Ms. Bailey:

Pursuant to Division Rule 104.F(2), OGX Resources LLC applies for approval of an unorthodox oil well location for the following well:

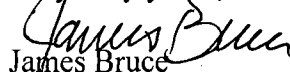
<u>Well:</u>	Cottonmouth 24 Fed. Com. Well No. 1
<u>Surface location:</u>	105 feet FSL & 745 feet FWL §24
<u>Bottom hole location:</u>	990 feet FSL & 330 feet FWL §23
<u>Well Unit:</u>	SW¼SW¼ §24 and S½S½ §23-26S-28E, Eddy County, New Mexico

The well is a horizontal well which will be drilled to a depth sufficient to test the Bone Spring formation. The pool is developed on statewide rules providing for 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A. The penetration point in the Bone Spring is the same as the surface location.

The surface location is unorthodox because the BLM (the surface owner) required the well to be placed at the proposed location to minimize the length of road to be built to the wellsite and to avoid arroyos further north of the location.

A land plat and list of affected offsets is attached as Exhibit C. Notice of this application was mailed to the offsets, as indicated on Exhibit D.

Very truly yours,


James Bruce

Attorney for OGX Resources LLC

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name <i>Bone Spring</i>
Property Code	Property Name COTTONMOUTH "24" FEDERAL COM	Well Number 1H
OGRID No.	Operator Name OGX RESOURCES, LLC	Elevation 2961'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	24	26 S	28 E		105	SOUTH	745	WEST	EDDY

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
M	23	26 S	28 E		990	SOUTH	330	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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 belief.

NOVEMBER 11, 2009
NEW MEXICO
Signature & Seal of Professional Surveyor
W. J. JONES
7977

PROPOSED BOTTOM HOLE LOCATION

Lat - N 32°01'24.32"
Long - W 104°03'56.99"
NMSPC - E 624238.392
(NAD-83)

PROPOSED BOTTOM HOLE LOCATION

Lat - N 32°01'23.87"
Long - W 104°03'55.25"
NMSPC - E 583053.308
(NAD-27)

SCALE 1"=2000'

SURFACE LOCATION

Lat - N 32°01'16.28"
Long - W 104°02'50.14"
NMSPC - E 629996.627
(NAD-83)

SURFACE LOCATION

Lat - N 32°01'15.83"
Long - W 104°02'48.39"
NMSPC - E 588811.367
(NAD-27)

2962.2' 2957.4'

2978.8' 2947.1'

S.L.

EXHIBIT

A



COTTONMOUTH "24" FEDERAL COM #1H
Located 105' FSL and 745' FWL
Section 24, Township 26 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 23683

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND



OGX
RESOURCES,
LLC

Offset Operators to the Cottonmouth "24" Federal Com #1H Well

SHL: 745' FWL and 105' FSL Sec. 24, BHL: 990' FSL and 330' FWL Sec. 23, T-26-S, R-28-E, N.M.P.M., Eddy

Chesapeake Exploration L.L.C.

P.O. Box 18496

Oklahoma City, OK 73154

COG Operating LLC

550 West Texas, Ste. 100

Midland, Texas 79701

OXY USA Inc.

P.O. Box 4294

Houston, Texas 77046

Occidental Permian Limited Partnership

P.O. Box 4294

Houston, Texas 77046

EXHIBIT

C

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

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jamesbruce@aol.com

April 25, 2011

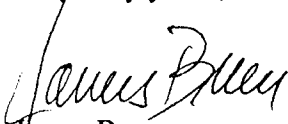
Certified Mail - Return Receipt Requested

To: Persons On Exhibit 1

Ladies and gentlemen:

OGX Resources LLC has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, §24 and S $\frac{1}{2}$ S $\frac{1}{2}$ §23, Township 26 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You offset the well. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for OGX Resources LLC

EXHIBIT D

Offset Operators to the Cottonmouth "24" Federal Com #1H Well

SHL: 745' FWL and 105' FSL Sec. 24, BHL: 990' FSL and 330' FWL Sec. 23, T-26-S, R-28-E, N.M.P.M., Eddy

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EXHIBIT

1