

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ 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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

April 12, 2001

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

Dear Mr. Stogner:

Southwestern Energy Production Company applies for administrative approval of an unorthodox gas well location for the following well:

Well: Empire Deep 29 Well No. 1
Location: 540 feet FNL & 370 feet FWL
Unit: N $\frac{1}{4}$ of Section 29, Township 17 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico

The well will be drilled to test the Morrow formation (Undesignated South Empire-Morrow Gas Pool). Well locations and spacing in the pool are based on statewide rules. A Form C-102 for the well is being prepared and will be submitted later.

The application is based on both topographic and geologic reasons. Applicant's original location was at an orthodox location 660 feet FNL and FWL, based on geologic reasons. However, that location is on a state highway. See the topographic plat attached as Exhibit A. Applicant tried to move the well slightly to the north and to the south, but gas pipelines near those locations required the well to be moved to the west, to the requested unorthodox location. This location will also enable applicant to use existing roads to reach its wellsite (the surface is federally-owned).

Attached as Exhibit B is an isopach/production plat of the Middle Morrow zone, which is the primary zone of interest. Based on well control, the sand thins as you move south and east from the original location, so the well must be in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29. The proposed location will give the well approximately 17 feet of sand, which is equivalent to the nearest commercial well in the S $\frac{1}{2}$ of Section 30, highlighted on the plat. Wells which have less than 17 feet of sand, noted on the plat, have been non-commercial. Thus, sand thickness must be maximized.

The offset operators or lessees, as to the Morrow formation, are as follows:

<u>Well Unit</u>	<u>Operator</u>
S½ Section 19	Chase Oil Corporation
W½ Section 20	Mewbourne Oil Company
NE¼ Section 30	Chase Oil Corporation
NW¼ Section 30	Conoco Inc.

Notice has been given to the offsets, as shown on the attached Exhibit C.

Please call me if you need any further information on this matter.

Very truly yours,

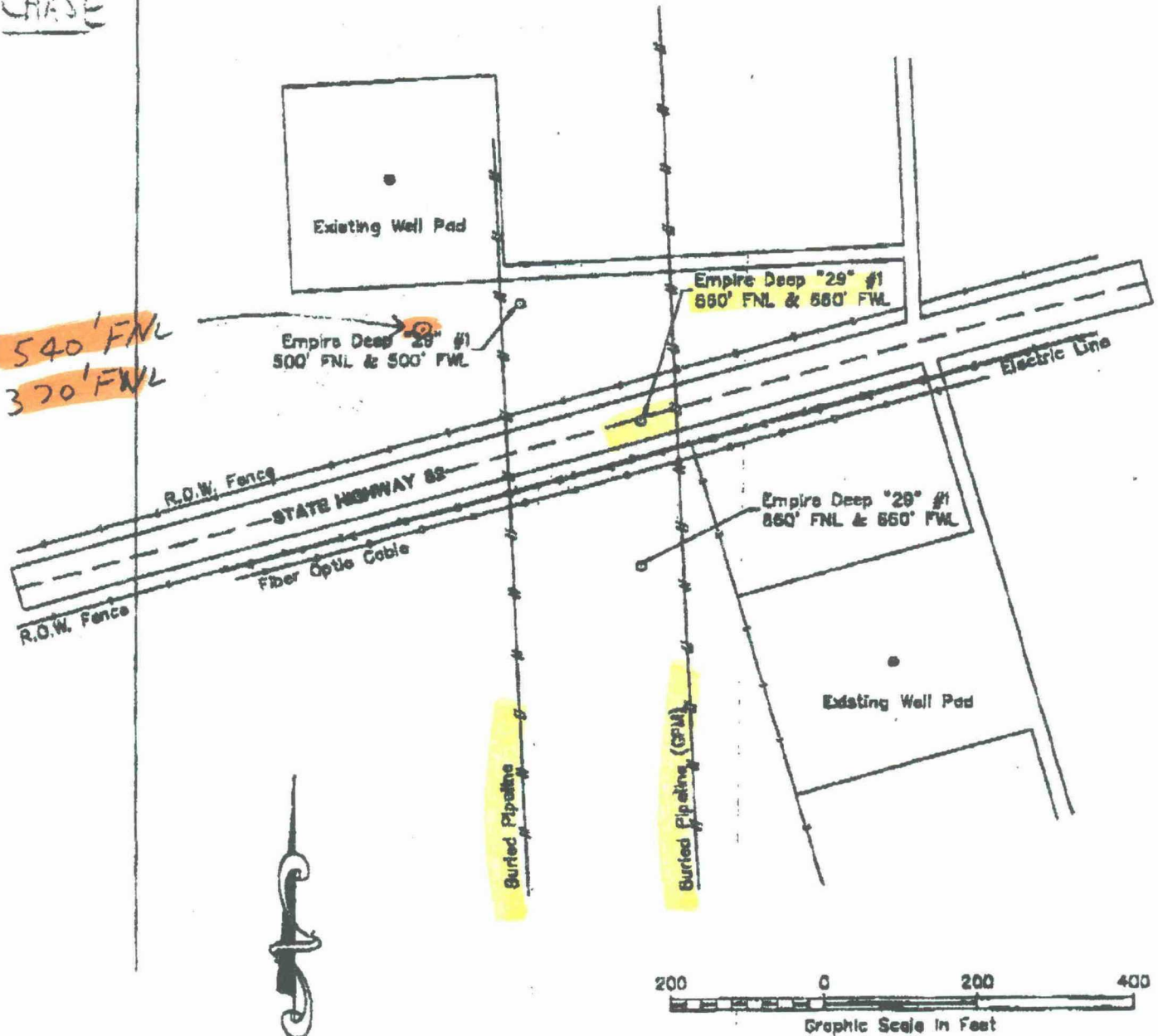


James Bruce

Attorney for Southwestern
Energy Production Company

CHASE 19 20
30 29
CHASE

MPWBOUANE T-17-S, R-29-E
N.M.P.M.
EDDY COUNTY, NEW MEXICO



WEST COMPANY
of Midland, Inc.
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701

SOUTHWESTERN ENERGY PRODUCTION CORP.

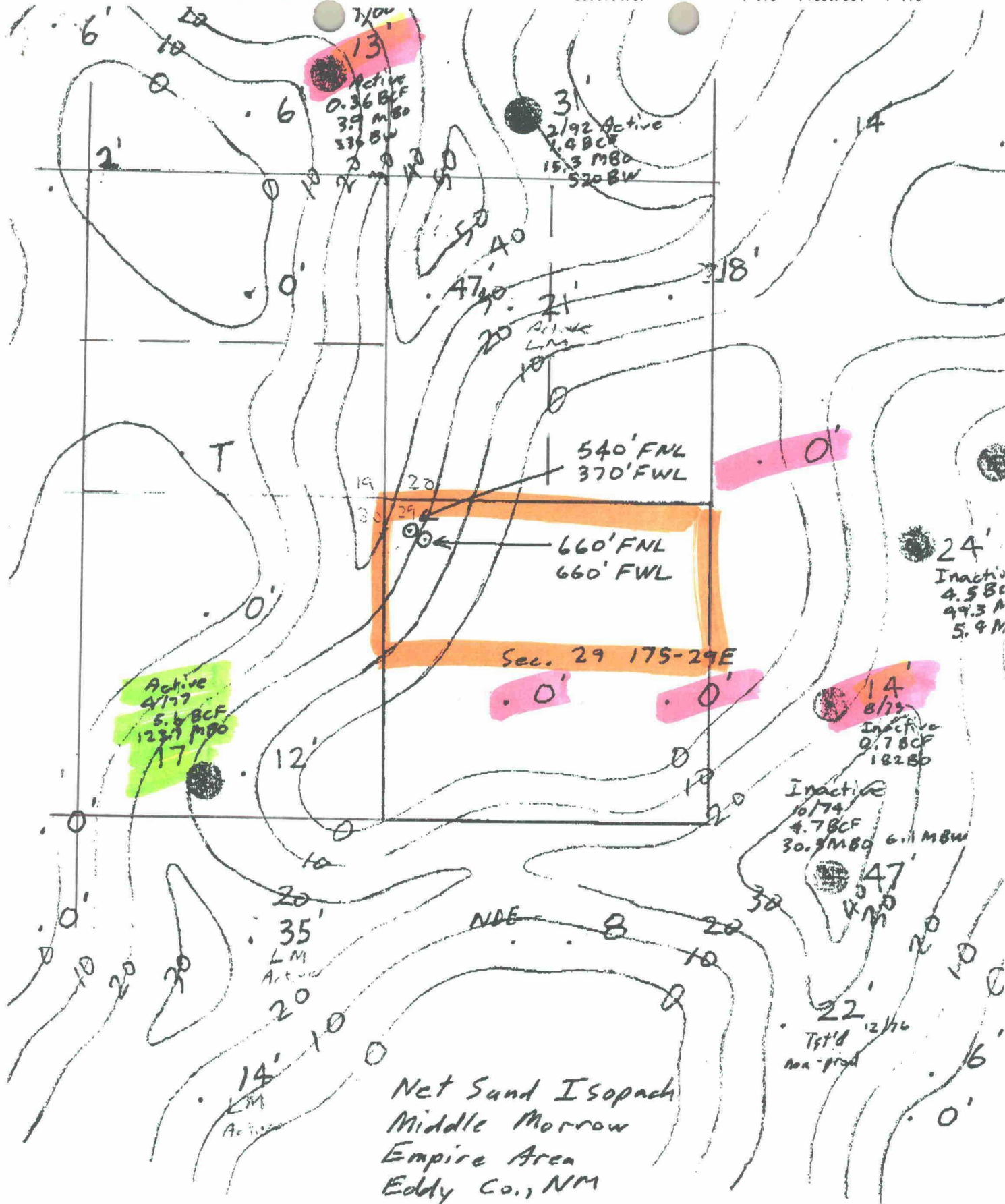
Surface Conditions Surrounding the
EMPIRE DEEP '29' #1

Located in
Section 29, T-17-S, R-29-E
N.M.P.M.
Eddy County, New Mexico

EXHIBIT

A

Running No. 500



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

April 12, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

Chase Oil Corporation
P.O. Box 960
Artesia, New Mexico 88211

Conoco Inc.
Suite 100W
10 Desta Drive
Midland, Texas 79705

Gentlemen:

Enclosed is a copy of an application for an unorthodox gas well location, filed with the New Mexico Oil Conservation Division by Southwestern Energy Production Company, regarding a well in the NW of Section 29, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. If you object to the location, you must notify the Division in writing no later than Wednesday, May 2, 2001. 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 Southwestern
Energy Production Company



JAMES BRUCE

ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

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APR 25 2001

April 23, 2001

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

Re: Empire Deep 29 Well No. 1
540 feet FNL & 370 feet FWL
N½ of Section 29, Township 17 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico

Southwestern Energy Production Company/application for
administrative approval of an unorthodox gas well
location

Dear Mr. Stogner:

Enclosed is a Form C-102 for the above well.

Very truly yours,



James Bruce

Attorney for Southwestern
Energy Production Company

ADDRESS 1

1821 N. French Dr., Hobbs, NM 88240

ADDRESS 2

P.O. Drawer 28, Artesia, NM 88211-0718

ADDRESS 3

1000 E. Truman Rd., Artesia, NM 87410

ADDRESS 4

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

Revised August 18, 2000
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name EMPIRE DEEP "29" FED.	Well Number 1
OWNER No.	Operator Name SOUTHWESTERN ENERGY PRODUCTION CO.	Elevation 3623

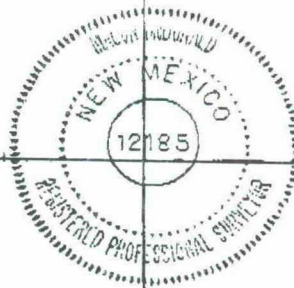
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	17 S	29 E		540	NORTH	370	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
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

**OPERATOR CERTIFICATION**

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

Signature

Printed Name

Title

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 belief.

APRIL 18, 2001

Date Surveyed

Signature & Seal of Professional Surveyor

M2

W.O. Num. 2001-0380-S

Certificate No. MACON McDONALD 12185

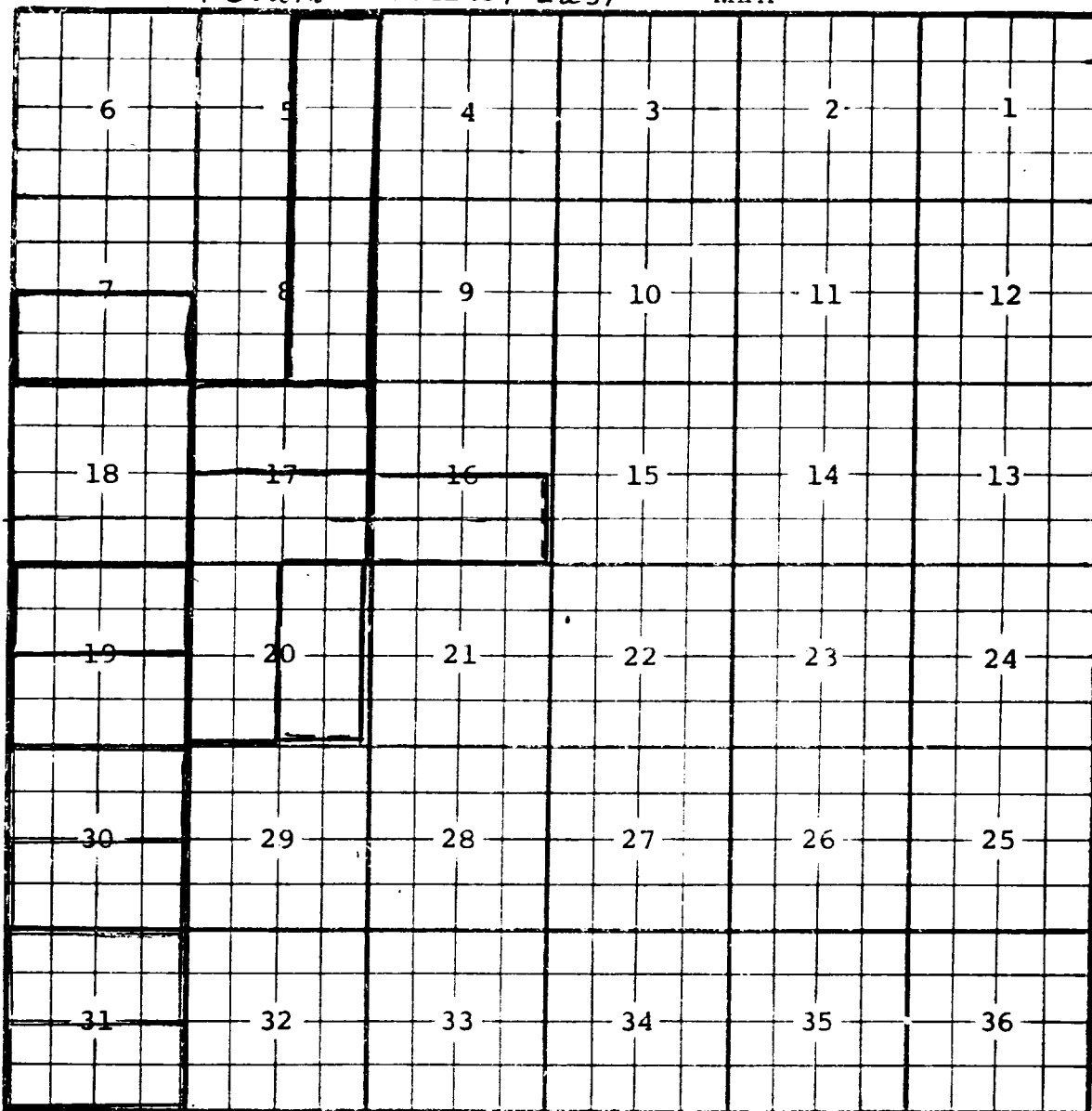
COUNTY Eddy

POOL South Empire - Morrow Gas

TOWNSHIP 17 South

RANGE 29 East

NMPM



Ext: $\frac{5}{2}$ Sec 31 (R-4734, 3-1-74) Ext: $\frac{N}{2}$ Sec 31 (R-4969, 4-1-75)

Ext: $\frac{5}{2}$ Sec 30 (R-5511, 9-1-77) Ext: $\frac{N}{2}$ Sec 30 (R-5838, 11-1-78)

Ext: $\frac{5}{2}$ Sec 19 (R-6033, 7-1-79) Ext: $\frac{N}{2}$ Sec 19 (R-6170, 11-1-79)

Ext: All Sec. 18, (R-6536, 12-1-80) Ext: $\frac{5}{2}$ sec 7, (R-6890, 1-2-82)

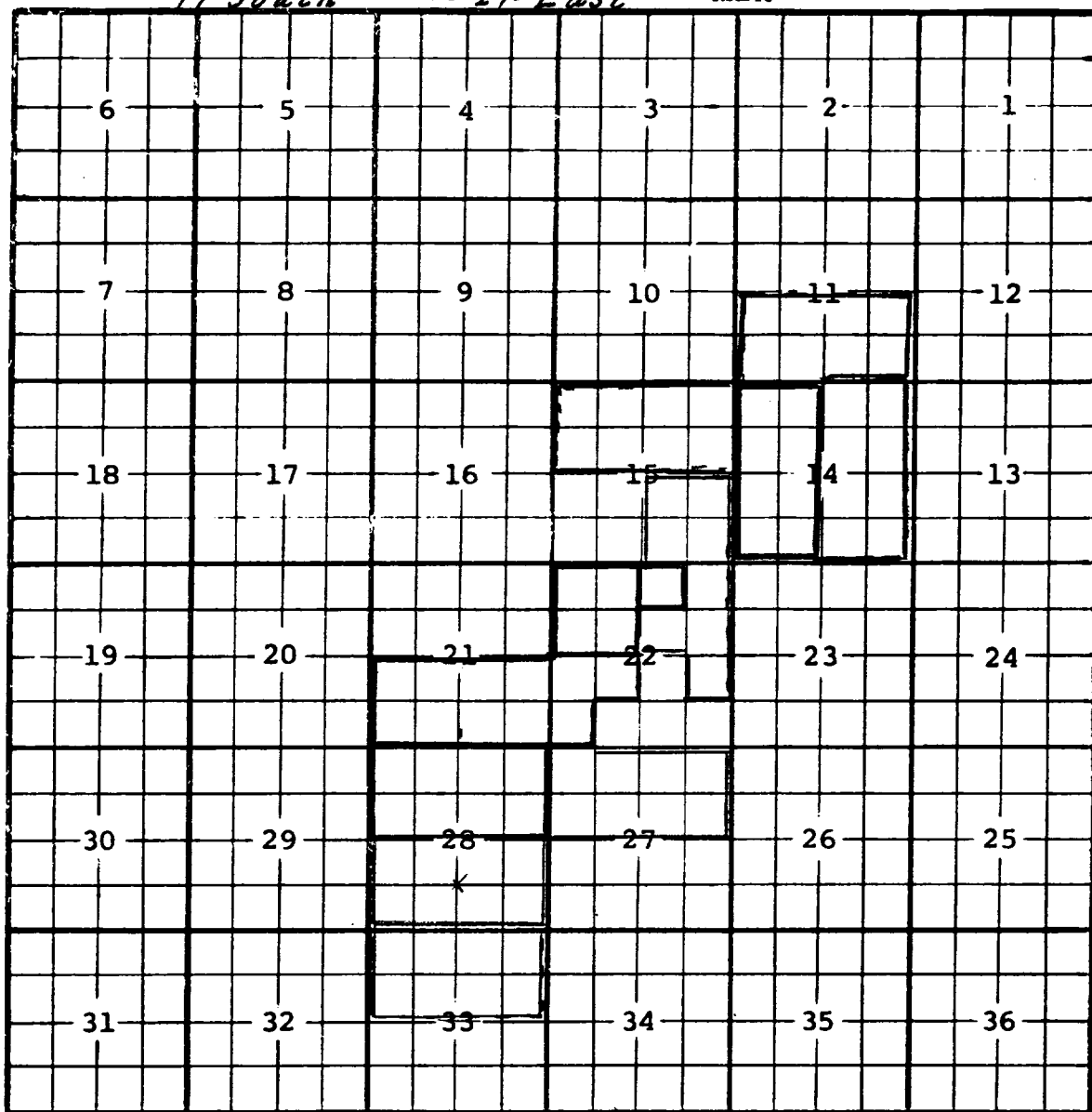
Ext: $\frac{N}{2}$ sec 17 (R-6994, 5-28-82)

Ext: $\frac{5}{2}$ Sec. 17, $\frac{W}{2}$ Sec. 20 (R-8065, 10-31-85) Ext: $\frac{E}{2}$ Sec. 20 (R-9545, 7-1-91)

Ext: $\frac{5}{2}$ Sec. 16 (R-9884, 4-26-93) Ext: $\frac{E}{2}$ Sec. 5, $\frac{E}{2}$ Sec. 8 (R-10844, 7-16-92)

COUNTY EddyPOOL Morrow Grayburg ~~Atoka~~ GasTOWNSHIP 17-SouthRANGE 29-East

NMPM



Description: $\frac{NW}{4}$ Sec. 22, (R-1129, 2-20-58).

Redefine vertical limits as Morrow formation and redesignate (R-4137, 5-6-71)

Ext: $\frac{S}{2}$ Sec. 21; $\frac{NW}{4}$ $\frac{NE}{4}$ $\frac{N}{4}$ $\frac{SW}{4}$ $\frac{SE}{4}$ $\frac{SW}{4}$ Sec. 22 (R-4232, 1-1-72)

$\frac{N}{2}$ Sec. 28 (R-4540, 6-1-73). Ext: $\frac{S}{2}$ Sec. 28 (R-4734, 3-1-74)

Ext: $\frac{SE}{4}$ Sec. 15, $\frac{E}{2}$ $\frac{NE}{4}$, $\frac{SW}{4}$ $\frac{NE}{4}$ & $\frac{NE}{4}$ $\frac{SE}{4}$ Sec. 22 (R-4809, 6-18-74)

Ext: $\frac{N}{2}$ Sec. 33 (R-4937, 2-1-75) Ext: $\frac{N}{2}$ Sec. 27 (R-5511, 9-1-77)

EXT: $\frac{W}{2}$ SEC. 14 (R-9171, 6-1-90) EXT: $\frac{N}{2}$ SEC. 15 (R-9418, 2-1-91)

Ext: $\frac{S}{2}$ Sec. 11 (R-9578, 9-10-91) Ext: $\frac{E}{2}$ Sec. 14 (R-10951, 2-4-98)

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION04/30/01 11:53:35
OGOMES -TQBC
PAGE NO: 1

Sec : 29 Twp : 17S Rng : 29E Section Type : NORMAL

***	***	***	***	***	***	B	A
						40.00	40.00
Federal owned			Federal owned			Federal owned	Federal owned
A A			A A			A A A	A A
E			F			G	H
40.00			40.00			40.00	40.00
Federal owned			Federal owned			Federal owned	Federal owned
U			U				
A A A			A A			A A	A A A

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/30/01 11:53:40
OGOMES -TQBG
PAGE NO: 2

Sec : 29 Twp : 17S Rng : 29E Section Type : NORMAL

L 40.00 Federal owned U A A A	K 40.00 Federal owned U A A A A	J 40.00 Federal owned A A	I 40.00 Federal owned A C A A C
M 40.00 Federal owned A	N 40.00 Federal owned A	O 40.00 Federal owned	P 40.00 CS B01266 0009 CHASE OIL CORPORA 01/05/43 A A

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