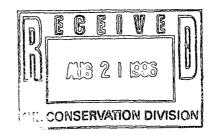
JACK HUFF

Oil and Gas Producer



August 15. 1996

New Mexico Energy Minerals & Natural Resources Department Oil Conservation Division 2040 South Pacheco Street Santa Fe. NM 87505

Attn: Mr. Michael Stogner

Chief Hearing Officer/Engineer

Re: Administrative application for the formation of a non-standard 40 acre gas proration unit in the Eumont Gas Pool comprising the NE/4 SE/4 (Unit I) of Section 14, T-19-S, R-36-E, NMPM, Lea County, NM for the Jack Huff, Bern -A- #2 at a location of 660' FEL & 1980' FSL of said Section 14.

Dear Mr. Stogner:

In reference to your letter dated August 8, 1996, I provide the following information you requested therein:

- 1) Land plat showing all off-setting Eumont gas spacing and proration units.
- 2) Copy of Administrative Order NSP-1529 establishing the formation of a non-standard GPU in the Eumont Field dated 2-23-88.
- 3) Amended form C-101.
- 4) Amended form C-102.

This forty acre tract was included in the 120 acre tract which was, in fact, the subject of the aforementioned Administrative Order NSP-1529.

All offset operators will receive copies of this letter, the amended forms C-101 and C-102, as well as a letter on which they can demonstrate their position with regard to this non-standard producing unit. At such time as I receive these letters back from them, I will forward them to you.

August 15, 1996
New Mexico Energy Minerals & Natural Resources Department Oil Conservation Division
Mr. Michael Stogner
Page 2

Please do not hesitate to contact me if you should have any questions or need any further information.

Sincerely,

Chris Huff

Operations Manager

cc: Rhombus Energy Company 200 N. Loraine, Suite 1270 Midland, TX 79701

> Conoco, Inc. 10 Desta Drive, Ste 100W Midland, TX 79705-4500 Attn: Mr. Warren Richardson

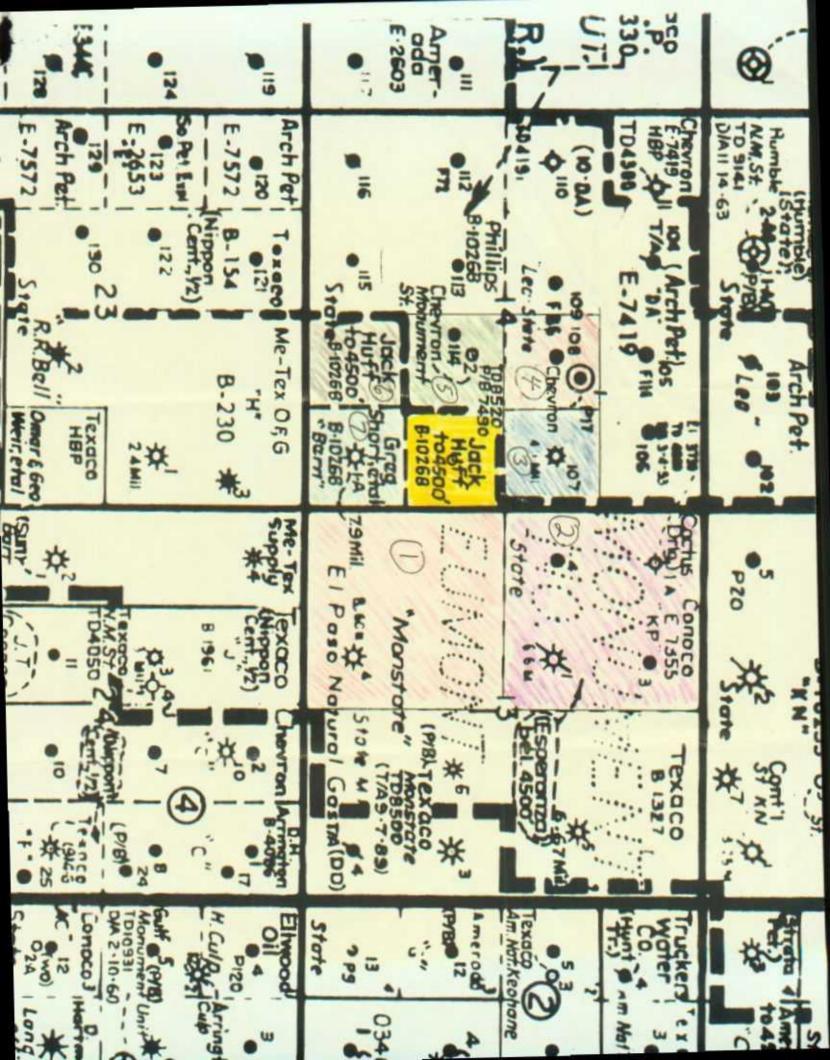
CERTIFIED MAIL # P 268 377 476 RETURN RECEIPT REQUESTED

CH:nr Enclosure \wp51\corresge\berna5 Oil & Gas Operations, Inc. Greg Short HC 31 Box 51V50 Midland, TX 79707

Texaco Inc. Box 3109 Midland, TX 79702-3109 Attn: Mr. Ron Lanning

Eumont Gas Offset Operators to the Jack Huff - Bern -A- #2 Well NE/4 SE/4 Section 14, T-19-S, R-36-E Lea County, New Mexico

Tr. No.	Operator	Gas Well/Location	Unit Description	No. Acres
1	Texaco	Monstate No. 4 N-13-19s-36e	SW/4 Section 13 T-19-S, R-36-E	160
2	Conoco	State KP-13 No. 1 F-13-19s-36e State KP-13 No. 3 C-13-19s-36e State KP-13 No. 4 E-13-19s-36e	NW/4 Section 13 T-19-S, R-36-E	160
3	Rhombus Energy Company	Northwest Eumont Unit No. 107 H-14-19s-36e	SE/4 NE/4 Section 14 T-19-S, R-36-E	40
4,	Rhombus Energy Company	Non-Dedicated to Eumont Gas G-14-19s-36e	Northwest Eumont Unit	40
5	Rhombus Energy Company	Non-Dedicated to Eumont Gas J-14-19s-36e	Northwest Eumont Unit	40
6	Jack Huff	Non-Dedicated O-14-19s-36e	SW/4 SE/4 Section 14 T-19-5, R-36-E	4 0
7	Oil & Gas Operations, Inc.	Bern -A- No. 1 P-14-19s-36e	SE/4 SE/4 Section 14 T-19-S, R-36-E	40







ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS GOVERNOR

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 8750-(505) 827-5800

February 23, 1988

Doyle Hartman P.O. Box 10426 Midland, TX 79702

Attention: Scott Gutberlet

Administrative Order NSP-1529

Dear Mr. Gutberlet:

Reference is made to your application for a 120-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

> LEA COUNTY, NEW MEXICO TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM Section 14: E/2 SE/4 and SW/4 SE/4

It is my understanding that this unit is to be dedicated to your Bern "A" Well No. 1 located at a standard location 661 feet from the South line and 660 from the East line (Unit P) of said Section 14.

By authority granted me under the provisions of Rule 2(a)4 of Division Order No. R-8170, as amended, the above non-standard proration unit is hereby approved.

Sincerely.

WILLIAM J. LEMAY, DIRECTOR

WJL/MES/dr

Oil Conservation Division - Hobbs New Mexico Oil and Gas Engineering Committee State Land Office - Santa Fe



District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aziec, NM 87410 District IV

State of New Mexico Energy, Masoral & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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Salemit to Appropriate District Office State Lease - 4 copies Foe Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

Form C-102 Revised 1-1-89

<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Deswer DD, Artesia, NIM 88210

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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

August 6, 1996

Jack Huff Oil and Gas Operator P. O. Box 50190 Midland, Texas 79710-0190

Attn: Jack Huff

RE: Administrative application for the formation of a non-standard 40-acre gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the NE/4 SE/4 (Unit I) of Section 14, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, for your proposed Bern "A" Well No. 2 to be drilled at an unorthodox gas well location 1650 feet from the South line and 330 feet from the East line of said Section 14.

Dear Mr. Huff:

So that I might process the subject application more effectively and efficiently, please provide me a land plat showing the subject 40-acre tract and <u>all</u> off-setting Eumont gas spacing and proration units with the individual units shaded for identification, all wells completed therein, and any references to all previous orders that established any such non-standard GPU. Further, is the subject 40-acre tract currently included within an existing Eumont gas unit or has this 40-acre tract ever been included within a previous Eumont gas unit (please reference any applicable Division order). Also submit a copy of the subject well's APD (form C-101) and accompanying form C-102.

Thank you for your cooperation.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

MES/kv

cc:

Oil Conservation Division - Hobbs

William J. LeMay, Director - OCD, Santa Fe

Oll and Gas Producer

P.O. BOX 50190 MIDLAND, TEXAS 79710-0190 915-683-9231 FAX 915-683-9255

AUG - 1 1996

July 23, 1996

State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Re: Jack Huff - Bern A #2 Well, Unit letter I, 1650' FSL & 330' FEL Sec. 14, T-19-S, R-36-E, Lea County, New Mexico.

Dear Mr. Stogner,

Jack Huff has filed an Application for Permit to Drill the above well at the specified location. This well will be situated in the Eumont field and drilled to a depth of 4000' to test the Penrose/Queen formation. The number of acres dedicated to this well is 40 acres. Field rules for the Eumont field require 640 acres for a standard proration unit. We hereby request and apply for a non-standard unit allowing us to drill this well on the referenced 40 acre tract.

In order to notify all offset operators, a copy of this letter is being sent to each of them. Please do not hesitate to contact me if you should have any questions.

Sincerely yours,

Chris Huff Operations Manager

cc: Rhombus Energy Company 200 N. Loraine, Suite 1270 Midland, TX 79701

> Conoco, Inc. 1410 N.W. County Road Hobbs, NM 88240 Attn: Mr. Tom Lentz

Oil & Gas Operations, Inc. Greg Short HC 31 Box 51V50 Midland, TX 79707

Texaco Inc. 204 Bender Hobbs, NM 88240 Attn: Mr. Terry Frazier

CH/dr \wp51\corresge\berna CMD : OG5SECT

ONGARD INQUIRE LAND BY SECTION 08/06/96 10:38:32

OGOMES -EMD7

PAGE NO: 1

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OG5SECT

ONGARD INQUIRE LAND BY SECTION 08/06/96 10:38:21 OGOMES -EMD7

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Oll and Gas Producer

P.O. BOX 50190 MIDLAND, TEXAS 79710-0190 915-683-9231 FAX 915-683-9255 195 SE: 19 JP 1529. A

September 6, 1996

State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Re: Jack Huff - Bern A #2 Well, Unit letter I, 1980' FSL & 660' FEL Sec. 14, T-19-S, R-36-E, Lea County, New Mexico.

Dear Mr. Stogner:

Enclosed are copies of letters notifying the offset operators of the non-standard unit. None of the offset operators have opposed the non-standard unit.

If you should require additional information, please contact our office.

Sincerely.

Nancy Roys

Business Manager

/nr.

enclosures

\wp51\corresge\bernastg

Oll and Gas Producer

P.O. BOX 50190
MIDLAND, TEXAS 79710-0190
915-683-9231
FAX 915-682-

August 15, 1996

TO: All offset operators to the Jack Huff - Bern -A- #2 well, Unit letter I, 1980' FSL & 660' FEL, Section 14, T-19-S.

R-36-E, Lea County, New Mexico

Request for approval for non-standard unit.

Gentlemen:

The above well location was recently amended to 1980' FSL & 660' FEL. Please find enclosed a copy of a letter requesting approval of a non-standard proration unit for this well.

Please indicate in the appropriate space provided below whether or not you are in opposition to this application.

Sincerely yours,

Chris Huff

Oil & Gas Operations, Inc. does not oppose the above non-standard unit.

Oil & Gas Operatio

Greg Short

Oil & Gas Operations. Inc. is opposed to the above non-standard unit.

Oil & Gas Operations, Inc.

Greg Short

CERTIFIED MAIL #P 268 377 479 RETURN RECEIPT REQUESTED

CH:nr Enclosure \wp51\corresge\berna8

JACK HUFF

Oil and Gas Producer

P.O. BOX 50190 MIDLAND, TEXAS 79710-0190 915-683-9231 FAX 915-683-9255

RECEIVED AUG 2 3 1996

August 15, 1996

TO: All offset operators to the Jack Huff - Bern -A- #2 well, Unit letter I, 1980' FSL & 660' FEL, Section 14, T-19-S, R-36-E, Lea County, New Mexico

Re: Request for approval for non-standard unit.

Gentlemen:

The above well location was recently amended to 1980' FSL & 660' FEL. Please find enclosed a copy of a letter requesting approval of a non-standard proration unit for this well.

Please indicate in the appropriate space provided below whether or not you are in opposition to this application.

Sincerely yours,

Chris Huff

Texaco Inc. does not oppose the above non-standard unit.

Texaco Inc.

By: Jodd w. Mochhatian :- Production Engineer

Texaco Inc. is opposed to the above non-standard unit.

Texaco Inc.

By:_____

CERTIFIED MAIL #P 268 377 480 RETURN RECEIPT REQUESTED

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ONGARD CMD :

11/04/96 15:38:31

OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -EMFG

OGRID Idn : 36472 API Well No: 30 25 33581 APD Status(A/C/P): A

Opr Name, Addr: JACK HUFF Aprvl/Cncl Date : 09-13-1996

> PO BOX 50190 MIDLAND, TX 79710

Prop Idn: 19465 BERN A Well No: 2

U/L Sec Township Range Lot Idn North/South East/West

FTG 1980 F S FTG 660 F E Surface Locn: I 14 19S 36E

OCD U/L : I API County : 25

Work typ (N/E/D/P/A) : N Well typ (O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : R

Lease typ (F/S/P/N/J/U/I): S Ground Level Elevation : 3728

Multiple Comp (Y/N) : S State Lease No:

Prpsd Depth : 4000 Prpsd Frmtn : QUEEN

E0009: Enter data to modify record

PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM PF01 HELP PF02

PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12 PF07



November 4, 1996

Mr. William J. Lemay, Division Director State of New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87504-2088

RE: Application for Permit to Drill in Accordance with the State of New Mexico Oil Conservation Division Order No. R-111-P

> Nearburg Producing Company Maverick 16 State No. 1 Well 1,650' FSL & 1,650' FEL Section 16, T20S, R32E, NMPM Lea County, New Mexico

Dear Mr. Lemay:

Mississippi Potash Corporation, in conjunction with New Mexico Potash and National Potash, has been contacted by Nearburg Producing Company, an oil and gas producing company based in Midland, Texas, regarding an application to drill an oil and/or gas well (APD) at the location referenced above (APD copy attached).

It is hereby noted that this drilling location is within the Known Potash Area (KPA) as designated by OCD Order R-111-P and is within one mile of the open mine workings of the Mississippi Potash (National Potash) Lea Mine.

Under the provisions set forth in Division Order R-111-P and due to the proximity of our mining operations and future plans to mine potash reserves in this area, Mississippi Potash Corporation, in conjunction with New Mexico Potash and National Potash, formally object to this drilling location.

Please contact me if you have any additional questions.

11 p / 1/2

Mel Pyeatt

Mine Operations Manager

copies:

OCD District 1 Office, P.O. Box 1980, Hobbs, NM 88241

Mr. Van Rodgers, Production Landman

Nearburg Producing Company

15053930720

District (PO Box 1910, Hobbs, NM 18241-1940 District G

BS FAX NO.
State of New Mexico
Energy, Macraix & Named Resources Department

Revised February 10, 1994 instructions on back Submit to Appropriate District Office

PO Drawer DD. Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Azzez, NM \$7410

Due:

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

State Lease - 6 Copies Fee Lease - 5 Copies

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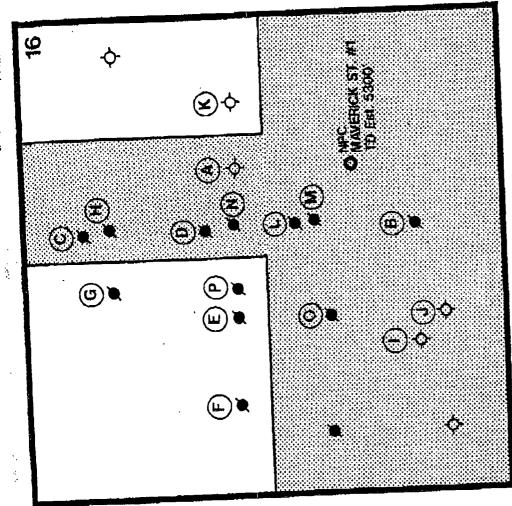
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District I PO Sox 1980, Hobbs, NM 85241-1980 District II PO Drawer DD, Artesia, NM 86211-0719 District III 1000 Rio Bramo Rd., Azzer, NM 87410 State of New Mexico
Record, Mineral & Names Records Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 10, 1994
Instructions on back

Submit to Appropriate District Office
State Lease - 4 Copies

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SEC. 16-20S-32E LEA COUNTY, NEW MEXICO

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November 7, 1996

CERTIFIED MAIL No. P-176-013-145

Oil & Gas Operations, Inc. Attention: Greg Short HC "31" Box 51-V-50 Midland, Texas 79707

RE: Division Administrative Order NSP-1529-A dated September 6, 1996.

Dear Mr. Short:

Please refer to the subject Division administrative order, see copy attached, which contains the following provisions:

- (a) Authorizes Jack Huff, Oil and Gas Producer, of Midland, Texas, to operate the 40 acres, comprising the NE/4 SE/4 (Unit I) of Section 14, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, as a non-standard gas spacing and proration unit ("GPU") within the Eumont Gas Pool, said GPU to be dedicated to its proposed Jack Huff Bern "A" Well No. 2 (API No. 30-025-33581) to be drilled at a standard gas well location for this 40-acre GPU 1980 feet from the South line and 660 feet from the East line of said Section 14 with an appropriate allowable to be assigned said 40-acre GPU in accordance with Rule 5 of the "General Rules and for the Prorated Gas Pool", as promulgated by Division Order No. R-8170, as amended;
- (b) Grants Greg Short, P.E., dba Oil & Gas Operations, Inc., a temporary 60-day authorization to produce its Bren "A" Well No. 1 (API No. 30-025-04012), located 661 feet from the South line and 660 feet from the East line (Unit P) of said Section 14, with an acreage factor of 0.25 to be ascribed against the Eumont allowable for said well;

- (c) Within this 60-day period of time provides the opportunity to Greg Short, P.E., dba Oil & Gas Operations, Inc., to submit to the Division a proper application pursuant to all applicable rules, regulation, and policies for a similar 40-acre GPU comprising the SE/4 SE/4 of said Section 14 to be dedicated to its aforementioned Bren "A" Well No. 1, thereby establishing proper allowable assignments to Eumont gas production within the SE/4 of said Section 14; and,
- (d) Should such application not be submitted to the Division within this 60-day period, the Greg Short Bren "A" Well No. 1 would therefore be subject to "shut-in".

To date no formal application of any kind has been submitted to the Division by Greg Short, P.E., dba Oil & Gas Operations, Inc., therefore Greg Short, P.E., dba Oil & Gas Operations, Inc. of Midland, Texas, is hereby ordered to immediately shut-in and cease production from its Bren "A" Well No. 1 (API No. 30-025-04012), located 661 feet from the South line and 660 feet from the East line (Unit P) of Section 14, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

Failure to abide by this directive shall constitute the classification of any such further production as "illegal" oil and/or gas and could subject those parties involved in such operations to the provisions contained within 70-2-31 NMSA 1978. Said well shall remain shut-in until such time as a formal application by Greg Short, P.E., dba Oil & Gas Operations, Inc. of Midland, Texas has been filed and approved.

Sincerely,

William J. LelMay Director

WJL/MES/kv

cc: Jerry Sexton, District Supervisor - OCD, Hobbs

Michael E. Stogner, Chief Hearing Officer - OCD, Santa Fe

Rand L. Carroll, Legal Counsel - OCD, Santa Fe

New Mexico State Land Office - Santa Fe

File: NSP-1529

NSP-1529-A

Jack Huff, Oil and Gas Producer - Midland, Texas

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 S. PACHECO SANTA FE. NEW MEXICO 87505 (505) 827-7131

September 6, 1996

Jack Huff, Oil and Gas Producer Attention: Chris Huff, Operations Manager P. O. Box 50190 Midland, Texas 79710

Oil & Gas Operations, Inc. Attention: Greg Short, P.E. HC "31" Box 51-V-50 Midland, Texas 79707

Administrative Order NSP-1529-A

Dear Messrs. Huff and Short:

Reference is made to: (i) the application filed by Mr. Chris Huff by letter dated July 23, 1996; (ii) the Division's initial response to said application from Mr. Michael E. Stogner by letter dated August 6, 1996; and, (iii) to Mr. Chris Huff's second letter concerning this matter dated August 15, 1996; all of which concern the request of Jack Huff, Oil and Gas Producer to detach the 40 acres comprising the NE/4 SE/4 (Unit I) of Section 14, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, from the existing 120-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the NE/4 SE/4 and S/2 SE/4 of said Section 14. Said 120-acre GPU was authorized by Division Administrative Order NSP-1529, dated February 23, 1988 and had dedicated thereon the Greg Short Bren "A" Well No. 1 (API No. 30-025-04012), located at a standard gas well location for the 120-acre GPU 661 feet from the South line and 660 feet from the East line (Unit P) of said Section 14.

It is our understanding by the subject application and related correspondence that:

(1) Jack Huff, Oil and Gas Operator now owns the Eumont rights underlying both the NE/4 SE/4 (Unit I) and the SW/4 SE/4 (Unit O) of said Section 14 and is proposing to form a non-standard

40-acre Eumont gas spacing and proration unit comprising the NE/4 SE/4 of said Section 14 for its Bern "A" Well No. 2 to be drilled at a standard gas well location for this 40-acre GPU 1980 feet from the South line and 660 feet from the East line of said Section 14; and,

(2) which would leave the remaining 40 acres comprising the SE/4 SE/4 (Unit P) of said Section 14 to be operated by Greg Short, P.E., dba Oil & Gas Operations, Inc. and have dedicated to it the above-described Bren "A" Well No. 1.

The Division finds at this time that, the subject application of Jack Huff, Oil and Gas Producer has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996 and Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool", as promulgated by Division Order No. R-8170, as amended. Pursuant to said rules no objection to the subject application has been received within the required 20-day waiting period. It should be further noted that Greg Short has not responded to Mr. Chris Huff's application, dated July 23, 1996, or to his letter dated August 15, 1996.

It is therefore ordered, by the authority granted me under the provisions of said rules, that Jack Huff, Oil and Gas Producer is hereby authorized to operate the 40 acres, comprising the NE/4 SE/4 (Unit I) of said Section 14, as a non-standard gas spacing and proration unit ("GPU") within the Eumont Gas Pool in which is to be dedicated to the proposed Jack Huff Bern "A" Well No. 2 to be drilled at a standard gas well location for this 40-acre GPU 1980 feet from the South line and 660 feet from the East line of said Section 14 with an appropriate allowable to be assigned said 40-acre GPU in accordance with Rule 1 of said special Eumont Gas Pool rules.

It is further ordered that the 40 acres comprising the SE/4 SE/4 (Unit P) of said Section 14, operated by Greg Short, P.E., dba Oil & Gas Operations, Inc.: (i) is no longer dedicated to producing Eumont acreage; and, (ii) that the existing Bren "A" Well No. 1 is producing without a proper assignment of allowable. It is ordered however that Greg Short be granted a temporary 60-day authorization to produce its Bren "A" Well No. 1 with an acreage factor of 0.25 to be ascribe against the Eumont allowable for said well. If however no formal application from Greg Short has been submitted to the Division within this 60-day period, the temporary allowable shall be canceled and the well ordered to be shut-in until such application has been submitted and approved.

Administrative Order NSP-1529-A Jack Huff, Oil and Gas Producer September 6, 1996 Page 3

Said Division Orders NSP-1529 shall be placed in abeyance until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

William J. LeMay

Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

Michael E. Stogner, Chief Hearing Officer - OCD, Santa Fe

New Mexico State Land Office - Santa Fe

File: NSP-1529

GREG SHORT, P. E.

HC 31, BOX 51-V-50 • MIDLAND, TEXAS 79707 (915) 563-1358

DATE:	11/18/96
TO: Michael Stogner	
LOCATION: OCD, Santa I	Workin' in the Oil Patchi
FAX NUMBER:	Workin' in the Oil Patchi
FROM:	
LOCATION: PHONE:	
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Michael

Per your request / our conversation Friday 11/15/96

Since the Original proration was non-standard 120 acres is since this is part of that approved (NSP-1529) order is since I did not object to Jack's proration proposal, wouldn't it make sense to approve my unit based on this C-102 alone? Please call with your thoughts.

Thanks

GREG SHORT, P. E.

HC 31, BOX 51-V-50 • MIDLAND, TEXAS 79707 (915) 563-1358

Oil & Gas Operations

Monday, November 18, 1996

Mr. Jerry Sexton
District Supervisor
Oil Conservation Division
P. O. Box 1980
Hobbs NM 88241-1980

Re: Bern 'A' Lease, Well #1, Prop #15426 Unit P, Section 14, T-19S, R-36E, Lea Co., NM Eumont Field, Y-7R-Q, Gas

Dear Mr. Sexton:

Per our conversation of Friday, November 15, 1996, please find enclosed 5 copies of a completed OCD Form C-102. Please process the request for dedicated acreage for the Bern 'A' #1 well.

This action is a result of the Division administration order NSP-1529-A involving Jack Huff and Greg Short. I was never notified of the administrative order, and, therefore, had no knowledge of this imminent requirement. My first and only notification of the order was by certified letter from the OCD in Santa Fe on Friday, before I talked to you, which letter ordered an immediate shut-in of the subject well.

After visiting with you on Friday, I talked with Michael Stogner and told him of our conversation. He indicated I would need to take further action to bring the matter of dedicated acreage for the Bern 'A' #1 well to conclusion. Mr. Stogner requested that I fax him a copy of this letter and the C-102, which I have done this date.

Thank you for your help.

Sincerely.

District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number 1-00 Code 1	District IV PO Box 2088, Sas	ia Fe, NM	87504-2088		Ų.	,		0.501 2000			AME	NDED REPORT
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OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

FAXED MEMORANDUM

Date:

November 20, 1996

To:

Greg Short, P.E.

Jerry Sexton, District

Supervisor - Hobbs, O.C.D.

Telefax No. (915) 563-1358

Telefax No. (505) 393-0720

From:

Michael E. Stogner, Acting Director

Subject:

Administrative application for a resulting non-standard 40-acre gas spacing and proration unit ("GPU"), comprising the SE/4 SE/4 (Unit P) of Section 14, Township 19 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, caused by the issuance of Division Administrative Order NSP-1529-A: Bern "A" Well No. 1 (API No. 30-025-04012), located 661 feet from the South line and 660 feet from the East line of said Section 14.

Message to Jerry Sexton: I am currently in receipt of Mr. Short's letter to you dated November 18, 1996 whereby an amended C-102 was attached showing the proposed 40-acre GPU. Please consider this notification a moratorium to the Division's previously issued "shutin" notice dated November 7, 1996. This moratorium shall remain effective for an undetermined period, thereby allowing Mr. Short ample time to comply in a judicious matter with all requirements in acquiring the subject exception to the 640-acre spacing rule in affect for the Eumont Gas Pool.

Message to Greg Short: The draft cover letter dated November 20, 1996 faxed to me earlier today appears adequate assuming the off-set notice requirements are fully met. Again the Division apologizes in failing to take the appropriate measures to assure that Division Order NSP-1529-A, dated September 6, 1996, had been received by all concerned parties.

cc:

William J. LeMay, Director - O.C.D., Santa Fe

File: NSP-1529-A

Kathy Valdes - O.C.D., Santa Fe

GREG SHORT, P. E.

HC 31, BOX 51-V-50 • MIDLAND, TEXAS 79707 (915) 563-1358

Oil & Gas Operations

Wednesday, November 20, 1996

Mr. Michael E. Stogner Chief Hearing Officer Oil Conservation Division 2040 South Pacheco Santa Fe NM 87505

Re: Bern 'A' Lease, Well #1, Prop #15426 Unit P, Section 14, T-19S, R-36E, Lea Co., NM Eumont Field, Y-7R-Q, Gas

Division Administration Order NSP-1529-A dated September 6, 1996

Request for approval of 40 acre non-standard proration unit

Michael-please Call me i, let me Know your thoughts on acceptability of ber 6, 1996 this letter.

mis lever

Dear Mr. Stogner:

Per our conversation this date, please consider this formal application for administrative approval of a non-standard proration unit.

I respectfully request the approval of a non-standard proration unit for the subject well. The number of acres dedicated to this well is 40 acres, contrasted to the 640 acre standard proration unit. This 40 acre tract was previously included in Administrative Order NSP-1529 dated 2-23-88 which established a 120 acre non-standard proration unit.

A plat and legend indicating offset operators, as well as an OCD C-102 are enclosed.

A copy of this letter and enclosures is being sent to all offset operators. They will be asked to indicate their position with respect to the subject request. You will be forwarded their responses by me via priority mail.

Thank you for working with me on this important matter.

Sincerely,