

**LATIGO**  
Petroleum, Inc.

415 W. Wall, Suite 1900 • Midland, Texas 79701 • 432-684-4293 • 432-684-0829 FAX

PMESL- 428753865  
Received: 10-4-2004  
Suspense: 10-25-2005

Via Certified Mail/Return Receipt Requested  
#7004 0750 0000 6935 5038

September 30, 2004

**RECEIVED**

OCT 4 2004

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

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Case 13387

Ladies and gentlemen:

Pursuant to Division Rules 104.D.(2) and 104.F, Latigo Petroleum, Inc. applies for approval of a non-standard gas spacing and proration unit, and an unorthodox gas well location, for the following well:

Well: Hodges "B" Well No. 7  
Location: 1880' feet FSL & 390' feet FWL  
Well Unit: SW $\frac{1}{4}$  of Section 1, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

A Form C-102 for the well is attached as Exhibit A. The well will be drilled to test the Justis Gas Pool, which is a prorated pool. Under Order No. R-8170, as amended, spacing in the pool is 320 acres, with wells to be located no closer than 1980 feet to the end line, nor closer than 660 feet to the side line, of the well unit. If the application is granted, Latigo Petroleum, Inc. will produce the well at one-half of the current allowable in the pool (Monthly Allocation Factor 18,300).

The SW $\frac{1}{4}$  of Section 1 was previously approved in 1953 as a non-standard gas well unit in the Justis Gas Pool, with the Hodges "B" No. 1 well dedicated to the unit. A plat of the Unit is attached hereto as Exhibit E. The Hodges "B" Well No. 1 was plugged and abandoned in March 1975.

Attached as Exhibit B is a combination structure/production plat of the area. The Hodges "B" No. 7 is a Glorieta test in the Justis Gas Pool. The Glorieta is a dolomite with production being controlled by enhanced porosity on top of a structure as well as being lifted out of the water column by the structure. The proposed well is offset to the south in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec. 1-T25S-R37E by a plugged Glorieta well with a cumulative production of 2.1 BCFG. Also a well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Sec. 2-T25S-R37E has cumulative production from the Glorieta of 1.2 BCFG and a well in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Sec. 2-T25S-R37E has cumulative production from the Glorieta of 2.1 BCFG. These wells indicate very little gas remains to be recovered from the E $\frac{1}{2}$  of sec. 2. The well in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of section 1 is very poor and on the downdip side of the structure and illustrates very little gas remains in the NW $\frac{1}{4}$  of sec. 1. The E $\frac{1}{2}$  of section one is downdip and not productive. The Hodges "B" No. 7 is Latigo's attempt to recover any remaining

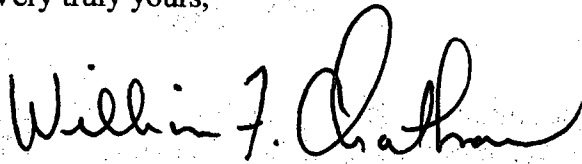
gas reserves in the SW/4 of Sec. 1-T25S-R37E and this well will not adversely effect lands outside of the SW/4 of Section 1.

Attached as Exhibit C is a land plat. There are no offset working interest owners or operators in the Justis Gas Pool.

Notice has been given to the offsets as shown on Exhibit D.

Please do not hesitate to give me a call if you have questions at (432) 684-4293 or email me at [bchatham@latigopetro.com](mailto:bchatham@latigopetro.com).

Very truly yours,

A handwritten signature in cursive script, reading "William F. Chatham".

William F. Chatham, CPL  
Sr. Staff Landman

Enclosures

**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 & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name JUSTIS	
<sup>4</sup> Property Code		<sup>5</sup> Property Name HODGES "B"			<sup>6</sup> Well Number # 7
<sup>7</sup> OGRID No. 227001		<sup>8</sup> Operator Name LATIGO PETROLEUM INC.			<sup>9</sup> Elevation 3118

<sup>10</sup> Surface Location

UL or lot no. L	Section 1	Township 25-S	Range 37-E	Lot Idn	Feet from the 1880	North/South line SOUTH	Feet from the 390	East/West line WEST	County LEA
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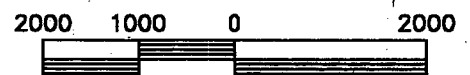
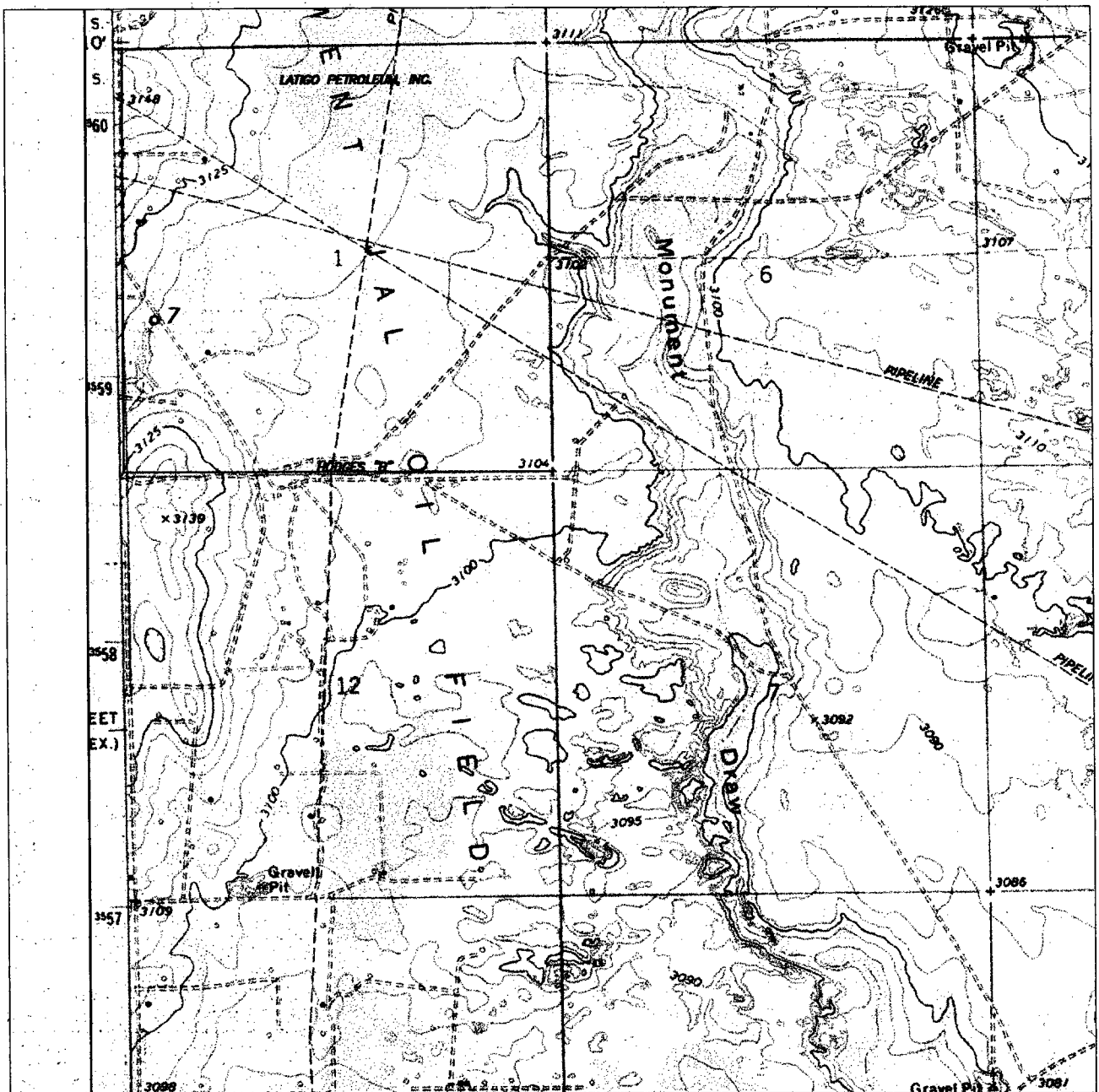
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

				<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title and E-mail Address _____</p> <p>Date _____</p>	
				<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>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.</i></p> <p>9-20-04</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p>	
				<p>Certificate Number LS9062</p>	



SCALE: 1" = 2000'

**LATIGO PETROLEUM, INC.**

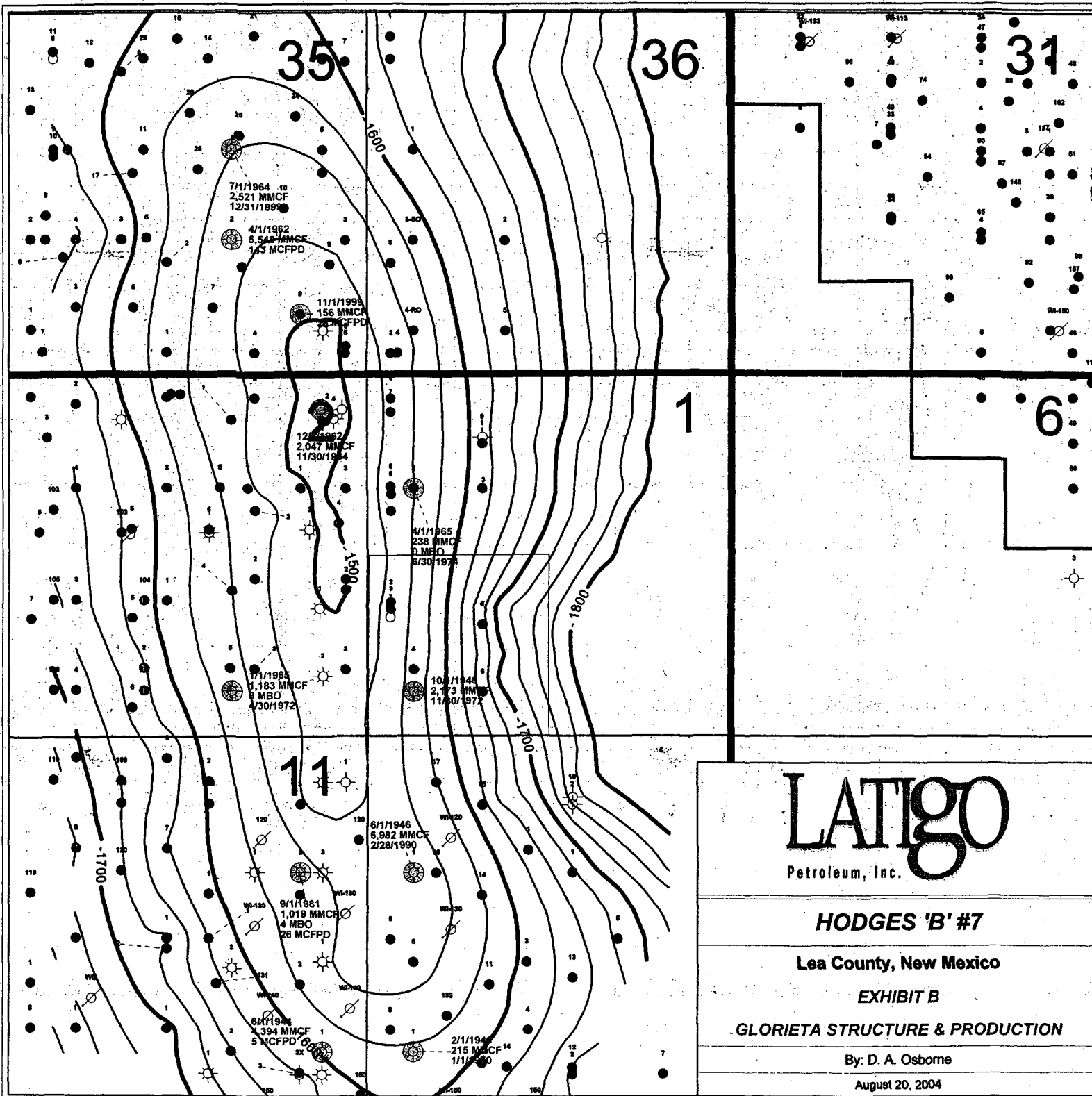
Hodges "B"  
WELL NO. 1  
1880 FSL, 390 FWL  
T-25-S, R-37-E,  
LEA COUNTY, NEW MEXICO

**BRP ENTERPRISES, INC.**  
(BRUCE R. PENNELL)

P.O. BOX 51622, MIDLAND, TEXAS 79710

VOICE: (432) 570-6256 FAX: (432) 682-3262 MOBILE: (432) 528-1027

5S-37E.GPS	Date: 8/17/2004	CREW: Marcus Hodges
HODGES B TOPO		DRAWN BY: Marcus H.



### EXHIBIT "C"

EXHIBIT D

# LATIGO

Petroleum, Inc.

415 W. Wall, Suite 1900 • Midland, Texas 79701 • 432-684-4293 • 432-684-0829 FAX

*Via Certified Mail – Return Receipt Requested*

September 30, 2004

To: Owners listed on attached page

Attn: Land Department

Dear Sir or Madam:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Latigo Petroleum, Inc., requesting approval of a non-standard gas spacing and proration unit and an unorthodox gas well location in the Justis Gas Pool in the SW $\frac{1}{4}$  of Section 1, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. As an offset operator or interest owner, you have the right to object to the application. Any objection must be in writing and filed with the Division (1220 South St. Francis Drive, Santa Fe, New Mexico 87505) no later than 20 days from the date of receipt of this letter. Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,

William F. Chatham  
Sr. Staff Landman

Enclosure

aco  
ad  
xas 79705

Apache Corporation  
2000 Post Oak Blvd., Suite 100  
Houston, Texas 77056

Citation Oil & Gas Corp.  
8223 Willow Place Drive South, Suite 25  
Houston, Texas 77070

ips  
97  
xas 77252

Nadel and Gussman Permian LLC  
601 North Marienfeld, Suite 508  
Midland, Texas 79701

JFG Enterprises, A Partnership  
P.O. Box 100  
Artesia, NM 88211-0100

inter Production Inc.  
Inas Boulevard East  
S 75039

Devon Energy Corporation  
20 N. Broadway Ave., Suite 1500  
Oklahoma City, OK 73102-8296

Bruno & Marshall Investments  
P. O. Box 590  
Midland, Texas 79702

Ranch Corporation  
58  
xas 77402-0458

Ronald E. Slover  
3614 Royal Road  
Amarillo, Texas 79109

OXY USA Inc.  
P. O. Box 50250  
Midland, Texas 79710-1810

Resources Oil & Gas Company  
1810  
xas 79710-1810

J. H. Herd  
415 W. Wall, Suite 300  
Midland, Texas 79701

Waikiki Partners LP  
P. O. Box 2127  
Midland, Texas 79702

Mon Cone, Jr., Trustee of the  
Mon Cone Trust I  
Avenue P  
exas 79403

NMO & G LTD., A Texas Limited  
Partnership  
1423 North Avenue P  
Lubbock, Texas 79403

Manon Markham McMullen  
c/o Roderick Allen Markham  
1500 Broadway Suite 1212  
Lubbock, Texas 79401

lands  
P. Sands II  
ld Street  
MIO 64067

J. M. Welborn Trust  
1500 Broadway, Suite 1212  
Lubbock, Texas 79401

Kerr McGee Oil & Gas - US Onshore  
16666 Northchase  
Houston, Texas 77060

&  
747  
xas 79702

Hanaho, Ltd.  
P. O. Box 1747  
Midland, Texas 79702

Leland Davidson  
P. O. Box 1146  
Midland, Texas 79702

HI Ltd.  
a St., #1700  
exas 78657

Primavera Resources Inc.  
4040 Broadway, Suite 419  
San Antonio, Texas 78209

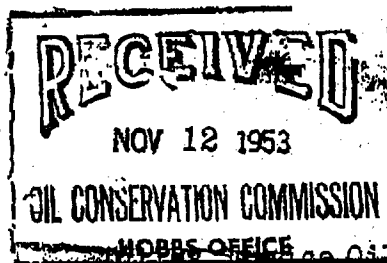
Lanexco Inc.  
P. O. Box 2730  
Midland, Texas 79702

avidson  
94  
exas 79702

Robert W. Lansford  
908 Cochiti  
Hobbs, NM 88204

Jack D. Mussett  
5302 Teakwood Trace  
Midland, Texas 79707





NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

Date 11-11-53

Operator

Company

Hodges "B"

Lease

Well No. 1

Name of Producing Formation Paduock (Glorietta) Pool Justis Gas

No. Acres Dedicated to the Well 160

SECTION 1 TOWNSHIP 25-S RANGE 37-E

1.			

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

Name Charles M. Hansen  
Position District Superintendent  
Representing Cities Service Oil Co.  
Address Box 97, Hobbs, New Mexico