

November 23, 2015

From: Philip L. White
To: New Mexico Oil Conservation Division
Re: Case #15410

RECEIVED OGD

2015 NOV 30 P 2: 49

PRE-HEARING STATEMENT

Affected party Philip L. White represented by the Jennings law firm, Roswell, NM;

NMNM 129737 is a federal lease, and I have been through this before with the feds. They are convinced anything less than a 660' setback constitutes drainage and will seek Compensatory Royalty from the Lessee (see enclosed);

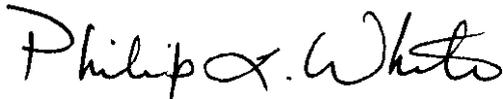
Witness- Rick Wymer, BLM;

Time required for testimony- 1 hour;

I have a conflict on 12/3/15, and I am asking for a re-schedule.

Thank you.

Respectfully,



Philip L. White

enclosures



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
OKLAHOMA FIELD OFFICE

7906 E 33RD STREET, SUITE 101 221 N SERVICE ROAD
TULSA, OK 74145-1352 MOORE, OK 73160-4946

IN REPLY REFER TO:
TXNM 94152 et al. (DR)
3162 (04200)

SEP 17 2002

CERTIFIED-RETURN RECEIPT REQUEST

The Blanco Company
P. O. Box 2168
Santa Fe, NM 87504

According to our records, you are the lessee of Federal Oil and Gas Lease No. TXNM-94152 tract # 327 is in the Bird L. Hanks Survey A-53, located in the Somerville Reservoir in Washington County, Texas. Both the terms of your lease and the oil and gas operating regulations require that you protect the leased lands from drainage. We have determined that this leasehold is subject to drainage.

OFFENDING WELL: Mountbatten Gas Unit 1-H Well

Location: Surface Hole Location (SHL) is 257 feet from the most westerly southeast line and 4,265 feet from the westerly southwest line of the Bird L. Hanks Survey A-53 and the Bottom Hole Location (BHL) is 2,881 feet north and 3,926 feet west of the center of the Surface Hole Location in the Bird L. Hanks Survey A-53, located in the Washington County, Texas.

Distance from affected mineral interest: approximately 300 feet.

Completed: February 25, 2002 in the Austin/Chalk/Group Formation.

Initial Potential: 156 BO and 5000 MCFGD.

Lease Drainage Factor: 36.3%

Compensatory Royalty due from: six month after date of first production.

YOUR OPTIONS:

If you accept this finding, no response is necessary. Our office will issue a final decision and the Mineral Management Service will calculate the assessment and bill you accordingly. Payment will be required until the

offending well ceases production. Compensatory royalty may be due for the period the lease is unprotected.

If you believe no protective measures are required or that no drainage is occurring, within ninety days of receipt of this letter you must submit detailed information sufficient to conclusively demonstrate that such protection is unnecessary or that drainage is not occurring. Our staff will analyze your submission and all other pertinent data and issue a decision based on findings. Our decision may resolve the issue or cause your compensatory royalty payments to be more or less than the assessment discussed above.

If you have any further questions, please contact Tjin Huang at 918-621-4118

Sincerely,



Richard E. Wymer

Assistant Field Manager

Attachments

DRAIN RESULTS

NAME: Tjin
DATE: 09-11-2002
ID OF SUBJECT WELL: 1-H Mountbatten Gas unit
ID OF SUBJECT LEASE: 1-H Mountbatten Gas Unit

RECOVERABLE GAS RESERVES: 770622 MCF
GAS RECOVERY FACTOR: 0.80
RESERVOIR TEMPERATURE: 130 DEGREES F.
POROSITY: 0.20
NET PAY: 10 FEET
WATER SATURATION: 0.30
STATIC BOTTOM HOLE PRESSURE (BHP): 1500 PSIA
GAS DEVIATION FACTOR (Z): 0.780 RCF/SCF
BHP/Z: 1923 PSIA

TOTAL DRAINAGE VOLUME: 1370.89 ACRE-FEET
DRAINAGE CIRCLE RADIUS: 1379 FEET
DRAINAGE CIRCLE AREA: 137.09 ACRES

AREA OF LEASE BEING DRAINED: 49.705 ACRES
DRAINAGE FACTOR: 0.36258

CASE TYPE: 1
DISTANCE F: 300 FEET

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number
NMNM129737

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (page 2) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Lands Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen 41), or the Combined Hydrocarbon Leasing Act of 1981(95 Stat 1070).

READ INSTRUCTIONS BEFORE COMPLETING

1. Name WHITE PHILIP L
Street PO BOX 25968
City, State, Zip Code ALBUQUERQUE, NM 87125

2. This application/offer/lease is for: (Check Only One) PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than Bureau of Land Management (BLM): _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (mm/dd/yyyy): _____

***See Item 2 in Instructions below prior to completing Parcel Number and Sale Date.**

T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee \$ _____ Rental fee \$ _____ Total acres applied for _____
Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 0270N R. 0130W Meridian NMPM State NM County San Juan
Sec. 009 SE;

Total acres in lease 160.000
Rental retained \$ 240.000

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid form submitted under 43 CFR 3120 and is subject to the provisions of that bid and those specified on this form.

Type and primary term:

Noncompetitive lease (ten years)

Competitive lease (ten years)

THE UNITED STATES OF AMERICA
by Anna Kuszak
(BLM)
LAND LAW EXAMINER, FLUIDS ADJUDICATION TEAM
(Title) MAR 20 2013
(Date)

Other _____ EFFECTIVE DATE OF LEASE APR 01 2013