

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

APPLICATION OF PURVIS OPERATING CO.  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

Case No. 14,091

VERIFIED STATEMENT OF D. BRIGGS DONALDSON

D. Briggs Donaldson, being duly sworn upon his oath, deposes and states:

1. I am a landman for Purvis Operating Co., and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule 1210.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, and have simply not decided whether to join in the well.

(b) A plat outlining the spacing unit being pooled, and marking the location of the subject well, is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests in the Devonian formation underlying the E/2NE/4 of Section 34, Township 12 South, Range 37 East, NMPM, to form a standard 80-acre oil spacing and proration unit for all pools or formations developed on 80-acre spacing within that vertical extent, including the Southwest Gladiola-Devonian Pool.

The unit is to be dedicated to the Lowe Well No. 1, to be re-entered at an orthodox location in the NE/4NE/4 of Section 12. The well is expected to be an oil well.

(c) The parties being pooled, their working interests in the well unit, and their addresses, are listed on Exhibit B. The addresses are from applicant's division order file on the well, and are current and correct. The parties being pooled previously agreed to join in the well, but never sent in their elections.

(d) Copies of the proposal letters sent to the uncommitted working interest owners are attached hereto as Exhibit C.

Oil Conservation Division  
Case No. 14,091  
Exhibit No. 1

The proposal letters sent to Roy E. Crocker were returned as undeliverable. We have also examined the Lea County records, telephone directories, and internet directories, but have been unable to locate a current address for Mr. Crocker.

(e) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against the non-consenting interest owner.

(f) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit D. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Lea County.

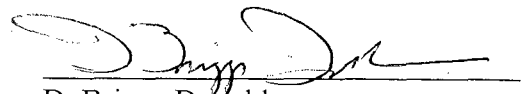
(g) Overhead charges of \$6250.00/month for a drilling well, and \$625.00/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

(h) Applicant requests that it be designated operator of the well.

#### VERIFICATION

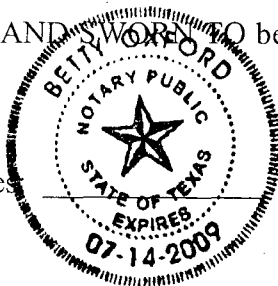
STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND        )

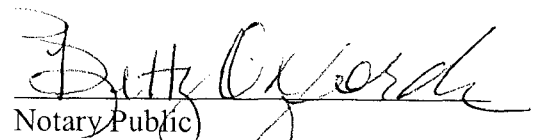
D. Briggs Donaldson, being duly sworn upon his oath, deposes and states that: He is a landman for Purvis Operating Co.; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

  
D. Briggs Donaldson

SUBSCRIBED AND SWORN to before me this 18th day of February, 2008 by D. Briggs Donaldson.

My Commission Expires



  
Notary Public

## NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-128  
Revised 5/1/57

## WELL LOCATION AND ACREAGE DEDICATION PLAT

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

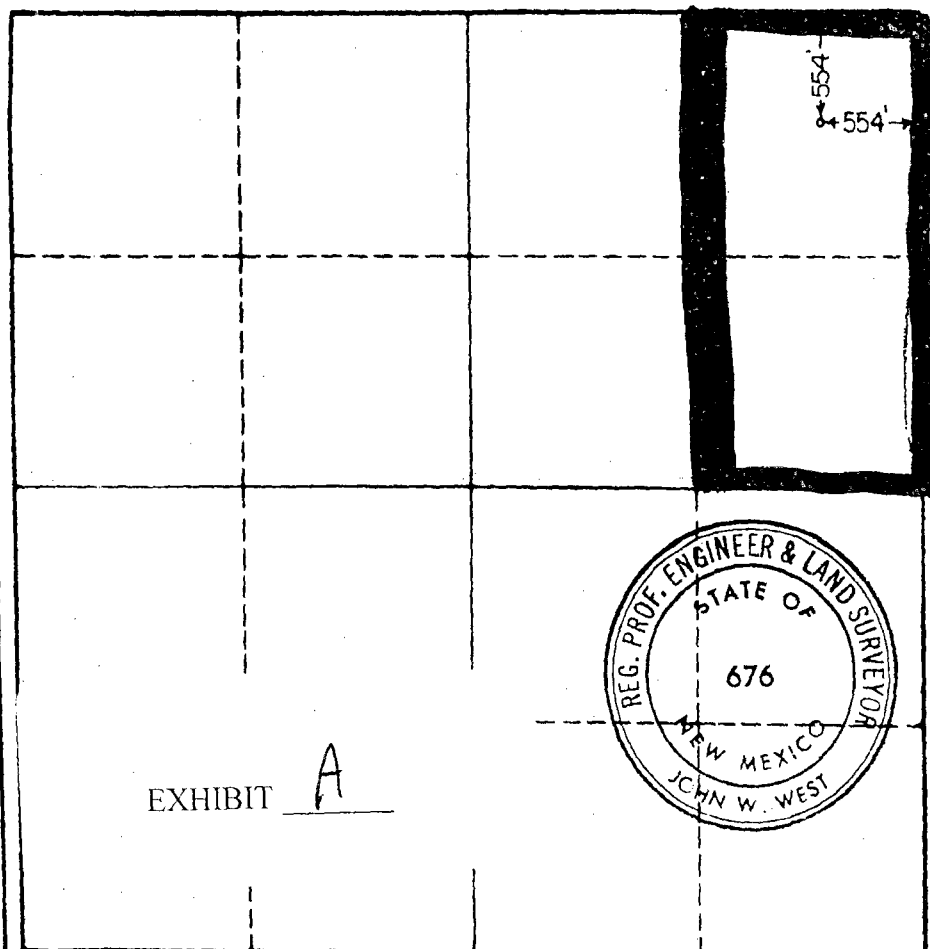
## SECTION A

Operator <b>KINGREA, PENDLETON &amp; REISER</b>			Lease <b>LOWE</b>		Well No. <b>1</b>
Unit Letter <b>A</b>	Section <b>34</b>	Township <b>12 SOUTH</b>	Range <b>37 EAST</b>	County <b>LEA</b>	
Actual Footage Location of Well: <b>554</b> feet from the <b>NORTH</b> line and <b>554</b> feet from the <b>EAST</b> line					
Ground Level Elev. <b>3900.9</b>	Producing Formation <b>DEVONIAN</b>		Pool <b>Southwest Gladiola (Dev.)</b>		Dedicated Acreage: <b>(B<math>\frac{1}{4}</math>NE<math>\frac{1}{4}</math>) 80</b> Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO \_\_\_\_ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (a) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ If answer is "yes," Type of Consolidation \_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

## SECTION B



## CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name John W West  
Position Agent  
Company Kingrea, Pendleton & Reiser  
Date Aug. 20, 1964

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed Aug. 13, 1964  
Registered Professional Engineer and/or Land Surveyor, JOHN W. WEST  
John W West  
Certificate No. N.M. - P.E. & L.S. NO. 676

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

OWNER NAME	ADDR1	ADDR2	ADDR3
J. E. Cieszinski	P.O. Box 3047		
Goldston Oil Corporation agent	1993 Nominee Agmt	P.O. Box 570365	
Russell T. Rudy Energy, LLC	5701 Woodway Dr. #222		
Nancy Zoe Goldston Herpin	C/O NGH Interests	5644 Westheimer, Suite 209	
Kaiser-Francis Oil Company	P.O. Box 960074		
M. Dion Lowe	2306 Cypress Point West		
Russell Wayne Murph	2306 Chesterfield Dr.		
Stephens Production Company	P.O. Box 2407		

EXHIBIT B

CITY	ST	ZIP
Roswell	NM	88201
Houston	TX	77257-0365
Houston	TX	77057-1505
Houston	TX	77056-4002
Oklahoma City	OK	73196-0074
Austin	TX	78746-7117
Maryville	TN	37803
Fort Smith	AR	72902-2407

OWNER	OWNER NAME	DOI	TYPE	ADDR1	ADDR2	ADDR3	ADDR4	CITY	ST	ZIP	Ballot	AFE
0043720	Vivian Lowe Anselmi	0.00213560	R	C/O Kay Lowe Alchason		4601 50th St, Ste 212		Lubbock	TX	79414	Railty	
0043720	Vivian Lowe Anselmi	0.00035007	R	C/O Oueli Lowe				Lubbock	TX	79414	Railty	
0056133	Vivian Lowe Anselmi	0.00035007	R	3513 105th St		10315 Knoxville Place		Lubbock	TX	79421	Railty	
0056133	Kay Lowe Alchason	0.00213560	R					Lubbock	TX	79421	Railty	
0056133	Kay Lowe Alchason	0.00035008	R	3513 105th St				Lubbock	TX	79423	Railty	
0082412	Charles Freepack Bartell	0.00035008	R	C/O Bartell Exploration				Houston	TX	77057	Railty	
0082445	Charles Freepack Bartell	0.00063070	R	C/O Bartell Exploration				Houston	TX	77057	Railty	
0098650	Black Stone Minerals Co., L.P.	0.02734370	R	P.O. Box 201709				Houston	TX	77216	Railty	
0104540	Annie B. Boyd	0.00008145	R	c/o Raymond B. Keating III				Houston	TX	77002	Railty	
0104540	Annie B. Boyd	0.00008145	R	806 Main St, Suite 1560				Houston	TX	77002	Railty	
0104540	T. H. Bradley, Jr.	0.00128800	R	1215 N. Washington				Magnolia	AR	71753	Railty	
0105983	Bill Bratton	0.00086450	R	P.O. Box 22463				Hot Springs	AR	71903	Railty	
0141676	J. E. Ciesinski	0.00117190	R	P.O. Box 3047				Roswell	NM	88201	Railty	
0148676	Coastal Oil & Gas Corporation	0.00362660	R	El Paso Production Oil & Gas C				Houston	TX	77216-0682	Railty	
0153238	Patricia Ann Ranne deceased	0.00036620	R	Box 63				Desdemona	TX	78445	Railty	
0153238	Shirley Ann Ranne deceased	0.00036620	R	P.O. Box 63				Desdemona	TX	78445	Railty	
0153238	Shirley Ann Ranne deceased	0.00351340	R	5605 Equestrian Court				Granbury	TX	76049-4479	Railty	
0176885	Floyd Hugh Davis	0.00040705	R	108 Jack Little Drive				Ruidoso	NM	88345	Railty	
0176885	Sidney Roger Davis	0.00040705	R	22301 Hamilton Pool Rd				Dropping Springs	TX	78620	Railty	
0176885	Suzanne B. Davis	0.00081370	R	P.O. Box 29330				Austin	TX	78755	Railty	
0176885	Suzanne Davis Marital Trust	0.00081370	R	P.O. Box 29330				Austin	TX	78755	Railty	
0176885	DEBCO, LLC	0.00156250	R	F.N.B. - Abilene Trustee				Abilene	TX	79608-6551	Railty	
0176885	DEBCO, LLC	0.00156250	R	P.O. Box 608				Abilene	TX	79608	Railty	
0176885	DEBCO, LLC	0.00040705	R	6802 Rockledge Cove				Roswell	NM	88202-0608	Railty	
0176885	DEBCO, LLC	0.00171300	R	Beverly Jean St. Germain				Houston	TX	77831	Railty	
0285203	Floyd S. Low	0.00035007	R	Osdel L. Lowe, Lowe				Houston	TX	77002-6106	Railty	
0285203	Floyd S. Low	0.00035007	R	Agency #1001040175265, Bank				Lubbock	TX	79414	Railty	
0285203	Floyd S. Low	0.00035007	R	P.O. Box 3574				Dallas	TX	75284-0738	Railty	
0285203	Floyd S. Low	0.00035007	R	P.O. Box 3574				Hobbs	NM	88241	Railty	
0285203	Floyd S. Low	0.00064400	R	P.O. Box 5231				Hobbs	NM	88241	Railty	
0285203	Floyd S. Low	0.00064400	R	12900 Preston Rd, Ste 550				Little Rock	AR	92215-5231	Railty	
0285203	Floyd S. Low	0.00173800	R	Wells Fargo Bank, NA				Dallas	TX	75230	Railty	
0285203	Floyd S. Low	0.01025380	R	1993 Northgate Apt				Denver	CO	80237	Railty	
0285203	Floyd S. Low	0.00173610	R	Wells Fargo Bank, NA				Houston	TX	77257-0365	Railty	
0285203	Floyd S. Low	0.00173610	R	P.O. Box 5383				Denver	CO	80237	Railty	
0285203	Floyd S. Low	0.00195310	R	c/o The Northern Trust Bank				Dallas	TX	75222-6370	Railty	
0285203	Floyd S. Low	0.00040705	R	3510 St. Johns				Houston	TX	77057-1505	Railty	
0285203	Floyd S. Low	0.00040705	R	5701 Woodway Dr. #222				Clovis	NM	88102-1024	Railty	
0285203	Floyd S. Low	0.00040705	R	P.O. Box 1024				Clovis	NM	88102-0945	Railty	
0285203	Floyd S. Low	0.00040705	R	P.O. Box 2676				Bellevue	TX	77402-2676	Railty	
0285203	Floyd S. Low	0.00014648	R	1528 E. 10th				Odessa	TX	79761	Railty	
0285203	Floyd S. Low	0.00014648	R	1528 E. 10th				Odessa	TX	79761	Railty	
0285203	Floyd S. Low	0.00014648	R	1702 CR 13				Del Norte	CO	81132	Railty	
0285203	Floyd S. Low	0.00036620	R	2758 E. 109th Ave				Northglenn	CO	80233	Railty	
0285203	Floyd S. Low	0.00036620	R	7908 Inverton Rd # 302				Amandale	VA	22003	Railty	
0285203	Floyd S. Low	0.00036620	R	6690 S. 106 Rd				Alamogordo	CA	92101	Railty	
0285203	Floyd S. Low	0.00036620	R	6690 S. 106 Rd				Alamogordo	CA	92101	Railty	
0285203	Floyd S. Low	0.00341800	R	C/O NGH Interests				Houston	TX	77056-4002	Railty	
0285203	Floyd S. Low	0.01025380	R	College				Ginnell	IA	50112	Railty	
0285203	Floyd S. Low	0.02929600	R	P.O. Box 960074				Okahoma City	OK	73196-0074	Railty	
0285203	Floyd S. Low	0.00097660	R	R. B. Keating III				Houston	TX	77002	Railty	
0285203	Floyd S. Low	0.00173610	R	c/o Allan C. King				Houston	TX	77057	Railty	
0285203	Floyd S. Low	0.00015630	R	806 Main St, Suite 1560				Houston	TX	77002-6106	Railty	
0285203	Floyd S. Low	0.00136720	R	P.O. Box 2435				Midland	TX	79702-2435	Railty	
0285203	Floyd S. Low	0.00500000	O	P.O. Box 2435				Midland	TX	79702-2435	Railty	
0285203	Floyd S. Low	0.03545120	W	P.O. Box 3023				Midland	TX	79702	Railty	
0285203	Floyd S. Low	0.02000000	O	P.O. Box 160250				Austin	TX	78716	Railty	
0285203	Floyd S. Low	0.00234380	R	17410 Winterwood Lane				Dallas	TX	75248-9252	Railty	



# PURVIS OPERATING CO.

3101 N. Pecos St, 79705

P. O. Box 51990  
Midland, Texas 79710-1990  
Phone (432) 682-7346  
Fax (432) 683-9584  
e-mail: [land@purvisop.com](mailto:land@purvisop.com)

July 3, 2007

EXHIBIT C

Mineral & Royalty Interest Owners

RE: Lowe 1A, Lea County, New Mexico - NE/4 of Section 34, T-12-S, R-37-E.

Ladies and Gentlemen:

A couple of months ago, the captioned well, producing from the Wolfcamp formation, experienced an increased amount of water production. It is currently producing so much water and so little oil that it is uneconomical to keep on production. Purvis Operating Co, (Purvis), plans to plug and abandon this well but would like to go back and test the Devonian formation before we plug. Because some of the leases now only hold the rights to the Wolfcamp formation, we would like to amend the leases so that we can assure good title to the Devonian formation.

As you may recall, Turnco, Inc, J. W. Manaugh and Skelton Oil Co. first began leasing the captioned lands in 1976, 77 and 78. Purvis Oil Corp. purchased the leases and amended them to produce from the Wolfcamp formation in 1988 and has been producing it from this zone since then. This well was producing from The Devonian formation at a rate of approximately 15 Bbls of oil and **1500 Bbls of salt water per day**, which was not enough oil and too much water for the well to be considered "producing in paying quantities" during that time, when Purvis abandoned this zone and came up hole and began producing from the Wolfcamp formation.

Purvis presents this option to you and hereby respectfully requests your permission to allow us the opportunity to go back down to the Devonian formation and try to reestablish production before plugging and abandoning this well. Please note that we are not certain that we will even be able to get back down to the Devonian formation, at a depth of approximately 12,500', due to the equipment that was previously left in the hole or if it will produce in paying quantities, but we think it is worth the try. It will cost us approximately \$200,000 to get down and test the Devonian formation, assuming we do not encounter any problems along the way. If it is a successful test, then it will cost another \$150,000 to complete and equip the well and put it on production. If the production holds up and we encounter the 1500 Bbls of salt water per day we anticipate, then we will need to replace the pipeline through which we dispose of the water at a cost of approximately \$86,000. **It is for these reasons that we are not offering any bonus money for the execution of this amendment to the lease. If this meets with your approval, please sign below and fax this letter back to me at your earliest possible convenience.** If everyone owning a mineral interest in this well is agreeable to this offer, then we will prepare and mail you an Amendment, Ratification and Revivor of Oil and Gas Lease and proceed with operations to reestablish production. **In the event you wish to participate in this procedure as a working interest partner, please see the attached Authority For Expenditure (AFE), check the appropriate blank below and sign, date and fax this letter and the AFE back to me at 432-683-9584 at your earliest possible convenience. If you have any questions or need**

**further assistance with any of this information, please call us toll free at 1-800-535-8924.**

Also, please look at the attached list of Leases and complete the statement, to the best of your ability at the bottom of this letter marked with an \* which states which lease you executed OR from which lease your interest was derived.

Thank you.

Sincerely,

D. Briggs Donaldson, CPL, CPLTA, CDOA

Please check one, sign, date and fax to 432-683-9584

☐ YES, I want Purvis Operating Co, (Purvis), to try to re-establish production in the Lowe 1A and will execute an Amendment, Ratification and Revivor of Oil and Gas Lease in order to grant Purvis good title.

☐ I wish to participate as working interest owner in the attempt to re-establish production in the Lowe 1A and herewith submit an executed AFE. I also agree to remit payment for any cash calls for my share of the costs 30 days prior to any work is begun and to execute an operating agreement governing the Lowe 1A.

☐ NO, I DO NOT WANT TO EXECUTE AN AMENDMENT, RATIFICATION AND REVIVOR OF OIL AND GAS LEASE NOR DO I WANT TO PARTICIPATE IN THE PROCEDURE DESCRIBED HEREIN AND AM AWARE THAT I MAY BE FORCE POOLED ACCORDING TO THE STATUTORY LAW OF THE STATE OF NEW MEXICO.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Name, (if applicable)

\_\_\_\_\_  
Title

**\*I am the person who executed, or I am the heir/assignee/successor owner of the person who executed Lease # NM-100-0\_\_\_\_\_. (please see the list of leases on exhibit A of the 6/1/88 Operating Agreement, attached hereto, for the other numbers of the lease to the left of the Lessor Name.)**

# **PURVIS OPERATING CO.**

3101 N. Pecos St, 79705

P. O. Box 51990  
Midland, Texas 79710-1990  
Phone (432) 682-7346  
Fax (432) 683-9584  
e-mail: [land@purvisop.com](mailto:land@purvisop.com)

## **SECOND NOTICE**

August 8, 2007

Mineral & Royalty Interest Owners

RE: Lowe 1A, Lea County, New Mexico - NE/4 of Section 34, T-12-S, R-37-E.

Ladies and Gentlemen:

Enclosed please find a copy of the July 3, 2007 letter regarding the captioned well and our desire to amend, ratify, and revive the leases covering the lands associated with said well.

We have had a very good response but still lack a response from many of the Mineral owners in the well. Please read the attached letter, check the box you desire and return to me at your earliest convenience.

If you have any questions, please contact me via e-mail or by phone at the address or phone number listed above.

Thank you.

Sincerely,

D. Briggs Donaldson, CPL, CPLTA, CDOA

# COST ESTIMATE and AUTHORITY FOR EXPENDITURE (AFE)

## SUBMERSIBLE PUMP TEST DEVONIAN

LOWE #1-A, Unit A, Section 34, T-21S, R-37E, Lea County, New Mexico

### TANGIBLE

1 - 500 bbl Water Tank	\$ 6,000
1 - 10' x 15' Free Water Knockout	30,000
1 - Centripetal Pump	1,500
600' - 4" poly pipe @ \$3.40/ft.	2,000
Misc. Valves and fittings	1,000
2800' - 2 7/8" L-80 thg. @ \$7.50/ft.	21,000
<u>New Mexico State Tax @ 6.25%</u>	<u>4,000</u>
Total Tangibles for Test	\$65,500

### INTANGIBLE

Pulling Unit - 10 days	\$45,000
Reverse Unit - 5 days	15,000
Squeeze Wolfcamp Zone	13,000
1 month test rental: 170 hp / 300 stage	8,000
Installation Charges	2,500
Services and spooling	3,800
Electrical work	2,000
1 month rental - 205 kw generator @ \$275/day	8,500
Fuel for generator @ 200 gallons / day @ \$2.25/gal.	14,000
Install water tank and centripetal	1,000
Trucking	3,000
Miscellaneous	5,000
Supervision	5,000
<u>New Mexico State Tax @ 6.25%</u>	<u>8,200</u>
Total Intangible for Test	\$134,000

**TOTAL AFE FOR TEST \$199,500**

### Tangible

Submersible Pump, 170 hp	\$80,000
Transformers	7,400
Lea County Voltage Regulators	38,000
<u>New Mexico State tax</u>	<u>8,100</u>
Total Tangibles	\$133,500

### Intangible

Change out rented submersible	\$4,000
Pulling Unit	4,000
Trucking	1,000
Miscellaneous	3,000
Supervision	2,000
<u>New Mexico State tax</u>	<u>900</u>
Total Intangibles	\$14,900

**TOTAL ADDITIONAL COST IF TEST IS SUCCESSFUL \$148,400**  
Permanent Installation

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Signature Printed Name Date

\_\_\_\_\_  
Company Name (if applicable) Title

EXHIBIT D