

3/23/09

3/23/09

NSL

PKAA 0908255739

DATE IN 3/5/09	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 3/5/09	TYPE NSP	APP NO. PKAA 0906455208
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ABOVE THIS LINE FOR DIVISION USE ONLY

2009 MAR 5 PM 1 00

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



30-025-23173  
 State 1-29 #5  
 Texland Petroleum  
 113315

## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

*Case 14319*

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  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
- [D] Other: Specify \_\_\_\_\_
- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Vickie Smith	<i>Vickie Smith</i>	Regulatory Analyst	3/3/09
Print or Type Name	Signature	Title	Date
		vsmith@texpetro.com	
		e-mail Address	

TEXLAND PETROLEUM, L.P.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

(817) 336-2751

March 3, 2009

Case 14319

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Texland Petroleum-Hobbs, LLC is requesting approval for (i) a non-standard gas spacing and proration unit in the Queen formation under NMAC 19.15.15.11(B), and (ii) an unorthodox gas well location in the Queen formation under NMAC 19.15.15.13, for the following well:

<u>Well:</u>	<b>State 1-29 #5</b>
<u>Well Location:</u>	<b>330' FSL &amp; 2218' FEL</b>
<u>Proposed Well Unit:</u>	<b>S/2 SE/4 of Sec. 29, T18S, R38E</b>

This well was drilled by Standard Oil Co. in 1969 to test the Blinebry formation (Hobbs, Upper Blinebry Pool), **Exhibit A**. The Hobbs, Upper Blinebry Pool is developed on state wide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the upper Blinebry completion is attached as **Exhibit B**.

Applicant took over operations of the well from Chevron USA, Inc. and has applied to re-complete the well up hole in the Queen formation (Byers-Queen Gas Pool). **Exhibits C and D**. The Byers-Queen Gas Pool is developed on statewide rules, with 160 acre spacing and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line. The requested unorthodox location is due solely to completing the well up hole from the deeper zone.

Applicant also requests a non-standard 80 acre unit in the Queen formation, for the following reasons:

1. The well is capable of producing less than 200 MCF/day. The Byers-Queen Gas Pool was prorated at one time. See Order No. R-586, attached as **Exhibit E**. However, by Order No. R-586-B (**Exhibit F**), prorationing was terminated "since the production from the said Byers-Queen Gas Pool is no longer of sufficient consequence to warrant its continued prorationing." Finding Paragraph (8). Thus, the Commission has held that production from the pool is not prolific. A review of the Division's records reflects only a few wells in the Byers-Queen Gas Pool (1 each operated by Texland Petroleum-Hobbs, LLC; HRC, Inc.; and Techsys Resources, LLC).

2. Applicant is the owner of the state lease covering the S/2 SE/4 of Section 29, and desires to produce the well on a lease hold basis. The NW4 SE/4 of Section 29 is a separate state lease, which is also owned by the applicant. The NE/4 SE/4 is a separate Fee lease, owned by Lewis B. Burlison, Inc. The State Land Office and Lewis B. Burlison, Inc. as interested owners excluded from the well unit have been notified of this application. **Exhibit G**. A form C-102 for an 80 acre Queen unit is attached as **Exhibit H**.

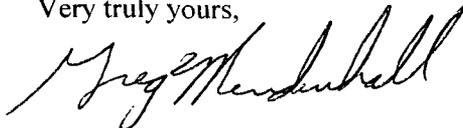
The offset operators have been notified of the non-standard unit and /or unorthodox location. The list of Operators is attached hereto as **Exhibit I**.

The notice letter sent to the offsets is attached hereto as **Exhibit J**.

This application will prevent waste by utilizing an existing wellbore, and will not violate correlative rights.

Please call me if you need anything further regarding this matter.

Very truly yours,



Greg Mendenhall  
Vice President - Operations

*Wm. C. H. Segura*

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LAND OFFICE	
OPERATOR	

AUG 7 1969

Form C-105  
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

**Exhibit A**

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.  
B-2277-1

1a. TYPE OF WELL  
OIL WELL  GAS WELL  DRY  OTHER

b. TYPE OF COMPLETION  
NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF. RESVR.  OTHER

7. Unit Agreement Name

8. Farm or Lease Name  
State 1

9. Well No.  
75

10. Field and Pool, or Wildcat  
Undesignated

2. Name of Operator  
Standard Oil Company of Texas a Division of Chevron Oil Company

3. Address of Operator  
3610 Avenue S, Snyder, Texas 79549

4. Location of Well  
UNIT LETTER 0 LOCATED 330 FEET FROM THE South LINE AND 2218 FEET FROM

THE East LINE OF SEC. 29 TWP. 18S RGE. 38E NMPM

12. County  
Lea

15. Date Spudded 6-10-69 16. Date T.D. Reached 7-1-69 17. Date Compl. (Ready to Prod.) 7-8-69 18. Elevations (DF, RKB, RT, GR, etc.) 3646 GR 19. Elev. Casinghead 3645

20. Total Depth 7027 21. Plug Back T.D. 6970 22. If Multiple Compl., How Many Dual 23. Intervals Drilled By Rotary Tools X Cable Tools

24. Producing Interval(s), of this completion - Top, Bottom, Name  
Drinkard - Top 6569' Btm - not penetrated.  
Blinebry - Top 5751' Btm - 6432'.

25. Was Directional Survey Made No

26. Type Electric and Other Logs Run DI-LL, SNP-GR, Caliper 27. Was Well Cored No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
11 3/4"	42	364		370 sxs-circ to surface	None
8 5/8"	32 & 28	3808	11"	300 sxs	None

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
6 5/8"	3578	6020	530	None	2 3/8	6903	6581
5 1/2"	6020	7022			2 3/8	5998	None

31. Perforation Record (Interval, size and number)

Blinebry - 5918-5968	1/2"	44 holes
Drinkard - 6922-30	1/2"	16 holes
6712-18	1/2"	12 holes
6648-66	1/2"	24 Holes
6955-56	1/2"	4 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5918-5968	200 gals HCL
6922-6930	2000 gals HCL
6712-6718	1000 gals HCL
6648-6666	1250 gals HCL

33. PRODUCTION 6955-6956 None

Date First Production Drinkard 7-8-69 Blinebry 7-18-69 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) Prod.

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil Bbl.	Gas MCF	Water Bbl.	Gas-Oil Ratio
7-29-69	24	32/64		80	480	0	6000
7-21-69	19	16/64		94	70.5	7	750

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil Bbl.	Gas MCF	Water Bbl.	Oil Gravity - API (Corr.)
100	Packer		80	480	0	35.6
100	"	117.8		88.35	12	35.4

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented Test Witnessed By W. D. Edman

35. List of Attachments DI-LL, SNP, GR-Caliper Logs

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED B. Davidson *B. Davidson* TITLE District Drilling Supervisor DATE 7-31-69

# Exhibit B

## NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section:

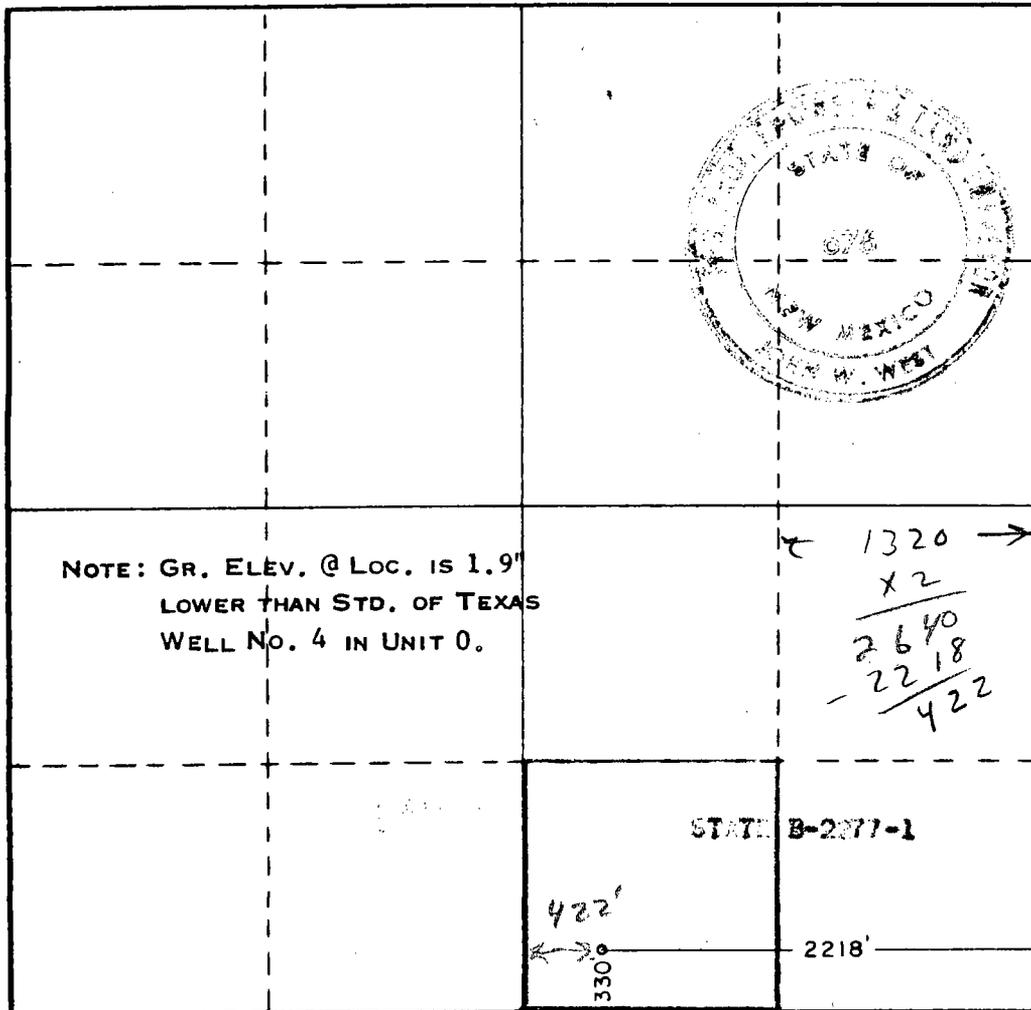
Operator <b>STANDARD OIL CO. OF TEXAS</b>		Lease <b>STATE 1</b>		Well No. <b>5</b>
Unit Letter <b>O</b>	Section <b>29</b>	Township <b>18 SOUTH</b>	Range <b>38 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>2218</b> feet from the <b>EAST</b> line and <b>330</b> feet from the <b>SOUTH</b> line				
Ground Level Elev. <b>3646</b>	Producing Formation <b>Blinberry</b>	Pool <b>Undesignated</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



### CERTIFICATION

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

*B. Davidson*  
Name **B. Davidson**  
**District Drilling Supervisor**  
Position  
**Standard Oil Co. of Texas**  
**Division of Chevron Oil Co.**  
Company  
**May 26, 1969**  
Date

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 knowledge and belief.

Date Surveyed  
**MAY 22, 1969**

Registered Professional Engineer  
and/or Land Surveyor

*John W West*  
Certificate No. **676**

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
June 16, 2001

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

**Exhibit C**

<sup>1</sup> Operator Name and Address Texland Petroleum-Hobbs, LLC 777 Main Street, Suite 3200 Fort Worth, Texas 76102		<sup>2</sup> OGRID Number 113315
		<sup>3</sup> API Number 30 - 02523173
<sup>3</sup> Property Code 25696	<sup>5</sup> Property Name State 1-29	<sup>6</sup> Well No. #5
<sup>9</sup> Proposed Pool 1 Byers Queen		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	29	18S	38E		330	South	2218	East	Lea

<sup>8</sup> Proposed 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

Additional Well Information

<sup>11</sup> Work Type Code E	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary n/a	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3636'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth Original 7025'	<sup>18</sup> Formation Queen	<sup>19</sup> Contractor n/a	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
15"	11 3/4"	42#	364'	370 sks	surface
11"	8 5/8"	28 & 32#	3808'	300 sks	surface
7 7/8"	5 1/2" & 6 5/8"	24#	7022'	530 sks	Surface

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drinkard perfs open @ 6648-6930' (oa), 1 spf=52 holes, PBSD @ 6970', EOT @ 6934'

Propose to load hole w/9.5 ppg plug mud & set CIBP @ 6600', Dump 35' cmt on top, Set 2<sup>nd</sup> CIBP @ 5850', Dump 35' cmt on top, Set 3<sup>rd</sup> CIBP @ 3860', Dump 35' cmt on top.

Perf Queen formation @ 3630-3687' 2 spf=63 holes, Set pkr @ 3590', Acdz w/2000 gals 15% HCL, Swab well, Frac w/27,493 gals 15% Borate x-linked + 60,000# 16/30 Brady sand; Return well back to production.

Current and proposed Wellbore Schematics are attached.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

*Vickie Smith*

Printed name:

Vickie Smith

Title:

Regulatory Analyst

E-mail Address:

vsmith@texpetro.com

Date:

3/3/09

Phone:

817-336-2751 ext 233

<b>OIL CONSERVATION DIVISION</b>	
Approved by:	
Title:	
Approval Date:	Expiration Date:
Conditions of Approval Attached <input type="checkbox"/>	

**ATOKA-PENNSYLVANIAN GAS POOL**  
Eddy County, New Mexico

Order No. R-1171, May 5, 1958, Establishing Pool, as Amended by Order No. R-1340, February 23, 1959; Order No. R-1572, January 18, 1960; Order No. R-1633, March 18, 1960; Order No. R-1417-A, May 25, 1960; Order No. R-1840, January 1, 1961; Order No. R-1878, March 1, 1961; Order No. R-2101, November 1, 1961; Order No. R-2201, April 1, 1962; Order No. R-2241, June 1, 1962; Order No. R-2552, September 1, 1963; Order No. R-2781, November 1, 1964; Order No. R-3195, March 1, 1967; Order No. R-3342, December 1, 1967; Order No. R-4080, January 1, 1971; Order No. R-4162, July 7, 1971; Order No. R-4304, June 1, 1972; Order No. R-4782, June 1, 1974; Order No. R-4861, November 1, 1974; Order No. R-4969, April 1, 1975; Order No. R-5015, June 1, 1975; Order No. R-5124, December 1, 1975; Order No. R-5204, May 1, 1976; Order No. R-5361, March 1, 1977; Order No. R-6169, November 1, 1979; Order No. R-6576, February 1, 1981; Order No. R-6912, March 1, 1982; Order No. R-9133, March 13, 1990; Order No. R-12162, July 1, 2004.

T-18-S, R-26-E Secs. 1, 2; E/2 Sec. 3; E/2 Sec. 9; Secs. 10 through 16; E/2 Sec. 19; Secs. 20, 21, 22; W/2 Sec. 23; Secs. 27, 28, 29; NE/4, E/2 NW/4 Sec. 30; N/2 Sec. 33.

**SOUTH FLYING "M" BOUGH POOL**  
(Formerly South Flying "M"-Pennsylvanian Pool)  
Lea County, New Mexico

Order No. R-2967, October 1, 1965, Establishing Pool, as Amended by Order No. R-3218, May 1, 1967; Order No. R-3355, January 1, 1968; Order No. R-3530, November 1, 1968; Order No. R-3818, September 1, 1969; Order No. R-3853, November 1, 1969; Order No. R-4861, November 1, 1974.

Vertical limits of South Flying "M"-Pennsylvanian Pool contracted to include only Bough formations and pool redesignated by Order No. R-4969, April 1, 1975.

T-9-S, R-32-E SE/4 Sec. 14; E/2 Sec. 23; S/2 Sec. 24; N/2 Sec. 25.  
T-9-S, R-33-E SW/4 Sec. 19; NW/4 Sec. 30.

**BURTON POOL**  
(YATES)  
(Abandoned)  
Eddy County, New Mexico

Order No. 850, January 1, 1950, Redefining Pool, as Amended by Order No. R-3262, July 1, 1967.

T-20-S, R-29-E SE/4 NE/4, E/2 SE/4 Sec. 7; N/2 Sec. 8.

**BYERS-QUEEN GAS POOL**  
Lea County, New Mexico

Order No. R-264, February 17, 1953, Establishing Pool, as Amended by Order No. R-1611, February 26, 1960.

T-18-S, R-38-E Secs. 29 through 32.  
T-19-S, R-38-E NE/4 Sec. 5.

**FOWLER-UPPER YESO POOL**  
(Formerly Fowler-Blinebry and Fowler-Lower Paddock Gas Pools)  
Lea County, New Mexico

Order No. R-3987, July 15, 1970, Establishing Pool, as Amended by Order No. R-4377, September 1, 1972; Order No. R-5609, January 1, 1978.

T-24-S, R-37-E SE/4 Sec. 9; S/2 Sec. 10; SW/4 Sec. 11; SW/4 Sec. 14; Secs. 15, 16; N/2 Sec. 21; Sec. 22; W/2, SE/4 Sec. 23.

**WEST ATOKA-MORROW GAS POOL**  
Eddy County, New Mexico

Order No. R-3979, July 1, 1970, Establishing Pool, as Amended by Order No. R-4162, July 7, 1971; Order No. R-4162-A, July 7, 1971; Order No. R-4540, June 1, 1973; Order No. R-4734, March 1, 1974; Order No. R-4782, June 1, 1974; Order No. R-4937, February 1, 1975; Order No. R-6169, November 1, 1979; Order No. R-6912, March 1, 1982; Order No. R-7222, March 1, 1983; Order No. R-7307, July 1, 1983; Order No. R-7437, March 1, 1984; Order No. R-9133, March 13, 1990; Order No. R-9837, February 1, 1993; Order No. R-10159, August 1, 1994.

T-17-S, R-25-E E/2 Sec. 34; S/2 Sec. 35.  
T-18-S, R-25-E Sec. 1; E/2 Sec. 2; E/2 Sec. 10; Secs. 11 through 15, 23, 24.  
T-18-S, R-26-E S/2 Sec. 7; Sec. 8; W/2 Sec. 9; W/2 Sec. 17; Sec. 18; W/2 Sec. 19.

**EAST DICKINSON-PENNSYLVANIAN POOL**  
Lea County, New Mexico

Order No. R-3979, July 1, 1970, Establishing Pool.

T-11-S, R-36-E SE/4 Sec. 1.

**SUBLE-QUEEN GAS POOL**  
Chaves County, New Mexico

Order No. R-3981, June 19, 1970, Establishing Pool.

Pool abolished by Order No. R-3981-A, September 1, 1971.

**TUBB POOL  
BYERS-QUEEN GAS POOL  
JUSTIS GAS POOL  
Lea County, New Mexico**

Order No. R-586, Superseding Prior Orders on the Tubb, Byers-Queen and Justis Gas Pools, Lea County, New Mexico, April 11, 1955, as Amended by Order No. R-967, April 23, 1957; Order No. R-586-B, September 9, 1957; Order No. R-586-C, October 3, 1957; and Order No. R-586-E, February 12, 1959.

Note: Order No. R-1670 supersedes the above orders in relation to Justis Gas Pool and to Tubb Gas Pool except those rules set out below. The rules for the Byers-Queen were deleted from Order No. R-586 by Order No. R-586-B effective September 30, 1957.

**RULE 15.** No gas, either dry gas or casinghead gas, produced from the Tubb Gas Pool shall be flared or vented.

**RULE 16.** (As Added by Order No. R-586-B, September 9, 1957.) An oil well in the Tubb Gas Pool shall be defined as a well which produces hydrocarbons possessing a gravity of 45° API or less.

**RULE 17.** (As Added by Order No. R-586-B, September 9, 1957.) An oil well in the Tubb Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section legal subdivision of the United States Public Land Surveys.

**RULE 18.** (As Added by Order No. R-586-B, September 9, 1957.) No acreage shall be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

**RULE 19.** (As Added by Order No. R-586-B, September 9, 1957.) The limiting gas-oil ratio for oil wells in the Tubb Gas Pool shall be 2000 cubic feet of gas for each barrel of oil produced.

**PROVIDED FURTHER,** After the effective date of this order no well shall be completed or recompleted in such a manner that the producing zone of the Tubb Gas Pool and the producing zone of any other common source of supply are both open in the same well bore unless specifically authorized by order of the Commission after notice and hearing. Dual completions may be effected in accordance with the provisions of Rule 112-A of the Commission's Rules and Regulations.

Any well presently completed in such a manner that the well bore is open to more than one common source of supply shall be assigned to the applicable pool by the Commission staff. Any operator of any well completed in such a manner shall submit to the Commission office at Hobbs, New Mexico, all pertinent well completion data on Form C-105, together with electric logs, sample logs, drill stem test records, etc. All data shall be submitted in duplicate on or before May 15, 1955. Failure of any operator to submit the required data will result in cancellation of Form C-110 and subsequent cancellation of allowables.

If the operator is not satisfied with the well's assignment he may apply for a hearing on the matter in accordance with Commission Rule 1203.

**PROVIDED FURTHER,** That in filing Form C-101 "Notice of Intention to Drill or Recomplete" all operators shall strictly comply with the provisions of Rule 104, paragraph (e).

**PROVIDED FURTHER,** That failure to comply with the provisions of this order or the rules contained herein shall result in the cancellation of allowable assigned to the affected well. No further allowable shall be assigned to the affected well until all rules and regulations are complied with. The Proration Manager shall notify the operator of the well and the purchaser in writing of the date of allowable cancellation and the reason therefor.

**SOUTHWEST GLADIOLA-PENNSYLVANIAN POOL  
Lea County, New Mexico**

Order No. R-1836, Creating and Adopting Temporary Rule for the Southwest Gladiola-Pennsylvanian Pool, Lea County, New Mexico, December 31, 1960, and Made Permanent by Order No. R-1836-A, July 26, 1961.

*Application of Nearburg & Ingram for the creation of a new oil pool for Pennsylvanian Production in Lea County, New Mexico, and for the promulgation of temporary special rules and regulations for said pool.*

CASE NO. 213  
Order No. R-188

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:** This cause came on for hearing at 9 o'clock a.m. on November 30, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 121 of the Commission Rules and Regulations.

NOW, on this 14th day of December, 1960, the Commission a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner Daniel S. Nutter, and being fully advised in the premises,  
**FINDS:**

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Nearburg & Ingram, seeks an order creating a new oil pool for Pennsylvanian production to be designated as the Southwest Gladiola-Pennsylvanian Pool, consisting of the NW/4 of Section 35, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the evidence presented concerning the reservoir characteristics of the proposed Southwest Gladiola-Pennsylvanian Pool, including permeability and porosity data, justifies the establishment of 80-acre proration units in said pool on a temporary basis.

(4) That the evidence presented indicates that, for the present at least, it may be uneconomical to drill wells in the Southwest Gladiola-Pennsylvanian Pool on 40-acre proration units, and that unless a temporary 80-acre proration unit order is entered, further development in said pool may be retarded.

(5) That due to the apparently limited size of said pool, a flexible rule governing well locations should be adopted.

(6) That inasmuch as temporary special rules and regulations for the Southwest Gladiola-Devonian Pool, as promulgated by Order No. R-1724, will expire on July 31, 1961, and inasmuch as the rules for that pool should be coextensive with the rules for the subject pool, the temporary special rules and regulations for the Southwest Gladiola-Pennsylvanian Pool should expire on July 31, 1961.

(7) That during the period in which this order will be in effect the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be heard again by the Commission at the regular monthly hearing in July, 1961, at which time the applicant should be prepared to prove by a preponderance of the evidence why the Southwest Gladiola-Pennsylvanian Pool should not be developed on 40-acre units.

**IT IS THEREFORE ORDERED:**

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production, be and the same is hereby created and designated as the Southwest Gladiola-Pennsylvanian Pool, consisting of the following described acreage:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM  
Section 35: NW/4

EXHIBIT

**E**

A.R.P.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1221  
Order No. R-586-B

APPLICATION OF THE OIL CONSERVATION  
COMMISSION UPON ITS OWN MOTION FOR  
AN ORDER AMENDING THE SPECIAL RULES  
AND REGULATIONS FOR THE TUBB GAS POOL  
TO MAKE PROVISION IN SAID RULES FOR  
THE REGULATION OF OIL WELLS COMPLETED  
WITHIN THE DEFINED LIMITS OF SAID POOL;  
AND FURTHER, TO CONSIDER THE DELETION  
OF THAT PORTION OF ORDER R-586 WHICH  
RELATES TO THE BYERS-QUEEN GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
March 14, 1957, May 16, 1957 and again July 17, 1957, at Santa  
Fe, New Mexico, before the Oil Conservation Commission of New  
Mexico, hereinafter referred to as the "Commission."

NOW, on this 9<sup>th</sup> day of September, 1957, the Commission,  
a quorum being present, having considered the testimony and evidence  
adduced and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Commission has jurisdiction of this case and the subject  
matter thereof.

(2) That several wells have been completed within the  
defined limits of the Tubb Gas Pool which are capable of producing  
liquid hydrocarbons with gravities in the range which is commonly  
accepted to be that of crude petroleum oil, and that such wells  
should be classified as oil wells.

(3) That to classify, space, and prorate the aforesaid  
wells as though they were gas wells could be unfair to the royalty  
owners in the Tubb Gas Pool.

(4) That an oil well in the Tubb Gas Pool should be  
defined as a well which produces liquid hydrocarbons possessing  
a gravity of 45° API or less.

(5) That an oil well in the Tubb Gas Pool should have  
dedicated thereto a proration unit consisting of 40 acres, more  
or less, being a governmental quarter-quarter section legal sub-  
division of the United States Public Land Surveys.

EXHIBIT F

-2-  
Case No. 1221  
Order No. R-586-B

(6) That no acreage should be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

(7) That the limiting gas-oil ratio for oil wells in the Tubb Gas Pool should be 2000 cubic feet of gas for each barrel of oil produced.

(8) That the Special Rules and Regulations for the Byers-Queen Gas Pool as set forth in Order R-586 should be deleted since the production from the said Byers-Queen Gas Pool is no longer of sufficient consequence to warrant its continued prorating.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Tubb Gas Pool as set forth in Order R-586, be and the same are hereby amended to include the following rules:

SPACING AND OPERATION OF OIL WELLS

RULE 16. An oil well in the Tubb Gas Pool shall be defined as a well which produces hydrocarbons possessing a gravity of 45° API or less.

RULE 17. An oil well in the Tubb Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section legal subdivision of the United States Public Land Surveys.

RULE 18. No acreage shall be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

RULE 19. The limiting gas-oil ratio for oil wells in the Tubb Gas Pool shall be 2000 cubic feet of gas for each barrel of oil produced.

(2) That the Special Rules and Regulations for the Byers-Queen Gas Pool, as set forth in Order R-586, be and the same are hereby deleted effective September 30, 1957.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*M. E. Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

S E A L

ir/

TEXLAND PETROLEUM, L.P.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

(817) 336-2751

**Exhibit G**

March 3, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

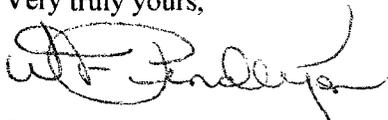
Lewis B. Burleson, Inc.  
P.O. Box 2479  
Midland, Texas 79702

Jeff Albers  
Oil, Gas and Minerals Division  
Commissioner of Public Lands  
310 Oil Santa Fe Trail  
Santa Fe, New Mexico 87501

Ladies and gentlemen:

Texland Petroleum, L.P. has filed an application with the New Mexico Oil Conservation Division seeking a non-standard unit in the Byers-Queen Gas Pool comprised of the S/2 SE/4 of Section 29, Township 18 South, Range 38E, NMPM, Lea County, New Mexico. A Standard Unit of 160 acres would require Texland to designate the N/2 SE/4 of Section 29. We prefer to designate an 80 acre unit as was recently done by Vanguard Permian LLC for their well in the N/2 NE/4 of Section 32. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (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,



Frank Pendleton  
Manager, Land and Legal

Exhibit H

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

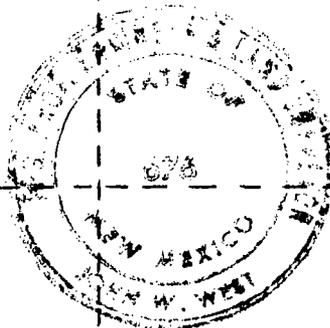
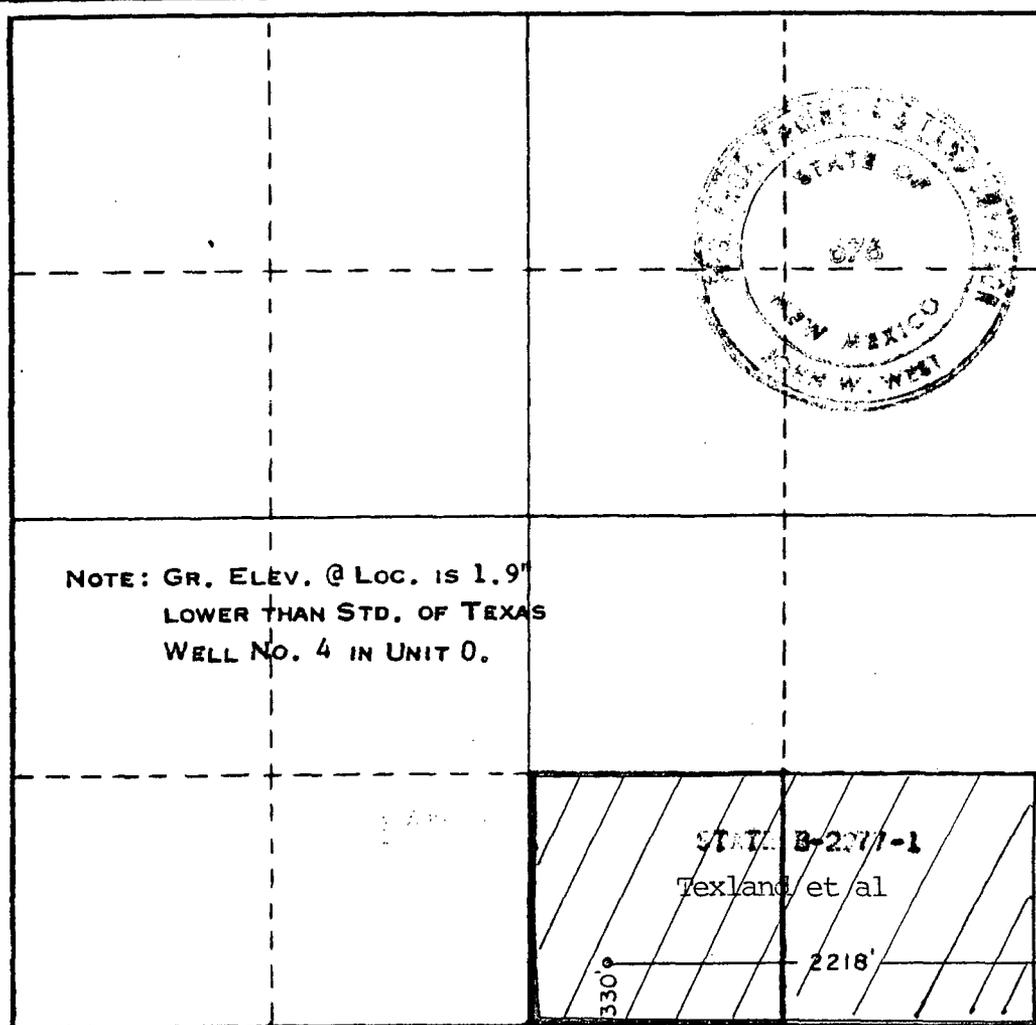
Operator Texland Petroleum-Hobbs LLC		Lease STATE L-29		Well No. 5
Unit Letter O	Section 29	Township 18 SOUTH	Range 38 EAST	County LEA
Actual Footage Location of Well: 2218 feet from the EAST line and 330 feet from the SOUTH line				
Ground Level Elev. 3646	Producing Formation Queen	Pool Byers	Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

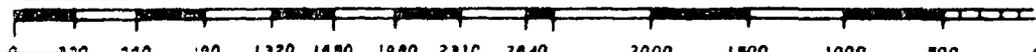
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Vickie Smith  
Name  
Vickie Smith  
Position  
Regulatory Analyst  
Company  
Texland Petroleum-Hobbs, LLC  
Date  
3/3/09

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 knowledge and belief.

Date Surveyed  
MAY 22, 1969  
Registered Professional Engineer and/or Land Surveyor  
John W West

Certificate No. 678



# Exhibit I

February 23, 2009

OFFSET OPERATOR NOTICE LIST  
STATE 'A' 29 LEASE  
S/2 SE/4 SEC. 29, T18S R38E  
LEA COUNTY, NEW MEXICO

Section 29

McClure Oil Company, Inc.  
P. O. Box 14  
Midland, Texas 79702

Lewis B. Burlison, Inc.  
P. O. Box 2479  
Midland, Texas 79702

Section 28

Occidental Permian Ltd.  
OXY USA Inc.  
P. O. Box 4294  
Houston, Texas 77210

Section 32

Vanguard Permian LLC  
25502 US Highway 277t  
Christoval, Texas 76935

Techsys Resorces LLC  
P. O. Box 19465  
Houston, Texas 77224

HRC, Inc.  
P. O. Box 5102  
Hobbs, New Mexico 88241

Section 33

Occidental Permian Ltd.  
OXY USA Inc.  
P. O. Box 4294  
Houston, Texas 77210

TEXLAND PETROLEUM, L.P.  
EXPLORATION AND PRODUCTION  
777 MAIN STREET, SUITE 3200  
FORT WORTH, TEXAS 76102

Exhibit J

(817) 336-2751

March 3, 2009

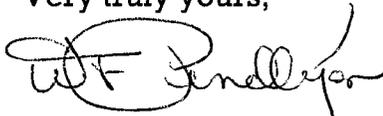
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Offset operators listed on Exhibit A

Ladies and gentlemen:

Texland Petroleum, L.P. has filed an application with the New Mexico Oil Conservation Division seeking a non-standard unit and unorthodox gas well locations in the Byers-Queen Gas Pool for a well in the S/2 SE/4 of Section 29, Township 18 South, Range 38E, NMPM, Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (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,



Frank Pendleton  
Manager, Land and Legal