

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:)
) CASE NO. 13,085
 AMENDED APPLICATION OF EGL RESOURCES,)
 INC., AND ROBERT LANDRETH FOR POOL)
 EXTENSION OR, ALTERNATIVELY, POOL)
 CREATION AND EXPANSION OF GAS SPACING)
 AND PRORATION UNIT, LEA COUNTY,)
 NEW MEXICO)
 _____)

OFFICIAL EXHIBIT FILE
(1 OF 2: EGL/LANDRETH EXHIBITS)
EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Examiner

October 2nd, 2003

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, October 2nd, 2003, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

EGL RESOURCES, INC.
and
ROBERT LANDRETH

NMOCD Case No. 13085

RECEIVED

APR 12 11 59 AM JJ
CARLSBAD
AREA OFFICE

APR 11 1995

3100 (06200)

Santa Fe Energy Resources, Inc.
Attention: Mr. Curtis D. Smith
550 W. Texas, Suite 1330
Midland, TX 79701

Re: Shamrock "29" Fed Com No. 1
NE/4 NE/4 sec. 29, T.22S., R.34E.
Lease No. NMNM-60583
Lea County, New Mexico

Gentlemen:

Your letter dated March 30, 1995, request a suspension of operations pursuant to 43 CFR 3103.4-2 for lease NMNM-60583 which was due to expire on March 31, 1995, the end of its primary term.

A Notice of Staking (NOS) for the subject well was filed with the BLM Carlsbad Resource Area (CRA) office on February 24, 1995, and the Application for Permit to Drill (APD) was subsequently received by the CRA on February 27, 1995.

According to the CRA, the Cultural Resources Clearance report has not been submitted to their office; therefore, they were not able to complete the processing of the APD prior to lease expiration. Onshore Oil and Gas Order No. 1 under III. E., requires that the cultural report be submitted with the complete APD submittal, when following the NOS option or no later than the 25th day of the 30-day processing period, when following the APD option.

Accordingly, due to the operator's failure to submit the required report in order for the BLM to complete the APD review the request for suspension of the subject lease is hereby denied. Since the suspension is denied and the lease is considered expired by its own terms at the end of the primary term, the APDs are being returned herewith unprocessed.

Under provisions of 43 CFR 3165.3, you may request an Administrative review of the decision described above. Such a request including all supporting documents must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico, 87502-0115. Such request shall not result in a suspension of the decision unless the reviewing official so determines. Procedures governing appeals from instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR Part 4.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson
Assistant District Manager,
Minerals

cc:
NM (93200, G. Gonzales)
NM (06780, T. O' Brien)
Lease File (NMNM-60583)

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. H-1
CASE NO. _____

1992

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO. NM-60583

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1A. TYPE OF WORK DRILL [X] DEEPEN []

7. UNIT AGREEMENT NAME

D. TYPE OF WELL OIL WELL [] GAS WELL [X] OTHER [] SINGLE ZONE [] MULTIPLE ZONE []

8. FARM OR LEASE NAME WELL NO.

2. NAME OF OPERATOR Santa Fe Energy Resources, Inc.

Shamrock "29" Fed Com #1

3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330, Midland, Texas (915) 682-6373

9. API WELL NO.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface (G) 1330' FNL & 1330' FEL At proposed prod. zone

10. FIELD AND POOL, OR WILDCAT

North Bell Lake-Devonian

11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA

Sec 29, T-22-S, R-34-E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 20 miles west of Jal, New Mexico

12. COUNTY OR PARISH 13. STATE Lea New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1330'

16. NO. OF ACRES IN LEASE 160

17. NO. OF ACRES ASSIGNED TO THIS WELL 640

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None

19. PROPOSED DEPTH 15000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3429 Gr

22. APPROX. DATE WORK WILL START* March 30, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 20", 14-3/4", 9-7/8", 6-1/2", 4-3/4" hole sizes.

We propose to drill to a depth sufficient to test the Devonian formation for gas. If productive, a 3-1/2" liner will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs as per Onshore Oil and Gas Order No. 1 are outlined in the following attachments

Drilling Program

- Exhibit A - Operations Plan Exhibit F - Plat Showing Existing Wells
Exhibit B - BOP and Choke Schematic 5-M Exhibit F (A) - Plat of Location
Exhibit B (A) - BOP and Choke Schematic 10-M Exhibit G - Well Site Layout
Exhibit C - Drilling Fluids Program Surface Use and Operations Plan
Exhibit D - Auxiliary Equipment
Exhibit E - Topo Map of Location

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED James P. Phil Stinson TITLE Agent for Santa Fe Energy DATE 2.27.95

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY TITLE DATE

*See Instructions On Reverse Side

DISTRICT II
 Drawer DD
 Santa Fe, NM 88211-0719

DISTRICT III
 1000 Rio Brazos Rd.
 Aztec, NM 87410

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

State Lease - 4 copies
 Fee Lease - 3 copies

AMENDED REPORT

DISTRICT IV
 P. O. Box 2088
 Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name North Bell Lake Devonian			
4 Property Code		5 Property Name SHAMROCK '29' FEDERAL COM.				6 Well Number 1	
7 OGRID No.		8 Operator Name SANTA FE ENERGY RESOURCES, INC.				9 Elevation 3429'	

*** SURFACE LOCATION**

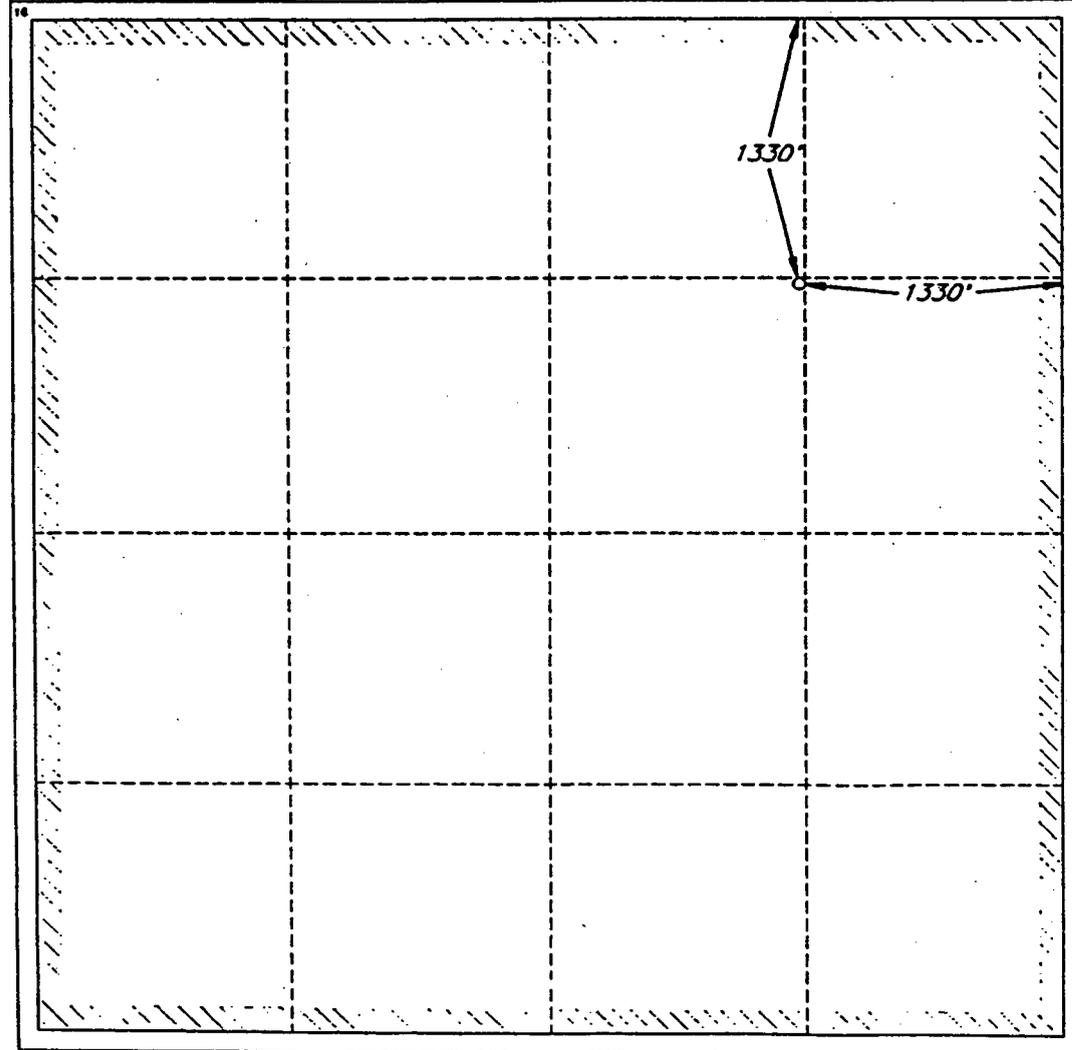
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	29	22 SOUTH	34 EAST, N.M.P.M.		1330'	NORTH	1330'	EAST	LEA

" BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 640	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature: *James P. Phil Stinson*
 Printed Name: James P. (Phil) Stinson

Title: Agent for Santa Fe Energy Resources.
 Date:

SURVEYOR CERTIFICATION

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.

Date of Survey: FEBRUARY 22, 1995

Signature and Seal of Professional Surveyor:

 V. LYNN BEZNER
 NO. 7920
 V. L. BEZNER AND SONS, P.S. #7920
 JOB #38148 SW / V.H.B.

DRILLING PROGRAM

SANTA FE ENERGY RESOURCES, INC.

Shamrock "29" Fed Com No. 1

In conjunction with Form 3160-3, Application to Drill the subject well, Santa Fe Energy Resources, Inc. submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 1.

1. **Geologic Name of Surface Formation: Alluvium**
2. **Estimated Tops of Significant Geologic Markers:**

Rustler	1050'
Salado	1400'
Delaware	5000'
Bone Spring	8450'
Wolfcamp	10900'
Strawn	11900'
Atoka	12100'
Morrow	12700'
Mississippian	14100'
Woodford	14550'
Devonian	14700'
Total Depth	15000'

3. **The estimated depths at which water, oil or gas formations are expected:**

Water	None expected in area
Oil	Bone Spring @ 9100'
Gas	Upper Morrow @ 13100' Devonian @ 14700'

4. **Proposed Casing Program: See Form 3160-3 and Exhibit A**
5. **Pressure Control Equipment: See Exhibit B**
6. **Drilling Fluid Program: See Exhibit C**
7. **Auxiliary Equipment: A mud logging unit will be utilized to monitor penetration rate and hydrocarbon shows while drilling below 4600' to TD.**
8. **Testing, Logging and Coring Program:**

Drill Stem Tests: (all DST's to be justified on the basis of valid show of oil or gas):

Bone Spring	9100'- 9200'
Atoka	12200'-12250'
Morrow	13100'-13150'