



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 8, 2001

Jeff Phillips
TMBR/Sharp Drilling, Inc.
PO Drawer 10970
Midland, TX 79702

RE: 1) Application to drill TMBR/Sharp Drilling, Inc., LEAVELLE 23 # 1, located in G-23, T16S, R35E 2038 FNL and 1998 FEL.
API number 30-025-35654
2) Voiding API Number 30-025-35654

Dear Mr. Jeff Phillips

We can not approve Form C-101 Application for permit to drill the above well do to the overlapping of the dedicated acreage in the E/2 of Sec 23, T16s, R35E. The proposed completion interval for this application was the Townsend;Mississippian, North (Gas) pool, with the E/2 of Sec 23, T16S, R35E comprising 320 acres dedicated to this well. On July 30, 2001 the Oil Conservation Division office in Hobbs approved an application to drill a well from David H Arrington Oil & Gas, Inc. This well was the David H Arrington Oil & Gas, Inc., Blue Drake 23 # 1, located in I-23, T16S, R35E, 1980 FSL and 660 FEL and dedicated to this well was the E/2 of Sec 23, T16S, R35E comprising 320 acres for the proposed completion in the Townsend;Mississippian, North (Gas) pool. Therefore API number 30-025-35654 is here by voided.

Since TMBR/Sharp Drilling believes that they are the only operator with the rights to drill this well, it is suggested that they take this matter up with David Arrington Oil & Gas Inc.

Yours very truly,

OIL CONSERVATION DIVISION

Chris Williams
District I. Supervisor

PFK

Oil Conservation Division * 1625 French Drive * Hobbs, New Mexico 88240
Phone: (505) 393-6161 * Fax (505) 393-0720 * <http://www.emnrd.state.nm.us>



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesa, NM 88210
 District III
 1000 Rio Bravo Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-101
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

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

* Operator Name and Address: TMBR/Sharp Drilling, Inc. P. O. Drawer 10970 Midland, TX 79702		* GRID Number 036554
		* API Number 30-025-35654
* Property Code 28580	* Property Name Leavelle "23"	* Well No. 1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Count
G	23	16S	35E		2038	North	1998	East	Lea

8 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	Count
* Proposed Pool 1					** Proposed Pool 2				
Townsend; Mississippian, N.					Townsend; Morrow				

* Work Type Code N	** Well Type Code G	** Cable/Rotary R	** Lease Type Code P	** Ground Level Elevation 3965
** Multiple No	** Proposed Depth 13,200'	** Formation Mississippian	** Contractor TMBR/Sharp	** Spud Date 9/01/01

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5	420	500	Surface
12 1/4"	9 5/8"	40	5,000	1800	Surface
8 1/2"	7"	23 & 26	12,000	1000	5,000
6 1/2"	4 1/2"	11.6	13,200	135	11,900

22 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.

It is proposed to drill a 17 1/2" hole to ±420' with fresh water & set 13 3/8" csg & cement to surface. A 12 1/4" intermediate hole will be drilled to ±5000' with cut-brine system & 9 5/8" csg will be set & cemented back to surface. A 3000 psi annular preventer & 3000 psi dual ram BOP will be used on the intermediate hole. An 8 1/2" hole will be drilled to a TD of ±12,000' with FW mud where 7" csg will be set at TD & cemented back to the intermediate csg @ 5000'. We will drill a 6 1/2" hole to TD of ±13,200'. We plan to run a 4 1/2" liner to TD with top of liner @ 11,900' & cement w/135 sacks. A 3000 psi annular preventer & a 5000 psi double ram BOP will be used on the 8 1/2" & 6 1/2" hole. Mud up will occur between 9000' & 10,000' & several DST's are planned.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>L. Arnold</i>		OIL CONSERVATION DIVISION	
Printed name: Lonnie Arnold		Approved by:	
Title: Production Manager		Title:	
Date: August 6, 2001		Approval Date: Expiration Date:	
Phone: (915) 699-8050		Conditions of Approval:	
		Attached <input type="checkbox"/>	

Permit Expires 1 Year From Approval Date Unless Drilling Underway

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-10
Revised February 10, 1990
Submit to appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

DISTRICT II
1000 W. BRADEN RD., ALBANY, NM 87410
DISTRICT III
1000 W. BRADEN RD., ALBANY, NM 87410
DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

AFT Number 30-025-35654	Foot Code 86390	Foot Name Townsend; Mississippian, N.
Property Code 28580	Property Name LEAVELLE 23	Well Number 1
OGED No. 036554	Operator Name TMBR/SHARP DRILLING, INC.	Elevation 3965'

Surface Location

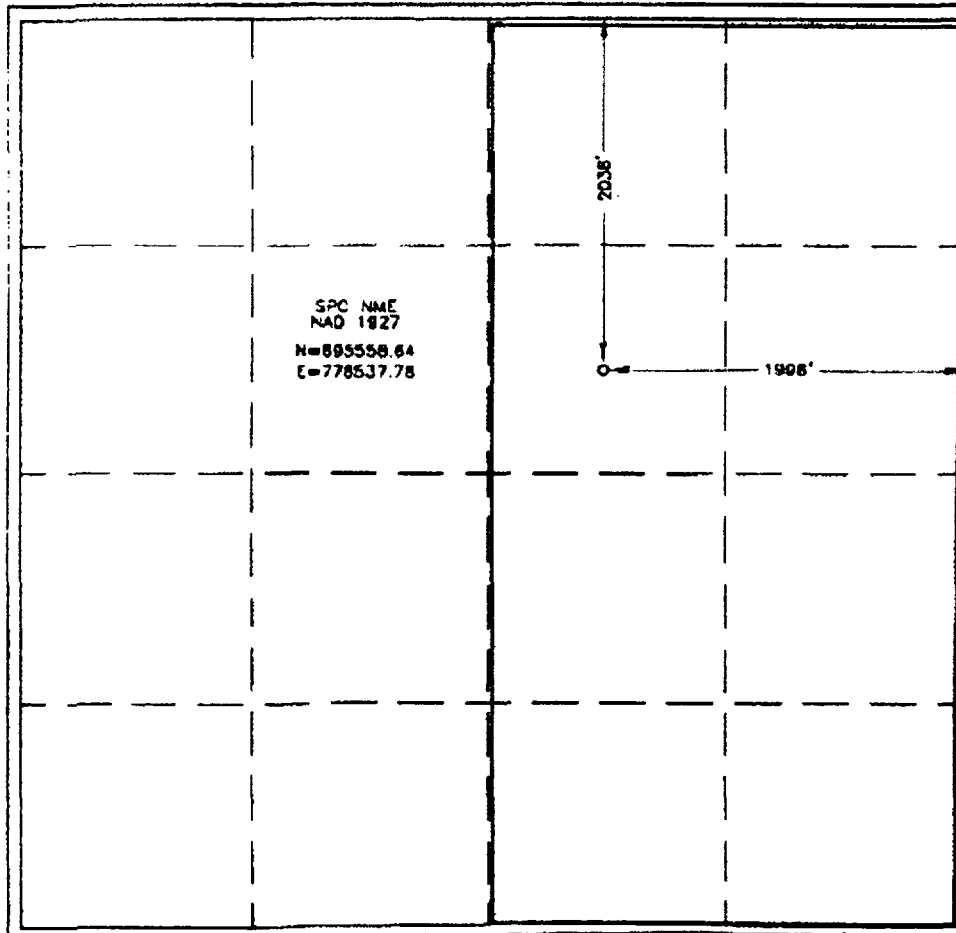
UL or lot No.	Section	Township	Range	Lot No.	Foot from the	North/South line	Foot from the	East/West line	County
G	23	16-S	35-E		2038	NORTH	1998	EAST	LEA

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Foot from the	North/South line	Foot from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



OPERATOR CERTIFICATION

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

Lonnie Arnold
Signature

Lonnie Arnold
Printed Name

Production Manager
Title

8/6/01
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.

JULY 26, 2001

Date Surveyed _____ AWR

Signature _____
Professional Title _____