



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 3, 2006

Tom R. Cone
1304 W. Broadway Place
Hobbs, NM 88240
Attn: Mr. Tom R. Cone

Re: Request for Allowable, received February 28, 2006
Federal '18' # 3, API #30-015-20146

Dear Mr. Cone or To Whom it May Concern:

Your request for allowable is **denied** and said well is to be shut in on April, 6, 2006

Under Rule 1104, the Oil Conservation Division (OCD) may not grant a request for allowable and authorization to transport oil and natural gas to an operator who is out of compliance with Rule 40. Rule 40 requires, in relevant part, that an operator who operates between 4 and 100 wells have no more than 2 wells on the Rule 40 inactive well list. OCD records as of April 3, 2006, show that Tom R. Cone operates 34 wells, and 13 of those wells appear on the Rule 40 inactive well list.

You can remove a well from the Rule 40 inactive well list by returning the well to production or other beneficial use, placing the well on approved temporary abandonment status, or plugging the well bore. You may also remove wells from the Rule 40 inactive well list by placing the wells under an agreed compliance order (ACO) under which you agree to return the wells to compliance according to a negotiated schedule, with penalties for failure to meet that schedule. To enter into an ACO, please contact OCD attorney Gail MacQuesten at (505) 476-3451.

Respectfully Yours,


Bryan G. Arrant

District II Geologist-Artesia
505-747-1283 ext 103

CC: Mark Fesmire, Division Director-Santa Fe
Gail MacQuesten, Legal Council-Santa Fe
Daniel Sanchez, Enforcement & Compliance Manager-Santa Fe
Tim Gum, District Supervisor-Artesia
Well file

Encl: Rule 40 Inactive Well List April 3, 2006

Inactive Well List

Total Well Count:34 Inactive Well Count:13 Since:1/8/2005

Printed On: Monday, April 03 2006

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Comments
2	30-015-05803	CEM FEDERAL #001	B-29-19S-31E	B	188152	TOM R CONE	F	O	03/2004			
2	30-015-05739	DONNELLY PAN AMERICAN #001Y	G-5 -19S-31E	G	188152	TOM R CONE	F	O	12/1987			
2	30-015-05765	FEDERAL 18 #001	2-18-19S-31E	E	188152	TOM R CONE	F	O	11/1997			
2	30-015-10228	FEDERAL 18 #002	K-18-19S-31E	K	188152	TOM R CONE	F	O	11/1997			
2	30-015-20146	FEDERAL 18 #003	H-18-19S-31E	H	188152	TOM R CONE	F	O	11/2001			
2	30-015-20226	FEDERAL 18 #004	G-18-19S-31E	G	188152	TOM R CONE	F	O	09/1997			
2	30-015-05597	NORTH SHUGART QUEEN UNIT #001	C-21-18S-31E	C	188152	TOM R CONE	F	O	10/2002			
2	30-015-05591	NORTH SHUGART QUEEN UNIT #004	E-21-18S-31E	E	188152	TOM R CONE	F	O	09/1988		T	4
2	30-015-05593	NORTH SHUGART QUEEN UNIT #005	F-21-18S-31E	F	188152	TOM R CONE	F	O	08/1978		T	4
2	30-015-05599	NORTH SHUGART QUEEN UNIT #007	L-21-18S-31E	L	188152	TOM R CONE	F	O	08/2001			
2	30-015-05586	NORTH SHUGART QUEEN UNIT #008	I-20-18S-31E	I	188152	TOM R CONE	F	O	09/1988		T	4
2	30-015-05587	NORTH SHUGART QUEEN UNIT #009	P-20-18S-31E	P	188152	TOM R CONE	F	O	08/1998			
2	30-015-05590	NORTH SHUGART QUEEN UNIT #010	M-21-18S-31E	M	188152	TOM R CONE	F	O	09/2002			

WHERE Ogrid:188152, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2003

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

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address TOM R. CONE 1304 W. BROADWAY PLACE HOBBS N M 88240		² OGRID Number 188152
		³ Reason for Filing Code/ Effective Date 2 / 1 / 06
⁴ API Number 30 - 015020146	⁵ Pool Name BENSON YATES EAST	
		⁶ Pool Code 5530
⁷ Property Code 4317	⁸ Property Name FEDERAL 18	
		⁹ Well Number 3#

II. ¹⁰ Surface Location

Ul or lot no H	Section 18	Township 19S	Range 31E	Lot.Idn NMPM	Feet from the 2310	North Line	Feet from the 330	East line	County EDDY N M
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¹¹ Bottom Hole Location

UL or lot no H	Section 18	Township 19S	Range 31E	Lot Idn NMPM	Feet from the 2310	North line	Feet from the 330	East line	County EDDY N M
¹² Lse Code H	¹³ Producing Method Code		¹⁴ Gas Connection Date		¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date		¹⁷ C-129 Expiration Date	

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
151992	ROTARY OIL & GAS 1304 W. BROADWAY PLACE HOBBS N M 88240	0995110	0	H-18-19S-31E
				RECEIVED
				FEB 28 2006
				UUL-ANTECOM

IV. Produced Water

²³ POD 2171150	²⁴ POD ULSTR Location and Description H-18-19S-31E
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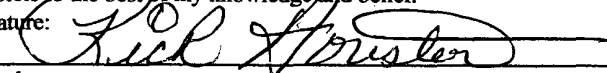
V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTB	²⁹ Perforations	³⁰ DHC, MC
³¹ Hole Size	³² Casing & Tubing Size		³³ Depth Set		³⁴ Sacks Cement

VI. Well Test Data

³⁵ Date New Oil 2 / 1 / 06	³⁶ Gas Delivery Date NONE	³⁷ Test Date 2 / 3 / 06	³⁸ Test Length 24 HOURS	³⁹ Tbg. Pressure NONE	⁴⁰ Csg. Pressure NONE
⁴¹ Choke Size NONE	⁴² Oil 8 BOPD	⁴³ Water 2 BWPD	⁴⁴ Gas NONE	⁴⁵ AOF	⁴⁶ Test Method PUMP

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: 

Printed name:
RICK L HOUSTON

Title:
FIELDSUPERINTENDENT

E-mail Address:
RHOU121198@VALORNET.COM

Date:
2/22/06

Phone:
505 390 9611

OIL CONSERVATION DIVISION

DENIED

Approved by:

Title:

Approval Date:

APR 03 2006