



R. K. FORD & ASSOCIATES
Engineering, Drilling & Completion

201 West Wall
Suite 600 • Wall Tower East
Midland, Texas 79701

PLRO-401330474

New Sup. 3/29/04

RECEIVED

MAR 08 2004

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

MS

(915) 682-0440

Fax (915) 682-0441

email: Ford201@AOL.COM

March 2, 2004

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: San Remo 32 #1

Dear Mr. Stogner:

In reference to the denial of the proposed unorthodox location of the subject well, I offer the following justification of this location.

The presence of houses, pens and farmland in this area would require the location be moved a considerable distance, necessitating a 2000-3000' kick.

R. K. Ford & Associates respectfully requests your reconsideration of the proposed location.

Sincerely,

R. K. Ford & Associates, Inc.

Sandra Nobles

Sandra Nobles

/jr

Attachment



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Preston Exploration, LLC

c/o R. K. Ford & Associates, Inc.

415 West Wall – Suite 1700

Wilco Building

Midland, Texas 79701

January 29, 2004

Lori Wrotenbery

Director

Oil Conservation Division

Attention: Sandra Nobles

Re: *Administrative application dated January 7, 2004 (administrative application reference No. pLR0-401330474) for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Preston Exploration, LLC's ("Preston") proposed San Remo "32" Well No. 1 to be drilled at an unorthodox deep gas well location 1980 feet from the North line and 2130 feet from the West line (Unit F) of Section 32, Township 16 South, Range 26 East, NMPM, Eddy County, New Mexico. The N/2 of Section 32 to be dedicated to this well in order to form a standard 320-acre lay-down deep gas spacing unit within both the Undesignated POW-Morrow Gas Pool (83040) and Undesignated POW-Atoka Gas Pool (97624).*

Dear Ms. Nobles:

The Division requires well location exception requests be considered for good cause shown and with reasonable supporting documentation and evidence. Your application provided nothing to base such a request or any information to support why the requested unorthodox deep gas well location is needed in this matter. Reviewing the information provided at face value and assuming no other factors, there is no apparent reason why this well cannot be moved to the west or northwest that meet the required standard set-back requirements for deep gas wells in southeast New Mexico.

Therefore, your application for administrative approval for the above-described unorthodox deep Atoka and Morrow gas well location is hereby **denied** and is being returned to you at this time.

The conservation rules in all oil and gas producing states governing well spacing and the placement of these wells within such drilling tracts and proration units have been enacted to promote the orderly development of that states valuable oil and gas resources by preventing waste, protecting correlative rights, and preventing the drilling of unnecessary wells. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues. I have enclosed a packet of information containing guidelines for such well location exceptions.

Please note, your application requested the Cisco/Canyon interval be included. The 40-acre tract (Unit "F" of Section 32) where Preston is proposing to drill this well is within one-mile of the Northwest Logan Draw-Cisco Canyon Pool (96871), and pursuant to Division Rule 104.B (1), is subject to the Division's "oil" spacing/well location rules requiring 40-acre spacing and proration units and for wells to be no closer than 330 feet to any quarter-quarter section line.

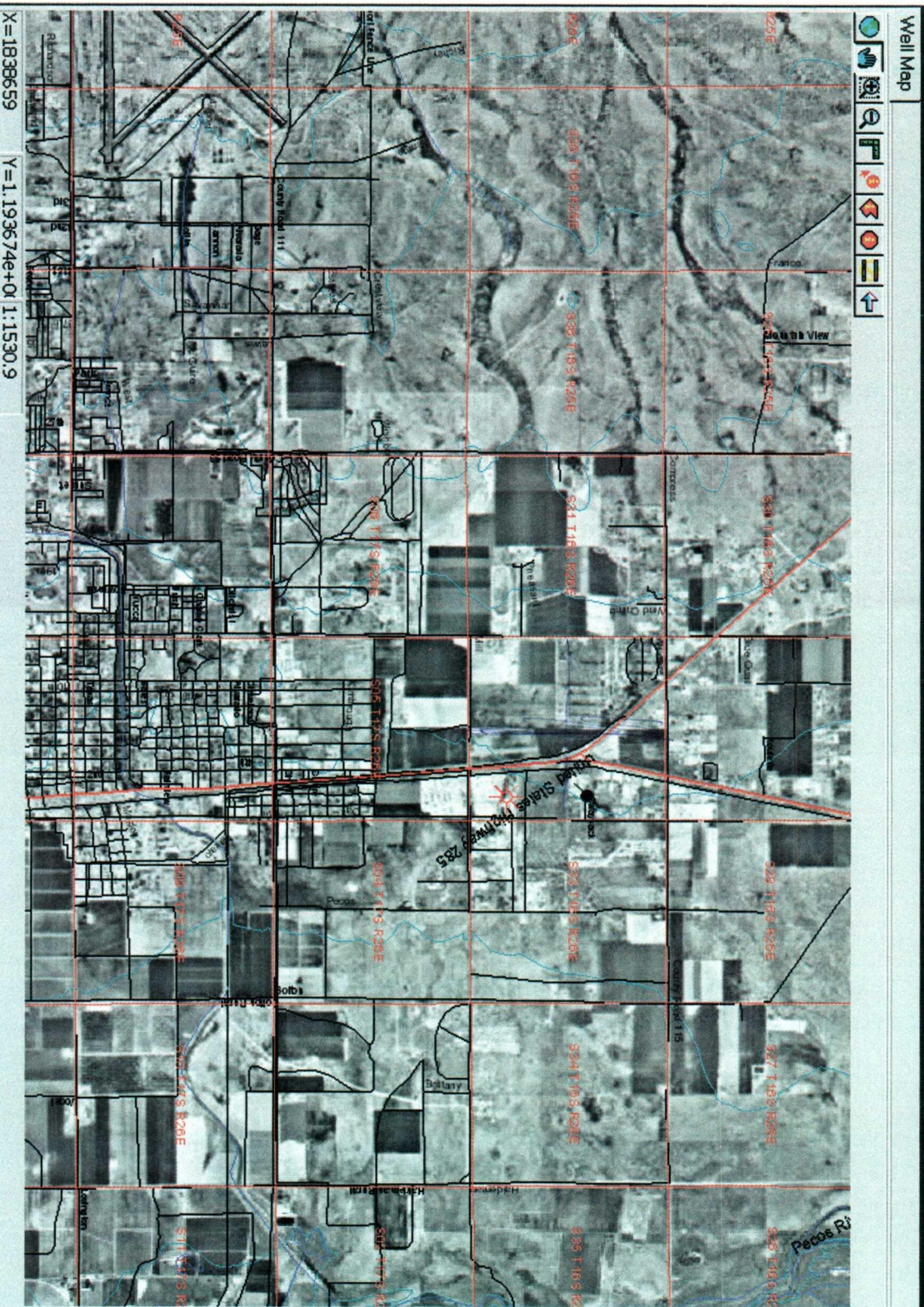
Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia

RBDMS GIS/GPS Utility

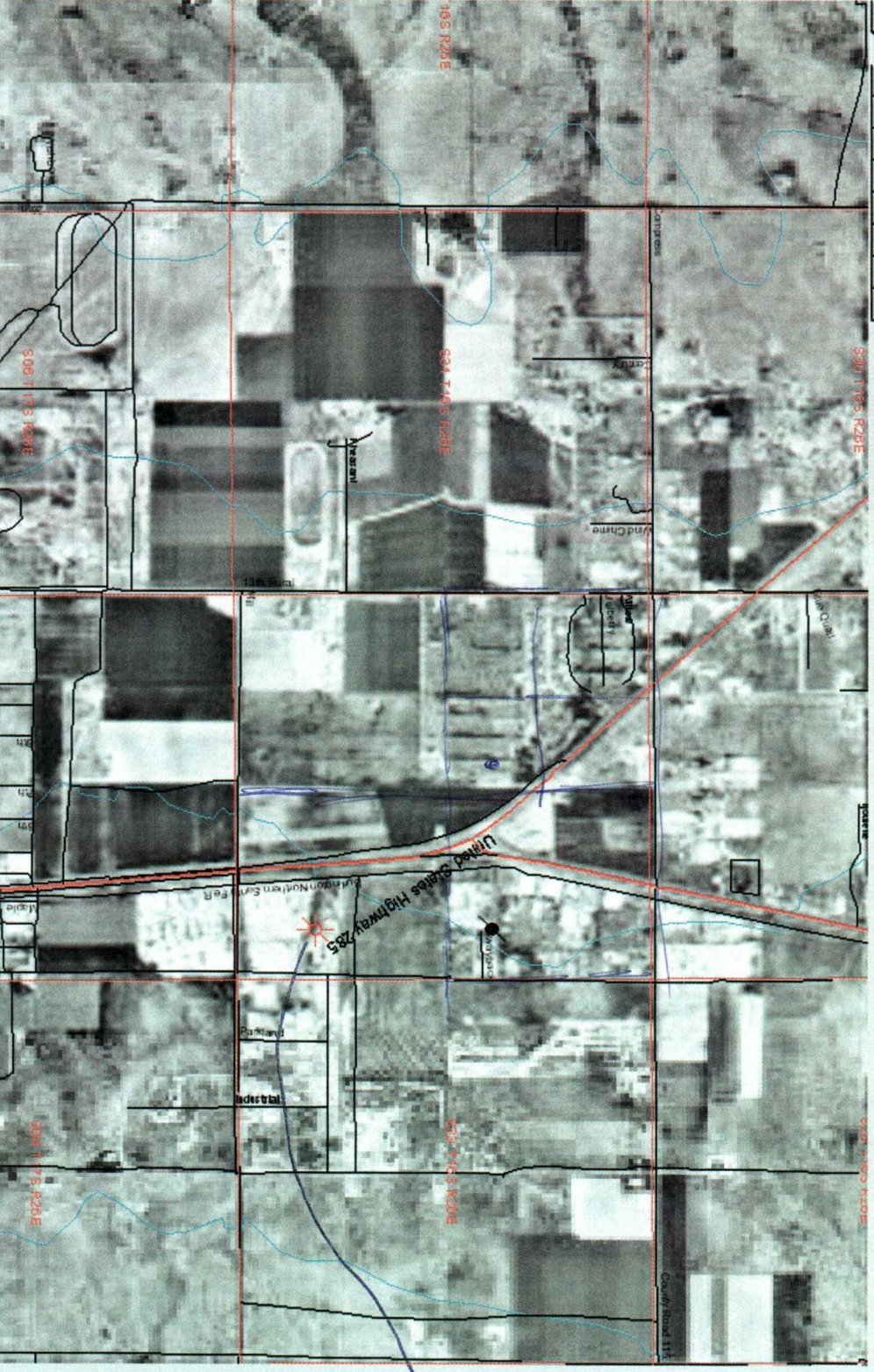


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De	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
On	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



RBDMS GIS/GPS Utility

Well Map



X=1830354 Y=1.193543e+01 1.765.44

This well
was
drilled in
1943 to a
depth of
6765' well
is paid.

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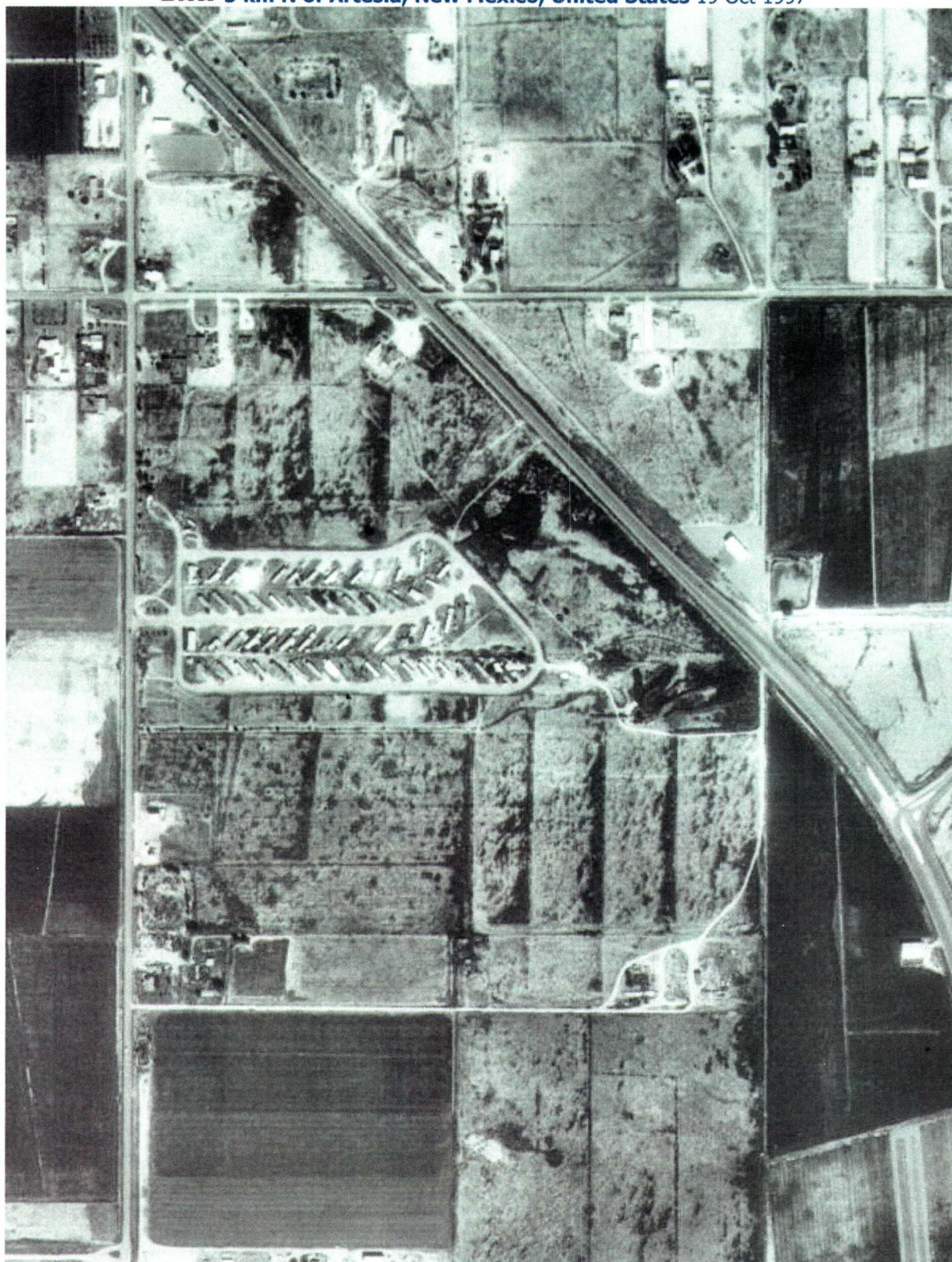
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USGS 5 km N of Artesia, New Mexico, United States 19 Oct 1997



0 200M

0 200yd

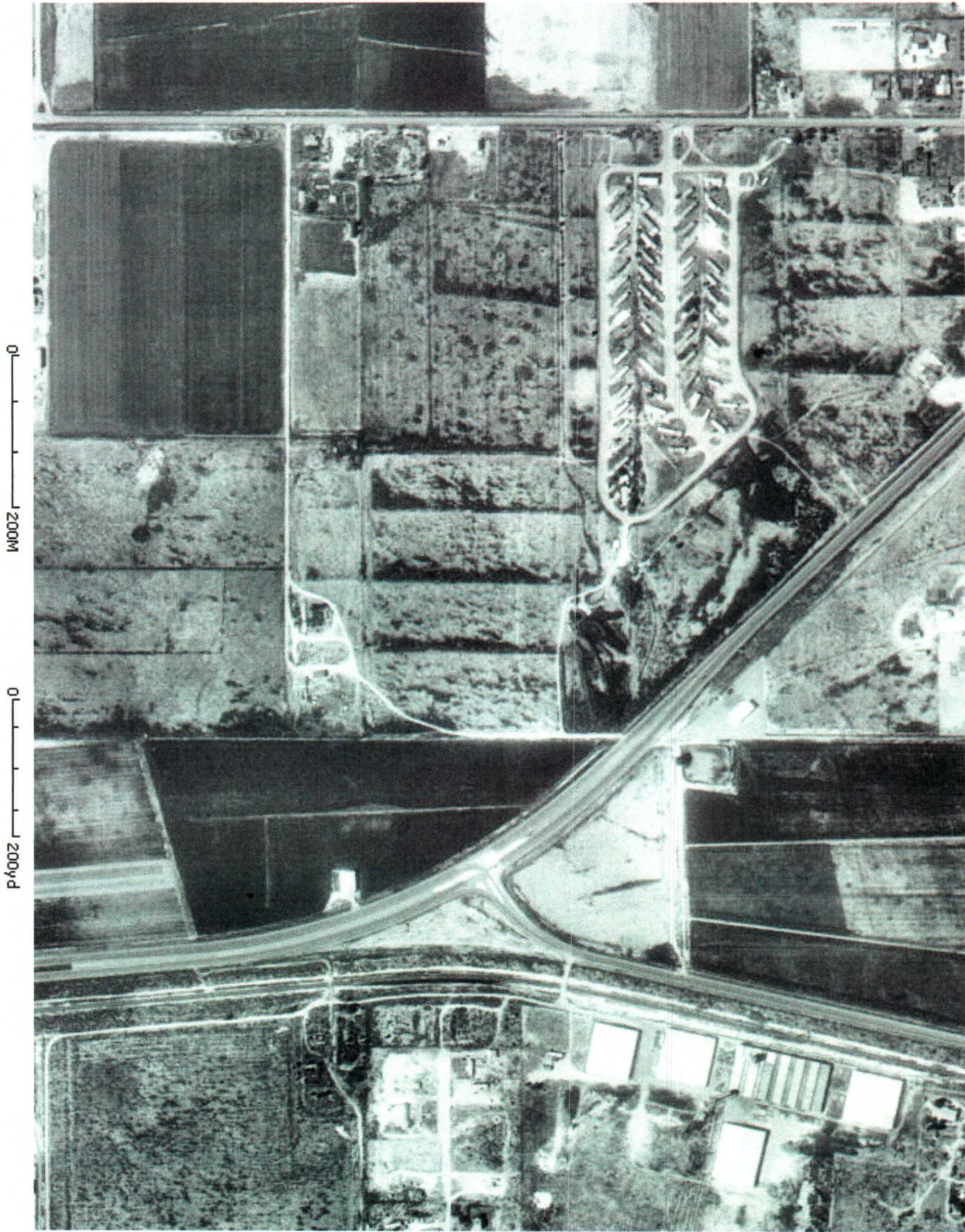
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 **USGS 5 km N of Artesia, New Mexico, United States** 19 Oct 1997



0 100M

0 100yd

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Company Maintenance

Mod Date 4/10/2002



Operator Info with Main Business Offices Address

Company: PRESTON EXPLORATION, LLC

First: RONALD G GENTZLER

Address: P.O. BOX 7520

(Suite, Etc.)

City / St / Zip: THE WOODLANDS TX 77387 - 0000

Country:

Phone: 000-000-0000

Fax: 000-000-0000

Ext:

User ID

OGRID

212226

DOE No

Status A

Problem

Organization Rpt? ☐

Received:

Last Financial Report

Received:

Secretary of State

Qualified:

Oper ☒ InjOper ☐ Bondg ☐ Drillr ☐ Trans ☐ Gathr ☐ Haur ☐ Pulr ☐ Misc1 ☐ Misc2 ☐ Misc3 ☐ Misc4 ☐

District Office Address to use for Mailing of Notices

Phone:

Ext:

Fax:

Address:

(Suite, Etc.)

City

State / Zip / Zip

-

Scheduled Inspection Meeting Place:

First Well on the List