

MS

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

April 16, 2003

**RECEIVED**

APR 16 2003

Hand Delivered

Oil Conservation Division

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

Dear Mr. Stogner:

J. Cleo Thompson and James Cleo Thompson, Jr., L.P. hereby resubmits its application for administrative approval of an unorthodox oil well location for the following well:

Well: State 32 Well No. 1  
Location: 1129 feet FSL & 2150 feet FWL  
Unit: SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 32, Township 8 South, Range 34 East, N.M.P.M.

Roosevelt County, New Mexico

The original application is enclosed, together with a copy of your letter of April 11, 2003.

I understand your concerns, due to the geologic mapping enclosed with the original application. However, please note the following additional materials:

1. The well in the NW $\frac{1}{4}$  S5-9S-34E produced approximately 46,000 BO from the Devonian formation before watering out, and it is necessary to move up-structure from that well.
2. Attached to this letter as Exhibit 1 is a seismic map, showing that the proposed location is the highest location structurally in the Devonian formation in Section 32. Thus, applicant believes this is the best location for the proposed well. If you have any questions about this map, feel free to call Thompson's

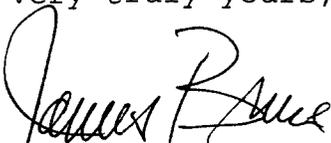
geologist, Mike Fowler, at (432) 366-8866.<sup>1</sup>

3. The correlative rights of all interest owners in the S½ of Section 32, where the structure is located, will be protected because the S½ is being proposed for unitization (a hearing on the unitization application is set for the April 24th Examiner hearing).<sup>2</sup> As a result, development of offsetting well units is not an issue.

Based on the foregoing, applicant requests that you reconsider your original denial, and approve the application.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for J. Cleo Thompson and  
James Cleo Thompson, Jr., L.P.

---

<sup>1</sup>Midland/Odessa has a new area code.

<sup>2</sup>Preliminary approval is being sought from the Commissioner of Public Lands. The S½ of Section 32 is all Common School land.

10031010 1020 1030 1040 1050 1060 1070 1080 1090 1100 1110 11202

450

2  
10  
20  
30  
40  
50  
60  
70  
80  
90  
100  
110  
120  
130  
140  
150  
160

33

4

9

LOCATION

Bright

725

Depth Map Devdth

Blumberg No. 5208  
EXHIBIT  
1

C.1  
12



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

April 11, 2003

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**J. Cleo Thompson and James Cleo Thompson, Jr., L. P.**  
c/o **James Bruce**  
**P. O. Box 1056**  
**Santa Fe, New Mexico 87504**

**Re:** *Administrative application (application reference No. pKRV0-309853346) for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for J. Cleo Thompson and James Cleo Thompson, Jr., L. P.'s proposed State "32" Well No. 1 at an unorthodox oil well location 1129 feet from the South line and 2150 feet from the West line (Unit N) of Section 32, Township 8 South, Range 34 East, NMPM, Undesignated Northwest Jenkins-Devonian Pool (33940), Roosevelt County, New Mexico, within a standard 40-acre oil spacing and proration unit comprising the SE/4 SW/4 of Section 32.*

Dear Mr. Bruce:

In reviewing the subject application as submitted and assuming no other factors, there are other locations within the SE/4 SW/4 of Section 32 that meet the necessary set back requirements for a standard oil well location while satisfying the desired geological parameters. By moving the location at least 46.5 yards to the south and placing the well anywhere along a line running east/west between the points 990' FSL & 2150' FWL and 990' FSL & 2310' FWL the proposed location would: (i) be standard; (ii) remain within the structural highs depicted on the geological maps (Exhibits B and C); and (iii) not adversely affect or impact the development of this interval.

The conservation rules in all oil and gas producing states governing well spacing and the placement of these wells within such drilling tracts/spacing 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.

This unorthodox oil well location, being deemed unnecessary and unwarranted at this time, is therefore **denied**.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
Kathy Valdes, NMOCD - Santa Fe

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**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]

[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 \_\_\_\_\_

APR - 7 2003

[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.

James Bruce  
 Print or Type Name

*James Bruce*  
 Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

4/7/03

Date

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

April 7, 2003

Hand Delivered

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), J. Cleo Thompson and James Cleo Thompson, Jr., L.P. applies for administrative approval of an unorthodox oil well location for the following well:

<u>Well:</u>	State 32 Well No. 1
<u>Location:</u>	1129 feet FSL & 2150 feet FWL
<u>Unit:</u>	SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 8 South, Range 34 East, N.M.P.M., Roosevelt County, New Mexico

The well will be drilled to test the Devonian formation (Undesignated Northwest Jenkins Devonian Pool), which is developed on statewide rules. A Form C-102 for the well is attached as Exhibit A.

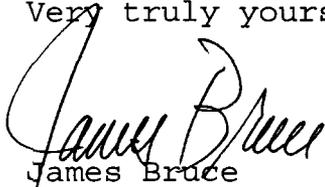
The application is based on geologic reasons. Attached as Exhibits B and C are structure maps of the Wolfcamp and Devonian formations. The proposed location is on a structural high, which is necessary for commercial Devonian production. The well to the southwest, in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  S5-9S-34E, produced approximately 46,000 BO from the Devonian formation, and applicant desires to move up-structure and away from that well.

Attached as Exhibit D is a land plat, highlighting the well's location. (The yellow outline indicates applicant's leasehold position.) The SW $\frac{1}{4}$  of Section 32 is covered by State V-6497-2, which has common royalty and working interest ownership (there are no overriding royalties). Therefore, there are no offset interest owners to notify. **As a result, applicant requests that the 20 day**

notice period be waived.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for J. Cleo Thompson and  
James Cleo Thompson, Jr., L.P.

SERVATION DIVISION  
 10 South Pacheco  
 Santa Fe, NM 87505

Instructions on  
 Submit to Appropriate District C  
 State Lease - 4 C  
 Fee Lease - 3 C

2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		33940		Jenkins, NW Devonian	
4 Property Code		5 Property Name			6 Well Number
State "32"					1
7 OGRID No.		8 Operator Name			9 Elevation
		J. Cleo Thompson			4298'

10 Surface Location

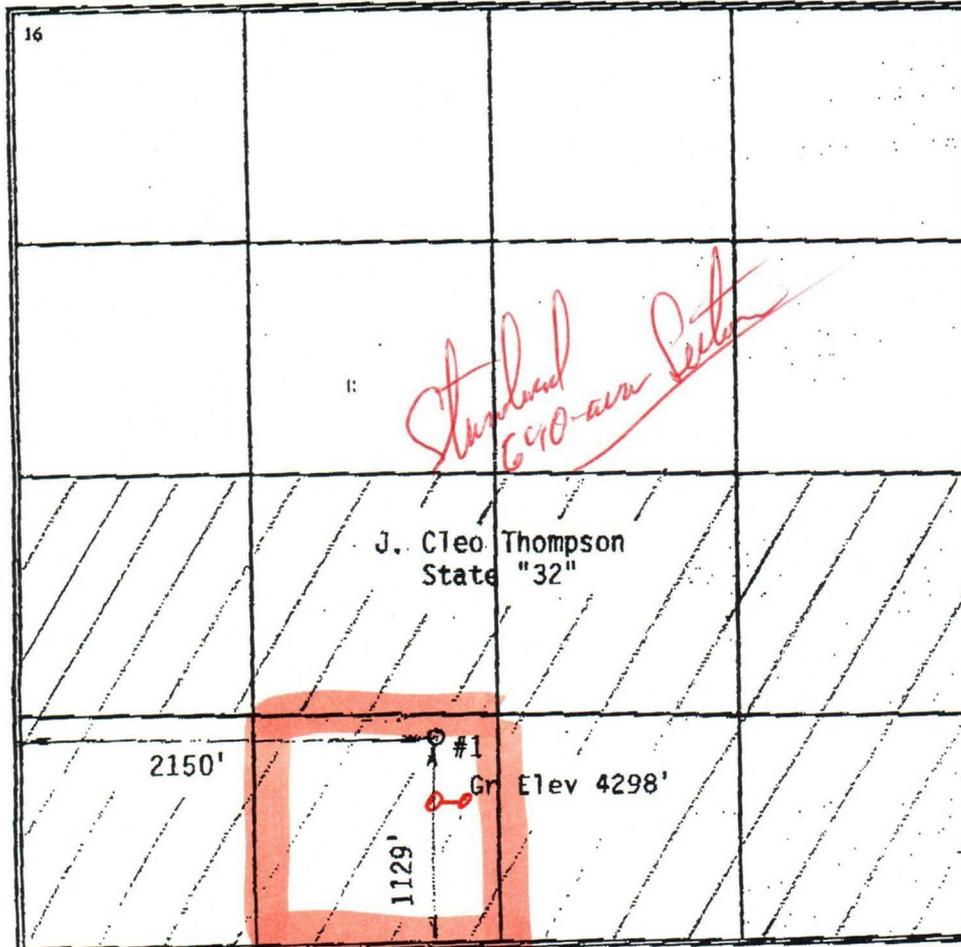
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	8-S	34-E		1129	South	2150	West	Roosevel

11 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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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



17 OPERATOR CERTIFICATION

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

Signature \_\_\_\_\_  
 Printed Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_

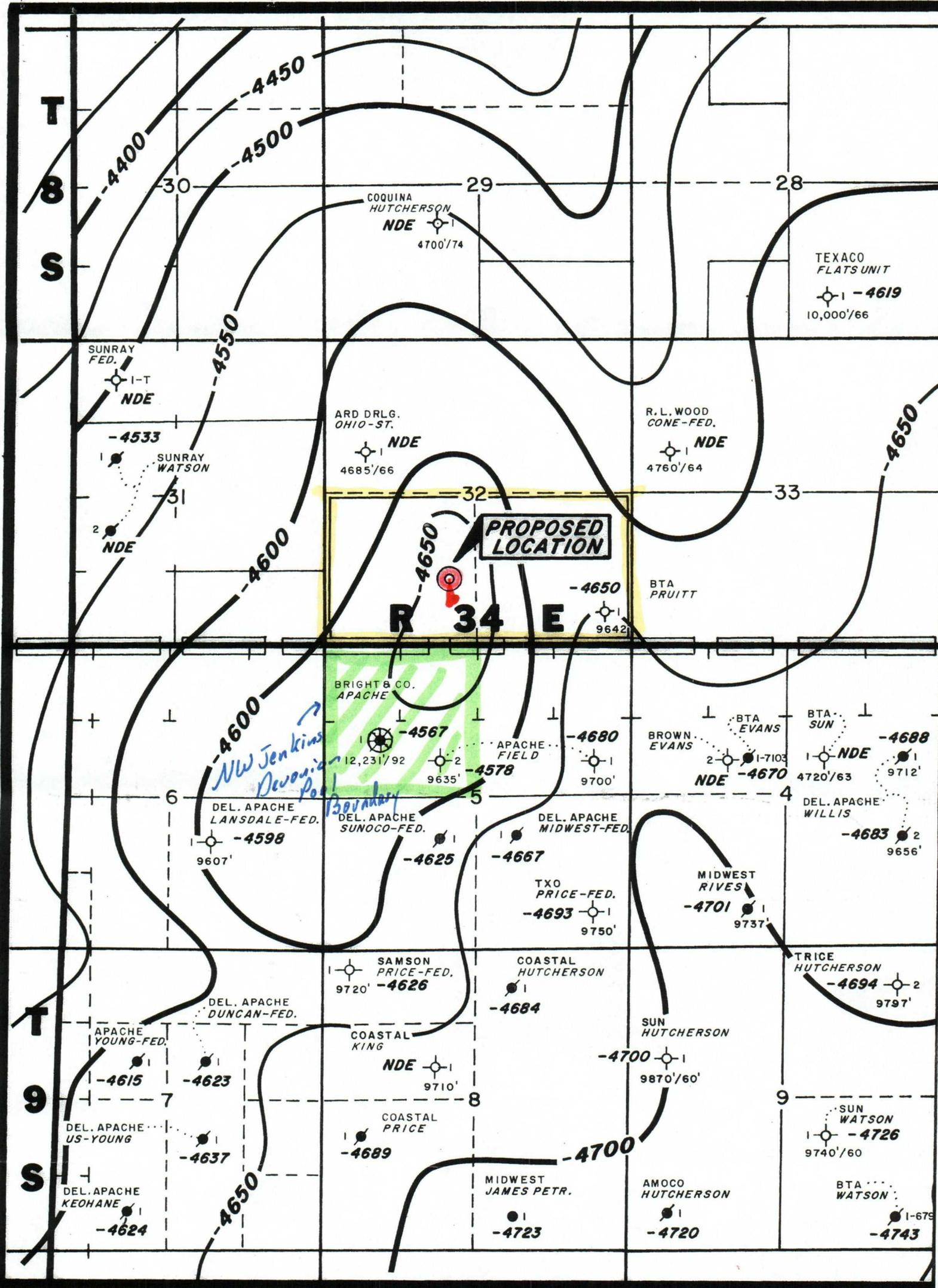
18 SURVEYOR CERTIFICATION

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.

January 23, 2003  
 Date of Survey \_\_\_\_\_  
 Signature and Seal of Professional Surveyor \_\_\_\_\_

*Max A. Schumann, Jr.*  
 Max A. Schumann, Jr.  
 Certificate 1510  
 Certificate Number Job No. 67,834





J. CLEO THOMPSON  
DALLAS, TEXAS

**JENKINS NW PROSPECT**  
ROOSEVELT & LEA COS., NEW MEXICO

STRUCTURE MAP  
**WOLFCAMP XX MARK**  
CONTOUR INTERVAL: 50'



SCALE: 1"=2000'

T  
8  
S

30 29 28

COQUINA HUTCHERSON  
4700'/74

TEXACO FLATS UNIT  
10,000'/66

SUNRAY FED.  
1-T

ARD DRLG. OHIO-ST.  
4685'/66

R.L. WOOD CONE-FED.  
4760'/64

SUNRAY WATSON  
1  
2

BTA PRUITT

PROPOSED LOCATION

R 34 E

9642'

BRIGHT & CO APACHE

-7873  
12,231'/92

APACHE FIELD  
9700'

BTA EVANS  
2-1-7103  
4720'/63

BTA SUN  
1-9712'  
DEL. APACHE WILLIS  
2-9656'

DEL. APACHE LANSDALE-FED.  
9607'

DEL. APACHE SUNOCO-FED.

DEL. APACHE MIDWEST-FED.

TXO PRICE-FED.  
9750'

MIDWEST RIVES  
9737'

-7900

-7925

DEL. APACHE DUNGAN-FED.  
9720'

COASTAL HUTCHERSON

TRICE HUTCHERSON  
2-9797'

T  
9  
S

APACHE YOUNG-FED.

COASTAL KING  
9710'

SUN HUTCHERSON  
9870'/60'

DEL. APACHE US-YOUNG

COASTAL PRICE

MIDWEST JAMES PETR.

AMOCO HUTCHERSON

SUN WATSON  
1-9740'/60

DEL. APACHE KEOHANE

BTA WATSON  
1-675

J. CLEO THOMPSON  
DALLAS, TEXAS

JENKINS NW PROSPECT  
ROOSEVELT & LEA COS., NEW MEXICO

STRUCTURE MAP  
TOP DEVONIAN  
CONTOUR INTERVAL: 25'



SCALE: 1"=2000'

MG  
3-26-0

T  
8  
S

30 29 28

COQUINA HUTCHERSON  
4700'/74

TEXACO FLATS UNIT  
10,000'/66

SUNRAY FED.  
1-T

ARD DRLG. OHIO-ST.  
4685'/66

R. L. WOOD CONE-FED.  
4760'/64

SUNRAY WATSON  
1  
2

31 32 33

R 34 E

BTA PRUITT  
9642'

BRIGHT & CO. APACHE  
12,231'/92

9635'

APACHE FIELD  
9700'

BROWN EVANS  
2

BTA EVANS  
1-7103

BTA SUN  
4720'/63

9712'

6

DEL. APACHE LANSDALE-FED.  
9607'

DEL. APACHE SUNOCO-FED.  
1

DEL. APACHE MIDWEST-FED.  
1

4

DEL. APACHE WILLIS  
2  
9656'

TXO PRICE-FED.  
9750'

MIDWEST RIVES  
9737'

T  
9  
S

APACHE YOUNG-FED.  
1

DEL. APACHE DUNCAN-FED.  
1

SAMSON PRICE-FED.  
9720'

COASTAL KING  
9710'

COASTAL HUTCHERSON  
1

SUN HUTCHERSON  
9870'/60'

TRICE HUTCHERSON  
9797'

7

DEL. APACHE US-YOUNG  
1

COASTAL PRICE  
1

8

MIDWEST JAMES PETR.  
1

9

SUN WATSON  
9740'/60

DEL. APACHE KEOHANE  
1

AMOCO HUTCHERSON  
1

BTA WATSON  
1-679

J. CLEO THOMPSON  
DALLAS, TEXAS

JENKINS NW PROSPECT  
ROOSEVELT & LEA COS., NEW MEXICO

EXHIBIT  
D

1" = 2000'