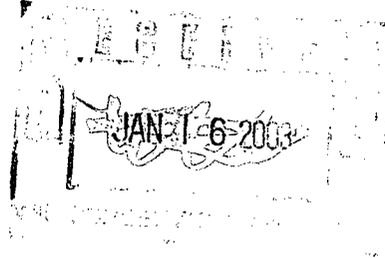




✓ January 14, 2003



Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: ~~NSL - Wildcat-Tubb Pool~~  
~~Conoco State No. 3 Well~~  
2110' FSL & 2055' FEL  
Sec. 33 (J) T18S, R38E  
Lea County, NM  
API No. 30-025-35961

Dear Mr. Stogner:

An application to drill the referenced well and complete as a dual and/or DHC Drinkard – Blinebry well was filed in July 2002. After drilling to TD of 7025', the Drinkard was perforated from 6806'-6933', treated and flow tested for approximately 30 days. Production testing of the Drinkard perforations showed the reservoir to be gas, not oil. Subsequently the Tubb was perforated from 6406'-6573', treated and flow tested after a packer was set at 6573'. Saga has flow tested the Tubb perfs for more than 30-days and results indicate the reservoir to be gas also. Copies of potential test/completion forms for both pools are enclosed. The Tubb and Drinkard reservoirs appear to be compatible, therefore Saga requested a permit for DHC of the Drinkard and Tubb pools. OCD notified Saga that this Tubb completion/location encroaches the NE/4, NW/4 and SW/4 of Section 33 and the affected parties in all three 160-acre areas were notified of Saga's request for a NSL approval. See enclosed offset operator list and copy of letter to same.

Saga respectfully requests approval of its NSL Tubb completion of the referenced well. Please contact the undersigned if any additional information is required to process this application.

Yours very truly,

A handwritten signature in cursive script that reads "Bonnie Husband".

Bonnie Husband  
Production Analyst

Enclosures

The attached letter mailed to offset operators on Jan 8 & 9, 2003 at the following addresses

Apache  
Two Warren Place  
6120 South Yale, Suite 1500  
Tulsa, OK 74136  
Attn: John Swain

Steven Burleson  
P O Box 2479  
Midland, TX 79702

Brothers Production Co  
303 W. Wall, Suite 1600  
Midland, TX 79701

Texland Petroleum  
777 Main St, Suite 3200  
Ft. Worth, TX 76102  
Attn: Jim Wilkes

Oxy Permian  
P O Box 4294  
Houston, TX 77210  
Attn: Eden Settegast

via Certified 7002 0460 0002 0055 6548

Called Oxy Permian Midland & received info that all wells  
listed as operated by BP America & Altura go to Oxy Permian Houston

Judy @ Collins & Ware says State A #4 sold to Apache

Status	API No	Operator Name	Lease Name	Well	Location	Prod Zone Nam
ACT	30-025-23400	BURLESON LEWIS B INCORPORATED	W D GRIMES	6	29I 18S 38E	DRINKARD
ACT	30-025-23173	TEXLAND PETROLEUM INCORPORATED	STATE 1-29	5	29O 18S 38E	DRINKARD
ACT	30-025-23252	TEXLAND PETROLEUM INCORPORATED	STATE 1-29	6	29P 18S 38E	DRINKARD
ACT	30-025-23116	APACHE CORPORATION	STATE A	5	32A 18S 38E	DRINKARD
INA	30-025-23076	APACHE CORPORATION (1)	STATE A	4	32B 18S 38E	PADDOCK
INA	30-025-23130	OXY PERMIAN (2)	SHELL A STATE	7	32H 18S 38E	PADDOCK
ACT	30-025-23309	SAGA PETROLEUM LLC	STATE LAND SECTION 32	9	32J 18S 38E	TUBB
INA	30-025-28299	TEXLAND PETROLEUM INCORPORATED	W D GRIMES NCT B	9	33A 18S 38E	DRINKARD
ACT	30-025-23438	TEXLAND PETROLEUM INCORPORATED	W D GRIMES NCT B	7	33B 18S 38E	DRINKARD
ACT	30-025-23330	OXY PERMIAN	STATE B	6	33C 18S 38E	DRINKARD
INA	30-025-23207	OXY PERMIAN (2)	STATE B	5	33D 18S 38E	DRINKARD
INA	30-025-23263	OXY PERMIAN (2)	STATE G	5	33E 18S 38E	PADDOCK
INA	30-025-23334	OXY PERMIAN (3)	STATE G	6	33F 18S 38E	DRINKARD
ACT	30-025-23759	SAGA PETROLEUM LIMITED LIABILITY COMPA	CONOCO STATE	1	33G 18S 38E	DRINKARD
ACT	30-025-24928	TEXLAND PETROLEUM INCORPORATED	W D GRIMES NCT B	8	33H 18S 38E	DRINKARD
ACT	30-025-23856	SAGA PETROLEUM LLC	CONOCO STATE	2	33K 18S 38E	DRINKARD
ACT	30-025-23195	BROTHERS PRODUCTION CO INC	STATE A 33	12	33L 18S 38E	DRINKARD
ACT	30-025-24005	SAGA PETROLEUM LLC	CONOCO A STATE	1	33O 18S 38E	DRINKARD
ACT	30-025-26368	OXY PERMIAN	STATE HF COM	1	33P 18S 38E	DRINKARD
ACT	30-025-26375	OCCIDENTAL PERMIAN LIMITED	TURNER TR 2	30	34E 18S 38E	DRINKARD
ACT	30-025-26583	OCCIDENTAL PERMIAN LIMITED	TURNER TR 2	31	34L 18S 38E	DRINKARD
INA	30-025-26481	OCCIDENTAL PERMIAN LIMITED	BYERS A	31	3D 19S 38E	DRINKARD
INA	30-025-24079	OCCIDENTAL PERMIAN LIMITED	BYERS B	34	4B 19S 38E	DRINKARD
INA	30-025-07604	OXY PERMIAN (3)	STATE A 2 RA A	011Y	4C 19S 38E	DRINKARD
INA	30-025-26647	OCCIDENTAL PERMIAN LIMITED	BYERS B	35	4H 19S 38E	DRINKARD
(1)	formerly Collins & Ware					
(2)	formerly Altura					
(3)	formerly BP American Prod Co					



January 8, 2003

Offset Operators

Re: Conoco State #3 Well  
2110' FSL & 2055' FEL  
Sec. 33 (J) T18S, R38E  
Lea County, NM  
API No. 30-025-35961

Gentlemen:

Saga originally filed an application to drill the referenced well and complete as a dual and/or DHC Drinkard – Blinebry well. After drilling to TD of 7025', the Drinkard was perforated from 6806'-6933', treated and flow tested for approximately 30 days. Production testing of the Drinkard perforations showed the reservoir to be gas, not oil. Subsequently the Tubb was perforated from 6406'-6573', treated and flowed tested after a pkr was set at 6573'. Saga has flow tested the Tubb perms for about 30 days and results indicate the reservoir to be gas also. The Tubb and Drinkard reservoirs appear to be compatible; therefore Saga requested a permit for DHC of the Drinkard and Tubb pools and same has been approved under Administrative Order DHC-3086.

Tubb Gas Completion – OCD has notified Saga that this location encroaches the NE/4, NW/4 and SW/4 of Section 33 and the affected parties in all three 160-acre areas are to be notified of Saga's request for a NSL approval. If you have no objections to this NSL – Tubb completion, please sign the attached and return to Saga in the enclosed envelope.

Should you have any questions, please contact the undersigned or Joe Clement, NM area engineer at the letterhead number below.

Very truly yours,

SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst

Enclosures

415 W. Wall, Ste 1900  
Midland, TX 79701

Office: (915) 684-4293  
Fax (915) 684-0829

Conoco State #3 Well  
2110' FSL & 2055' FEL  
Sec. 33 (J) T18S, R38E  
Lea County, NM  
API No. 30-025-35961

We have no objections to Saga's proposed Conoco State #3 well – Tubb completion – located at a NSL.

Company Name: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Date



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-35961		<sup>2</sup> Pool Code 96946		<sup>3</sup> Pool Name Wildcat Tubb	
<sup>4</sup> Property Code 20363		<sup>5</sup> Property Name Conoco State			<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 148967		<sup>8</sup> Operator Name Saga Petroleum LLC			<sup>9</sup> Elevation 3639' Gr

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	33	18S	38E		2110	S	2055	E	LEA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	<sup>17</sup> OPERATOR CERTIFICATION			
	<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Bonnie Husband</i> Signature</p> <p>Bonnie Husband Printed Name</p> <p>Production Analyst Title</p> <p>01/08/2003 Date</p>			
	<sup>18</sup> SURVEYOR CERTIFICATION			
	<p>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.</p> <p style="text-align: center;">Date of Survey</p> <p style="text-align: center;">Signature and Seal of Professional Surveyor:</p> <p style="text-align: center;">Certificate Number</p>			

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

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

WELL API NO.  
**30-025-35961**

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.  
**B2656**

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. Type of Completion:  
 NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER \_\_\_\_\_

2. Name of Operator  
**Saga Petroleum LLC**

3. Address of Operator  
**415 W. Wall, Suite 1900, Midland, TX 79701**

7. Lease Name or Unit Agreement Name  
**Conoco State**

8. Well No.  
**3**

9. Pool name or Wildcat  
**Hobbs Drinkard**

4. Well Location  
 Unit Letter **J** : **2110** Feet From The **S** Line and **2055** Feet From The **E** Line  
 Section **33** Township **18S** Range **38E** NMPM LEA County

10. Date Spudded <b>08/27/2002</b>	11. Date T.D. Reached <b>09/16/2002</b>	12. Date Compl. (Ready to Prod.) <b>10/13/2002</b>	13. Elevations (DF & RKB, RT, GR, etc.) <b>Gr 363 9'</b>	14. Elev. Casinghead
15. Total Depth <b>7025'</b>	16. Plug Back T.D. <b>7000'</b>	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <b>7025'</b>	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name <b>6806'-6933' Drinkard</b>				20. Was Directional Survey Made <b>Inclination attached</b>
21. Type Electric and Other Logs Run <b>USI-CE, GR-CNL, Formation Resistivity</b>				22. Was Well Cored <b>No</b>

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	35# J55	1530'	12-1/4"	500 sx C Poz	circ surf
5-1/2"	15.5, 17# L80, J55	6992'	7-7/8"	686 sx C Poz	TC 2025' CBL

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)  
**6806'-6933', 1 JSPF 24 holes**  
**4" charge perf 6597'-6933' w/2JSPF 184 holes-**  
**spot 250 gal 15% NEFE across perfs, 1250 gal**  
**90/10 15% NEFE & 4500 gal 15% Ultragel**

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<b>1990'-4 holes</b>	<b>470 sx C + 470 sx C Poz</b>
<b>6806'-6933'</b>	<b>1000 gal 15% 90/10 Acidtrol</b>
	<b>+3000 gal 15% Ultragel+20 BS/st</b>

**28. PRODUCTION**

28. Date of Production  
**10/13/2002**

28. Production Method (Flowing, gas lift, pumping - Size and type pump)  
**flow**

Well Status (Prod. or Shut-in)  
**prod**

Date of Test <b>10/29/2002</b>	Hours Tested <b>24</b>	Choke Size	Prod'n For Test Period <b>1</b>	Oil - Bbl. <b>1</b>	Gas - MCF <b>348</b>	Water - Bbl. <b>8</b>	Gas - Oil Ratio <b>34,800</b>
Flow Tubing Press. <b>160</b>	Casing Pressure <b>260</b>	Calculated 24-Hour Rate	Oil - Bbl. <b>1</b>	Gas - MCF <b>348</b>	Water - Bbl. <b>8</b>	Oil Gravity - API - (Corr.) <b>36.8</b>	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
**sold**

Test Witnessed By  
**R Long**

**30. List Attachments**  
**Deviation Survey**

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Husband Printed Name **Bonnie Husband** Title **Production Analyst** Date **11/20/2002**

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
 P.O. Drawer D10, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

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

WELL API NO. <b>30-025-35961</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>B2656</b>

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name <b>Conoco State</b>
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input checked="" type="checkbox"/> OTHER _____	
2. Name of Operator <b>Saga Petroleum LLC</b>	8. Well No. <b>3</b>
3. Address of Operator <b>415 W. Wall, Suite 1900, Midland, TX 79701</b>	9. Pool name or Wildcat <b>Wildcat Tubb</b>

4. Well Location  
 Unit Letter **J** : **2110** Feet From The **S** Line and **2055** Feet From The **E** Line  
 Section **33** Township **18S** Range **38E** NMPM LEA County

10. Date Spudded <b>08/27/2002</b>	11. Date T.D. Reached <b>09/16/2002</b>	12. Date Compl. (Ready to Prod.) <b>10/13/2002</b>	13. Elevations (DF & RKB, RT, GR, etc.) <b>Gr 3639'</b>	14. Elev. Casinghead
15. Total Depth <b>7025'</b>	16. Plug Back T.D. <b>7000'</b>	17. If Multiple Compl. How Many Zones? <b>2</b>	18. Intervals Drilled By <b>Rotary Tools</b>	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name <b>6806'-6933' Drinkard</b>				20. Was Directional Survey Made <b>Inclination</b>
21. Type Electric and Other Logs Run <b>USI-CE, GR-CNL, Formation Resistivity</b>				22. Was Well Cored <b>No</b>

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	35# J55	1530'	12-1/4"	500 sx C Poz	circ surf
5-1/2"	15.5, 17# L80, J55	6992'	7-7/8"	686 sx C Poz	TC 2025' CBL

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number) <b>6406'-6573' w/2 JSPF, 158 holes</b>	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	<b>6406'-6573'</b>	<b>250 gal 15% NEFE</b>

**28. PRODUCTION**

Date First Production <b>11/15/2002</b>	Production Method (Flowing, gas lift, pumping - Size and type pump) <b>flow</b>	Well Status (Prod. or Shut-in) <b>prod</b>					
Date of Test <b>12/03/2002</b>	Hours Tested <b>24</b>	Choke Size	Prod'n For Test Period	Oil - Bbl <b>3</b>	Gas - MCF <b>397</b>	Water - Bbl <b>1</b>	Gas - Oil Ratio <b>75,566</b>
Flow Tubing Press. <b>48</b>	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. <b>1</b>	Gas - MCF <b>348</b>	Water - Bbl. <b>8</b>	Oil Gravity - API - (Corr.) <b>36.8</b>	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
**sold - FYI pkr @ 6573' while testing Tubb**

Test Witnessed By  
**R Long**

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature *Bonnie Husband* Printed Name **Bonnie Husband** Title **Production Analyst** Date **12/09/2002**



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

✓ January 17, 2003

**Lori Wrotenberg**  
Director  
Oil Conservation Division

**Saga Petroleum L.L.C.**  
415 West Wall – Suite 1900  
Midland, Texas 79701

**Attention: Bonnie Husband**

Re: Administrative application (*NMOCD Administrative application reference No. pKRV0-235835106*) for Saga Petroleum L.L.C.'s ("Saga") recently drilled and completed Conoco State Well No. 3 (*API No. 30-025-35961*) at an unorthodox Tubb wildcat gas well location within the SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, being a standard shallow gas spacing unit **in accordance with Division Rule 104.C (3)**, 2110 feet from the South line and 2055 feet from the East line (Unit J) of Section 33.

Dear Ms. Husband:

I am in receipt of your January 14, 2003 correspondence concerning Saga's belated notification in this matter. In your cover letter you stated that, "the affected parties in all three 160-acre areas (offsetting 160-acre gas spacing units that comprise the NE/4, NW/4, and SW/4 of Section 33) were notified of Saga's request for a NSL approval." The next sentence states "see enclosed offset operator list and copy of letter to same." In reviewing the information that you attached and the Division's records here in Santa Fe I find that:

- (a) within the NW/4 of Section 33 OXY Permian Ltd. operates wells completed in the Hobbs-Grayburg San Andres Pool, Hobbs-Drinkard Pool, Hobbs-Upper Blinebry Pool, Hobbs-Paddock Pool, and Hobbs-Lower Blinebry Pool;
- (b) within the NE/4 of Section 33: (i) OXY Permian, Ltd. operates wells completed in the Hobbs-Grayburg San Andres Pool; (ii) Texland Petroleum, Inc. operates wells completed in the Hobbs-Upper Blinebry Pool and Hobbs-Drinkard Pool; and (iii) Saga Petroleum L.L.C. operates wells completed in the Hobbs-Upper Blinebry Pool and Hobbs-Drinkard Pool; and
- (c) within the SW/4 of Section 33: (i) OXY Permian, Ltd. operates wells completed in the Hobbs-Grayburg San Andres Pool; (ii) Saga Petroleum, L.L.C. operates wells completed in the Hobbs-Upper Blinebry Pool and Hobbs-Drinkard Pool; and (iii) Brothers Production Company, Inc. operates wells completed in the Hobbs-Drinkard Pool.

**Saga Petroleum, L.L.C.**  
**January 17, 2003**  
**Page 2**

---

Nowhere however can I find where there is a producing Tubb well within any of these three quarter sections; therefore, under Division Rule 1207.A (2) (a). 1 (see copy attached) there is no **designated operator** within these adjoining 160-acre gas spacing units. This means that Division Rules 1207.A (2) (a). 2 and 3 apply. Please identify and list all working interest in the Tubb interval within these three 160-acre areas (NE/4, NW/4, and SW/4 of Section 33).

Since the submitted information is insufficient to review, the application was still ruled incomplete on January 17, 2003. Please submit the above stated information by Monday, January 27, 2003. If applicable please provide proof of any additional notice.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will once again continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you and Saga will be required to shut-in the Conoco State Well No. 3.

Again, should you have any questions concerning this matter you will first want to contact your legal counsel, Mr. William F. Carr in Santa Fe at (505) 988-4421. Thank you.

Sincerely,



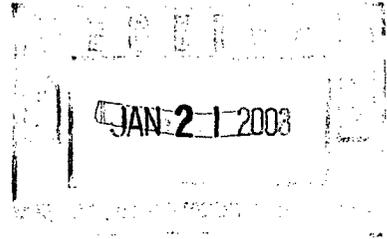
Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office – Santa Fe  
William F. Carr, Legal Counsel for Saga Petroleum, L.L.C. – Santa Fe  
Wil Jones, NMOCD – Santa Fe

- (d) All unopposed pooling applications will be set for hearing. If the Division finds the application complete, the information submitted with the application will constitute the record in the case and an order will be issued based on the record. [Rn, 19 NMAC 15.N.1207.A.(4), 7-15-99, A, 7-15-99]
  - (e) At the request of any interested person or upon the Division's own initiative, any pooling application submitted shall be set for full hearing with oral testimony by the applicant. [Rn, 19 NMAC 15.N.1207.A.(4), 7-15-99; A, 7-15-99]
- (2) Unorthodox Well Locations: [1-1-87...2-1-96; Rn, 19 NMAC 15.N.1207.A.(5), 7-15-99; A, 7-15-99]
- (a) Definition: "Affected persons" are the following persons owning interests in the adjoining spacing units:
    - (i) the Division-designated operator;
    - (ii) in the absence of an operator, any lessee whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application is filed; and
    - (iii) in the absence of an operator or lessee, any mineral interest owner whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application was filed.

In the event the operator of the proposed unorthodox well is also the operator of an existing adjoining spacing unit and ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well, then "affected persons" include all working interest owners in that spacing unit. [1-1-87...2-1-96; N, 7-15-99]
  - (b) If the proposed location is unorthodox by being located closer to the outer boundary of the spacing unit than permitted by rule, notice shall be given to the affected persons in the adjoining spacing units towards which the unorthodox location encroaches. [Rn, 19 NMAC 15.N.1207.A.(5).(a), 7-15-99, A, 7-15-99]
  - (c) If the proposed location is unorthodox by being located in a different quarter-quarter section or quarter section than provided in special pool orders, notice shall be given to all affected persons. [Rn, 19 NMAC 15.N.1207.A.(5).(a), A, 7-15-99]
- (3) Non-Standard Proration Unit:
- Notice shall be given to all owners of interests in the mineral estate to be excluded from the proration unit in the quarter-quarter section (for 40-acre pools or formations), the one-half quarter section (for 80-acre pools or formations), the quarter section (for 160-acre pools or formations), the half section (for 320-acre pools or formations), or section (for 640-acre pools or formations) in which the non-standard unit is located and to such other persons as required by the Division. [1-1-87...2-1-96; Rn, 19 NMAC 15.N.1207.A.(6), 7-15-99, A, 7-15-99]
- (4) Special Pool Orders Regulating or Affecting a Specific Pool:
- (a) Except for non-standard proration unit applications, if the application involves changing the

✓  
Conoco State #3 Well  
2110' FSL & 2055' FEL  
Sec. 33 (J) T18S, R38E  
Lea County, NM  
API No. 30-025-35961



We have no objections to Saga's proposed Conoco State #3 well - Tubb completion - located at a NSL.

**TEXLAND PETROLEUM - HOBBS, L.L.C.**

**By: Texland Petroleum L.P., Managing Member**

**By: Texpet Mgt. L.L.C., General Partner**

Company Name:

**By: Texland Holdings, Sole Member**

Signature

Typed Name

**James H. Wilkes, Partner**

JAN 15, 2003  
Date