

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 _____

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

- [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,

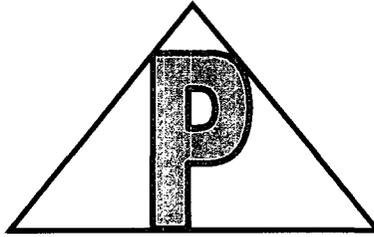
 [F] Waivers are Attached

[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.

<u>Bill Pierce</u> Print or Type Name	<u></u> Signature	<u>Consulting Engineer</u> Title	<u>07/14/04</u> Date
		<u>deltapervices@sbcglobal.net</u> e-mail Address	



Delta P Petroleum Services

P.O. Box 2079
Midland, Texas 79702-2079

Contract Drilling, Completion and Production Services
Property Management
Office: 432/570-6009 Facsimile: 432/686-8469

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

July 14, 2004

New Mexico Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
ATTN: Mr. David Catanach
Engineering Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Administrative Non-Standard Location Application Request
Wishbone Federal Com. #1
API #: 30-015-30640
Wildcat Strawn (Gas)
Eddy County, New Mexico**

Mr. Catanach,

The Wishbone Federal Com. #1 well was initially completed as a Morrow producer on 09/28/00 in the Turkey Track Morrow (Gas) Pool. The well is no longer commercial in the Morrow formation and has been recompleted as a Wildcat Strawn gas producer. As per current OCD rules, the well falls under the category of a non-standard location due to being 20' to close to outer boundary of the quarter section to the north. Attached for your review is the location plat (C-102) reflecting the referenced location. As depicted on the plat, the north quarter section line of the well location is located within the 320 acre spacing unit; therefore Chisos as operator is the only affected party.

In addition, I have also attached a letter from the BLM amending the Communitization Agreement No. NMNM105316 to include the Atoka and Strawn formations effective February 4, 2004.

Chisos, Ltd. respectfully requests administrative approval for the non-standard location of the Wishbone Federal Com. #1. Should you have any questions or need additional information, please contact the undersigned at (432) 570-6009.

Sincerely,

Delta P Petroleum Services
On Behalf of:

CHISOS, Ltd.

A handwritten signature in black ink, appearing to read "Bill Pierce". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Bill Pierce
Consulting Engineer

Attachments

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 Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-30640		2 Pool Code 96081		3 Pool Name Wildcat Strawn; Gas	
4 Property Code 03089		5 Property Name Wishbone Federal Com.			6 Well Number 001
7 OGRID No. 215732		8 Operator Name CHISOS, Ltd.			9 Elevation 3,414' GL

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	6	19S	30E		2,000	South	680	West	Eddy

¹¹Bottom 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 313.04	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

<p>LOT 4 NMLC-066087A</p> <p>38.22 ACRES LOT 5</p> <p>38.21 ACRES LOT 6</p> <p>38.25 ACRES LOT 7</p> <p>38.30 ACRES</p>	<p>LOT 3</p> <p>NMLC-066087</p>	<p>LOT 2</p> <p>40.06 ACRES</p>	<p>LOT 1</p> <p>40.06 ACRES</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Bill Pierce</i></p> <p>Signature</p> <p>Bill Pierce</p> <p>Printed Name</p> <p>Consulting Engineer</p> <p>deltapervices@sbcglobal.net</p> <p>Title and E-mail Address</p> <p>07/01/2004</p> <p>Date</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER
NMNM105316
3105.2 (06300)

JUL 15 2004

Chisos, Ltd
Attention: Sue Ann Craddock
670 Dona Ana Road, SW
Deming, NM 88030

Dear Ms. Craddock:

Your letter of July 15, 2004, requests that Communitization Agreement No. NMNM105316 which embraces Lots 3 - 7, SE1/4NW1/4, E1/2SW1/4 (W1/2) sec. 6, T. 19 S., R. 30 E., Eddy County, New Mexico, be amended to include the Atoka and Strawn formations.

Inasmuch as the agreement only covers the Morrow formation, we hereby amend Communitization Agreement No. NMNM105316 to include the Atoka and Strawn formations effective as of February 4, 2004, the date of first production from the Atoka formation.

The agreement remains in force and effect as of the original approval date September 19, 2000. Please furnish all interested principals with appropriate evidence of this amendment.

Sincerely,

Mary Lou Ormseth
Legal Instruments Examiner,
Lands and Minerals