

DATE IN <b>8-30-11</b>	SUSPENSE	ENGINEER <b>DB</b>	LOGGED IN <b>8.31.11</b>	TYPE <b>NSL</b>	APP NO. <b>1124357673</b>
------------------------	----------	--------------------	--------------------------	-----------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*PTG-W*  
*Neenborg*  
*Howenstein 12#1*  
*30-025-40077*

## 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]**

*6367-B*

### [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 \_\_\_\_\_

### [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.

Print or Type Name

Signature

Title

Date

e-mail Address



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

J. SCOTT HALL  
Office: (505) 986-2646  
Email: shall@montand.com  
Reply To: Santa Fe Office  
www.montand.com

RECEIVED OCD  
2011 AUG 30 10:16

August 30, 2011

Mr. David Brooks  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Hand Delivered**

2011 AUG 30 A 10:16

RECEIVED OCD

Re: Nearburg Producing Company  
Second Request for Amendment to Administrative Order NSL-6367  
Shipp-Strawn Pool (55695)

Howenstine 12 Well No. 1  
API No. 30-025-40077  
500' FNL and 1594' FEL (B) (Surface)  
330' FNL and 1570' FEL (B) (Bottom hole)  
350' FNL and 1540' FEL (B) (Second Amended Bottom hole)  
Section 12, T17S, R37E  
Lea County, New Mexico

Dear Mr. Brooks:

Enclosed is a copy of the amended C-102 referenced in our letter to the Director yesterday.

Very truly yours,

J. Scott Hall

JSH:kw  
Enclosure

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

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  
11885 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, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30025 40077	Pool Code 55695	Pool Name Shipp; Strawn
Property Code 38523	Property Name HOWENSTINE 12	Well Number 1
OGRID No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3734'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	12	17-S	37-E		500	NORTH	1594	EAST	LEA

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
B	12	17-S	37-E		350	NORTH	1540	EAST	LEA

Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No. NSL-6367
-----------------------	-----------------	--------------------	-----------------------

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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Terri Stathem</i> 8/30/11 Signature Date Terri Stathem Printed Name tstathem@nearburg.com E-mail Address</p>
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=676630.4 N X=847705.2 E</p> <p>LAT.=32.855016° N LONG.=103.201082° W</p> <p>BOTTOM HOLE LOCATION Y=676780.9' N X=847757.6 E</p>	<p>TABLE OF SECTION, QUARTER &amp; SIXTEENTH CORNER COORDINATES</p> <p>Ⓐ - Y=677133.0 N, X=847974.9 E Ⓑ - Y=677119.5 N, X=846656.8 E Ⓒ - Y=675797.8 N, X=846671.5 E Ⓓ - Y=675810.7 N, X=847990.2 E</p>
	<p><b>SURVEYOR CERTIFICATION</b></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>OCTOBER 26, 2010</p> <p>Date of Survey Signature &amp; Seal of Professional Surveyor:  Certificate Number 12641 Ronald J. Eidson 3239</p> <p>DSS Rev: 8/29/11 JWSC W.O.: 11.13.1865</p>

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  
11885 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, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30025 40077	Pool Code 55695	Pool Name Shipp; Strawn
Property Code 38523	Property Name HOWENSTINE 12	Well Number 1
OGRID No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3734'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	12	17-S	37-E		500	NORTH	1594	EAST	LEA

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
B	12	17-S	37-E		350	NORTH	1540	EAST	LEA

Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No. NSL-6367
-----------------------	-----------------	--------------------	-----------------------

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>GRID AZ. = 19°10'17" HORZ. DIST. = 159.4'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=676630.4 N X=847705.2 E LAT. = 32.855016° N LONG. = 103.201082° W</p> <p>BOTTOM HOLE LOCATION Y=676780.9 N X=847757.6 E</p>	<p>TABLE OF SECTION, QUARTER &amp; SIXTEENTH CORNER COORDINATES</p> <p>Ⓐ - Y=677133.0 N, X=847974.9 E Ⓑ - Y=677119.5 N, X=846656.8 E Ⓒ - Y=675797.8 N, X=846671.5 E Ⓓ - Y=675810.7 N, X=847990.2 E</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Terri Stathem</i> 8/30/11 Signature Date Terri Stathem Printed Name tstathem@nearburg.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></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>OCTOBER 26, 2010 Date of Survey Signature &amp; Seal of Professional Surveyor: <i>Ronald J. Eidson</i> 8/29/2011 Certificate Number: 3239 Ronald J. Eidson 12641 DSS Rev: 8/29/11 JWSC W.O.: 11.13.1865</p>
---	--	---



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**J. SCOTT HALL**

Office: (505) 986-2646  
Email: shall@montand.com  
Reply To: Santa Fe Office  
www.montand.com

August 29, 2011

Ms. Jami Bailey, Director  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Hand Delivered**

Re: Nearburg Producing Company  
Second Request for Amendment to Administrative Order NSL-6367  
Shipp-Strawn Pool (55695)

Howenstine 12 Well No. 1  
API No. 30-025-40077  
500' FNL and 1594' FEL (B) (Surface)  
330' FNL and 1570' FEL (B) (Bottom hole)  
350' FNL and 1540' FEL (B) (Second Amended Bottom hole)  
Section 12, T17S, R37E  
Lea County, New Mexico

Dear Ms. Bailey:

On August 25, 2011, we submitted a request on behalf of Nearburg Producing Company to amend NSL Order 6367 to change the unorthodox bottom hole location for the Howenstine 12 Well No. 1. Nearburg now wishes to change the bottom hole location again, this time to the following: 350' FNL and 1540' FEL. The reason for the second amended location is based on further refinement of recently obtained seismic data. As before, the surface location remains unchanged.

The second amendment will reduce the encroachment even further and moves the well's bottom hole location closer to a standard location under the pool rules for the Shipp-Strawn Oil Pool (wells to be located within 150 feet of the center of a governmental quarter-quarter section with 80-acre units). All other points supporting Nearburg's August 25, 2011 request to amend NSL 6367 continue to apply. Again, no further notification is indicated under the Division's rules (see Rule 19.15.4.12A[2][b]).

---

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

---

6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

Ms. Jami Bailey  
August 29, 2011  
Page 2

Thank you for your consideration of this second request. I will forward an amended C-102 as soon as it becomes available.

Very truly yours,

MONTGOMERY & ANDREWS, P. A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall  
Attorneys for Nearburg Producing Company

JSH:kw

cc: NMOCD-Hobbs  
Ken Dixon, Nearburg Producing Company

305911