

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 _____

[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

2005 MAR 29 PM 1 42

[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.

JAMES BRUCE
 PO BOX 10598
 SANTA FE NM 87504

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce Attorney for applicant 3/29/05
 Signature Title Date
Jamesbruce@aol.com
 e-mail Address

Print or Type Name

e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

March 29, 2005

Hand delivered

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

Dear Mr. Stogner:

Pursuant to Division Rules 104.D(2) and 104.F(2), Latigo Petroleum, Inc. applies for approval of a non-standard gas spacing and proration unit and an unorthodox gas well location for the following well:

<u>Well:</u>	DeGas "6" State Com. Well No. 2
<u>Location:</u>	2624 feet FNL & 1889 feet FWL
<u>Well unit:</u>	Lots 3-6 and 11-14 of irregular Section 6, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (Undesignated North Eidson-Morrow Gas Pool). Another primary zone is the Atoka formation (Undesignated Townsend-Atoka Gas Pool), and applicant requests unorthodox location approval in both formations. The pools are spaced on statewide rules, with 320 acre spacing and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A. The acreage of the well unit is 326.46 acres, which is caused by a variation in the government survey.

The location is based on geophysical/geologic reasons. Attached as Exhibit B is a structure map on top of the Atoka clastics, which is based on seismic data and well control. Drilling the well at the proposed location will enable the well to achieve a structural position equivalent to the offsetting DeGas "6" State Com. Well No. 1, located in Lot 8 (Unit H) of Section 6, which was successfully completed in the Atoka formation.

The unorthodox location is internal to the well unit. Therefore, notice of this application is not required to be given to anyone, and applicant requests a waiver of the 20 day notice period.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in black ink that reads "James Bruce". The signature is written in a cursive style with a large, sweeping initial "J".

James Bruce

Attorney for Latigo Petroleum, Inc.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Arivaca, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artes, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1998

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name DEGAS "6" STATE COM			Well Number 2
OGRID No.		Operator Name LATIGO PETROLEUM INC.			Elevation 4065'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 6	6	16 S	35 E		2624	NORTH	1889	WEST	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								
<table border="1"> <tr> <th>Dedicated Acres</th> <th>Joint or Infill</th> <th>Consolidation Code</th> <th>Order No.</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>										Dedicated Acres	Joint or Infill	Consolidation Code	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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>TITLE _____</p> <p>Date _____</p>	
<p>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>FEBRUARY 10, 2005</p> <p>Date: _____ Signature: _____ Professional Seal: _____</p> <p>W.C. No. _____ No. _____ Professional Seal: _____</p> <p>Professional Seal: _____ Jones 7977</p> <p>BASIN SURVEYS</p>		<p>Blumberg No. 5119</p> <p>EXHIBIT</p>	