

DATE IN 2/6/06	SUSPENSE 2-27-06	ENGINEER MIKE	LOGGED IN 2/7/06	TYPE NSL	APP NO. P TDS 0603752812
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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

- [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.

David Stewart
Print or Type Name

[Signature]
Signature

Se. Reg. Analyst
Title

2/1/06
Date

david.stewart@ocd.com
e-mail Address

2006 FEB 6 PM 1 00



OXY USA WTP Limited Partnership

PO Box 50250
Midland, TX 79710-0250

February 1, 2006

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Attention: Mike Stogner

Re: ***Application for Administrative Approval of Unorthodox Gas Well Location –
Non-Standard Proration Unit – Simultaneous Dedication –
Blinebry Oil & Gas Pool
Brunson B #7 – 622 FSL 1990 FWL Unit N Section 3 T22S R37E
Lea County, New Mexico***

Dear Mr. Stogner:

OXY USA WTP Limited Partnership respectfully requests administrative approval under Rule 104 (F) of this application for the subject unorthodox gas well location on the Brunson B #7. OXY also requests a Non-standard Proration Unit and Simultaneous Dedication for the above mentioned well and the Brunson B #2 which is currently producing from the Blinebry Oil & Gas pool and is located 1912 FSL 1912 FWL Unit K Sec 3 T22S R37E, Lea County, NM. According to NMOCD records the Brunson B #2 currently has either a 160 or 120 acre proration unit, depending on which records you review. To clean up this situation, OXY proposes a 120 acre proration unit consisting of Units K, M, & N. The Blinebry Gas wells in this 120 acre spacing unit would consist of the Brunson B #2 and #7.

Due to a well already located at 660 FSL and 1980 FWL, the Brunson B #7 was drilled and completed in 1948 and has produced from the Drinkard and Tubb pools. Due to the existing location of the original well this makes the Brunson B #7 an unorthodox location for the Blinebry Gas Pool. The previous zones have depleted past economic consideration and the plugback to the Blinebry field is the last zone for this well to be completed and produced out of before permanently abandoning the well.

To support this request, the following information has been submitted for your review:

1. NMOCD C-102 for the proposed well
2. NMOCD C-102 with offsetting spacing units
3. List of affected offset operators that adjoin the non-standard spacing unit, along with a copy of the certified return receipts. Copies of the signed certified receipts will be furnished upon request.

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart
Sr. Regulatory Analyst
OXY USA WTP LP

Attachments

CC: NMOCD-Artesia

9:40 AM 2-16-06
called David to
ask about #6 well
in Unit M (30-525-
04918). Bl. plugged off in
2003 and is not contributing
to this unit or zone.

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

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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

¹ API Number 30-025-09980	² Pool Code 72480	³ Pool Name Blinebry Oil & Gas
⁴ Property Code 27936	⁵ Property Name Brunson B	⁶ Well Number 7
⁷ OGRID No. 192463	⁸ Operator Name OXY USA WTP Limited Partnership	⁹ Elevation 3418'

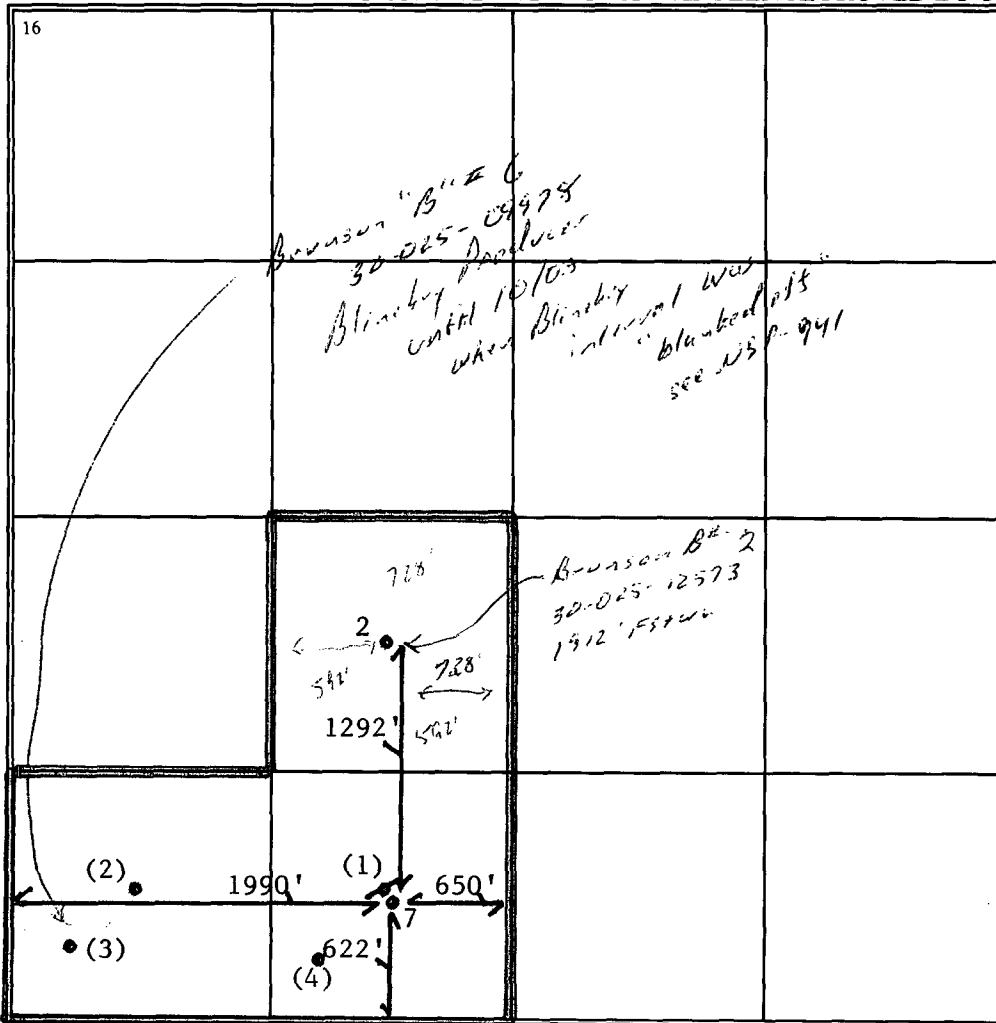

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	22S	37E		622	south	1990	west	Lea

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 120	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.						

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>16</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></p> <p>Signature David Stewart Printed Name Sr. Regulatory Analyst Title and Email 21106 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 Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>
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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

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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

¹ API Number	² Pool Code	³ Pool Name Blinebry Oil & Gas
⁴ Property Code	⁵ Property Name	⁶ Well Number
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation

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
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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.						

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>			
Signature			
Printed Name			
Title and Email			
Date			
¹⁸ SURVEYOR CERTIFICATION <i>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.</i>			
Date of Survey			
Signature and Seal of Professional Surveyor:			
Certificate Number			

Apache Corp 10012 H	BEC Corp 10005 E	BEC Corp 09992 F	Chevron 09995 G
OXY USA 10016 I	Chesapeake 10004 L	OXY USA 12573 K	John Hendrix 09987 J
Chesapeake 10047 P	OXY USA 09977 M	09980 N	09987 O
Pure Resources 10145 A	Pure Resources 10178 D	Pure Resources 10179 C	Chevron 10162 B

**Service List – NSL/NSP/SD
OXY USA WTP LP
Brunson B #7
Sec 3 T22S R37E**

New Mexico Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Affected Offset Operators:

BEC Corporation – 1958
P.O. Box 1392
Midland, TX 79702

Chesapeake Operating, Inc. - 147179
P.O. Box 18496
Oklahoma City, OK 73154

Chevron USA Inc. - 4323
P.O. Box 4791
Houston, TX 77210

Chevron USA Inc. – 4323
15 Smith Rd.
Midland, TX 79705

John H. Hendrix Corp. – 12024
P.O. Box 3040
Midland, TX 79702

OXY USA WTP LP - 192463
P.O. Box 50250
Midland, TX 79710-0250

Pure Resources, LP – 150628
500 W. Illinois Ave
Midland, TX 79707



PO Box 50250
Midland, TX 79710-0250

February 1, 2006

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

(Offset Operator Address)

Re: ***Application for Administrative Approval of Unorthodox Gas Well Location –
Non-Standard Proration Unit – Simultaneous Dedication -
Blinebry Oil & Gas Pool
Brunson B #7 – 622 FSL 1990 FWL Unit N Section 3 T22S R37E
Lea County, New Mexico***

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA WTP Limited Partnership, requesting administrative approval under Rule 104 (F) of an unorthodox gas well location, non-standard proration unit and simultaneous dedication. As an affected party, notice is being provided to you pursuant to Rule 104 (F). The well is located in the SESW/4 of Section 3 T22S R37E, Lea County, NM. If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Mike Stogner).

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart
Sr. Regulatory Analyst
OXY USA WTP LP

Attachments

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Inc.
15 Smith Rd.
Midland, TX 79705

2. Article Number
(Transfer from service label)
PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7005 0390 0002 9908 9247

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

John H. Hendrix Corp.
P.O. Box 3040
Midland, TX 79702

2. Article Number
(Transfer from service label)
PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7005 0390 0002 9908 9230

Domestic Return Receipt

102395-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Pure Resources, LP
500 W. Illinois Ave
Midland, TX 79707

2. Article Number
(Transfer from service label)
PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7005 0390 0002 9908 9223

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BEC Corporation
P.O. Box 1392
Midland, TX 79702

2. Article Number

(Transfer from service label)

7005 0390 0002 9908 9278

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐
- Agent
-
- ☐
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐
- Certified Mail
- ☐
- Express Mail
-
- ☐
- Registered
- ☐
- Return Receipt for Merchandise
-
- ☐
- Insured Mail
- ☐
- C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

2. Article Number

(Transfer from service label)

7005 0390 0002 9908 9261

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐
- Agent
-
- ☐
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐
- Certified Mail
- ☐
- Express Mail
-
- ☐
- Registered
- ☐
- Return Receipt for Merchandise
-
- ☐
- Insured Mail
- ☐
- C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Inc.
P.O. Box 4791
Houston, TX 77210

2. Article Number

(Transfer from service label)

7005 0390 0002 9908 9254

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐
- Agent
-
- ☐
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐
- Certified Mail
- ☐
- Express Mail
-
- ☐
- Registered
- ☐
- Return Receipt for Merchandise
-
- ☐
- Insured Mail
- ☐
- C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X</p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>New Mexico Oil Conservation Division 1625 N. French Dr. Hobbs, NM 88240</p>		<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>
<p>2. Article Number (Transfer from service label)</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, February 2004</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>Domestic Return Receipt</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>7005 0390 0002 9908 9285</p>		<p>102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X</p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505</p>		<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>
<p>2. Article Number (Transfer from service label)</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, February 2004</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>Domestic Return Receipt</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>7005 0390 0002 9908 9292</p>		<p>102595-02-M-1540</p>	