

Lynx

6/22/06 DATE IN	7-12-06 SUSPENSE	MIKE STOGNER ENGINEER	6/23/06 LOGGED IN	NSL TYPE	APP NO. PTD50617435044
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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.

Print or Type Name

Signature

Title

Date

e-mail Address

# Lynx Petroleum Consultants, Inc.

P.O. Box 1708  
3325 Enterprise Drive  
Hobbs, New Mexico 88241

505 392-6950

Fax: 505 392-7886

June 20, 2006

2006 JUN 22 PM 1 09

CERTIFIED MAIL – RETURN RECEIPT

7003 1010 0002 2612 0940

Mr. Mark Fesmire  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Request for Administrative Approval – Unorthodox Location  
Sprinkle Federal No. 3 Bone Spring Recompletion

Dear Mr. Fesmire:

Lynx Petroleum Consultants, Inc. is requesting Administrative Approval for an unorthodox location for the recompletion of its Sprinkle Federal No. 3 well located 1650' FNL and 460' FEL of Section 9, Township 19S, Range 35E, Lea County, New Mexico. This well is currently completed as an SWD well in the Scharb Wolfcamp zone. We are proposing to plug-back and perforate to test for oil production the Bone Spring formation. Pool rules in the Scharb Bone Spring oil pool dictate that wellbore location be no further than 200' from the center of a quarter/quarter unit.

The 80 acre Scharb Bone Spring spacing unit (E/2 NE/4) has previously been dedicated to our Sprinkle Federal No. 1 well located in the same quarter/quarter. This wellbore has experienced mechanical difficulties (casing collapse) and we have filed a Notice of Intent to plug and abandon. Approval of our request will result in the recovery of additional reserves from the Scharb Bone Spring, prevent waste, and protect correlative rights.

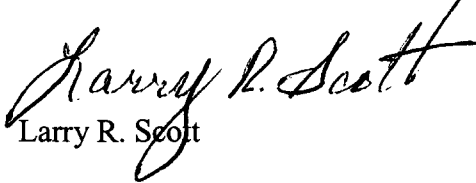
Mr. Mark Fesmire  
June 20, 2006  
Page 2

Attached for your review are our Sundry Notice of Intent and C-102. Per NMOCD Rule 104.F(4) we have mailed notifications of this request along with a Sundry and C-102 to all offset operators with instructions to them to notify you (in writing) by July 21, 2006 if they have any objection. Copies of the certified mail receipts to these offset operators are also attached.

Thanks in advance for your consideration and please do not hesitate to call or write if you have any questions.

Sincerely,

LYNX PETROLEUM CONSULTANTS, INC.



Larry R. Scott

Enc

Cc: Ms. Donna Mull – Hobbs OCD District Office

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
**NM-24166**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**Sprinkle Federal No. 3**

9. API Well No.  
**300252852100**

10. Field and Pool, or Exploratory Area

**Scharb Wolfcamp**

11. County or Parish, State

**Lea**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

**Lynx Petroleum Consultants, Inc.**

3a. Address **P.O. Box 1708**

**Hobbs, NM 88241**

3b. Phone No. (include area code)

**505-392-6950**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**1650' FNL & 460' FEL  
Section 9, T-19S, R-35E**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Propose to isolate existing Wolfcamp perforations (injection zone) with a CIBP and cement. Perforate Bone Spring 9544-9610' overall. (88 holes total). Acidize new perms w/1500 gals 15% HCl-NE-FE. Run production tubing, rods and pump. Set a pumping unit and return well to production. Work scheduled to begin June 1, 2006

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

**Larry R. Scott**

Title **President**

Signature

Date **May 10, 2006**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I  
PO Box 1900, Hobbs, NM 88241-1900  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-28521		2 Pool Code 55610		3 Pool Name Scharb Bone Spring	
4 Property Code 5994		5 Property Name Sprinkle Federal			6 Well Number 3
7 OGRID No. 013645		8 Operator Name Lynx Petroleum Consultants, Inc.			9 Elevation 3835.26

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
	9	19S	35E		1650	North	460	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
H	9	19S	35E		1650	North	460	East	Lea

12 Dedication Acres 80	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

16					<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  <i>Larry R. Scott</i> Signature Larry R. Scott Printed Name President Title 06/19/06 Date
					<b>18 SURVEYOR CERTIFICATION</b> 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.  11-7-1983 Date of Survey Signature and Seal of Professional Surveyor: Original signed by John W. West  Certificate Number

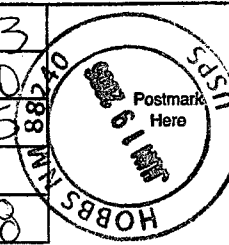
7003 1010 0002 2612 0957

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Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.88</b>



Sent To WaterPet Corp  
 Street, Apt. No.,  
 or PO Box No. 104 So. 4th St  
 City, State, ZIP+4 Altesia NM 88210

PS Form 3800, June 2002 See Reverse for Instructions

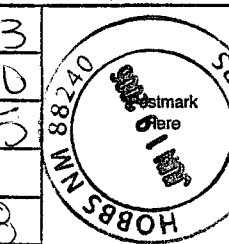
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Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.88</b>



Sent To Model Hussman Permian, LLC  
 Street, Apt. No.,  
 or PO Box No. 601 Marienfeld Suite 508  
 City, State, ZIP+4 Midland, TX 79701

PS Form 3800, June 2002 See Reverse for Instructions

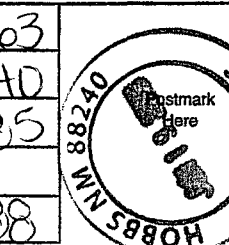
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Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 4.88</b>



Sent To Momentum Energy  
 Street, Apt. No.,  
 or PO Box No. P.O. Box 3398  
 City, State, ZIP+4 Midland, TX 79702

PS Form 3800, June 2002 See Reverse for Instructions

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

13-Jun-06

**LYNX PETROLEUM CONSULTANTS INC**

PO BOX 1708

HOBBS, NM 88241-

## **NOTICE OF VIOLATION Delinquent Regulatory Filings**

Dear Operator:

A review of our records indicate that filing of sufficient or correct regulatory reports are delinquent with respect to the following well(s) as described in the detail section below. This is a violation of Oil Conservation Division Rule 19.15.1.16. To comply with standards imposed by Division Rules and Regulations, corrective action must be taken by the "Corrective Action Due By:" date indicated below and the well(s) brought into compliance. The detail section below indicates preliminary findings and/or the probable nature of the violation.

### **NON-COMPLIANT WELL DETAIL SECTION**

**SPRINKLE FEDERAL No.003**

**Location:** 9-19S-35E

**30-025-28521-00-0**

**Original Well Type:** Salt Water Disposal Well

**Well Status:** Active

**Determination or Violation Date:** 6/14/2006

**Delinquent Report or Filing(s):** - Other Monitoring and Reporting Violation

**Comments:** OCD has received "Notice of Intent" to plugback this well to the Bone Spring. OCD also requires C-101 to show dedicated acreage for the Scharb Bone Spring, pool code 55610 with 80 acres. For this pool, a standard location is within 200 feet from the center of the quarter/quarter. If you have questions on this matter, please call Donna Mull (505) 393-6161 ext 115.

**CORRECTIVE ACTION ON THIS WELL DUE BY: 7/14/2006**

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

Sincerely,



Hobbs OCD District Office

RECEIVED

JUN 15 2006