

5/1/08 DATE IN	SUSPENSE	BROOKS ENGINEER	5/1/08 LOGGED IN	NSL TYPE	PKVRO812255145 APP NO.
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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



Encore Operating LP
 Encore M state #1
 5837

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
 X 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 X 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.

Ann Burdette Wiley Print or Type Name	_____ Signature	Regulatory Manager Title	05/01/2008 Date
		awiley@encoreacq.com e-mail Address	

2008 MAY 1 PM 3 15
 RECEIVED



Encore
Acquisition
Company

777 Main Street, Suite 1400
Fort Worth, TX 76102
817-877-9955
817-877-1655 fax

Fax

To: Kim Romero From: Ann Wiley

Fax: 505-476-3462 Pages: 2

Phone: _____ Date: 5/1/08

Re: _____ CC: _____

Urgent For Review Please Comment Please Reply Please Recycle

● Comments



Encore
 Operating, L.P.
 A Subsidiary of
 Encore Acquisition Company

777 Main Street
 Suite 1400
 Fort Worth, Texas 76102
 (817) 877-9955
 fax: (817) 877-1655

RECEIVED

2008 APR 30 PM 3 37

April 28, 2008

New Mexico oil Conservation Division
 Attn: David Brooks
 1220 South St. Francis
 Santa Fe, NM 87505

Re: Request for Administrative Approval
 Of Non-Standard Location
 Encore "M" State # 1
 SHL 742' FNL & 1294' FEL
 Sec. 30 T22S R37E
 Lea County, NM

Dear Mr. Brooks:

Encore Operating, L.P. here by request NMOCD administrative approval for a non-standard location. With your approval we plan to drill the Encore "M" State # 1 as a wildcat oil well into the Devonian(8521'), Fusselman(9786'), Montoya(10126'), Ellenburger(11279') and possible shallower zones of the Blinbry(5535') & Dinkard(6621') formations.

Based on statewide rules (40 acre proration unit and 330 unit line), this location is a non-standard location, encroaching on an internal proration boundary. This is a vertical well location, selected due to seismic study and will allow for best production.

Attached for your review is a C-102.

Sincerely,

Ann Burdette Wiley
 Regulatory Compliance Manager

Enclosure
 Cc: NMOCD Dist. I
 1652 N. French Dr.
 Hobbs, NM 88240

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 and Natural Resources Department

Form C-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Wildcat</i>
Property Code	Property Name ENCORE "M" STATE	Well Number 1
OGRID No. <i>189951</i>	Operator Name ENCORE OPERATING, L.P.	Elevation 3406'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	22 S	37 E		742	NORTH	1294	EAST	LEA

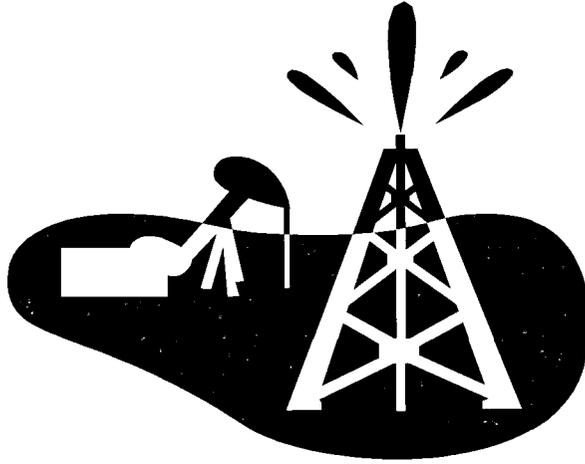
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	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><u>SURFACE LOCATION</u> LAT - N32°22'04.52" LONG - W103°11'50.39" SPC - N.: 499426.978 E.: 850751.601 (NAD-27)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained 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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Ann Burdette Wiley</i> 4/23/08 Signature Date</p> <p>Ann Burdette Wiley Printed Name</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>APRIL 18, 2008</p> <p>Date Surveyed</p> <p><i>Gary L. Jones</i> Signature Professional Seal</p>
	<p>Certificate No. Gary L. Jones 7977</p>
	<p>BASIN SURVEYS</p>



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Ann Bundett Wiley 817-877-1655

FROM: David Brooks

DATE: 5/30/08

PAGES: 2

SUBJECT: Encore M State # 1

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.

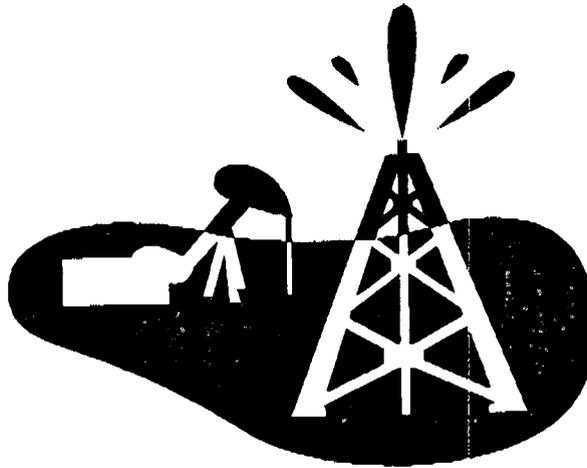
TRANSACTION REPORT

P. 01

MAY-30-2008 FRI 02:12 PM

FOR:

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
MAY-30	02:12 PM	918178771655	27"	2	SEND	OK	588	
TOTAL :						27S PAGES:	2	



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
 1220 S. ST. FRANCIS DRIVE
 SANTA FE, NM 87505
 (505) 476-3440
 (505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Ann Bundatt Waler 817-877-1655



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 30, 2008

Ms. Ann Burdette Wiley
Encore Operating, L.P.
777 Main St., Suite 400
Fort Worth, TX 76102
FAX No. 817-877-1655

**Re: Encore M State Well No. 1
Unit A, Section 30-22S-37E
Lea County**

Dear Ms. Wiley:

I have now looked at the referenced application, and I have two questions.

First, I find no reasons stated in the application for requesting that this well be placed at an unorthodox location.

Second, you state that the encroachment is toward an internal boundary. That is not the case, as we ordinarily use that term, for a 40-acre unit, since the encroachment is toward the western unit boundary. Please advise if Encore is 100% owner of the working interest in Unit B (NW/4 NE/4) of Section 30, and, if not, if working interest ownership is identical between Units A and B. If not, it will be necessary to give notice to owners in Unit B.

If you have questions or other concerns, please feel free to contact the undersigned.

Very truly yours,

A handwritten signature in black ink that reads "David K. Brooks".

David K. Brooks
Legal Examiner
505-476-3450
david.brooks@state.nm.us





Encore
Acquisition
Company

777 Main Street, Suite 1400
Fort Worth, TX 76102
817-877-9955
817-877-1655 fax

Fax

To: David Brooks From: Ann Wiley

Fax: 505-476-3462 Pages: 2

Phone: _____ Date: 6/2/08

Re: NSL CC: _____

Urgent For Review Please Comment Please Reply Please Recycle

● Comments

**Encore**

Operating, L.P.

A Subsidiary of
Encore Acquisition Company777 Main Street
Suite 1400
Fort Worth, Texas 76102
(817) 877-9955
fax: (817) 877-1655

June 2, 2008

New Mexico oil Conservation Division
Attn: David Brooks
1220 South St. Francis
Santa Fe, NM 87505Re: Request for Administrative Approval
Of Non-Standard Location
Encore "M" State # 1
SHL 742' FNL & 1294' FEL
Sec. 30 T22S R37E
Lea County, NM

Dear Mr. Brooks:

In response to your letter dated May 30, 2008 regarding the above application, and the two questions you have asked. The first question is why this location is placed at an unorthodox location, The reason it is, after study of seismic this location allows for best discovery of production and location is economically feasible then to directionally drill the well.

The second question is regarding working interest ownership in the Unit B. Encore Operating, L.P. owns 100% of all rights covering all of Section 30, from the base of the San Andres to a depth not to exceed 12,000'.

If you have any question or further information is needed, please do not hesitate to contact me at (817)877-9955 or via email at awiley@encoreacq.com.

Sincerely,

Ann Burdette Wiley
Regulatory Compliance Manager