ENGINEER MS

NSL

PLR0324129651

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**

TH	IIS CHECKLIST IS I	MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION	RULES AND REGULATIONS
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[1]	TYPE OF A	PPLICATION - Check Those Which Apply for [A]  Location - Spacing Unit - Simultaneous Dedication  NSL □ NSP □ SD	RECEIVED
	Chec [B]	k One Only for [B] or [C]  Commingling - Storage - Measurement  DHC CTB PLC PC OLS OLN	AUG 2 <sub>8</sub> 2003  Oil Conservation Division
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  WFX PMX SWD IPI BOR PPI	
	[D]	Other: Specify	
[2]	NOTIFICAT [A]	TION REQUIRED TO: - Check Those Which Apply, or Does Not A Working, Royalty or Overriding Royalty Interest Owners	Apply
	[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 Atta	ched, and/or,
	[F]	Waivers are Attached	
[3]		CCURATE AND COMPLETE INFORMATION REQUIRED TO I	PROCESS THE TYPE
	al is accurate	ATION: I hereby certify that the information submitted with this applic and complete to the best of my knowledge. I also understand that no acquired information and notifications are submitted to the Division.	
	Note	e: Statement must be completed by an individual with managerial and/or superviso	ry capacity.
Print o	r Type Name	Signature Title	B/ZB/03
		wear- who e-mail Address	llandhart.com

See 13103

# HOLLAND & HART LLP

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DENVER TECH CENTER
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SANTA FE, NEW MEXICO 87504-2208

110 NORTH GUADALUPE, SUITE 1

SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

August 28, 2002

#### **HAND-DELIVERED**

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

30-015-3039

Re:

Application of V-F Petroleum Inc. for administrative approval of an unorthodox bottomhole well location in the Morrow formation for its Samuel Burns State Well No. 3, to be re-entered at a surface location 450 feet from the North line and 2100 feet from the East line and drilled to an unorthodox bottomhole location 530 feet from the North line and 2087 feet from the East line of Section 34, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

#### Dear Ms. Wrotenbery:

V-F Petroleum, Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2)-(4) adopted on August 12, 1999, of an unorthodox well location for its Samuel Burns State Well No. 1 to be re-entered at a surface location 450 feet from the North line and 2100 feet from the East line and drilled to an unorthodox bottomhole location 530 feet from the North line and 2087 feet from the East line of Section 34, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. A standard 320-acre spacing and proration unit comprised of the N/2 of Section 34 will be dedicated to the well.

This bottom hole location in the Morrow formation is unorthodox because it is governed by the Division's statewide rules which provide for wells on 320-spacing units to be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. The bottomhole location of the well at 1940 feet is 530 feet from the north line of the section or 130 feet closer to that line than a standard location. The well was originally drilled by Marathon Oil Company as an oil well and, as is evident from the difference between the surface and bottomhole locations, drifted to the South during drilling. The well should continue to drift to the south during drilling through the Morrow formation.

V-F Petroleum Inc. Administrative Application August 28, 2003 Page 2

10040

The reason for this application for an unorthodox bottomhole location for this well is that it presents an economical way to test this deep gas formation. V-F proposes to re-enter and drill the well to a depth of 11,100 feet to test the Morrow formation, Turkey Track-Morrow Gas Pool. When V-F exits the casing at a depth of 1040 feet, the well will be essentially at the top of the Morrow formation and directional drilling is therefore impractical.

Attached hereto as Exhibit A is a plat which shows the subject area, the 320-acre spacing unit comprised of all of the N/2 of Section 34 and the proposed surface and unorthodox bottom hole locations and the adjoining spacing units and wells.

Since this well encroaches on offsetting tracts to the north, V-F Petroleum has sent a copy of this application, including a copy of the plat described above to the operators of the affected offsetting spacing units by certified mail-return receipt requested in accordance with Rule 1207 (A)(5). These owners are identified on Exhibit B to this application and have been a advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

Enclosed in hard copy and disc is a proposed administrative order of the Division.

Your attention to this application is appreciated.

Will: D. C.

**Enclosures** 

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#### **EXHIBIT B**

#### **NOTIFICATION LIST**

Application of V-F Petroleum Inc.

Administrative approval of an unorthodox bottom gas well location Samuel Burns State Well No. 3

320 acres (North Half)

Section 34, Township 18 South, Range 28 East, NMPM

Eddy County, New Mexico.

Devon Energy Production Company 20 North Broadway, Suite 1500 Oklahoma City, OK 73102-8260

Marathon Oil Company P.O. Box 552 Midland, Texas 79702-0552

Nadel and Gussman Permian, L. L. C. Ste 508, Graham Bldg 601 N. Marienfeld Street Midland, Texas 79701

V-F Petroleum Inc. c/o Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico

Attention: William F. Carr

Administrative Order NSL-

Dear Mr. Carr:

Reference is made to your application dated August 28, 2003 for an unorthodox bottomhole well location for your proposed for the Samuel Burns State Well No. 3, to be re-entered at a surface location surface location 450 feet from North line and 2100 feet from the East line and drilled to an unorthodox bottomhole location 530 feet from the North line and 2087 feet from the East line (Unit D) of Section 34, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico..

A 320-acre spacing and proration unit in the Morrow formation comprising the N/2 of said Section 34 is to be dedicated to said well.

By authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox well location is hereby approved.

Sincerely,

Lori Wrotenbery Director

cc: Oil Conservation Division - Hobbs/Artesia
U. S. Bureau of Land Management - Carlsbad

# HOLLAND & HART LLP

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P.O. BOX 2208 SANTA FE, NEW MEXICO 87504-2208 110 NORTH GUADALUPE, SUITE 1 SANTA FE, NEW MEXICO 87501-6525 TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

August 28, 2003

## <u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO AFFECTED WORKING INTEREST OWNERS

Re: Application of V-F Petroleum Inc. for administrative approval of an unorthodox bottomhole well location in the Morrow formation for its Samuel Burns State Well No. 3, to be re-entered at a surface location 450 feet from the North line and 2100 feet from the East line and drilled to an unorthodox bottomhole location 530 feet from the North line and 2087 feet from the East line of Section 34, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

#### Ladies and Gentlemen:

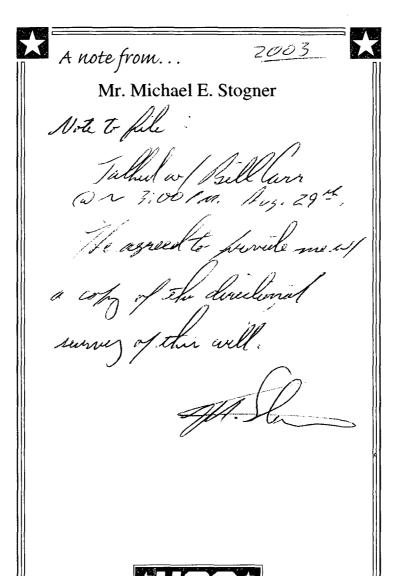
Enclosed is a copy of the above-referenced application and attached plat which was filed with the New Mexico Oil Conservation Division on this date by V-F Petroleum, Inc. for administrative approval of an unorthodox gas well location for its Samuel Burns State Well No. 3, to be re-entered at a surface location 450 feet from the North line and 2100 feet from the East line and deepened to an unorthodox bottomhole location at a point 530 feet from the North line and 2087 feet from the East line of Section 34, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within twenty days from this date. If no objection is received within this twenty-day period, this application for unorthodox well location may be approved.

√eqry truly yours,

William F. Carr

**Enclosures** 





างพพ.นรง.org 800-876-7469



# HOLLAND & HART LLP

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110 NORTH GUADALUPE, SUITE 1

SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

September 10, 2003

## **HAND-DELIVERED**

Mr. Michael Stogner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505



SEP 1 0 2003

Oil Conservation Division

Re: Administrative Application of for V-F Petroleum Inc. for approval of an unorthodox well location for its Samuel Burns State Well No. 3, to be re-entered at a surface location 450 feet from the North line and 2100 feet from the East line and drilled to an unorthodox bottomhole location 530 feet from the North line and 2087 feet from the from the East line of Section 34, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Mr. Stogner:

On August 28, 2003, we filed the above-referenced administrative application for V-F Petroleum Inc. Enclosed at your request is a copy of the directional survey for this well.

If you need additional information from V-F Petroleum Inc. to proceed with your consideration of this application, please advise.

William F. Carr

Enclosure

cc: Mr. Jerry Gahr

V-F Petroleum Inc.

# AUTICAL (Version 4.0)

Well: S. Burns "34" State #3

Target Azimuth: 180 Target TVD: 10100

Closure Direction: 170

Calculation Method - Minimum Curvature

			True Vertical	Vertical Section	North/ South	East/ West	Closure (ft)	Build Rate	Walk Rate	Dogleg Severity	Tool Face
Measured[ Inc	lination:	Azimuthi	Depth (ft)	(ft)	(ft)	(R)	1117	(deg/ft)	(deg/ft)	(d/100°)	(deg)
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406.00	0.75	149.00	405.98	3.48	-3.48	1.03	3.63	0.000	-0.129	0.17	
640.00	0.50	179.00	639.97	5.81	-5.81	1.84	6.09	40.001	0.128	0,17	
854.00	0.50	319.00	8\$3.98	6.04	-6.04	1.24	6.17	0.000	0,654	0.44	•
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1,340.00	0.75	59.00	1,339,94	5.72	-5.72	4.75	7.43	0.000	-0.233	0,29	
1,540,00	1.00	74.00	1,539.92	4.56	-4,56	7.55	8.82	0.001	0.075	0,17	
1,768,00	1.50	89.00	1,767.86	3.96	-3.96	12.45	13.06	0.002	0.066	0.26	
1,872,00	1.50	94.00	1.871.83	4.03	-4.03	15.17	15.70	0.000	0,048	0.13	
1,958.00	1.75	94,00	1,957.79	4.20	-4.20	17.60	18,10	0.003	0.000	0.29	
2,103.00	2.00	118.00	2,102.72	5.54	-5.54	22.04	22,73	0.002	0.166	0.56	
2,197.00	1.75	114.00	2,196.67	6.90	-6.90	24.80	25,74	-0.003	-0.043	0.30	
2,323.00	1.75	99.00	2,322.61	7,98	-7.98	28.46	29.56	0.000	-0.119	0,36	
2,489.00	2.00	112.00	2,488.52	9.46	-9.46	33.65	34.96	0.002		0.30	
2,666.00	1.75	85.00	2,065,43	10.38	-10.38	39.21	40.56	-0.001	-0.153	0.51	
2,791.00	1.75	96.00	2,790.37	10,42	-10.42	43.01	44,25	0.000		0.27	
2,927.00	2.00	96.00	2,926.30	10.88	-10.88	47.43	48.66	0.002	0.000	0.18	
3,073.00	1,75	86.00	3,072,22	10.99	-10,99	52.19	53.33	-0.002	-0.068	0.28	
3,332.00	1,50	112.00	3,331,12	11.99	-11.99	59.28	60.48	-0.001	0.100	0.30	
3,561.00	1.50	115.00	3,580.03	14.59	-14.59	65.25	66.88	0.000		0.03	
3,799,00	1.50	116.00	3,797.98	17.04	-17.04	70.40	72.44	0.000		0,01	
4,050.00	1.50	133.00	4,048.87	20,72	<b>-20</b> .72	75.76	78.54	0.000	0.068	0.18	
4,300.00	2.00	106.00	4,298.76	24.16	-24.16	62.35	85.62	0.002		0.38	
4,555.00	1.50	121.00	4,553,64	27.10	-27.10	89.46	93.50	-0.002		0.26	
4,831,00	1.75	121.00	4,829.53	31,13	-31.13	96.19	101.11	0.001	0,000	0.09	
5,082.00	1,25	138.00	5,080,45	35.14	-35.14	101.31	107,23	-0.002		0.26	
5,333.00	1.00	133.00	5,331.40	38.67	-38.67	104,74	111,65		-0.020	0.11	
5,581.00	0.25	159.00	5,579.38	40.65	-40.66	106.52	114.01	-0.003		0.32	
5,832.00	0.50	259.00	5,830.38	41.37	-41.37	105.64	113.45	0.001	0.398	0.24	
6,112.00	0.50	311.00	6,110.37	40.80	-40.60	103.52	111.27	0.000		0.16	
6.334.00	0.50	54.00	6.332.36	39.60	-39.60	103.57	110.68	0.000		0.35	
6,582.00	0.25	234.00	6,580.36	39.28	-39.28	104.01	111.18	-0.001	0.726	0,30	
6,834.00	0.50	235.00	6,832.35	40.23	-40.23	102.67	110.27	0.001	0.004	0.10	
7,084.00	0,50	214.00	7,082,35	41.76	-41.76	101.16	109.44	0.000	-0.084	0.07	
7,335.00	0.50	239.00	7,333.34	43.24	-43.24	99.61	108.59	0.000	0.100	0.09	
7,586.00	0.75	146.00	7,584.33	45,16	-45.16	99.59	109.35	0.001	-0.371	0.37	
7.836.00	0.50	153.00	7,834,31	47.49	-47,49	101.00	111.61	-0.001	0.028	0.10	
8,147.00		164,00	8,145.30	49.35	-49.35	101.80	113.14		0.035	0,08	
8,391.00		171.00	8,389.30	49.66	-49.86	101,95	113.49		0.029	0.10	
8,641.00	1.25	202.00	6,639.28	52,39	-52,39	100.93	113.72	0.005		0.50	
8,689.00	3.00	229.00	8,887.11	59.16	-59.16	95.02	111.93	D.007		0.79	
9,139.00	5.00	264.00	9,136.52	64.59	-64.59	79.24	102.23	0.008	0.140	1.23	
9,326.00	5.50	249.00	9,322.74	68.65	-68.65	62.77	93.02	0,003	-0.080	0.78	
9,420.00	5.50	253.00	9,416.31	71.58	-71.58	54.26	89.82	0.000		0.41	
9,515.00	4.75	254.00	9,510.93	74.00	-74.00	46.12	87.20			0.80	
9,609.00	4.00	259.00	9,604.66	75,70	-75.70	39,16	85.23			0.89	
9,704.00	4.00	264.00	9,699.43	76.68	-76.68	32.61	83.32	0.000		0.37	
9,831.00	3.50	259.00	9,826.15	77,88	-77.88	24.40	81.61	-0.004		0.47	
9,924.00	3.75	264.00	9,918.97	78.74	-78,74	18.59	80.90			0.43	
10,016.00	2.75	259.00	10,010.82	79.48	-79.48	13.43	80.60	-0.011	-0.054	1.13	

#### State of New Mexin

Energy, Minerale and Natural Resources D., artment

Porm C Revised February 10. Submit to Appropriate District State Lesse - 4 (

DISTRICT II P.O. Drawer DD, Artesta, NM 88211-0719

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410

DISTRICT IV

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

XX AMENDED RE

Fee Lease - 3 (

		*	METT TO	CATION	AND ACREA	GE DEDICATI	ON PLAT		
30-015-3	1umber <del>10935</del> 3	0395	Pool Code Pool Name 59860 Travis Upper Pennsylvan				ian		
Property Co 14021			Property Name SAMUEL BURNS						
OGRID No.			· · · · · · · · · · · · · · · · · · ·	Elevation 3554					
		•			Surface Loca	ition			
UL or lot No.	Section 34	Township 18 S	Range 28 E.	Lot Ida	Feet from the	North/South line NORTH	Feet from the 2100	East/West line EAST	Co E
	·····		Bottom	Hole Loc	ation If Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	Co
80-W/2,NE	<del></del>					INTIL ALL INTER		EN CONSOLIDA	ATE
		, ,	#1	\$ <b>L</b>	**	100.	OPERATO  I hereb contained heres best of my know  Signature  D. R. He Printed Name	<u> </u>	ale to

# Drilling Superintender Title 10/8/98 Date

#### SURVEYOR CERTIFICATION

I hereby certify that the well location s. on this plat was plotted from field not actual surveys made by me or unde supervison, and that the same is tru correct to the best of my belief.

SEPTEMBER 30, 1998

Date Surveyed ...

Signature & So41 of Professional Surveyor

1. 1306-

Certificate No. RONALD & EDSON GARY DOSON MADON MEDONALD



# State of New Mexico Oil Conservation Commission

From

MICHAEL E. STOGNER

Note to file:

# Memo

Ja 12-1-03 (Monday) 3:32 PM

- Tom Beall W/ U-F left or work much messey wanting to know the status of this ash.

FPI a anidla . I. com

12-4-03 (Thurs) 2:55 pm tulhely Mr. Beall - 9 consenting int. owners - Read to pender.

P.O. BOX 2088
LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 97501
505-827-5811



## Stogner, Michael

From: William F. Carr [WCarr@hollandhart.com]

Sent: Tuesday, January 06, 2004 3:56 PM

To: mstogner@state.nm.us

Cc: Tom Beall (E-mail)

Subject: Administrative application of V-F Petroleum for approval of an unorthodox well location for the

Samuel Burns Well No. 3

#### Dear Mike,

This confirms our conversation of this date concerning the status of an administrative order in the above-referenced matter. V-F Petroleum is ready re-enter and complete the the Samuel Burns Well No. 3 in the Morrow formation as soon as Division approval is obtained. The application was filed on August 28th and, at your request, a directional survey for the well was provided by letter dated September 10, 2003. We are aware of the the substantial work load you are carrying at this time and would appreciate any thing that can be done to expedite this application.

#### William F. Carr

Attorney
Holland & Hart LLP
110 N. Guadalupe, Suite 1
Santa Fe, New Mexico 87505
Phone (505) 988-4421
Fax (505) 983-6043

E-mail: wcarr@hollandhart.com



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