**PETROLEUM**

February 15, 2002

Mr. Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
2040 South Pacheco St  
Santa Fe, NM 87505

MAR - 5 2002

Re: Inclusion of an additional in-fill gas wells  
within an existing 320-acre standard gas  
spacing and proration units in the Bluitt San  
Andres Associated Pool comprising the N/2  
320-acres of Section 13, T8S, R37E,  
Roosevelt County, NM

Dear Mr. Stogner:

Saga recently recompleted well #5, a SI WIW to a P<sub>1</sub> San Andres gas producer in Section 13 (E), T8S, R37E, Roosevelt County, New Mexico. Offset operators, John A Yates, Jr. and Yates Petroleum Corporation have been notified of Saga's request for administrative approval to include an additional well in the existing 320-acre standard proration unit in Section 13.

Saga respectfully requests administrative approval be granted to simultaneously dedicate, (share allowable), wells 1, 3, 5, 6 and 8 to the N/2 320-acre proration unit in Section 13. Wells 1, 3, 6 & 8 averaged producing 230 MCFGPD during December 2001 and well #5 has averaged 55-65 MCFGPD since completion.

Yours very truly,

SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst

Enclosures

cc: Hobbs OCD

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

OIL CONSERVATION DIVISION  
2040 South Pacheco  
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 30-041-20213		2 Pool Code 06880		3 Pool Name BLUITT SAN ANDRES ASSOC	
4 Property Code 025447		5 Property Name BLUITT SA 13 FEDERAL			6 Well Number 5
7 OGRID No. 148967		8 Operator Name SAGA PETROLEUM LLC			9 Elevation 4006' Gr

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
E	13	8S	37E		1980	NORTH	660	WEST	ROOSEVELT

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 40	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  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION	
<p>#3</p> <p>587' FNL &amp; 1849.3' FWL</p>				<p>#1 C</p> <p>660' FNL &amp; 660' FEL</p>	
<p>#5 C</p> <p>1980' FNL &amp; 660' FWL</p>				<p>#6 C</p> <p>1980' FNL &amp; 1980' FWL</p>	
<p>#8 C</p> <p>1980' FNL &amp; 660' FEL</p>				<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Bonnie Husband</i></p> <p>Signature</p> <p>BONNIE HUSBAND</p> <p>Printed Name</p> <p>PROD ANALYST</p> <p>Title</p> <p>01/18/2002</p> <p>Date</p>	
				18 SURVEYOR CERTIFICATION	
				<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</p> <p>Signature and Seal of Professional Surveyor:</p>	
				Certificate Number	

February 15, 2002

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210-2118

Re: Offset Operator to the  
Bluitt SA 13 Federal #5  
Sec. 13 (E) T8S, R37E  
Roosevelt County, NM

Gentlemen:

Saga Petroleum LLC has recently recompleted the referenced well as P<sub>1</sub> San Andres gas producer. We propose to include the well within an existing 320-acre standard gas spacing and proration unit comprising the N/2 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, NM in the Bluitt San Andres Associated Pool. Administrative approval comprising the N/2 of the Section was granted in 1994 to Plains Petroleum Operating Company, the previous operator/owner, to simultaneously dedicate wells number 1 and 6 to the N/2 of Section 13. Saga now proposes to simultaneously dedicate wells number 1, 3, 6, 8 & 5 to the N/2 of Section 13. No individual well is capable of producing the top allowable of 1200 MCF a day. Wells 1, 3, 6 & 8 averaged producing 230 MCFGPD during December 2001 and well #5 has averaged 55-65 MCFPD since completion.

Please sign in the appropriate space your election to agree or not agree to Saga's request for administrative approval to simultaneously dedicate more than one well to an existing 320-acre proration unit.

Yours very truly,  
SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst



**PETROLEUM**

February 15, 2002

Mr. John A Yates, Jr.  
331 W Main, Suite A  
Artesia, NM 88210

Re: Offset Operator to the  
Bluitt SA 13 Federal #5  
Sec. 13 (E), T8S, R37E  
Roosevelt County, NM

Dear Mr. Yates:

Saga Petroleum LLC has recently recompleted the referenced well as a P<sub>1</sub> San Andres gas producer. We propose to include the subject gas well within an existing 320-acre standard gas spacing and proration unit in the Bluitt San Andres Associated Pool comprising the N/2 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, NM. Administrative approval comprising the N/2 of the Section was granted in 1994 to Plains Petroleum Operating Company, the previous operator/owner, to simultaneously dedicate wells number 1,6 and 8 to the N/2 of Section 13. Saga now proposes to simultaneously dedicate wells number 1, 3, 6, 8 & 5 to the N/2 of Section 13. No individual well is capable of producing the top allowable of 1200 MCF a day. Wells 1, 3, 6 & 8 averaged producing 230 MCF/GPD during December 2001 and well #5 has averaged 55-65 MCFPD since completion

Please sign in the appropriate space your election to agree or not agree to Saga's request for administrative approval to simultaneously dedicate more than one well to an existing 320-acre proration unit.

Yours very truly,

SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst

Offset Operator to the  
Bluitt SA 13 Federal #5 (Unit E)  
Section 13 T8S, R37E  
Roosevelt County, NM

✓

DO NOT object to Saga's request for administrative approval from the OCD to dedicate more than one well to a 320-acre proration unit.

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OBJECT to Saga's request for administrative approval from the OCD to dedicate more than one well to a 320-acre proration unit.

*John A. Yates*  
Feb. 20, 2002

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

04/01/02 14:21:  
OGOMES -TQ  
PAGE NO:

Sec : 13 Twp : 08S Rng : 37E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned	Federal owned	Federal owned
	A	A	A
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A	A	A	A

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

04/01/02 14:21:  
OGOMES -TQ  
PAGE NO:

Sec : 13 Twp : 08S Rng : 37E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
	A	A	A
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned
	A	A	A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

04/01/02 14:22:  
OGOMES -TQ

API Well No : 30 41 20849 Eff Date : 03-01-2000 WC Status : A  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
OGRID Idn : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
Prop Idn : 25445 BLUITT 13 A FEDERAL

Well No : 001  
GL Elevation: 4001

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn : A	13	08S	37E	FTG	660 F N	FTG 660 F E	A

Lot Identifier:  
Dedicated Acre: 320.00  
Lease Type : F  
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC



CMD : ONGARD 04/01/02 14:23:  
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQ  
 Page No :

API Well No : 30 41 20849 Eff Date : 06-14-1994  
 Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
 Prop Idn : 25445 BLUITT 13 A FEDERAL Well No : 00  
 Spacing Unit : 44385 OCD Order : Simultaneous Dedication:  
 Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :  
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A	13	08S	37E		40.00	N	FD		
	B	13	08S	37E		40.00	N	FD		
	C	13	08S	37E		40.00	N	FD		
	D	13	08S	37E		40.00	N	FD		
	E	13	08S	37E		40.00	N	FD		
	F	13	08S	37E		40.00	N	FD		
	G	13	08S	37E		40.00	N	FD		
	H	13	08S	37E		40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 04/01/02 14:23:  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ  
Page No:

OGRID Identifier : 17805 PLAINS PETROLEUM OPER CO  
Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
API Well No : 30 41 20849 Report Period - From : 01 2000 To : 02 2002

API Well No	Property Name	Prod.	Days	Production Volumes	We
		MM/YY	Prod	Gas Oil Water	St
30 41 20849	BLUITT 13 A FEDERAL	01 00	31	246	G
30 41 20849	BLUITT 13 A FEDERAL	02 00	29	234	G

Reporting Period Total (Gas, Oil) : 480

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD : ONGARD 04/01/02 14:21:  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQ

API Well No : 30 41 20211 Eff Date : 03-01-2000 WC Status : A  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
OGRID Idn : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
Prop Idn : 25447 BLUITT SAN ANDRES 13 FEDERAL

Well No : 003  
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn : C	13	08S	37E	FTG	587 F N	FTG 1849 F W	P

Lot Identifier:  
Dedicated Acre: 320.00  
Lease Type : F  
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 04/01/02 14:21:  
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQ  
 Page No :

API Well No : 30 41 20211 Eff Date : 06-14-1994  
 Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
 Prop Idn : 25447 BLUITT SAN ANDRES 13 FEDERAL Well No : 00  
 Spacing Unit : 44385 OCD Order : Simultaneous Dedication:  
 Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :  
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A	13	08S	37E	40.00	N	FD			
	B	13	08S	37E	40.00	N	FD			
	C	13	08S	37E	40.00	N	FD			
	D	13	08S	37E	40.00	N	FD			
	E	13	08S	37E	40.00	N	FD			
	F	13	08S	37E	40.00	N	FD			
	G	13	08S	37E	40.00	N	FD			
	H	13	08S	37E	40.00	N	FD			

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 04/01/02 14:21:  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ  
 Page No:

OGRID Identifier : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
 Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
 API Well No : 30 41 20211 Report Period - From : 01 2000 To : 02 2002

API Well No	Property Name	Prod.	Days	Production Volumes	We
		MM/YY	Prod	Gas Oil Water	St
30 41 20211	BLUITT SAN ANDRES	13	03 00		I
30 41 20211	BLUITT SAN ANDRES	13	04 00		F
30 41 20211	BLUITT SAN ANDRES	13	05 00		I
30 41 20211	BLUITT SAN ANDRES	13	06 00		I
30 41 20211	BLUITT SAN ANDRES	13	07 00		I
30 41 20211	BLUITT SAN ANDRES	13	08 00 18	1231	F
30 41 20211	BLUITT SAN ANDRES	13	09 00 18	1676	F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD : ONGARD 04/01/02 14:21:  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ  
 Page No:

OGRID Identifier : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
 Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
 API Well No : 30 41 20211 Report Period - From : 01 2000 To : 02 2002

API Well No	Property Name	Prod.	Days	Production Volumes	We
		MM/YY	Prod	Gas Oil Water	St
30 41 20211	BLUITT SAN ANDRES 13	10 00	31	1315	F
30 41 20211	BLUITT SAN ANDRES 13	11 00	30	1572	F
30 41 20211	BLUITT SAN ANDRES 13	12 00	31	1603	F
30 41 20211	BLUITT SAN ANDRES 13	01 01	28	2954	F
30 41 20211	BLUITT SAN ANDRES 13	02 01	15	2054	F
30 41 20211	BLUITT SAN ANDRES 13	03 01	31	3670	F
30 41 20211	BLUITT SAN ANDRES 13	04 01	30	2994	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 04/01/02 14:21:  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ  
 Page No:

OGRID Identifier : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
 Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
 API Well No : 30 41 20211 Report Period - From : 01 2000 To : 02 2002

API Well No	Property Name	Prod. Days			Production Volumes			We
		MM/YY	Prod		Gas	Oil	Water St	
30 41 20211	BLUITT SAN ANDRES 13	05 01	31		3340			F
30 41 20211	BLUITT SAN ANDRES 13	06 01	30		3145			F
30 41 20211	BLUITT SAN ANDRES 13	07 01	31		3275			F
30 41 20211	BLUITT SAN ANDRES 13	08 01	31		3045			F
30 41 20211	BLUITT SAN ANDRES 13	09 01	30		2858			F
30 41 20211	BLUITT SAN ANDRES 13	10 01	31		3030			F
30 41 20211	BLUITT SAN ANDRES 13	11 01	30		2677			F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 04/01/02 14:22:  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ  
Page No:

OGRID Identifier : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
API Well No : 30 41 20211 Report Period - From : 01 2000 To : 02 2002

API Well No	Property Name	Prod.	Days	Production Volumes	We
		MM/YY	Prod	Gas Oil Water	St
30 41 20211	BLUITT SAN ANDRES 13	12 01	31	2838	F
30 41 20211	BLUITT SAN ANDRES 13	01 02	31	2766	F

Reporting Period Total (Gas, Oil) : 46043

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12



CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

04/01/02 14:23:  
OGOMES -TQ

API Well No : 30 41 20213 Eff Date : 03-01-2000 WC Status : A  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
OGRID Idn : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
Prop Idn : 25447 BLUITT SAN ANDRES 13 FEDERAL

Well No : 005  
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: E	13	08S	37E	FTG 1980 F N FTG	660 F W	P
Lot Identifier:							
Dedicated Acre:							
Lease Type	: F						
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O)							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :  
OG6ACRE

ONGARD  
C102-DEDICATE ACREAGE

04/01/02 14:23:  
OGOMES -TQ  
Page No :

API Well No : 30 41 20213 Eff Date : 06-14-1994  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
Prop Idn : 25447 BLUITT SAN ANDRES 13 FEDERAL Well No : 00  
Spacing Unit : 44385 OCD Order : Simultaneous Dedication:  
Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :  
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A		13	08S	37E	40.00	N	FD		
	B		13	08S	37E	40.00	N	FD		
	C		13	08S	37E	40.00	N	FD		
	D		13	08S	37E	40.00	N	FD		
	E		13	08S	37E	40.00	N	FD		
	F		13	08S	37E	40.00	N	FD		
	G		13	08S	37E	40.00	N	FD		
	H		13	08S	37E	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 LAND	PF11 NXTSEC	PF12 RECONF

CMD : ONGARD 04/01/02 14:23:  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ  
Page No:

OGRID Identifier :  
Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
API Well No : 30 41 20213 Report Period - From : To :

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water St
-------------	---------------	---------------------------	--

Reporting Period Total (Gas, Oil) :

E3804: OGRID does not exist

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

04/01/02 14:24:  
OGOMES -TQ

API Well No : 30 41 20852 Eff Date : 03-01-2000 WC Status : S  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
OGRID Idn : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
Prop Idn : 25444 BLUITT 13 FEDERAL

Well No : 006  
GL Elevation: 4016

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn : F	13	08S	37E	FTG 1980 F N	FTG 1980 F W		A
Lot Identifier:							
Dedicated Acre: 320.00							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :  
OG6ACRE

ONGARD  
C102-DEDICATE ACREAGE

04/01/02 14:24:  
OGOMES -TQ  
Page No :

API Well No : 30 41 20852 Eff Date : 06-14-1994  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
Prop Idn : 25444 BLUITT 13 FEDERAL Well No : 00  
Spacing Unit : 44385 OCD Order : Simultaneous Dedication:  
Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :  
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A	13	08S	37E		40.00	N	FD		
	B	13	08S	37E		40.00	N	FD		
	C	13	08S	37E		40.00	N	FD		
	D	13	08S	37E		40.00	N	FD		
	E	13	08S	37E		40.00	N	FD		
	F	13	08S	37E		40.00	N	FD		
	G	13	08S	37E		40.00	N	FD		
	H	13	08S	37E		40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 LAND	PF11 NXTSEC	PF12 RECONF

CMD :  
OG6IPRD

ONGARD  
INQUIRE PRODUCTION BY POOL/WELL

04/01/02 14:24:  
OGOMES -TQ  
Page No:

OGRID Identifier : 17805 PLAINS PETROLEUM OPER CO  
Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
API Well No : 30 41 20852 Report Period - From : 01 2000 To : 02 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	We St
30 41 20852 BLUITT 13 FEDERAL		01 00 31	716	G
30 41 20852 BLUITT 13 FEDERAL		02 00 29	633	G

Reporting Period Total (Gas, Oil) : 1349

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

04/01/02 17:08:  
OGOMES -TP

API Well No : 30 41 20175 Eff Date : 03-01-2000 WC Status : A  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
OGRID Idn : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
Prop Idn : 25445 BLUITT 13 A FEDERAL

Well No : 008  
GL Elevation: 3995

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn : H	13	08S	37E	FTG 1980 F N	FTG 660 F E	A	

Lot Identifier:  
Dedicated Acre: 320.00  
Lease Type : F  
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :  
OG6ACRE

ONGARD  
C102-DEDICATE ACREAGE

04/01/02 17:08:  
OGOMES -TP  
Page No :

API Well No : 30 41 20175 Eff Date : 06-14-1994  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
Prop Idn : 25445 BLUITT 13 A FEDERAL Well No : 00  
Spacing Unit : 44385 OCD Order : Simultaneous Dedication:  
Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :  
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A		13	08S	37E	40.00	N	FD		
	B		13	08S	37E	40.00	N	FD		
	C		13	08S	37E	40.00	N	FD		
	D		13	08S	37E	40.00	N	FD		
	E		13	08S	37E	40.00	N	FD		
	F		13	08S	37E	40.00	N	FD		
	G		13	08S	37E	40.00	N	FD		
	H		13	08S	37E	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 LAND	PF11 NXTSEC	PF12 RECONF



CMD : ONGARD 04/01/02 17:09:  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TP  
Page No:

OGRID Identifier : 17805 PLAINS PETROLEUM OPER CO  
Pool Identifier : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
API Well No : 30 41 20175 Report Period - From : 01 2000 To : 02 2002

API Well No	Property Name	Prod.	Days	Production Volumes	We
		MM/YY	Prod	Gas Oil Water	St
30 41 20175	BLUITT 13 A FEDERAL	01 00	31	1066	G
30 41 20175	BLUITT 13 A FEDERAL	02 00	29	1014	G

Reporting Period Total (Gas, Oil) : 2080

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

04/01/02 14:24:  
OGOMES -TQ

API Well No : 30 41 20159 Eff Date : 03-01-2000 WC Status : A  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
OGRID Idn : 148967 SAGA PETROLEUM LIMITED LIABILITY CO.  
Prop Idn : 25447 BLUITT SAN ANDRES 13 FEDERAL

Well No : 007  
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act(P/
	---	---	-----	---	-----	-----	-----
B.H. Locn : G	13	08S		37E	FTG 1980 F N	FTG 1980 F E	P
Lot Identifier:							
Dedicated Acre:							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

04/01/02 14:22:  
OGOMES -TQ

API Well No : 30 41 20851 Eff Date : 04-20-2000 WC Status : P  
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)  
OGRID Idn : 17805 PLAINS PETROLEUM OPER CO  
Prop Idn : 25315 BLUITT SA 13 FEDERAL

Well No : 002  
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn : B	13	08S	37E	FTG	660 F N	FTG 1980 F E	P
Lot Identifier:							
Dedicated Acre:							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

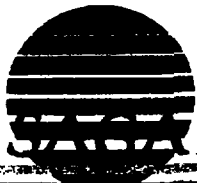
**FAX**Date: November 7, 2001Number of pages including cover sheet: 3**To: Michael E Stogner**  
**Chief Hearing Officer/Engineer**Phone: 505/476-3465Facsimile: 505/476-3471

CC: \_\_\_\_\_

**From: Bonnie Husband**  
**Saga Petroleum, LLC**Phone: (915) 684-4293Fax phone: (915) 684-4285**REMARKS:**☐ Urgent☐ For your review☒ Reply ASAP☐ Please comment

Re: Bluit San Andres Associated Pool  
Sections 13, & 18, T8S, R37E  
Roosevelt County, NM  
Bluit P<sub>1</sub> Gas Wells

Hobbs OCD has requested a copy of the administrative approval to include additional wells in existing 320 acre proration units in Section 13 and additional wells in the 240 acre non-standard proration unit in Section 18. Please see attached letters dated March 22, 2001. I have researched our files and cannot locate the letters. Please advise.



**PETROLEUM**

March 22, 2001

Mr. Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
2040 South Pacheco St  
Santa Fe, NM 87505

Re: Inclusion of additional in-fill gas wells within two existing 320-acre standard gas spacing and proration units in the Bluit San Andres Associated Pool comprising the S/2 320-acres and the N/2 320-acres of Section 13, T8S, R37E, Roosevelt County, NM

Dear Mr. Stogner:

Offset operators, John A Yates, Jr. and Yates Petroleum Corporation were notified of Saga's request for administrative approval to include additional wells in existing 320-acre standard proration units in Section 13. More than 45-days have lapsed and no objections have been received.

Saga respectfully requests administrative approval be granted to simultaneously dedicate wells 1, 3 and 6 to the N/2 320-acre proration unit; we respectfully request administrative approval also be granted to simultaneously dedicate wells 11, 14 and 15 to the S/2 320-acre proration unit.

Yours very truly,

SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst

Enclosures

415 W. Wall, Ste 1900  
Midland, TX 79701

Office: (915) 684-4293  
Fax (915) 684-0829



**PETROLEUM**

March 22, 2001

Mr. Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
2040 South Pacheco St  
Santa Fe, NM 87505

Re: Inclusion of two additional gas wells within an existing 240-acre non-standard gas spacing and proration unit in the Bluit San Andres Associated Pool comprising the W/2 NW/4 and the SW/4 of Section 18, T8S, R38E, Roosevelt County, NM

Dear Mr. Stogner:

A letter to Pure Resources LP, offset operator to the Bluit SA 18 Federal #12 (unit L) and Bluit SA 18 Federal #14 (unit N) was mailed February 1, 2001 requesting approval to include these two additional wells within the 240-acre non-standard proration unit in Section 18. More than 45 days have passed and no objections have been received. In fact, I just this morning received a telephone call from Pure stating they had no objections to Saga's request for administrative approval to simultaneously dedicate more than one well to the non-standard proration unit.

Saga respectfully requests administrative approval is granted to include well numbers 12 and 14 in the 240-acre non-standard proration unit, thereby having 4 wells simultaneously dedicated to same.

Very truly yours,

SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst

Enclosures

415 W. Wall, Ste 1900  
Midland, TX 79701

Office: (915) 684-4293  
Fax (915) 684-0829



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

April 24, 2001

Lori Wrotenbery  
Director  
Oil Conservation Division

Saga Petroleum, L.L.C.  
415 W. Wall - Suite 1900  
Midland, Texas 79701  
Attention: Bonnie Husband

*Administrative Order NSL-4577*

Dear Ms. Husband:

Reference is made to the following: (i) your original application dated October 25, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated December 19, 2000 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe requesting that affected off-set operator's be notified as required; (iii) your response by letter dated March 22, 2001 with the necessary information to complete this application; and (iv) the Division's records, including the file on Division Administrative Order NSP-1684, dated January 20, 1994: all concerning Saga Petroleum, L.L.C.'s ("Saga") request for an exception to **Rule 2 (b)** of the *"Special Rules and Regulations for the Bluit-San Andres Associated Pool,"* as promulgated by Division Order No. R-5353, as amended, for a non-standard Bluit-San Andres infill gas well location within a standard 320-acre lay-down gas spacing and proration unit for the Bluit-San Andres Associated Pool comprising the S/2 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

This 320-acre gas spacing and proration unit is currently simultaneously dedicated to Saga's: (i) Bluit "13-A" Federal Well No. 11 (API No. 30-041-20174), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 13; and (ii) Bluit "13-O" Federal Well No. 15 (API No. 30-041-20437), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 13.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and the applicable provisions of the rules governing the Bluit-San Andres Associated Pool.

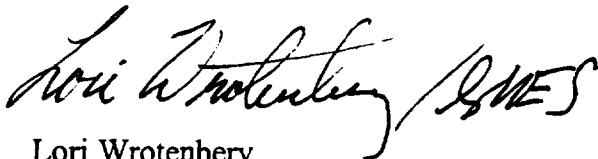
By the authority granted me under the provisions of: (i) **Rule 2 (c)** of the *"General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico,"* as promulgated by Division Order No. R-5353, as amended; and (ii) Division Rule 104.F (2), as revised, the following described well located at unorthodox infill gas well location within this 320-acre unit, is hereby approved:

**Bluitt SA "13" Federal Well No. 14  
660' FSL & 1980' FWL (Unit N)  
(API No. 30-041-20220)**

Further, all three of the above-described wells and 320-acre gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Associated Oil and Gas Pools and to the Bluitt-San Andres Associated Pool.

Division Administrative Order NSP-1684, dated January 20, 1994, which order authorized a 160-acre non-standard gas spacing and proration unit for Bluitt-San Andres Associated Pool gas production comprising the SE/4 of Section 13 and had dedicated thereon the above-described Bluitt "13-O" Federal Well No. 15 (API No. 30-041-20437), shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenberg" followed by a stylized monogram or initials.

Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Roswell  
File: NSP-1684





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

April 24, 2001

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**Saga Petroleum, L.L.C.**  
**415 W. Wall - Suite 1900**  
**Midland, Texas 79701**  
**Attention: Bonnie Husband**

***Administrative Order NSL-4577***

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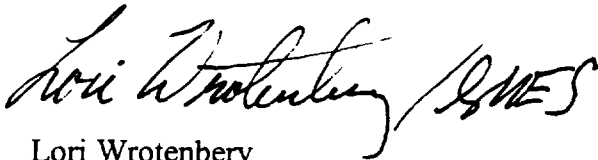
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660' FSL & 1980' FWL (Unit N)  
(API No. 30-041-20220)**

Further, all three of the above-described wells and 320-acre gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Associated Oil and Gas Pools and to the Bluitt-San Andres Associated Pool.

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Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenberg" followed by a stylized monogram or set of initials.

Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Roswell  
File: NSP-1684

**FAX**Date: November 13, 2001Number of pages including cover sheet: 3**To: Michael E Stogner**  
**Chief Hearing Officer/Engineer**Phone: 505/476-3465Facsimile: 505/476-3471CC: 476-3462**From: Bonnie Husband**  
**Saga Petroleum, LLC**Phone: (915) 684-4293Fax phone: (915) 684-4285**REMARKS:** ☐ Urgent ☐ For your review ☒ Reply ASAP ☐ Please comment

Re: Bluit San Andres Associated Pool  
Sections 13, & 18, T8S, R37E  
Roosevelt County, NM  
Bluit P<sub>1</sub> Gas Wells

Hobbs OCD has requested a copy of the administrative approval to include additional wells in existing 320 acre proration units in Section 13 and additional wells in the 240 acre non-standard proration unit in Section 18. Please see attached letters dated March 22, 2001. I have researched our files and cannot locate the letters. Please advise.



**PETROLEUM**

March 22, 2001

Mr. Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
2040 South Pacheco St  
Santa Fe, NM 87505

Re: Inclusion of additional in-fill gas wells  
within two existing 320-acre standard gas  
spacing and proration units in the Bluit San  
Andres Associated Pool comprising the S/2  
320-acres and the N/2 320-acres of Section  
13, T8S, R37E, Roosevelt County, NM

Dear Mr. Stogner:

Offset operators, John A Yates, Jr. and Yates Petroleum Corporation were notified of Saga's request for administrative approval to include additional wells in existing 320-acre standard proration units in Section 13. More than 45-days have lapsed and no objections have been received.

Saga respectfully requests administrative approval be granted to simultaneously dedicate wells 1, 3 and 6 to the N/2 320-acre proration unit; we respectfully request administrative approval also be granted to simultaneously dedicate wells 11, 14 and 15 to the S/2 320-acre proration unit.

Yours very truly,

SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst

Enclosures

415 W. Wall, Ste 1900  
Midland, TX 79701

Office: (915) 684-4293  
Fax (915) 684-0829



**PETROLEUM**

March 22, 2001

Mr. Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
2040 South Pacheco St  
Santa Fe, NM 87505

Re: Inclusion of two additional gas wells within an existing 240-acre non-standard gas spacing and proration unit in the Bluit SA 18 Federal #12 (unit L) and Bluit SA 18 Federal #14 (unit N) was mailed February 1, 2001 requesting approval to include these two additional wells within the 240-acre non-standard proration unit in Section 18. More than 45 days have passed and no objections have been received. In fact, I just this morning received a telephone call from Pure stating they had no objections to Saga's request for administrative approval to simultaneously dedicate more than one well to the non-standard proration unit.

Dear Mr. Stogner:

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Very truly yours,

SAGA PETROLEUM LLC

Bonnie Husband  
Production Analyst

Enclosures

415 W. Wall, Ste 1900  
Midland, TX 79701

Office: (915) 684-4293  
Fax (915) 684-0829

*April Files*

November 15, 2001

*NSL-4577*

*4576*

**Saga Petroleum, L.L.C.  
415 W. Wall - Suite 1900  
Midland, Texas 79701**

**Attention: Bonnie Husband**

***Administrative Order NSL-\_\_\_\_\_***

Dear Ms. Husband:

Reference is made to the following: (i) your original application dated October 25, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated December 19, 2000 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe requesting that affected off-set operator's be notified as required; (iii) your response by letter dated March 22, 2001 with the necessary information to complete this application; and (iv) the Division's records, including the file on Division Administrative Order NSP-1684, dated January 20, 1994: all concerning Saga Petroleum, L.L.C.'s ("Saga") request for an exception to **Rule 2 (b)** of the "*Special Rules and Regulations for the Bluit-San Andres Associated Pool*," as promulgated by Division Order No. R-5353, as amended, for a non-standard Bluit-San Andres infill gas well location within a standard 320-acre lay-down gas spacing and proration unit for the Bluit-San Andres Associated Pool comprising the S/2 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

This 320-acre gas spacing and proration unit is currently simultaneously dedicated to Saga's: (i) Bluit "13-A" Federal Well No. 11 (**API No. 30-041-20174**), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 13; and (ii) Bluit "13-O" Federal Well No. 15 (**API No. 30-041-20437**), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 13.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and the applicable provisions of the rules governing the Bluit-San Andres Associated Pool.

By the authority granted me under the provisions of: (i) **Rule 2 (c)** of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended; and (ii) Division Rule 104.F (2), as revised, the following described well located at unorthodox infill gas well location within this 320-acre unit, is hereby approved:

**Devon SFS Operating, Inc.**

**c/o James Bruce**

**February 13, 2001**

**Page 2**

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This application to form a non-standard 80-acre gas spacing unit for anticipated wildcat Queen gas production underlying the E/2 NE/4 of Section 15 is hereby denied.

Should you need additional information on how to proceed in placing this unleased state tract on the next lease sale please contact Mr. Jeff Albers in the New Mexico State Land Office in Santa Fe at (505) 827-5759. If Santa Fe SFS Operating, Inc. is the unsuccessful bidder at the time this state acreage is offered up for lease, please refer to Sections 70-2-17 and 18, N.M.S.A., 1978 and Division Rule 1207.A, which provides for the compulsory pooling of acreage in order to form a standard spacing unit or drilling tract when two or more separately owned tracts of land are embraced within a spacing or proration unit.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia  
Roy Johnson, Geologist - New Mexico Oil Conservation Division, Santa Fe  
Kathy Valdes, New Mexico Oil Conservation Division - Santa Fe  
U. S. Bureau of Land Management - Carlsbad  
Armando Lopez, U.S. Bureau of Land Management - Roswell  
Larry Kehoe, Assistant Commissioner of Mineral Resources, N.M. State Land Office, Santa Fe  
Jami Bailey, Director Oil, Gas, and Minerals Division - N.M. State Land Office, Santa Fe  
Jeff Albers, Engineer - N.M. State Land Office, Santa Fe

**Bluitt SA "13" Federal Well No. 14  
660' FSL & 1980' FWL (Unit N)  
(API No. 30-41-20220).**

Further, all three of the above-described wells and 320-acre gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Associated Oil and Gas Pools and to the Bluitt-San Andres Associated Pool.

Division Administrative Order NSP-1684, dated January 20, 1994, which order authorized a 160-acre non-standard gas spacing and proration unit for Bluitt-San Andres Associated Pool gas production comprising the SE/4 of Section 13 and had dedicated thereon the above-described Bluitt "13-O" Federal Well No. 15 (API No. 30-041-20437), shall be placed in abeyance until further notice.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Roswell  
File: NSP-1684





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

March 26, 2001

Lori Wrotenbery  
Director  
Oil Conservation Division

Devon SFS Operating, Inc.  
c/o James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

Re: *Administrative application for the creation of a non-standard 80-acre gas spacing and proration unit for wildcat Queen gas production to comprise the E/2 NE/4 of Section 15, Township 16 South, Range 28 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Bruce:

Reference is made to your application dated January 17, 2001 on behalf of the operator, Devon SFS Operating, Inc., for the formation of the above-described non-standard 80-acre gas spacing and proration unit for unprorated gas production from the Queen formation. This non-standard unit is to be dedicated to Devon SFS Operating, Inc.'s existing Crow Flats "15" Federal Com. Well No. 1 (API No. 30-015-26490) located at a standard location 2180 feet from the North line and 660 feet from the East line (Unit H) of Section 15.

Pursuant to Division Rule 104.A (1) (b), Queen gas production from the subject wellbore would be subject to Division Rule 104.C (3), which provides for 160-acre spacing, and being unprorated production, would also be subject to Rule 104.D (3), which provides for only one well within a standard drilling tract.

It is my understanding from the Division's records in Santa Fe and from the information provided that a portion of the remaining 80 acres comprising the W/2 NE/4 of Section 15 needed to complete a standard 160-acre unit (NE/4 of Section 15) is unleased State lands [being the SW/4 NE/4 (Unit G) of Section 15]. While it is true that government owned lands (unleased) can not be forced pooled under Section 70-2-17, N.M.S.A., 1978, this acreage can be leased.

The intentional deletion of unleased government land is not considered a reason to form a non-standard gas spacing and proration unit. Furthermore, you failed to show: (1) how correlative rights would best be served by severing the W/2 NE/4 of Section 15 from a standard 160-acre unit that should be formed within the NE/4 of Section 15; and (2) how waste would be prevented and how the drilling of an unnecessary well would be avoided should it be necessary for a well to be drilled in this severed acreage in order to prevent drainage that may be caused by the subject well from this undedicated tract. Especially in this case where that operator would only own 50% working interest with Santa Fe SFS Operating, Inc. owning the other 50% in this 80 acres.

November 15, 2001

**Saga Petroleum, L.L.C.**  
**415 W. Wall - Suite 1900**  
**Midland, Texas 79701**

**Attention: Bonnie Husband**

*Administrative Order NSL-\_\_\_\_\_ (SD)*

Dear Ms. Husband:

Reference is made to the following: (i) your original application dated October 25, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated December 18, 2000 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe requesting that affected off-set operator's be notified as required; (iii) your response by letter dated March 22, 2001 with the necessary information to complete this application; and (iv) the Division's records, including the files on Division Administrative Orders NSP-1682, dated February 24, 1994, and NSP-1682-A (L) (SD), dated April 6, 1995: all concerning Saga Petroleum, L.L.C.'s ("Saga") request for exceptions to **Rule 2 (b)** of the "*Special Rules and Regulations for the Bluit-San Andres Associated Pool*," as promulgated by Division Order No. R-5353, as amended, for two non-standard Bluit-San Andres gas well locations within an existing standard 240-acre gas spacing and proration unit for the Bluit-San Andres Associated Pool comprising the W/2 NW/4 and the SW/4 of Section 18, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico.

This 240-acre gas spacing and proration unit is currently simultaneously dedicated to Saga's: (i) Bluit "18-E" Federal Well No. 5 (**API No. 30-041-20176**), located at an unorthodox gas well location [approved by Division Administrative Order NSP-1682-A (L) (SD)] 2086 feet from the North line and 554 feet from the West line (Unit E) of Section 18; and (ii) Bluit "18" Federal Well No. 11 (**API No. 30-041-20854**), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 18.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and the applicable provisions of the rules governing the Bluit-San Andres Associated Pool.

By the authority granted me under the provisions of: (i) **Rule 2 (c)** of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended; and (ii) Division Rule 104.F (2), as revised, the two following described wells located at unorthodox gas well locations within this 240-acre unit, are hereby approved:

**Administrative Applications  
Filed With NMCD Between  
January 1, 2001 to April 19, 2001**

<b><u>Number</u></b>	<b><u>Total Days</u></b>	<b><u>Days Per Order</u></b>
46	1177	25.6
<b><u>TOTAL:</u></b>		<b><u>83</u></b>
Approved:	46	(55.4%)
Set for Hearing:	4	(4.8%)
Denied:	23	(27.8%)
Withdrawn:	2	(2.4%)
Pending Additional Data From Applicant:	6	(7.2%)
Pending Legal Department Review:	2	(2.4%)

**Bluitt SA "18" Federal Well No. 12  
1980' FSL & 660' FWL (Unit L)  
(API No. 30-41-20161)  
and  
Bluitt SA "18" Federal Well No. 14  
660' FSL & 1980' FWL (Unit N)  
(API No. 30-041-20855).**

Further, all four of the above-described wells and 240-acre gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Associated Oil and Gas Pools and to the Bluitt-San Andres Associated Pool.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Roswell  
File: NSP-1682  
NSP-1682-A (L) (SD)

Administrative Applications  
 Filed With NMCD Between  
 January 1, 2001 to April 19, 2001

<u>TOTAL:</u>		<u>Number</u>	<u>Total Days</u>	<u>Days Per Order</u>
Approved:	46	(55.4%)		
Set for Hearing:	4	(4.8%)		
Denied:	23	(27.8%)		
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Pending Additional Data From Applicant:	6	(7.2%)		
Pending Legal Department Review:	2	(2.4%)		
	<u>83</u>		1177	25.6

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8780  
Order No. R-8118

APPLICATION OF MURPHY OPERATING  
CORPORATION FOR A WATERFLOOD  
PROJECT, ROOSEVELT COUNTY,  
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 4, 1985, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Murphy Operating Corporation, seeks authority to institute a waterflood project in its Bluitt San Andres Unit, located entirely within the Bluitt-San Andres Associated Pool, by the injection of water into the San Andres formation through the perforated intervals from approximately 4640 feet to 4676 feet in four existing wells as shown on Exhibit "A" attached hereto and made a part hereof, all located in Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

(3) The subject case was consolidated with Division Case No. 8779 for purposes of testimony.

(4) The project area should consist of that area within the boundary of the Bluitt San Andres Unit Area, as described in Division Order R-8117 issued in said Case No. 8779.

(5) The wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(6) The proposed waterflood project should result in the recovery of otherwise recoverable oil, thereby preventing waste.

(7) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(8) Injection should be accomplished through plastic-lined tubing installed in a packer set approximately 100 feet above the uppermost perforation, or in the case of an open hole completion, approximately 100 feet above the casing shoe. The casing-tubing annulus in each injection well should be filled with an inert fluid and a surface pressure gauge or approved leak detection device should be attached to the annulus.

(9) The injection wells or system should be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 0.2 psi per foot of depth to the uppermost perforation. The Division Director should have authority to administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in fracturing of the confining strata.

(10) Prior to commencing injection operations, the casing in each of the proposed injection wells should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(11) All wells within the unit area should be equipped with risers or in some other acceptable manner to facilitate the periodic testing of the bradenhead for pressure or fluid production.

(12) The applicant further proposed the establishment of an administrative procedure for the approval without notice and hearing of the drilling of wells at orthodox and unorthodox locations, and also for the expansion of said waterflood project within the unit boundaries.

(13) The project area allowable should be equal to the ability of the wells to produce and shall not be subject to the depth bracket allowable for the pool nor to the market demand percentage factor.

(14) The subject application should be approved and the project should be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Murphy Operating Corporation, is hereby authorized to institute and operate a waterflood project in the Bluit San Andres Unit Area within the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, by the injection of water into the San Andres formation through four injection wells located in Section 13, Township 8 South, Range 37 East, Roosevelt County, New Mexico, and described in Exhibit "A" attached to this order and by reference made a part hereof.

(2) Injection shall be accomplished through plastic-lined tubing installed in a packer set approximately 100 feet above the uppermost perforation, or in the case of an open hole completion, approximately 100 feet above the casing shoe. The casing-tubing annulus in each injection well shall be filled with an inert fluid and a surface gauge or approved leak detection device shall be attached to the annulus.

(3) The injection wells or system shall be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 0.2 psi per foot of depth to the uppermost perforation. The Division Director may administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in fracturing of the confining strata.

(4) All wells within the unit area shall be equipped with risers or some other acceptable equipment so as to facilitate the periodic testing of the bradenhead for pressure or fluid production.

(5) Prior to commencing injection operations, the casing in each of the proposed injection wells shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's Hobbs district office.

(6) The Director of the Oil Conservation Division shall have authority to approve, without notice and hearing, the



drilling of wells at unorthodox locations anywhere within the boundary of the Bluit San Andres Unit Area, provided however, no unorthodox location shall be closer than ten feet to any quarter-quarter section line, and provided further, that no such unorthodox location shall be closer than 330 feet to the outer boundary of the Unit area, unless such well is covered by a lease-line agreement with the operator of the lands offsetting such well, and a copy of the lease-line agreement accompanies the application for such unorthodox location, or unless such offset operator has waived objection to the proposed unorthodox location in writing, and his waiver accompanies the application. Applications for such additional producing or injection wells shall be made in accordance with the appropriate General Rules of the Division.

(7) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(8) The subject waterflood project is hereby designated the Bluit San Andres Unit Waterflood Project and shall be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

(9) The project area for the Bluit San Andres Unit Waterflood Project shall comprise the entire area within the Bluit San Andres Unit as described in Division Order R-8117.

(10) Monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

(11) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-5-

Case No. 8780

Order No. R-8118

DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "R. L. Stamets", is written over the printed name.

R. L. STAMETS,  
Director

S E A L

EXHIBIT "A"  
CASE NO. 8780  
ORDER NO. R-8118

INJECTION WELLS

<u>WELL NAME &amp; NUMBER</u>	<u>LOCATION</u>
Bluitt Federal Well No. 1	Unit I, Section 13
Bluitt Federal Well No. 3	Unit O, Section 13
Baetz Federal Well No. 1	Unit G, Section 13
Baetz Federal Well No. 2	Unit K, Section 13

All wells located in Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8779  
Order No. R-8117

APPLICATION OF MURPHY OPERATING  
CORPORATION FOR STATUTORY UNITIZATION,  
ROOSEVELT COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 4, 1985, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of hearing Division Case No. 8779 and Division Case No. 8780 were consolidated for the purposes of testimony.

(3) The applicant, Murphy Operating Corporation, seeks the statutory unitization, pursuant to the "Statutory Unitization Act", Sections 70-7-1 through 70-7-21, NMSA, (1978), of 1800 acres, more or less, being a portion of the Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, said portion to be known as the Bluitt San Andres Unit; the applicant further seeks approval of the Unit Agreement and the Unit Operating Agreement which were submitted in evidence as applicant's Exhibit Nos. 3 and 4 in this case.

(4) The proposed unit area should be designated the Bluitt San Andres Unit Area, and the horizontal limits of said unit area should be comprised of the following described federal lands:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 11: SE/4 SE/4  
Section 12: S/2 S/2  
Section 13: All  
Section 14: E/2 E/2  
Section 24: N/2

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM

Section 18: W/2 NW/4 and SW/4  
Section 19: NW/4 and W/2 NE/4

(5) Said unit has been approved by the Bureau of Land Management subject to the approval of statutory unitization by the Division.

(6) The horizontal limits of said unit are contained entirely within the boundaries of the Bluit-San Andres Associated Pool and have been reasonably defined by development.

(7) The vertical limits of said Bluit San Andres Unit Area should comprise the San Andres formation as found from a depth of 4,640 feet (643 feet below mean sea level) to a depth of 4,676 feet (679 feet below mean sea level) on the Nuclear Log run October 17, 1977, on the Murphy Operating Corporation Bluit Federal Well No. 3, located 660 feet from the South line and 1980 feet from the East line of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

(8) The unit area contains eleven separate tracts owned by twenty different working interests.

(9) At the time of the hearing over 97 percent of the working interest owners and 100 percent of the royalty interest owners were effectively committed to the unit.

(10) All interested parties who have not agreed to unitization were notified of the hearing by the applicant, but no person entered an appearance or opposed the application at the hearing.

(11) The applicant proposes to institute a waterflood project for the secondary recovery of oil and associated gas, condensate, and all associated liquifiable hydrocarbons within and to be produced from the proposed unit area.

(12) The proposed secondary recovery operations should result in the additional recovery of approximately 1.7 million barrels of oil.

(13) The unitized management, operation and further development of the Bluit San Andres Unit Area, as proposed, is reasonably necessary to effectively carry on secondary recovery operations and will substantially increase the ultimate recovery of oil and gas from the unitized portion of the pool.

(14) The proposed unitized method of operation as applied to the Bluit San Andres Unit Area is feasible and will result with reasonable probability in the increased recovery of substantially more oil and gas from the unitized portion of the pool than would otherwise be recovered without unitization.

(15) The estimated additional investment costs of the proposed supplemental recovery operations are \$7.9 million which include an estimated initial capital investment of \$824,000 forecast to be spent in 1986 and 1987 to initiate the pilot program, and an additional \$7.1 million forecast to be spent during the nine years subsequent to 1987, contingent upon success of the pilot program.

(16) The additional recovery to be derived from the proposed supplemental recovery operations, based upon a successful pilot program, will have a resultant net profitability over the aforesaid additional costs and after taxes of approximately \$27 million.

(17) The estimated additional costs of the proposed operations (as described in Finding No. (14) above) will not exceed the estimated value of the additional oil and gas (as described in Finding No. (15) above) plus a reasonable profit.

(18) The applicant, the designated unit operator, pursuant to the Unit Agreement and the Unit Operating Agreement has made a good faith effort to secure voluntary unitization within the unit area.

(19) The Unit Agreement and Unit Operating Agreement have been approved by those persons who will be required initially to pay at least 75% of the costs of unit operations, and also by the owners of at least 75% of the production or proceeds thereof that will be credited to interests which are free of costs, such as royalties, overriding royalties, and production payments.

(20) The participation formula contained in the unitization agreement allocates the produced and saved unitized substances to the separately owned tracts in the unit area on a fair, reasonable and equitable basis.

(21) Unitization and the adoption of the proposed unitized method of operation will benefit the working interest owners and royalty owners of the oil and gas rights within the Bluitt San Andres Unit Area.

(22) The granting of the application in this case will have no adverse effect upon other portions of the Bluitt-San Andres Associated Pool.

(23) Applicant's Exhibits Nos. 3 and 4 in this case, being the Unit Agreement and the Unit Operating Agreement, respectively, should be incorporated by reference into this order.

(24) The Bluitt San Andres Unit Agreement and the Bluitt San Andres Unit Operating Agreement provide for unitization and unit operation of the Bluitt San Andres Unit Area upon terms and conditions that are fair, reasonable and equitable, and which include:

(a) an allocation to the separately owned tracts in the unit area of all oil and gas that is produced from the unit area and which is saved, being the production that is not used in the conduct of unit operations or not unavoidably lost;

(b) a provision for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials and equipment contributed to the unit operations;

(c) a provision governing how the costs of unit operations including capital investments, shall be determined and charged to the separately owned tracts and how said costs shall be paid, including a provision providing when, how, and by whom the unit production allocated to an owner who does not pay his share of the costs of unit operations shall be charged to such owner, or the interest of such owner, and how his interest may be sold and the proceeds applied to the payment of his costs;

(d) a provision for carrying any working interest owner on a limited, carried or net-profits basis, payable out of production, upon terms and conditions which are just and reasonable, and which allow an appropriate charge for interest for such service payable out of production, upon such terms and conditions determined by the Division to be just and reasonable, and allowing an appropriate charge

for interest for such service payable out of such owner's share of production, providing that any nonconsenting working interest owner being so carried shall be deemed to have relinquished to the Unit Operator all of his operating rights and working interests in and to the unit until his share of the costs, service charge and interest are repaid to the Unit Operator;

(e) a provision designating the Unit Operator and providing for the supervision and conduct of the unit operations, including the selection, removal and substitution of an operator from among the working interest owners to conduct the unit operations;

(f) a provision for a voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a voting interest equal to his unit participation; and

(g) the time when the unit operation shall commence and the manner in which, and the circumstances under which, the operations shall terminate and for the settlement of accounts upon such termination.

(25) The statutory unitization of the Bluitt San Andres Unit Area is in conformity with the above findings, and will prevent waste and protect correlative rights of all interest owners within the proposed unit area, and should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The Bluitt San Andres Unit Area, comprising 1800 acres, more or less, in the Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, is hereby approved for statutory unitization pursuant to the "Statutory Unitization Act", Sections 70-7-1 through 70-7-21, NMSA (1978).

(2) The lands included within the Bluitt-San Andres Unit Area shall comprise:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 11: SE/4 SE/4

Section 12: S/2 S/2

Section 13: All

Section 14: E/2 E/2

Section 24: N/2

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM

Section 18: W/2 NW/4 and SW/4

Section 19: NW/4 and W/2 NE/4



(3) The vertical limits of said Bluit San Andres Unit Area shall comprise the San Andres formation as found from a depth of 4,640 feet (643 feet below mean sea level) to a depth of 4,676 (679 feet below mean sea level) on the Nuclear Log run October 17, 1977 on the Murphy Operating Corporation Bluit Federal Well No. 3 located 660 feet from the South Line and 1980 feet from the East line of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

(4) The applicant shall institute a waterflood project for the secondary recovery of oil and associated gas, condensate and all associated liquifiable hydrocarbons within and produced from the unit area, and said waterflood project is the subject of Case No. 8780.

(5) The Bluit San Andres Unit Agreement and the Bluit San Andres Unit Operating Agreement, being applicant's Exhibit Nos. 3 and 4 in this case, are hereby incorporated by reference into this Order.

(6) The Bluit San Andres Unit Agreement and Bluit San Andres Unit Operating Agreement provide for unitization and unit operation of the Bluit-San Andres Associated Pool upon terms and conditions that are fair, reasonable and equitable.

(7) Since the persons owning the required percentage of interest in the unit area have approved or ratified the Unit Agreement and the Unit Operating Agreement, the interests of all persons within the unit area are unitized whether or not such persons have approved the Unit Agreement or the Unit Operating Agreement in writing.

(8) The applicant as Unit Operator shall notify in writing the Division Director of any removal or substitution of said Unit Operator by any other working interest owner within the unit area.

(9) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

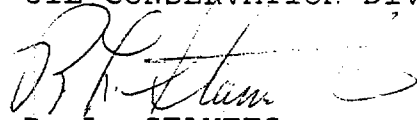
-7-

Case No. 8779

Order No. R-8117

DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

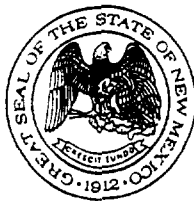
STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS,  
Director

S E A L

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

January 20, 1994

Plains Petroleum Operating Company  
415 West Wall Street, Suite 1000  
Midland, TX 79701

Attention: Bonnie Husband

*Administrative Order NSP-1684*

Dear Ms. Husband:

Reference is made to your application dated December 14, 1993 for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Bluitt-San Andres Associated Pool:

ROOSEVELT COUNTY, NEW MEXICO  
TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM  
Section 13: SE/4

It is my understanding that this unit is to be dedicated to your existing Bluitt San Andres Unit Section 13 Well No. 15 located at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13.

By authority granted me under the provisions of Rule 4 (b) of the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Bluitt-San Andres Associated Pool, as promulgated by Division Order No. R-5353, as amended, the above non-standard gas spacing and proration unit is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs  
US Bureau of Land Management - Roswell



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

January 20, 1994

Plains Petroleum Operating Company  
415 West Wall Street, Suite 1000  
Midland, TX 79701

Attention: Bonnie Husband

*Administrative Order NSP-1683*

Dear Ms. Husband:

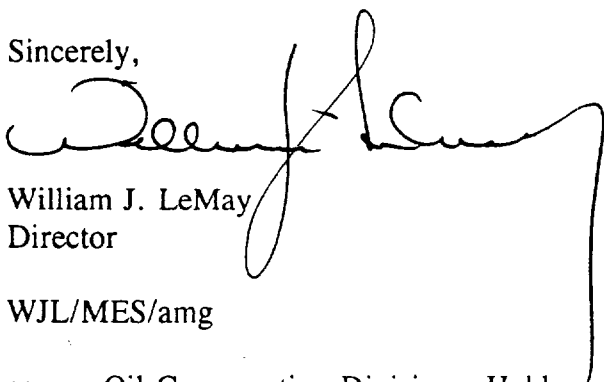
Reference is made to your application dated December 14, 1993 for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Bluitt-San Andres Associated Pool:

ROOSEVELT COUNTY, NEW MEXICO  
TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM  
Section 13: NW/4

It is my understanding that this unit is to be dedicated to your existing Bluitt San Andres Unit Section 13 Well No. 6 located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 13.

By authority granted me under the provisions of Rule 4 (b) of the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Bluitt-San Andres Associated Pool, as promulgated by Division Order No. R-5353, as amended, the above non-standard gas spacing and proration unit is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs  
US Bureau of Land Management - Roswell



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

April 24, 2001

Lori Wrotenbery  
Director  
Oil Conservation Division

Saga Petroleum, L.L.C.  
415 W. Wall - Suite 1900  
Midland, Texas 79701  
Attention: Bonnie Husband

*Administrative Order NSL-4577*

Dear Ms. Husband:

Reference is made to the following: (i) your original application dated October 25, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated December 19, 2000 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe requesting that affected off-set operator's be notified as required; (iii) your response by letter dated March 22, 2001 with the necessary information to complete this application; and (iv) the Division's records, including the file on Division Administrative Order NSP-1684, dated January 20, 1994: all concerning Saga Petroleum, L.L.C.'s ("Saga") request for an exception to **Rule 2 (b)** of the *"Special Rules and Regulations for the Bluit-San Andres Associated Pool,"* as promulgated by Division Order No. R-5353, as amended, for a non-standard Bluit-San Andres infill gas well location within a standard 320-acre lay-down gas spacing and proration unit for the Bluit-San Andres Associated Pool comprising the S/2 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

This 320-acre gas spacing and proration unit is currently simultaneously dedicated to Saga's: (i) Bluit "13-A" Federal Well No. 11 (**API No. 30-041-20174**), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 13; and (ii) Bluit "13-O" Federal Well No. 15 (**API No. 30-041-20437**), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 13.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and the applicable provisions of the rules governing the Bluit-San Andres Associated Pool.

By the authority granted me under the provisions of: (i) **Rule 2 (c)** of the *"General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico,"* as promulgated by Division Order No. R-5353, as amended; and (ii) Division Rule 104.F (2), as revised, the following described well located at unorthodox infill gas well location within this 320-acre unit, is hereby approved:

Administrative Order NSL-4577  
Saga Petroleum, L.L.C.  
April 24, 2001  
Page 2

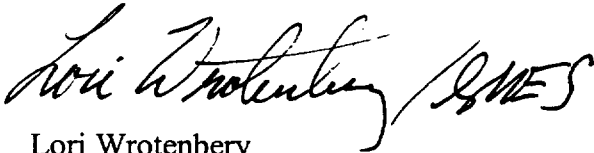
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**Bluitt SA "13" Federal Well No. 14  
660' FSL & 1980' FWL (Unit N)  
(API No. 30-041-20220)**

Further, all three of the above-described wells and 320-acre gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Associated Oil and Gas Pools and to the Bluitt-San Andres Associated Pool.

Division Administrative Order NSP-1684, dated January 20, 1994, which order authorized a 160-acre non-standard gas spacing and proration unit for Bluitt-San Andres Associated Pool gas production comprising the SE/4 of Section 13 and had dedicated thereon the above-described Bluitt "13-O" Federal Well No. 15 (API No. 30-041-20437), shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a stylized monogram or initials.

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Roswell  
File: NSP-1684