

Jones, William V., EMNRD

From: jamesbruc@aol.com
Sent: Sunday, February 20, 2011 11:31 AM
To: Jones, William V., EMNRD; Brooks, David K., EMNRD
Cc: CReagan@limerockresources.com; Omundsdry@hollandhart.com; Ezeanyim, Richard, EMNRD
Subject: Re: Case 14563 Lime Rock Cooperative Waterflood - member leases

Will: The same lands and leases are involved. If necessary, I could re-open.

I will have to check on whether the unitized formation in the NW Artesia was just the Premier Grayburg.

Jim

-----Original Message-----

From: Jones, William V., EMNRD, EMNRD <William.V.Jones@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>; Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>
Cc: Chuck Reagan <CReagan@limerockresources.com>; 'Ocean Munds-Dry' <Omundsdry@hollandhart.com>; Ezeanyim, Richard, EMNRD, EMNRD <richard.ezeanyim@state.nm.us>
Sent: Mon, Feb 14, 2011 3:29 pm
Subject: Case 14563 Lime Rock Cooperative Waterflood - member leases

David and Jim:
Working on this today and found something interesting:

The proposed depths of this San Andres waterflood extend from 2400 to 3400 feet.
The NW Artesia Unit was Unitized (Case 5161) and then approved for waterflooding (Case 5144) of the Premier member, lower Grayburg formation.

The NW Artesia Unit was listed in this application Case 14563 as one of the participating leases within this proposed lease cooperative (San Andres) waterflood.

However, from the records I see, the NW Artesia Unit Agreement under Definitions lists the Unitized Formation as extending from approx 1180 to 2100 feet – which would be exclusive to the Premier formation.

From this, it appears the lands represented in the application by the NW Artesia Unit, should be split into the individual tracts and represented that way in advertisement, notices, case application language, etc.

If you legal and land folks find the same facts, then what do you recommend?

Thanks
Will Jones