

DATE <u>8/23/02</u>	SUBMITTER <u>9/12/02</u>	ENGINEER <u>MS</u>	LOGGED IN <u>KN</u>	TYPE <u>NSL</u>	APP NO. <u>223832336</u>
---------------------	--------------------------	--------------------	---------------------	-----------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Case 12937

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

AUG 23

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, ~~Royalty or Overriding Royalty~~ Interest Owners

[B] ☒ Offset Operators, ~~Leaseholders or Surface Owner~~

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William R. Huck
 Print or Type Name

William R. Huck
 Signature

VP - Engr & Prod
 Title

8-21-02
 Date

billh@pecosproduction.com
 e-mail Address

Pecos River Operating, Inc
400 W. Illinois Suite 1070
Midland, TX 79701

August 21, 2002

New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, New Mexico 87505

Case 12937

Attn: Mr. Michael E. Stogner

RE: Administrative Application of Pecos River Operating, Inc.
For Approval of an Unorthodox Well Location.
Section 4, T-7S, R-26E, Chaves Co., New Mexico

Mr. Stogner,

Pecos River Operating, Inc., in accordance with Rule 19 NMAC 15.C.104.F, applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for any gas production from the surface to the base of the Abo Formation for its proposed HELEN COLLINS NO. 7, to be drilled at a location 2192' FSL and 1651' FEL of Section 4, Township 7 South, Range 26 East, Chaves County, New Mexico, to be dedicated to an existing 160 acre proration unit consisting of the SE/4 of Section 4. In support of the application, Pecos River Operating, Inc. respectfully submits the following:

1. That Pecos River Operating, Inc. is the operator of the subject well, and the operator of the offsetting affected proration unit in the NE/4 of Section 4.
2. The subject location was chosen due to BLM restrictions caused by surface (topographic) interference. The original stake fell in a ravine located approximately 150 ft south of the subject location. (See attached Exhibit 3, Topographic Map). To move out of the ravine to the south would place the well on a county roadway as well as in the proximity of the Helen Collins No 6, the original producer for this proration unit. Moving the well far enough east to clear the head of the draw will place the location outside the area of main sand accumulation.

3. The proposed location is moved the minimum distance required to satisfy the surface restrictions.
4. The offsetting affected proration unit is identified on Exhibit 2 and the owners are identified on Exhibit 4. Royalty ownership is common to both tracts, and Working Interest is common except for the Yates Petroleum, et al, and Thorton Operating interests which have been communitized into the north tract. Waivers have been requested from the affected entities as defined by 19 NMAC 15.N.1207.A.2, and will be forwarded upon receipt.

Pecos River Operating, Inc therefore requests that this application be approved administratively, or in the timeliest manner possible.

Respectfully submitted,

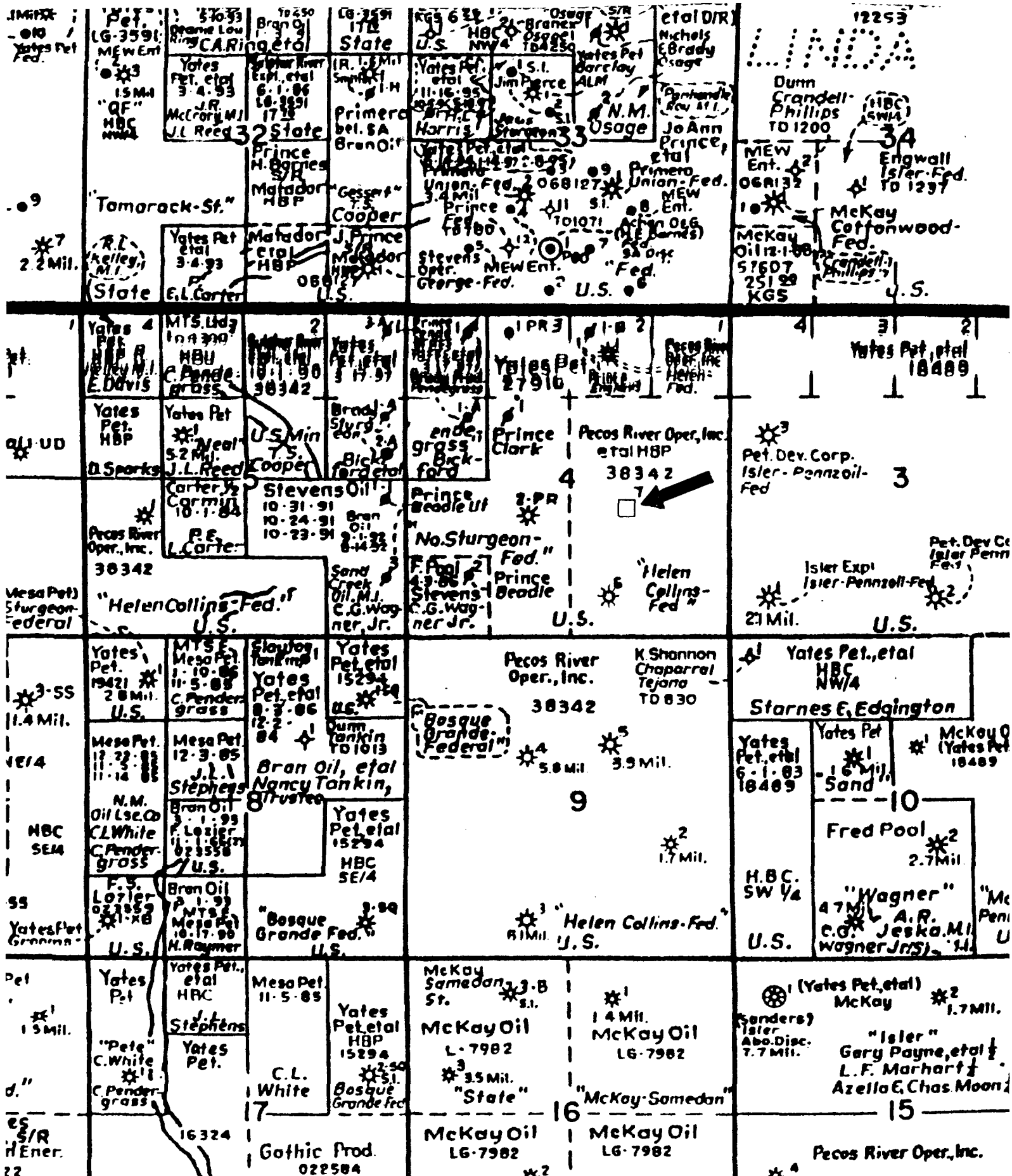
Pecos River Operating, Inc

A handwritten signature in black ink, appearing to read "W. R. Huck".

William R. Huck, P.E.
Vice President, Engr & Prod.

Enclosures

Pecos River Operating, Inc
Helen Collins Well No. 7
Sec 4, T-7S, R-26E, NMPM
Chaves Co., NM



DISTRICT I
P.O. Box 1989, Hobbs, NM 88241-1989

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

DISTRICT III
1000 Elc Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63180	Pool Code 82730	Pool Name PECOS SLOPE ABO (GAS)
Property Code 008749	Property Name HELEN COLLINS FEDERAL	Well Number 7
OGRID No. 017081	Operator Name PECOS RIVER OPERATING, INC.	Elevation 3655'

Surface Location

UL or lot No. J	Section 4	Township 7 S	Range 26 E	Lot Idn	Feet from the 2192	North/South line SOUTH	Feet from the 1651	East/West line EAST	County CHAVES
--------------------	--------------	-----------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	------------------

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160	Joint or Infill Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

EXHIBIT 2 Pecos River Operating, Inc. Helen Collins Well No. 7 Sec 4, T-7S, R-26E, NMPM Chaves Co., NM	<p>HELEN FED Com</p> <p>*1</p> <p>160 AC.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>William R. Blu</i> PATRICIA T. GREENWADE Printed Name AGENT Title 08/27/98 Date 6-14-02</p>
	<p>3647.8'</p> <p>3654.3'</p> <p>1651'</p> <p>3650.0'</p> <p>3649.0'</p> <p>2192'</p> <p>160 AC</p> <p>1980</p> <p>HELEN COLLINS FED</p>	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>RONALD J. EIDSON Date Surveyed Signature & Seal of Professional Surveyor 3239 8-13-98 W. U. PROFESSIONAL SURVEYOR T-1132</p> <p>Certificate No. RONALD J. EIDSON, 3239 GARY G. EIDSON, 12641 MACON McDONALD, 12185</p>

EXHIBIT 3

Pecos River Operating, Inc.
Helen Collins Well No. 7
Sec 4, T-7S, R-26E, NMPM
Chaves Co., NM

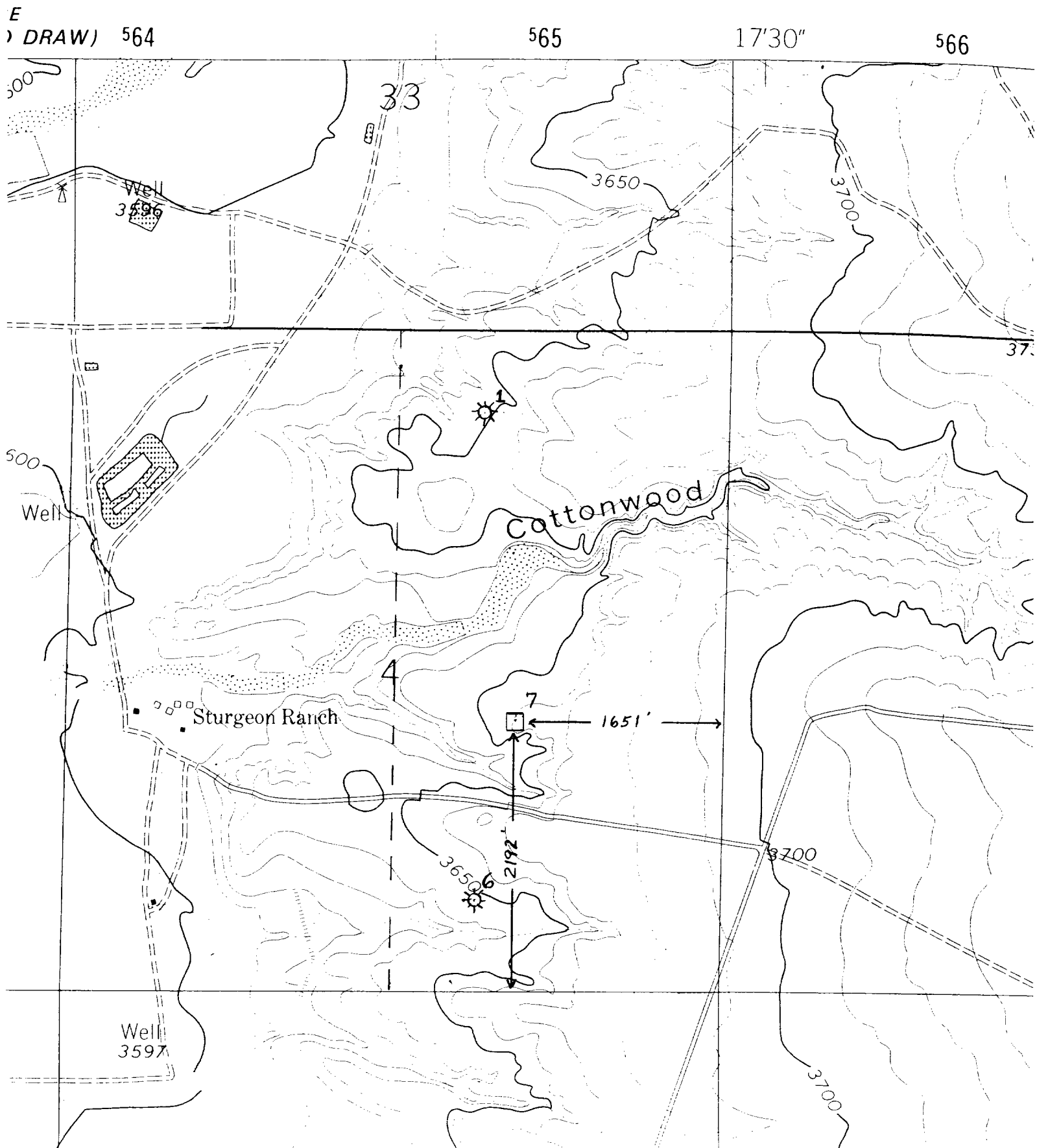


Exhibit **4**
Pecos River Operating Company
Helen Collins Federal #7
2,192' FSL & 1,651' FEL
Section 4-T-7-S, R-26-E
Chaves County, New Mexico

Township 7 South, Range 26 East, N.M.P.M. Section 4: East-Half (E/2) Chaves County, New Mexico		
Lease	Legal	WI Owners
NM 38342	Section 4: SE/4	Pecos River Operating Company Greg Vujovich Centralia Oil Company Frances Miles Loop, Jr. John D. Cadigan Cadigan Corporation C. P. Burnett, III Gruy, LLC Calto Oil Company Campbell Investment Company 400 W. Illinois, Suite 1070 Midland, TX 79701
NM 38342 NM 27916	Section 4: NE/4	Pecos River Operating Company Greg Vujovich Centralia Oil Company Frances Miles Loop, Jr. John D. Cadigan Cadigan Corporation C. P. Burnett, III Gruy, LLC Calto Oil Company Campbell Investment Company 400 W. Illinois, Suite 1070 Midland, TX 79701 Thorton Operating Corparation P. O. Box 833 Midland, TX 79702 Yates Petroleum Corporation Yates Drilling Corporation MYCO Industries, Inc. Abo Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
Well Name	Unit	Operator
Helen Collins Federal #7	O	Pecos River Operating Company
Helen Fed Com #1	B	Pecos River Operating Company