

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

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

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Avalon Morrow or Avalon Strawn
Property Code	Property Name	Well Number
	SOAPBERRY DRAW STATE COM	1
OGRID No.	Operator Name	Elevation
2678	BONNEVILLE FUELS CORPORATION	3277'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	21 S	26 E		720	SOUTH	2479	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320 ac.				Amended NSL-4130 (Exception Location)					

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

LOT 8 40.71 AC.	LOT 7 40.74 AC.	LOT 6 41.08 AC.	LOT 5 40.18 AC.
LOT 9 40.45 AC.	LOT 10 40.60 AC.	LOT 11 40.09 AC.	LOT 12 40.19 AC.
Acreage Dedication In Red Hachures			
LOT 3 40 AC.			
LOT 4 40 AC.			
2479'			
720'			

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*R. A. Schwering*  
Signature

R. A. Schwering, P.E.  
Printed Name

Operations Manager: SE NM  
Title

12/5/98  
Date

SURVEYOR CERTIFICATION

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.

SEPTEMBER 10, 1998

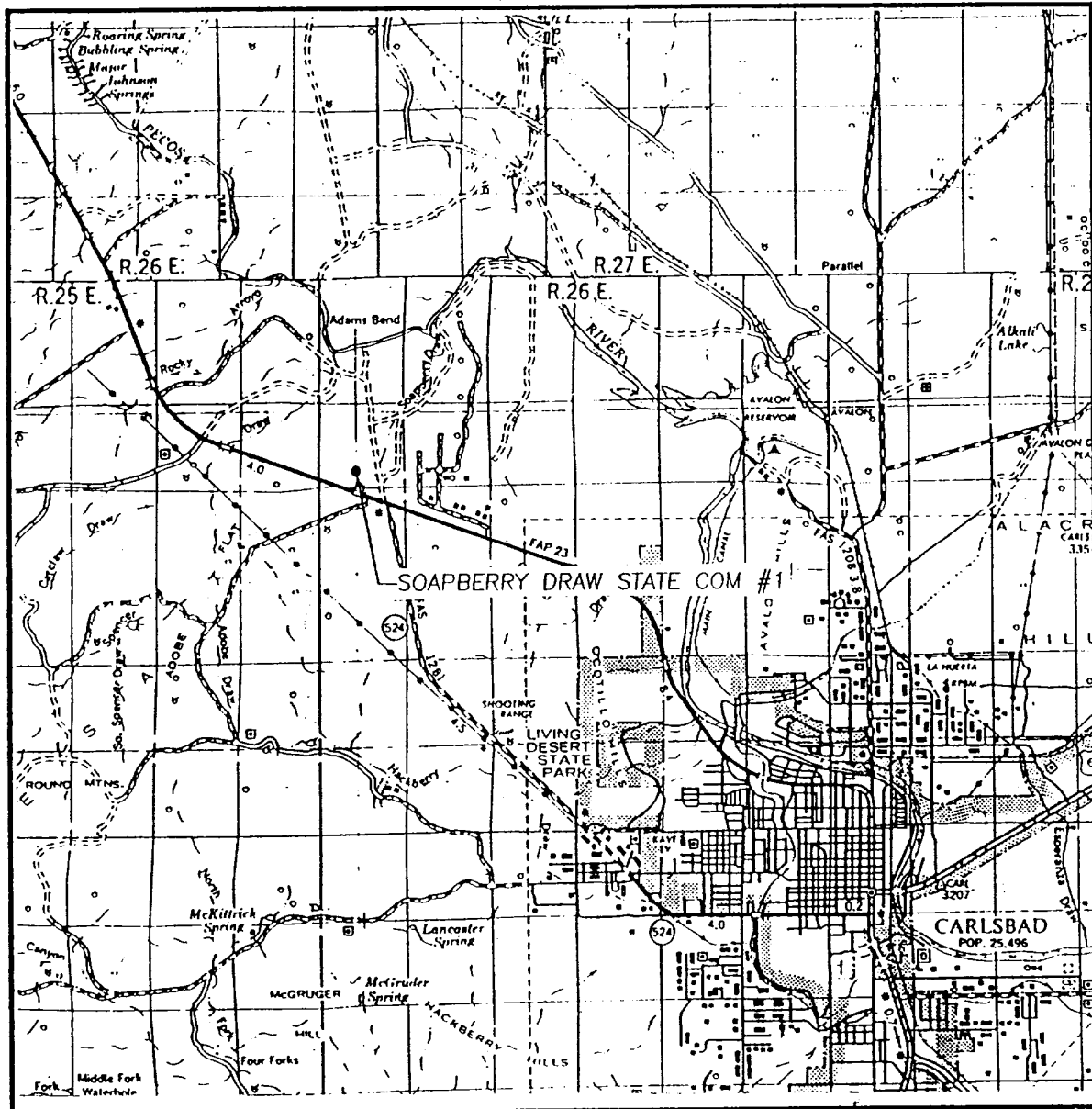
Date Surveyed CDG

Signature & Seal of Professional Surveyor

*Ronald J. Eidson* 9-17-98

Certificate No. RONALD J. EIDSON 3239  
CDG EIDSON 12641

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 7 TWP. 21-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 720' FSL & 2479' FWL

ELEVATION 3277'

OPERATOR BONNEVILLE FUELS CORPORATION

LEASE SOAPBERRY DRAW STATE COM

**JOHN WEST ENGINEERING**  
**HOBBS, NEW MEXICO**

**(505) 393-3117**

[illegible]

CONTOUR INTERVAL - 20'

CARLSBAD WEST, NM

**JOHN WEST ENGINEERING  
HOBBS, NEW MEXICO  
(505) 393-3117**



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

September 9, 1998

Bonneville Fuels Corporation  
Attention: R. A. Schwering  
1660 Lincoln - Suite 1800  
Denver, Colorado 80264

Telefax No. (303) 863-1558

REC'D  
SEP 14 1998

Administrative Order NSL-4130

Dear Mr. Schwering:

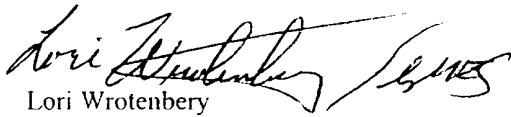
Reference is made to: (i) your application dated September 7, 1998; and, (ii) to the records of the Division in Santa Fe: all concerning Bonneville Fuels Corporation's request to drill the Soapberry "7" State Com. Well No. 1 at an unorthodox gas well location in both the Morrow and Strawn formations 990 feet from the South line and 2630 feet from the East line (Unit K) of Section 7, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 7 is to be dedicated to the well in order to form a standard 318.88-acre gas spacing and proration unit in both the Undesignated East Catclaw Draw-Strawn and Undesignated Avalon-Morrow Gas Pools.

This application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location for both the Strawn and Morrow intervals is hereby approved.

Sincerely,

  
Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia  
New Mexico State Land Office - Santa Fe

**REMARKS:** This location directly offsets the Catclaw Draw-Morrow Gas Pool to the south and west, and, pursuant to the "General Rules and Regulations for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Catclaw Draw-Morrow Gas Pool," as promulgated by Division Order No. R-8170, as amended, requires standard 640-acre gas spacing and proration units with wells to be located no closer than 1650 feet from the outer boundary of a proration unit nor closer than 330 feet from any governmental quarter-quarter section or subdivision inner boundary. However, these special pool rules apply only to that area within the horizontal limits of the Catclaw Draw-Morrow Gas Pool and does not extend outside of these limits a distance of one mile as is the case in most pools [see Ordering Paragraph No. (1) of Division Order No. R-4157-D]. Therefore, the proposed 318.88-acre gas spacing and proration unit within the Undesignated Avalon-Morrow Gas Pool is not effected by these special pool rules.



## Bonneville Fuels Corporation

Dec. 2, 1998

Oil Conservation Division of the State of New Mexico

Attn.: Mr. Michael E. Stogner

2040 South Pacheco

Santa Fe, New Mexico 87505

Phone: (505) 827-8185; Fax: (505) 827-1389

Re: Request For Administrative Approval of a Revised Non-Standard Location  
Soapberry Draw State Com. 7-#1

Dear Mr. Stogner,

On September 10, 1998 Bonneville Fuels Corporation went to the field to stake a non-standard location for the Soapberry State Com. 7-#1 well at 2630' FEL & 990' FSL, Unit 'J', Section 7, T.21S., R.26E., Eddy County, New Mexico. This proposed location exception was granted by you, at BFC request, but fell on fee owned land (surface only) with parts of the location less than 150' from the fee owner's residence. BFC reviewed the geology and surface owner concerns and re-named and staked the well and location entirely on State surface (fee owner is grazing lessee) with a minimum distance to residence of 400' and a substantial berm being erected to minimize sound impacts. BFC was trying to be a good neighbor to the fee owner AND encounter the geologic resource.

Bonneville Fuels Corporation is the Lessee of Record (100%) of two (2) State of New Mexico Oil and Gas Leases which together constitute the entire south half of Section 7, T.21S., R.26E., NMPM, Eddy County, New Mexico. These leases are as follows:

40.00 Acres	Tract No. V0-O-0002	Beneficiary: MI (NMMI)	Legals: NE/4 SE/4
39.50 Acres	Tract No. V0-O-0003	Beneficiary: CS (Common Schools)	Legals: Lot 3
39.38 Acres	Tract No. V0-O-0003	Beneficiary: CS (Common Schools)	Legals: Lot 4
80.00 Acres	Tract No. V0-O-0003	Beneficiary: CS (Common Schools)	Legals: E/2 SW/4
80.00 Acres	Tract No. V0-O-0003	Beneficiary: CS (Common Schools)	Legals: W/2 SE/4
40.00 Acres	Tract No. V0-O-0003	Beneficiary: CS (Common Schools)	Legals: SE/4 SE/4

Bonneville Fuels is requesting a NON-STANDARD LOCATION at the following footage:

Soapberry State Com. 7-#1

2,479' FWL & 720' FSL, Unit 'K', Section 7,

T.21S., R.26E., NMPM, Eddy County, New Mexico

on this acreage. BFC is requesting this Non-Standard Location for geologic reasons in a pro-ration unit in the Avalon Field in the Morrow and Strawn Fm. Intervals consisting of the 318.88 acres in the south ½ of Section 7.

A Vicinity Map is attached which indicates the presence of two (2) previously drilled statistical dry holes in the south ½ of section 7:

Well Name:	Operator:	Month	Location:	Result:
	T.D.:	Drilled:		
Avalon State #1:	David Fasken:	10/72:	1400' FSL & 1650' FWL:	Dry Hole.
	10,800'			
Cal-Mon State #1:	TXO:	5/83:	990' FSL & 660' FEL:	Non-Commercial
	10,877'			Completion.

It is BFC's contention that these two penetrations FAILED to intersect the heart of a potentially productive Morrow Channel incision being, respectively, on the western up-dip and eastern down-dip edges of economic production. BFC requests this Non-Standard location in order to establish economic production in this proration unit. BFC's geologist, Mr. R.J. Kozarek, has attached several log analysis exhibits which demonstrate the necessity of drilling at the requested location in order to intersect a productive interval in the Morrow at the most economic (probable) location which still allows us to address landowner concerns.

Please grant this Administrative Request as soon as possible - if it is acceptable. This material is being faxed for your immediate consideration. A hard copy will be mailed immediately. **Mike, I would really appreciate your immediate attention to this matter as I need to file the State Permit and commence location construction within the next 2 weeks.** Call me if you have any questions. I have also attached our land settlement with the fee owner if this will aid in granting this exception. Please respond to this request by fax ASAP.

Sincerely Yours,  
BONNEVILLE FUELS CORPORATION

R.A. Schwering, P.E.  
Operations Manager: SE NM

Attachments  
Cc: Well File

Proposed Loc'n  
BFC Soapberry  
State Com # 7-1  
2479' FWL & 720' FSL  
Sec. 7-T21S-R26E  
Eddy Co., NM

[illegible]

Sands in this zone were not tested down dip. They appear to be gas seeping here, but not capable of production because they're very friable and unconsolidated as evidenced by packer failures and washouts on zipper curve. Sands are prospective.

This sand calculates productive, but is fairly tight, was not DST'd. Sand is prospective.

Sand tested in this zone downdip is pinched out updip. Sand is prospective.

Sands that were wet down dip, either tight or pinched out up dip. These sands are prospective in proposed location.

Sand is tight,  
was wet down dip.  
This sand is prospective  
in proposed loc'n.

### Morrow 'B' Section

**Morrow C  
Section**

**Barnett**

DST #8 10,448 - 500' open  
25 min, plr failed, Rec. 1128'  
GIP, 1222' Drig wtr

DST # 7 10,671 - 712' open  
20 min, pkr failed, Rec. 1510'  
GCM. 1420' SW

DST #8 10,640 - 684'.  
Rec. 10' SW, 80' MCW

P&A'd 10/23/72

**Exception Location**  
**EXHIBIT #2**

**BFC Soapberry State Com #7-1  
Structural Cross Section A-A'  
Morrow 'B' and 'C' Prospective Sands  
Vertical Scale: 2.5" = 100'  
Horizontal Scale: Not Drawn To Scale  
8/2/98  
Geol: Bob Kozarek**

Tie  $\rightarrow$

$T_{in} \rightarrow$

A'  
EAST

**Exception Location**  
**EXHIBIT #2**

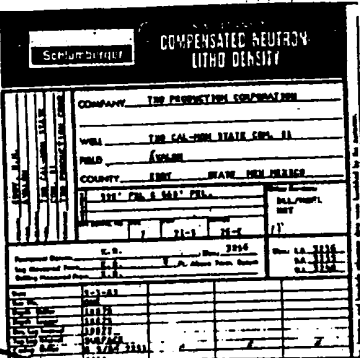
**BFC Soapberry State Com #7-1**

### Structural Cross Section A-A'

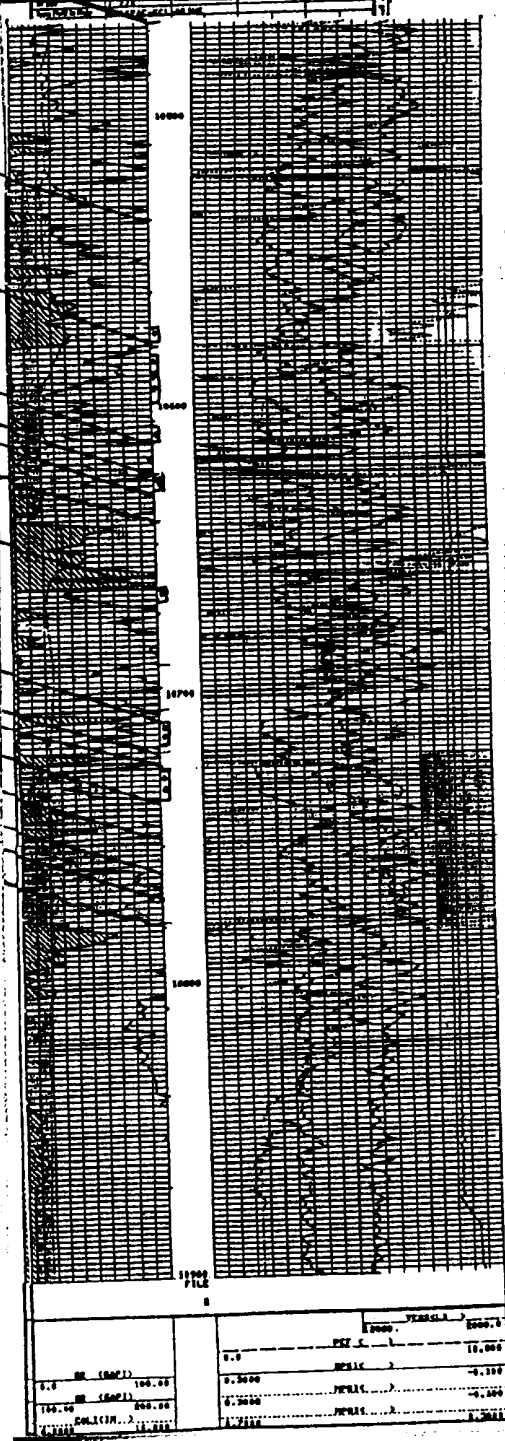
**Morrow 'B' and 'C' Prospective Sands**  
**Vertical Scale: 2.5" = 100'**

**Horizontal Scale: Not Drawn To Scale**  
**9/8/98**





**Geol: Bob Kozarek**



Datum: -7200'



← Sands not tested  
← either tight or  
← calculate productive.

 Sands tight and/or  
 wet, completion  
 may have fract  
 into water.

Sands wet w/ show  
of gas.

← Sand calculated wet.

Perf 10,660 - 65', 10,708 - 16',  
10,724 - 36', Ac w/ 3000 - 10'  
swb 3 BW w/SG/3 10' x 10'

Perf 10,572 - 77, 10,582 - 98,  
10,606 - 12, 10,623 - 27. Ac w/  
3000 gel swb 5 BW w/SSG,  
fract w/ 30,000 gals gel 5% acid  
& 25,300 # sd, Flwd 61 BW in  
4-1/2 hrs.

P&A'd 10/14/83

← Tie