

Rec 5-5-93

Se



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



May 3, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

SG Interests I, Ltd.
c/o Walsh Engineering & Production Co.
204 N. Auburn
Farmington, NM 87401

RECEIVED
MAY 6 1993
OIL CON

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-6800

Attention: Paul C. Thompson

Administrative Order NSL-3234

Dear Mr. Thompson:

Reference is made to your application on behalf of SG Interests I, Ltd. dated March 29, 1993 for a non-standard coal gas well location for the Trujillo 29-10-21 Well No. 2 which was drilled in November 1992 and located 1165 feet from the South line and 645 feet from the West line (Unit M) of Section 21, Township 29 North, Range 10 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico. The S/2 of said Section 21 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location 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 - Aztec
W. Thomas Kellahin - Farmington
File: Case No. 10610
NGPA Section 107 Application



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



May 3, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

SG Interests I, Ltd.
c/o Walsh Engineering & Production Co.
204 N. Auburn
Farmington, NM 87401

Attention: Paul C. Thompson

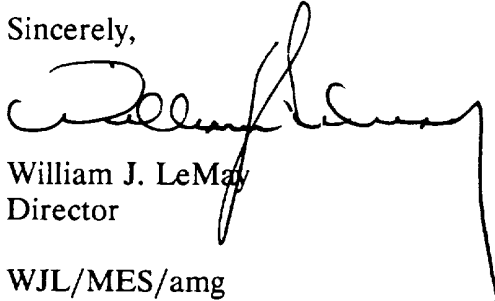
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NGPA Section 107 Application

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MAY 05 1993

OIL CON. DIV.
SANTA FE, N.M.

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping204 N. Auburn
Farmington, New Mexico 87401
(505) 327-4892

April 16, 1993

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Non-Standard Location
SG Interests I, Ltd.
Trujillo 29-10-21 #2
1165' FSL, 645' FWL
Section 21, T29N R10W
San Juan County, NM
Basin Fruitland Coal

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APR 19 1993
OIL CON. DIV.
DIST. 3

Dear Mr. Stogner,

In response to your letter of April 7, 1993, I have enclosed for your review an enlarged plat of the area around the subject well. On this plat I have indicated the legal well location window in the southwest quarter of Section 21, and have tried to highlight some of the obstacles which prevented SG Interests, Ltd. from locating the Trujillo 29-10-21 #2 well inside of this window.

Due to recent development there are considerably more houses and other buildings in this area than are indicated on the map. All of the area south of Highway 64 inside the window is occupied by residences. Even the few areas north of the highway that are suitable for a location are occupied by homes.

As you can see on the topo map, most of the area north of the highway is a very steep slope which drops into the San Juan River valley below. A marsh covers the area in the far southwest corner of the window and to the west of the Trujillo location and is unsuitable for a location.

I have also enclosed a copy of the agreement between the surface owners and SG Interests, Ltd. This agreement gives the name and address of the surface owners and the commitments SG Interests, Ltd. made to secure their approval for the wellsite.



I hope I have provided sufficient evidence that a legal location was not possible in the southwest quarter of this section. If you have additional questions please do not hesitate to call upon me.

Thank you for your consideration and approval of this application.

Sincerely,

Paul C. Thompson, P.E.
President

cc: SG Interests I Ltd.
NMOCD Aztec NM

March 16, 1993

Manuel Weahkee and Sharon Weahkee
1803 Highway 64
Bloomfield, New Mexico 87413

RE: Surface Damage Agreement
Twp 29 N, Rge 10 W, NMPM
Sec. 3: Tract in SW¹/₄, SW¹/₄,

Dear Mr. and Mrs. Weahkee:

SG Interests I, Ltd. drilled the Trujillo 29-10-21 #2 well on your lands under the terms of that certain Surface Damage Agreement and Release dated September 22, 1993. One of the provisions of that agreement was that SG would keep its operations, including access roads, as far to the West and South of the subject property as possible. This letter shall confirm in writing what was verbally agreed to by Manuel Weahkee, Mike Finney, and Kevin King on February 23, 1993.

You agreed to grant SG temporary access to the site from the far Northeast corner of the subject land. Due to the location of the reserve pit, SG will not be able to relocate the access road to the most westerly existing gate at the present time. SG agrees to relocate the access road to said gate within two years of the date of this letter.

SG further agrees to move the temporary access road as far North as possible and practical for its operations. SG will push off all of the dirt that it put on the land that is lying South of the temporary access road and East of the existing meter houses. SG will then put an irrigation ditch on the South side of the road and around the East and South sides of the meter house and other existing production facilities. If necessary for irrigation, SG will put a culvert in the temporary access road.

All other terms and conditions of the original agreement shall remain unchanged and be in full force and effect. Completion of the above work shall constitute full and final consideration under the term of said agreement.



LTR



Job separation sheet

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

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

Revised 1-1-89
See Instructions
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Operator SG Interests I, Ltd.		Well API No. 30-045-28789
Address P. O. Box 412, Blanco, NM 87412-0421		
Reason(s) for Filing (Check proper box) New Well <input checked="" type="checkbox"/> Change in Transporter of: Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> Other (Please explain) <input type="checkbox"/>		
If change of operator give name and address of previous operator		

II. DESCRIPTION OF WELL AND LEASE

Lease Name Trujillo 29-10-21	Well No. 2	Pool Name, including Formation Basin Fruitland Coal	Kind of Lease Lease Fee	Lease No.
Location Unit Letter M : 1165 Feet From The South Line and 645 Feet From The West Line Section 21 Township 29N Range 10W, NMPM, San Juan County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil Gary-Williams Energy Corporation	or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent) P. O. Box 159, Bloomfield, NM 87413
Name of Authorized Transporter of Casinghead Gas El Paso Natural Gas Company	or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent) P. O. Box 4990, Farmington, NM 87499
If well produces oil or liquids, give location of tanks.	Unit M Sec. 21 Twp. 29N Rge. 10W	Is gas actually connected? No When? Approx 3-05-93

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded 11-07-92	Date Compl. Ready to Prod. 2-04-93	Total Depth 1916'	P.B.T.D. 1820'					
Elevations (DF, RKB, RT, GR, etc.) 5481' GL, 5494' KB	Name of Producing Formation Fruitland Coal	Top Oil/Gas Pay 1571'	Tubing Depth 1596'					
Perforations 1762'-1766', 1742'-1744', 1663'-1673', 1655'-1659', 1603'-1617', 1571'-1573', & 1579'-1584'	Depth Casing Shoe 1912'							
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE 12 1/4"	CASING & TUBING SIZE 8 5/8"	DEPTH SET 259.84'	SACKS CEMENT 250 sx Class B w/2% Cacl					
7 7/8"	5 1/2"	1912.20'	35 sx Scavenger + 290 sx					
	2 3/8"	1596'	65/35 Poz + 100 sx Class B					

V. TEST DATA AND REQUEST FOR ALLOWABLE

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)
Length of Test	Tubing Pressure	Casing Pressure
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.

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GAS WELL SI - WO PL Conn. & IP Test - will submit when test is completed.

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (prior, back pr.)	Tubing Pressure (Shut-in) 100 psi	Casing Pressure (Shut-in) 350 psi	Choke Size 1/4"

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Carrie A. Baze
Printed Name Carrie A. Baze Agent
Date 2/16/93 (915) 694-6107
Telephone No.

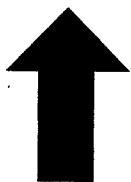
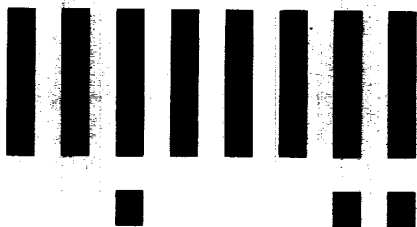
OIL CONSERVATION DIVISION

Date Approved MAY 6 1993

By [Signature]
Title SUPERVISOR DISTRICT #3

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.



LTR



Job separation sheet

Submit 3 Copies
to Appropriate
District Office
DISTRICT I

P.O. Drawer 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-103
Revised 1-1-89

WELL API NO. 30-045-28789
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name TRUJILLO 29-10-21
8. Well No. 2
9. Pool Name or Wildcat BASIN FRUITLAND COAL

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE 'APPLICATION FOR PERMIT' (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	
2. Name of Operator SG INTERESTS I, LTD.	
3. Address of Operator P. O. BOX 421, BLANCO, NM 87412-0421	
4. Well Location Unit Letter M : 1165 Feet From The SOUTH Line and 645 Feet From The WEST Line Section 21 Township 29N Range 10W NMPM SAN JUAN County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 5481' GL, 5494' KB	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDONMENT ☐
TEMPORARILY ABANDONMENT ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER ☒ INITIAL POTENTIAL/1st DELIVERY

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

INITIAL POTENTIAL TEST:

DATE OF TEST:	5/07/93
ACTUAL PRODUCTION TEST - MCF/D:	134 MCFPD
LENGTH OF TEST:	24 HOURS
BBLS. CONDENSATE/MMCF:	1 BCPD
GRAVITY OF CONDENSATE:	52.5
BBLS OF WATER	0 BWPD
TESTING METHOD (pilot, back pr.):	CHOKE NIPPLE
FLOWING TUBING PRESSURE:	210 psi
FLOWING CASING PRESSURE	310 psi
SHUT-IN TUBING PRESSURE	320 psi
SHUT-IN CASING PRESSURE	320 psi
CHOKE SIZE:	.875"
WELL STATUS:	PRODUCING - 1st DELIVERY 5/07/93

RECEIVED
MAY 17 1993
OIL CON. DIV.
DIST. 3

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

SIGNATURE Carrie A. Baze TITLE AGENT DATE 5/11/93
TYPE OR PRINT NAME CARRIE A. BAZE TELEPHONE (915) 694-6107

(This space for State Use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT # 3 DATE MAY 17 1993
CONDITIONS OF APPROVAL, IF ANY: