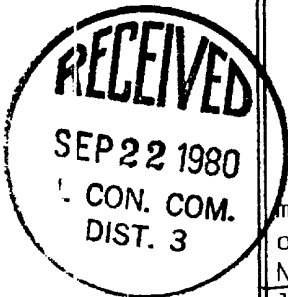


ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION



Under the provisions of Rule 112-A Southland Royalty Company made application to the New Mexico Oil Conservation Division on August 25, 1980, for permission to dually complete its Davis Well No. 7E located in Unit L of Section 11, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland formation and from the Basin-Dakota Pool.

Now, on this 5th day of September, 1980, the Division Director finds:

- (1) That application has been filed under the provisions of Rule 112-A of the Division's Rules and Regulations;
- (2) That satisfactory information has been provided that there are no other operators of offset acreage;
- (3) That the proposed dual completion will not cause waste nor impair correlative rights.
- (4) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Southland Royalty Company, be and the same is hereby authorized to dually complete its Davis Well No. 7E located in Unit L of Section 11, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland formation and from the Basin-Dakota Pool through parallel strings of tubing.

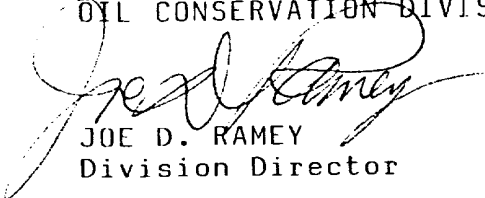
PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Division Director

OIL CONSERVATION COMMISSION
Alto DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE August 25, 1980

RE: Proposed MC α
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated August 25, 1980
for the Southland Royalty Co. Davis #7E L-11-31-12w
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours very truly,

Frank J. Chang

NEW MEXICO OIL CONSERVATION COMMISSION
 SANTA FE, NEW MEXICO
 APPLICATION FOR MULTIPLE COMPLETION

Form C-107
 5-1-61

Operator Southland Royalty Company		County San Juan		Date 8-21-80
Address P. O. Drawer 570, Farmington, NM 87401		Lease Davis		Well No. #7E
Location of Well	Unit L	Section 11	Township 31N	Range 12W

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO
2. If answer is yes, identify one such instance: Order No. _____ ; Operator Lease, and Well No.: _____

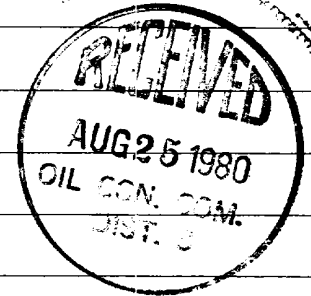
3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Undesignated Fruitland		Basin Dakota
b. Top and Bottom of Pay Section (Perforations)	2372' - 2765'		7333' - 7496'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

4. The following are attached. (Please check YES or NO)

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
<input checked="" type="checkbox"/>	<input type="checkbox"/>	d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

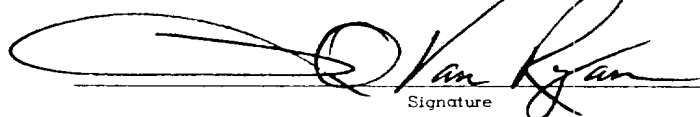
5. List all offset operators to the lease on which this well is located together with their correct mailing address.

None.



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO _____. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the District Production Manager of the Southland Royalty Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.


 Signature

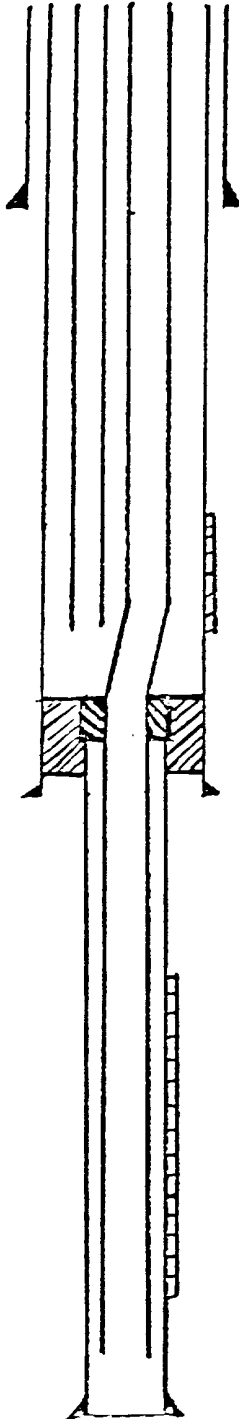
*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

SOUTHLAND ROYALTY COMPANY

DUAL COMPLETION DIAGRAM

DAVIS #7E
1520' FSL & 790' FWL
San Juan County, NM
Basin Dakota/Undes. Fruitland



9 5/8", 32.30# csg @ 120', cmtd w/120 sx

Perfd Fruitland frm 2372' - 2765' w/5 holes

1 1/2", 2.76# tbq lnd @ 2781'

Baker model "R" packer @ 4947'

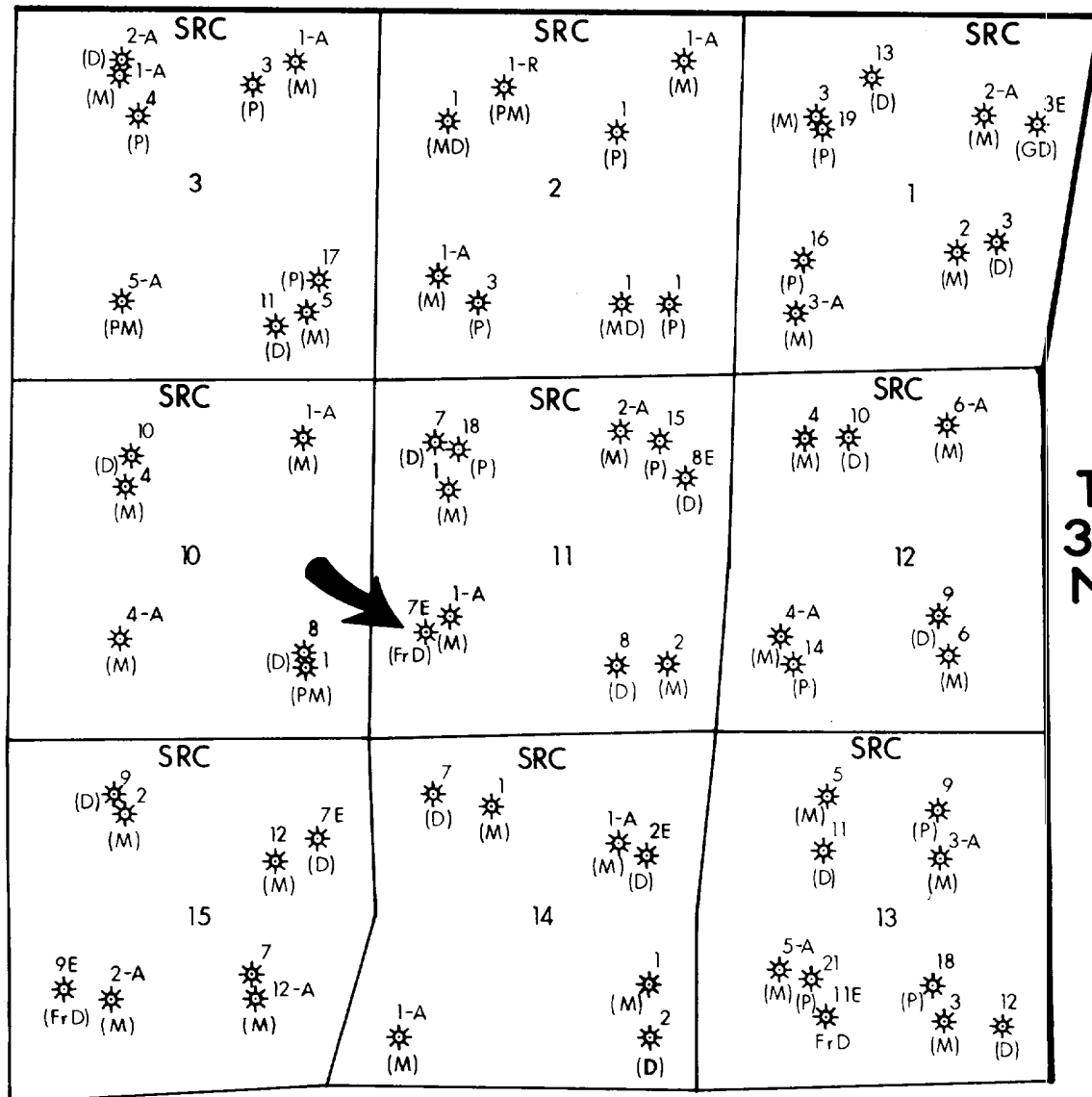
7", 20# csg @ 5046', cmtd w/379 sx

2 3/8", 4.7# tbq lnd @ 7309'


Perfd Dakota frm 7333' - 7496' w/13 holes

4 1/2", 10.5# & 11.6# csg frm 4890' - 7541'

R 12 W



T 31 N

 <p>Southland Royalty Company FARMINGTON DISTRICT FARMINGTON, NEW MEXICO</p>	
8-21-1980 DATE	<p>SAN JUAN COUNTY, N. M. OFFSET OPERATORS' PERMISSION FOR DUAL COMPLETION (FRUITLAND & DAKOTA FM.)</p> <p>SRC Davis #7E 1520' FSL - 790' FWL Sec. 11- T 31N- R12W N.M.P.M.</p>
Bob Fielder PREPARED BY	
San Juan Basin PROJECT AREA	
C.I. HORIZON	
2" = 1 mile SCALE	
REVISD DATE	
NM-FF-0060	
FILE NUMBER	