



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 10-22-81

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

Gentlemen:

I have examined the application dated 10-8-81
for the SOUTHLAND ROYALTY CO. HILLSTROM #3 D-35-29N-12W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

APPROVE

Yours truly,

Charles Gibson

Operator <i>Southland Royalty Company</i>		County <i>San Juan</i>		Date <i>October 8, 1981</i>
Address <i>P.O. Drawer 570, Farmington, N.M.</i>		Lease <i>Hillstrom</i>		Well No. <i>3</i>
Location of Well <i>D</i>	Unit <i>D</i>	Section <i>35</i>	Township <i>32N</i>	Range <i>12W</i>

1. Has the New Mexico Oil Conservation Division 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	<i>Undesignated Fruitland</i>		<i>Blanco Pictured Cliffs</i>
b. Top and Bottom of Pay Section (Perforations)	<i>2430'-2602'</i>		<i>2694'-2873'</i>
c. Type of production (Oil or Gas)	<i>Gas</i>		<i>Gas</i>
d. Method of Production (Flowing or Artificial Lift)	<i>Flowing</i>		<i>Flowing</i>

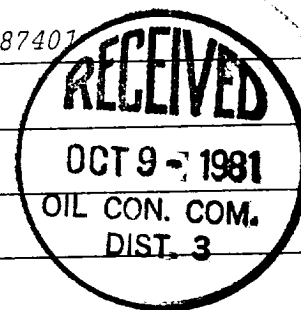
4. The following are attached. (Please check YES or NO)

- | | | |
|-------------------------------------|--------------------------|---|
| 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.

El Paso Natural Gas Company, P.O. Box 990, Farmington, New Mexico 87401

Tenneco Oil Company, P. O. Box 3249, Englewood, Colorado 80155



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification October 8, 1981.

CERTIFICATE: I, the undersigned, state that I am the Dist. Prod. 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]
Signature

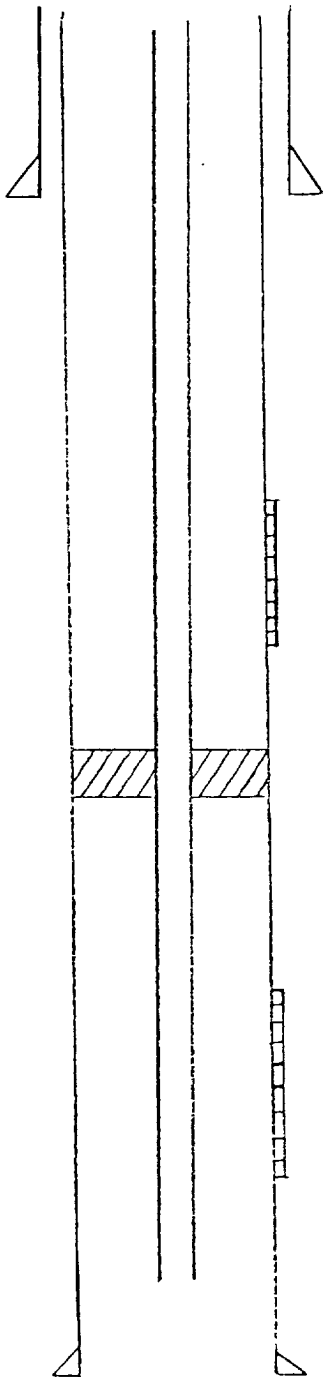
Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Division will hold the application for a period of twenty (20) days from date of receipt by the Division's Santa Fe office. If, after said twenty-day period, no protest nor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

OTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration 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

HILLSTROM #3
930' FNL & 990' FWL
Section 35, T32N, R12W
San Juan County, New Mexico



8-5/8", 24#, casing set at 192', cemented with 140 sacks cement.

Perforated Fruitland from 2430'-2602' (6 holes).
Frac'd with 41,140 gals of fresh water and 29,000# of 20/40 sand.

Unipacker IV set at 2637'.



Perforated Pictured Cliffs from 2694'-2873' (15 holes).
Frac'd with 88,942 gals of fresh water and 79,000# 20/40 sand.

1-1/2", 2.90#, J-55, EUE tubing landed at 2838'

4-1/2", 10.5# casing set at 2999', cemented with 301 sacks cement.