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NSP 8/8/01

## Pecos River Operating, Inc. 550 W. Texas Suite 720 Midland, TX 79701

July 15, 2001

JUL 19 01

Michael Stogner New Mexico Oil Conservation Division 1220 South Saint Francis Dr. Santa Fe, NM 87505

RE: Request for 80-Acre Non-Standard Gas Proration Unit Eumont (Yates, 7-Rivers, Queen, Pro Gas) Pool Roy Riddel No. 1, API No. 30-025-04623 E/2 of SW/4, Sec 12, T-21S, R-36E, Lea County, New Mexico

Mr. Stogner,

Pecos River Operating respectfully requests an 80-acre Non-standard Gas Proration Unit comprising the E/2 of SW/4 of Section 12 for the above referenced well, (see attached Form C-102), and offers the following in support.

- 1. The Roy Riddel Lease is an irregularly shaped contiguous tract comprising the E/2 of SW/4, the S/2 of SE/4, the NE/4 of SE/4, the E/2 of NE/4, and the NW/4 of NE/4 of Section 12, Twp 21-S, Rge 36-E, Lea County, NM, containing 320 acres, more or less.
- 2. The Riddel No 1 well was completed in January 1953 from the Eumont (Queen) zone at 3510 3625' flowing 232 MCFD. Dedicated acreage at that time was 160 Acres from the E/2 of SW/4 and S/2 of SE/4. Well No 2 was completed later in the Eumont (Queen) and dedicated the remaining 160 acres.
- 3. After Well No. 2 was plugged in 1963, Texaco applied, and was granted a 320-acre non-standard proration unit comprising the entire lease, to be dedicated to Well No. 1. (Order No. R-2477.)
- 4. Production from Well No. 1 averaged 15 MCFD during the 1<sup>st</sup> quarter, 2001.
- 5. After acquiring the lease in March, 2000, Pecos River Operating drilled a 4000' Grayburg and Eumont test in the SE/4 of SE/4 of Section 12, testing oil and gas at 18 BO and 61 MCFD from the Upper Grayburg, and completing in the Queen Interval 3527' to 3679' on May 25, 2001, pumping 11 BO, 351

MCFG and 34 BLWPD. Dedicated Acreage to this Eumont Oil well is 40 acres in the SE/4, SE/4 of Section 12.

- 6. The Roy Riddel No. 1 was subsequently Shut-In pending this application, and has a SIWHP of 58 psi. Well No. 3, on the other hand, exhibited a SIWHP of over 200 psi after completion in the Queen Interval. The higher gas rate and SIWHP, and the production of oil, would indicated that different pay in the Queen interval to that exposed in well No 1 has been opened in Well No.3.
- 7. Offset development in the Eumont zone is such that areal spacing in the vicinity of Section 12 is effectively 80 acres or less. (see Exhibit 1).
- 8. Simultaneous production from the Riddel No. 1 and the Riddel No. 3, or any other Eumont Oil Well will not violate correlative rights of surrounding leasehold; and will allow, without waste, the efficient production of the Eumont Oil and Gas under the Roy Riddel Lease.

Your consideration of this matter is greatly appreciated. If you have any questions, please call me at 915-620-8480.

Yours truly,

William R. Huck

Woll Mbuch

Vice President - Engr & Prod.

CC: OCD-Hobbs

District I

1625 N. French Dr., Hobbs, NM 88240

D\*-+ \*- + FF

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

<sup>1</sup> API Number

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe. NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

| 30-0                             | 623        | 7        | 6480            | Eı                                | , Queen (J              | ueen (Pro Gas)   |               |              |               |
|----------------------------------|------------|----------|-----------------|-----------------------------------|-------------------------|------------------|---------------|--------------|---------------|
| <sup>4</sup> Property C<br>27780 | ode        |          |                 | <sup>6</sup> Well Number<br>1     |                         |                  |               |              |               |
| <sup>7</sup> OGRID 1<br>17081    | No.        |          |                 | <sup>9</sup> Elevation<br>3542 DF |                         |                  |               |              |               |
|                                  |            |          |                 |                                   | <sup>10</sup> Surface I | ocation          |               |              |               |
| UL or lot no.                    | Section    | Township | Range           | Lot Idn                           | Feet from the           | North/South line | Feet from the | East/West li | ine County    |
| N                                | 12         | 21-S     | 36-E            |                                   | 661                     | South            | 1980          | West_        | Lea _         |
|                                  |            |          | 11 Bo           | ottom Ho                          | le 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 li | ine County    |
| 12 Dedicated Acres               | 13 Joint o | r Infill | Consolidation ( | Code 15 Or                        | der No.                 |                  |               |              |               |
| 80                               |            |          |                 |                                   |                         |                  |               |              |               |
| NO ALLOW                         | ABLE W     | ILL BE A | ASSIGNED        | TO THIS (                         | COMPLETION I            | UNTIL ALL INTE   | RESTS HAVE    | BEEN CONSC   | OLIDATED OR A |

NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION Roy Riddel Lease **OPERATOR CERTIFICATION** I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. 汝 53 13 William R. Huck Printed Name VP - Engr & Prod 渁 Title 7-15-01 S Date 80 Acres 18SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or 0 under my supervision, and that the same is true and correct to the best of my belief. Date of Survey 40 Acres Signature and Seal of Professional Surveyor. 3

Certificate Number

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|------------------------------|-----------------------------|--|--|--|--|--|--|--|--|--|--|---|
| WI (TPEX Expl.)<br>Saba Ener | Lynx. Dallo                 | etal Yarbrough Si  | Morrie McCas   |  | Chevronetel 425  | 1556   | G. Fulfer, Asher   | Grow Perific Fulfer (Pride et al) Ener.   et al) Moore   state | C. Clievron  | 36.0) 36.00 J  | hall tratego Be  | Sent Sent Gu  |
| a maina                      |                             | Amoco SKB  | Bil F107  / Chi of F18B Disc)  * Duril Opin 5101e  | Burleson  (A) Hebridge Station Station Space Solution Space Solution Space Spa | To Chevronetal Petul   | PCorter  | <b>~</b>   | Chevron  | 25   | Amerodo)   | Lockhort R.M. Marehall Dasco Ld. Corp.(S) U.S.         | Chevron (Mirage<br>Grand (Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage<br>(Mirage)<br>(Mirage<br>(Mirage)<br>(Mirage<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(Mirage)<br>(M |
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|                              | Evans-5+" 1                 |  | # 720 75m # 65<br># # 765<br># # 656<br>  12<br>  12<br>  12<br>  13<br>  13<br>  14<br>  15<br>  15<br> | Ouglexxon 3 274 (ExXon po  | 9670 659913<br>6 304 51, 6 WI  | 315 M<br>315 M<br>315 M<br>315 M<br>315 M  | Know King, Rolling<br>245 of Line (Strict)<br>M. Oech Estrict)           | Conoco 357   | 180<br>180<br>180<br>180<br>180<br>180<br>180<br>180<br>180<br>180   | 398 × 397  | 31 - 447 427 428<br>1 (00) (00)                        | 4340v1) Che<br>4340v1) Che<br>5 3 B-1   |