

*Waiver on
Plot
NSP*

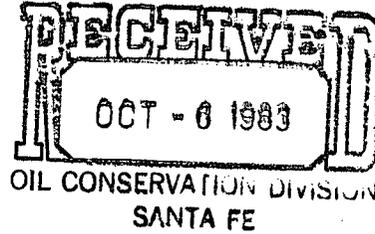
COASTAL OIL & GAS CORPORATION
Gibraltar Savings Building
200 North Lorraine
P. O. Box 235
Midland, Texas 79702

*NSL 1755
Rule 5 R 3368 A
10/26/83
Waivers In
Immediate*

(915) 682-7925

October 3, 1983

Mr. Dick Stamets
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: The State 8 No. 4 - V well,
83JV Baum Pr. No. 14-121
Lea County, New Mexico

Dear Mr. Stamets:

Baum - Upper Pennsylvanian Pool

Coastal Oil & Gas Corporation proposes to drill the above captioned well at a location being 1830' FNL & 2310' EEL of Section 8, Township 14, South, Range 33 East of Lea County, New Mexico. The proposed well will be drilled to an approximate depth of 9900' and will test the Bough "B" and "C" formations. The well is located in the Upper Penn pool for which the New Mexico Oil Conservation has adopted special rules and regulations in Order No. R-3368-A. Please refer to Rule 4 in said order which states, to wit; "Each well shall be located within 150' of the center of a governmental quarter-quarter section or lot". Rule 5 to said rules allows for an exception to the requirement of Rule 4 without notice and hearing when application has been filed for an unorthodox location necessitated by topographical conditions. This location was selected due to the existance of a pipeline which crosses this lease in such a manner that the orthodox location would be located prohibitively close to the pipeline. Our location has been selected in such a manner as to avoid interfering with this pipeline and still remain relatively close to the orthodox location. Our drilling permit has been filed with your Hobbs office and we hereby request that you grant an exception to the requirements of Rule 4 as provided in Rule 5. We have hereby supplied the offset operators with notification of this Application for an Unorthodox Location by certified mail.

By phone confirmed that Gult and Varravack were notified.
Your attention is also directed to Rule 2, which states that each well shall be located on a standard unit containing 160 acres or less and Rule 3, which allows an exception to Rule 2 without notice when application has been filed for a non-standard unit consisting of less than 160 acres. Enclosed herein, please find waivers from our offset operators whereby they approve the drilling of our proposed well by Coastal Oil & Gas Corporation. Coastal Oil & Gas Corporation hereby requests you grant an exception to Rules 2 and 4 as provided for in Rules 3 and 5, respectively.

October 3, 1983
New Mexico Oil Conservation
Page 2.

Thank you for your attention to these matters.

Yours very truly,

COASTAL OIL & GAS CORPORATION

Ben A. Culpepper

Ben A. Culpepper
Senior Landman

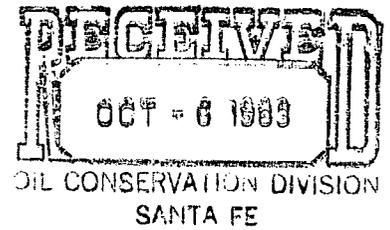
BAC/mm

cc: Mr. Jerry Sexton with Hobbs Office of NMOCC



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Lorraine
P. O. Box 235
Midland, Texas 79702



(915) 682-7925

September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V

Gentlemen:

Coastal Oil & Gas Corporation is planning to drill the above captioned well at the following location 2310' FEL & 1830' FNL of Section 8, T-14-S, R-33-E, Lea County, New Mexico. This well will be drilled to an approximate depth of 9900' to test the Bough "C" formation. This will be the second well in the northeast quarter (NE/4) of Section 8 and in accordance with the applicable rules for the Baum - Upper Pennsylvanian Pool, this letter will constitute notice to you of our plans to drill a second well in this 160 acre proration unit, thereby creating a non standard unit. In addition this well will be further than 150 feet from the center of the governmental quarter-quarter section which constitutes an unorthodox location.

In order to expedite our drilling operations we request you waive any possible objection by signing and returning one copy of this letter to the above captioned address, attention to the undersigned, and retaining a copy for your records.

Thank you for your cooperation in this matter.

Yours very truly,

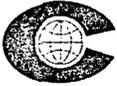
Bobby L. Smith
Bobby L. Smith
Drilling Engineer

The undersigned hereby waives all objection to the proposed wells non-standard unit and unorthodox location.

By: *W. H. Harbin*

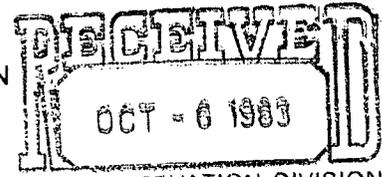
Company *Southland Royalty Co.*

Date: *9-21-83*



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702



OIL CONSERVATION DIVISION
SANTA FE (915) 682-7925

September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V

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Thank you for your cooperation in this matter.

Yours very truly,

Bobby L. Smith
Bobby L. Smith
Drilling Engineer

The undersigned hereby waives all objection to the proposed wells non-standard unit and unorthodox location.

By:

Company

Date:

M. B. Chastain
Champion Petroleum Co
9/21/83



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702

RECEIVED
SEP 20 1983
M. . . .

(915) 682-7925

September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V

RECEIVED
OCT - 6 1983
OIL CONSERVATION DIVISION
SANTA FE

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Thank you for your cooperation in this matter.

Yours very truly,

Bobby L. Smith
Bobby L. Smith
Drilling Engineer

The undersigned hereby waives all objection to the proposed wells non-standard unit and unorthodox location.

By: *EH Judson*
Company *MWS Producing Company*
Date: *9-20-83*



COASTAL OIL & GAS CORPORATION

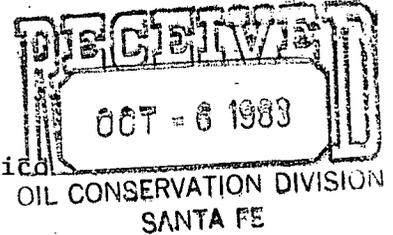
Gibraltar Savings Building
200 North Lorraine
P. O. Box 235
Midland, Texas 79702

(915) 682-7925

September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V



Gentlemen:

Coastal Oil & Gas Corporation is planning to drill the above captioned well at the following location 2310' FEL & 1830' FNL of Section 8, T-14-S, R-33-E, Lea County, New Mexico. This well will be drilled to an approximate depth of 9900' to test the Bough "C" formation. This will be the second well in the northeast quarter (NE/4) of Section 8 and in accordance with the applicable rules for the Baum - Upper Pennsylvanian Pool, this letter will constitute notice to you of our plans to drill a second well in this 160 acre proration unit, thereby creating a non standard unit. In addition this well will be further than 150 feet from the center of the governmental quarter-quarter section which constitutes an unorthodox location.

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Thank you for your cooperation in this matter.

Yours very truly,

Bobby L. Smith
Bobby L. Smith
Drilling Engineer

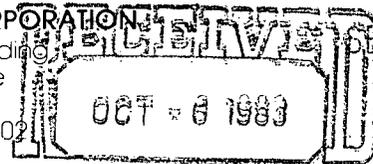
The undersigned hereby waives all objection to the proposed wells non-standard unit and unorthodox location.

By: *Arnhart A. Jyston*
Company *Arnhart A. Jyston*
Date: *9-19-83*



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702



SEP 19 1983

(915) 682-7925

OIL CONSERVATION DIVISION
SANTA FE

September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V

Gentlemen:

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Thank you for your cooperation in this matter.

Yours very truly,

Bobby L. Smith
Bobby L. Smith
Drilling Engineer

The undersigned hereby waives all objection to the proposed wells non-standard unit and unorthodox location.

By:

Rody C. B...

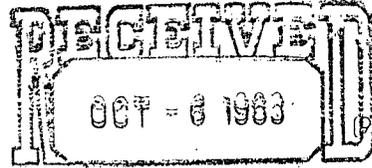
Company CABOT PETROLEUM CORPORATION

Date: September 26, 1983



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702



OIL CONSERVATION DIVISION
September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V

Gentlemen:

Coastal Oil & Gas Corporation is planning to drill the above captioned well at the following location 2310' FEL & 1830' FNL of Section 8, T-14-S, R-33-E, Lea County, New Mexico. This well will be drilled to an approximate depth of 9900' to test the Bough "C" formation. This will be the second well in the northeast quarter (NE/4) of Section 8 and in accordance with the applicable rules for the Baum - Upper Pennsylvanian Pool, this letter will constitute notice to you of our plans to drill a second well in this 160 acre proration unit, thereby creating a non standard unit. In addition this well will be further than 150 feet from the center of the governmental quarter-quarter section which constitutes an unorthodox location.

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Thank you for your cooperation in this matter.

Yours very truly,

Bobby L. Smith
Bobby L. Smith
Drilling Engineer

The undersigned hereby waives all objection to the proposed wells non-standard unit and unorthodox location.

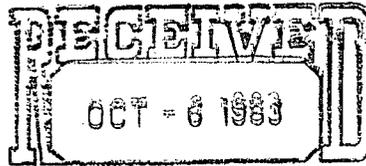
By: *R. L. Lowery* PRODUCTION MANAGER
Company MARALO, INC

Date: 9/19/83

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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65



5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK DIVISION

1a. Type of Work SANTA FE		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		8. Farm or Lease Name	
OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		State "8"	
SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		9. Well No.	
2. Name of Operator Coastal Oil & Gas Corp.		4	
3. Address of Operator P. O. Box 235, Midland, Texas 79702		10. Field and Pool, or Wildcat Baum (Upper Penn)	
4. Location of Well UNIT LETTER G LOCATED 2310 FEET FROM THE east LINE		12. County Lea	
AND 1830 FEET FROM THE north LINE OF SEC. 8 TWP. 14 S RGE. 3 E NMPM			
19. Proposed Depth 10,100'		19A. Formation Bough	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 4249.9	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Undesignated	22. Approx. Date Work will start 10-25-83

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48	380'	350	Circ.
12 1/4"	8 5/8"	24 & 28	4,100'	1650	Circ.
7 7/8"	5 1/2"	17	10,000'	180	9000

1. Surface Casing: 150 sks. lite wt. Tail 200 sks Class C.
2. Protective Casing 1450 sks. lite wt. tail-in 200 sks. Cl C.
3. Production Casing 50/50 Poz.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Sue Vanderpeet Title Operations Analyst Date 9-29-83

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

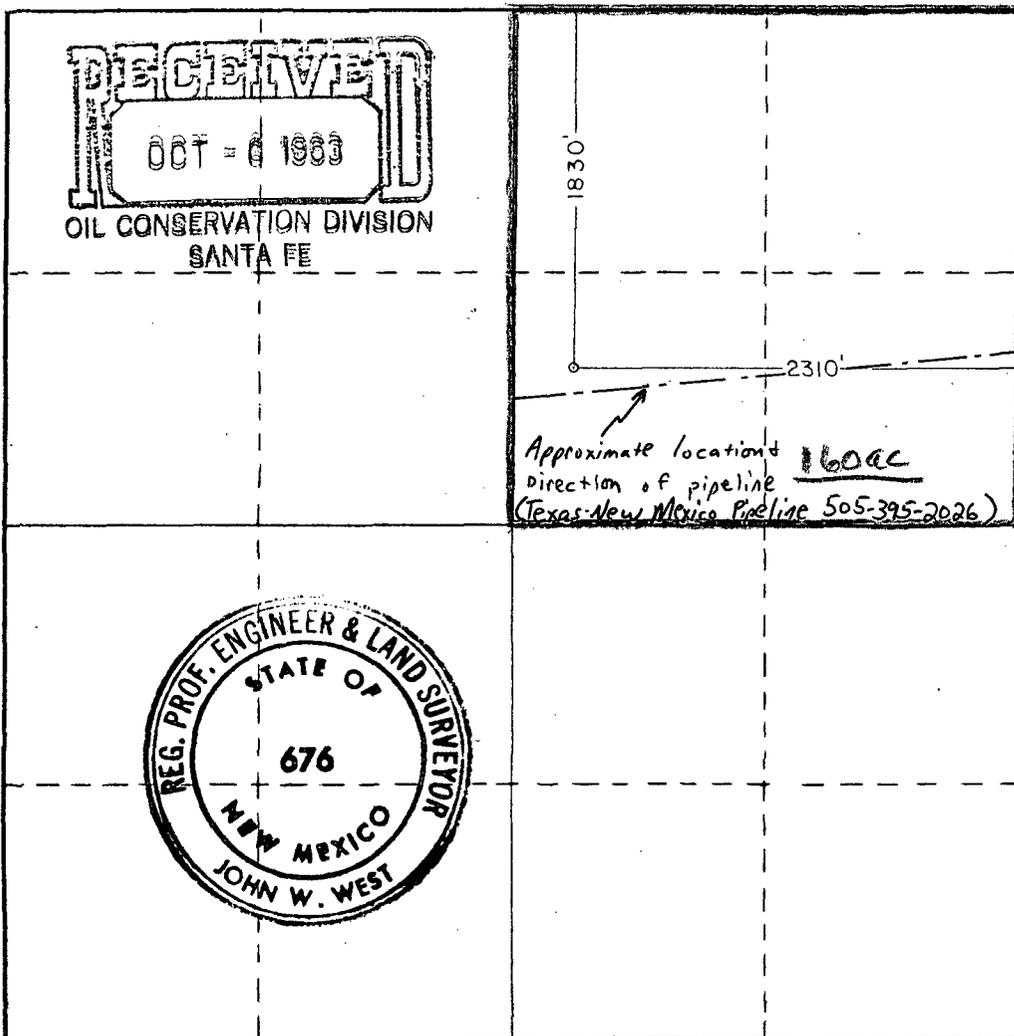
Operator COASTAL OIL & GAS CO.		Lease STATE 8		Well No. 4
Unit Letter G	Section 8	Township 14 SOUTH	Range 33 EAST	County LEA
Actual Footage Location of Well: 2310 feet from the EAST line and 1830 feet from the NORTH line				
Ground Level Elev. 4249.9	Producing Formation Bough	Pool Upper Penn	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name: *Sue Vandenberg*
 Position: **Operations Analyst**
 Company: **Coastal Oil & Gas Corp.**
 Date: **September 29, 1983**

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 knowledge and belief.

Date Surveyed: **9-14-83**
 Registered Professional Engineer and/or Land Surveyor:
John W. West
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



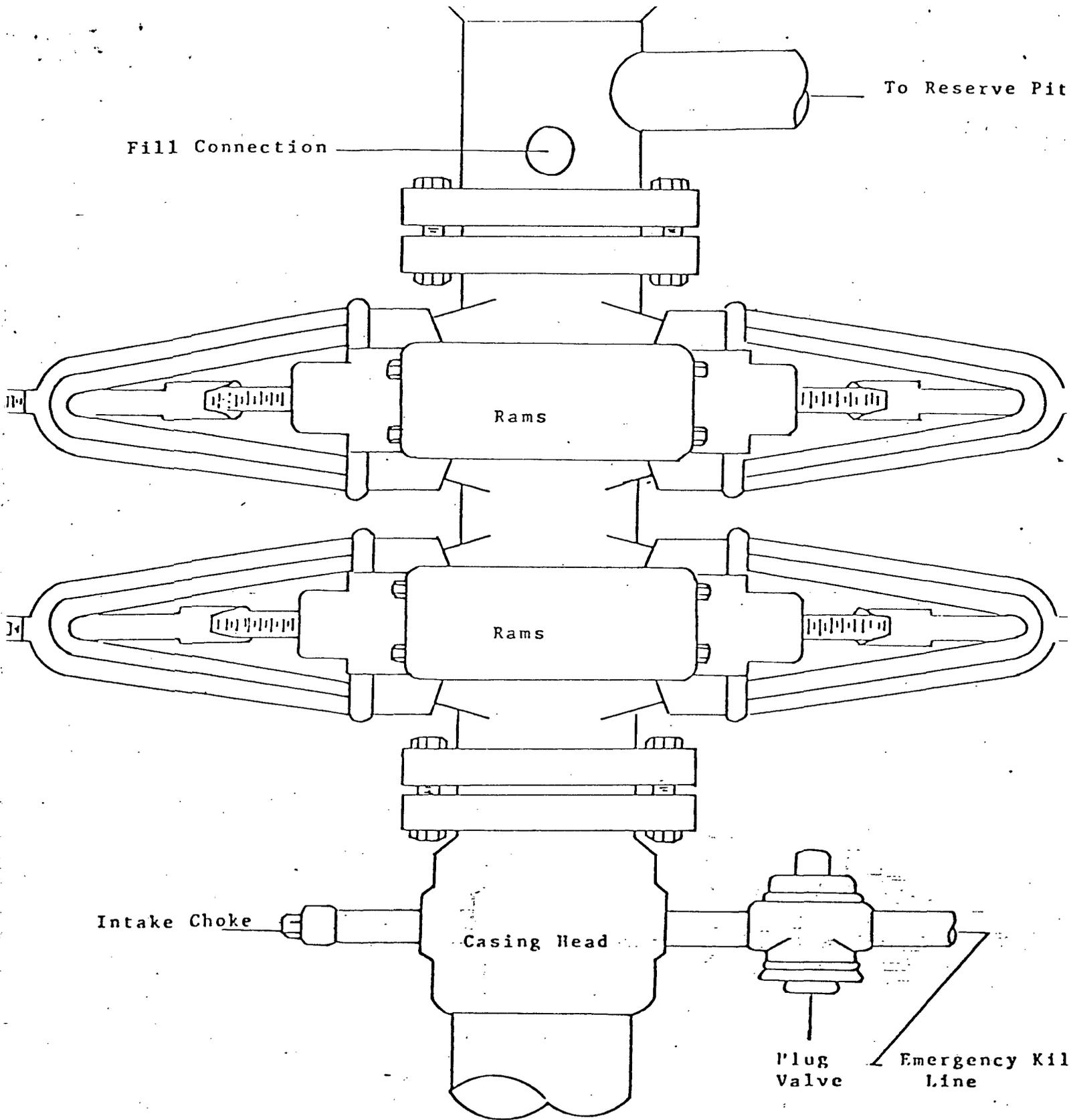
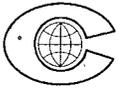
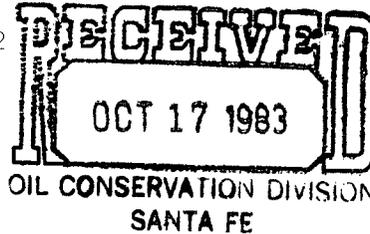


EXHIBIT "D"
 3000 PSI Working Pressure
 Blowout Preventer Stack



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702



(915) 682-7925

October 14, 1983

Mr. Dick Stamets
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: State 8 No. 4-V Well,
83JV Baum Prospect #14-121,
Lea County, Texas

Dear Mr. Stamets:

In accordance with our prior phone conversation, enclosed please find waivers from Gulf Oil Corporation and Tamarack Petroleum Co., Inc. concerning the above captioned well. As you recall, these two companies do not actually operate wells offsetting the proposed well, but merely own acreage.

Please advise if any further information needs to be furnished in order for you to grant an exception to those certain field rules as described in my letter of October 3, 1983.

Thank you for your attention to this matter.

Yours very truly,

COASTAL OIL & GAS CORPORATION

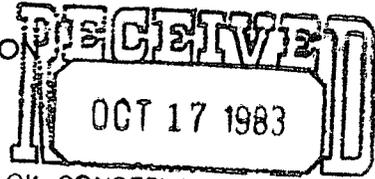
Ben A. Culpepper
Senior Landman

BAC/mm
Enc.



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702



OIL CONSERVATION DIVISION (915) 682-7925
SANTA FE

MD #22

September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V

Gentlemen:

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Thank you for your cooperation in this matter.

Yours very truly,

Bobby L. Smith
Bobby L. Smith
Drilling Engineer

The undersigned hereby waives all objection to the proposed wells non-standard unit and unorthodox location.

By: *Archie Mitchell*

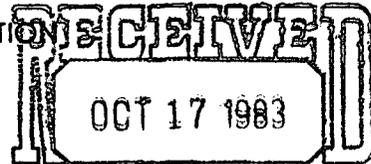
Company TAMARACK PETROLEUM Co. Inc

Date: 10/12/83



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702



OIL CONSERVATION DIVISION (945) 682-7925
SANTA FE

September 15, 1983

Offset Operators:

Re: Baum Prospect #1413
Lea County, New Mexico
State "8" No. 4-V

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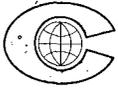
Yours very truly,

Bobby L. Smith
Bobby L. Smith
Drilling Engineer

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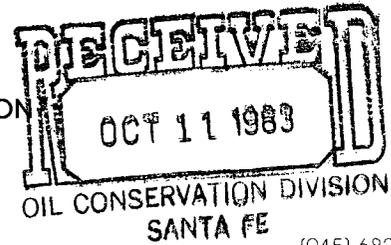
By: *J. R. Frank* J. R. Frank
Chief Proration Engineer
Company: Gulf Oil Corporation

Date: October 14, 1983



COASTAL OIL & GAS CORPORATION

Gibraltar Savings Building
200 North Loraine
P. O. Box 235
Midland, Texas 79702



(915) 682-7925

October 7, 1983

Mr. Dick Stamets
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Re: The State 8 No. 4-V Well,
83JV Baum Prospect #14-121,
Lea County, New Mexico

Dear Mr. Stamets:

In accordance with your telephone request, please find a map showing our Baum Field and the location of our proposed well. Thank you for your assistance in this matter.

Yours very truly,

COASTAL OIL & GAS CORPORATION

Ben A. Culpepper
Senior Landman

BAC/mm
Enc.