

RELIANCE OPERATING COMPANY

Oil & Gas Exploration and Development

P. O. Box 10946

Midland, Texas 79702

(915) 683-4816

fax (915) 682-1250

April 28, 1999

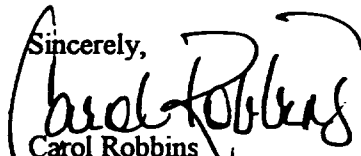
Mr. Chris Williams
NMOCD
1625 N. French Dr.
Hobbs, NM 88240

Dear Mr. Williams:

Reliance Operating Company requests administrative approval for an unorthodox location for the Federal "D" #3 located in Section 31 of T-9-S, R-36-E, Lea County. This well was previously approved as an unorthodox location in the Devonian; Reliance now asks for approval in the Atoka.

Attached is a plat showing the 320 acre gas unit as well as a plat showing the affected offset operators; the offset operators have been notified of our application. The north, northeast, south and southwest offset is Marbob; the east offset is Yates. The remaining offsets are either the State of New Mexico as mineral owner or our working interest partners in the subject well, PetroVen and Rutter & Wilbanks.

Sincerely,


Carol Robbins
Agent - Regulatory Affairs

*Called Carol Robbins 5/13/99
and told her that she must apply
for NSL through Santa Fe Engineering
Mike Stogner! CW*

CROSSROADS

Ed Cox, MI E.W. Bowen Agency, 1/2 MI C.W. Vint (S) Lula Burham et al, MI U.L. Hobson et al, (S) Lee Hobson U.S. MI Tip Barnes, Sur.	M.L. Barnes et al, MI Joe Barnes, S U.S. MI Tip Barnes, Sur.	"Barnes, Fed." 24 Yates Pet, et al 11-1-94 V-34 81944 622 Coastal Sh 10712 84110 MI U.S. MI Tip Barnes, Sur.	Bon F. Duke et al, MI Cerrillos Co. MI Rob Lewis (S) Nations Geophysical, 1/2 Marbob 10-1-2045 Marbob 10-1-2045 Cerrillos Co. MI Rob Lewis (S)	Marbob 10-1-2045 Cerrillos Co. MI Rob Lewis (S)
Rider Whitney Est Marbob 75649 Leola Newers, et al, M.I. Kinoshing & Kinoshing J.D. Smith 7-41 48 Evans et al 11/2 W. A. Anderson, et al Rob Lewis (S) Yates Pet, et al 11-1-94 V-34 81944 622 State	Yates Pet, et al 11-1-94 V-34 81944 622 State	Coastal States 10-1-94 V-34 81944 622 Santa Fe Energy 10-1-94 V-34 81944 622 Coastal Sh 10712 84110 MI U.S. MI Tip Barnes, Sur.	Nations Geophysical, 1/2 Marbob 10-1-2045 Marbob 10-1-2045 Cerrillos Co. MI Rob Lewis (S)	Marbob 10-1-2045 Cerrillos Co. MI Rob Lewis (S)
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July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE

(See other
instructions on
reverse side)

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NMLC065249

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Federal "D" #3

9. API WELL NO.

30-025-34066

10. FIELD AND POOL, OR WILDCAT

W Grossroads (Atoka)

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Section 31, T9S, R36E

12. COUNTY OR
PARISH
Lea13. STATE
NM**WELL COMPLETION OR RECOMPLETION REPORT AND LOG ***1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ FLER BACK ☒ DIFF. REVR. ☒

2. NAME OF OPERATOR

Reliance Operating Company

3. ADDRESS AND TELEPHONE NO.

P O Box 10946, Midland TX 79702 915-683-4816

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

1120' FSL & 1420' FEL, Unit 0

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

7/16/97

15. DATE SPUDDED

8-19-97

16. DATE T.D. REACHED

10-2-97

17. DATE COMPL. (Ready to prod.)

8-21-98

18. ELEVATIONS (DF, RKB, RT, CB, ETC.)*

4059' FR

19. ELEV. CASINGHEAD

4059'

20. TOTAL DEPTH, MD & TVD

12,018'

21. PLUG, BACK T.D., MD & TVD

12,003'

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

ROTARY TOOLS

NA

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

Atoka 11,133-160'

25. WAS DIRECTIONAL
SURVEY MADE

NA

26. TYPE ELECTRIC AND OTHER LOGS RUN

No new logs run

27. WAS WELL CORED

NA

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 3/8" J55	54.5#	445	17 1/2"	sfc - 360 sx	
8 5/8" K55	32#	4496	12 1/4"	sfc - 1300 sx	
5 1/2" N80	17 & 20#	12003	7 7/8"	10,200' CBL, 400 sx	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8	11,973'	

31. PERFORATION RECORD (Interval, size and number)

11,133-160'

JAN 11 1999

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
11,133-160'	Acidized w/1500 gals 15% NEFE

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in) Pipeline ready to produce	
12-18-98		Flowing				to produce 12-18-98	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
8-27-98	4	20/64	→	8	963/Day	0	20,125/1
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
485	PKR	→	48	963	0	59.3	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

Carlton Wheeler

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

Agent

DATE

12/17/98

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Glorieta	5517	
				Clearfork	6186	
				Wolfcamp	8911	
				Bursum	9388	
				Cisco	9486	
				Bough "C"	9618	
				Canyon	9954	
				Strawn	10518	
				Atoka	11042	
				Mississippian		
				Lime	11344	
				Woodford Shale	11913	
				Wristen	11987	

RECEIVED
BIM
ROSENBERG

RECEIVED