

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

13-27-2000-37E

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

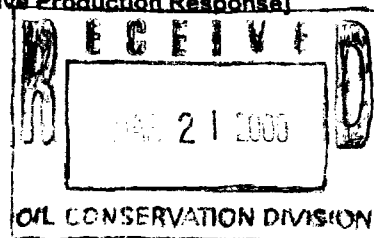
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity

Print or Type Name

Signature

Title

Date

James Bruce *Attorney for Applicant* 3/21/00

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

March 21, 2000

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Home-Stake Oil & Gas Company applies for administrative approval of an unorthodox oil well location for the following well:

Mozingo Well No. 1

Surface Location: 365 feet FNL & 1593 feet FEL

Bottom Hole Location: 150 feet FNL & 1470 feet FEL

NW¼NE¼ (Unit B) §27, Township 22 South, Range 37 East, NMPM
Lea County, New Mexico

Attached as Exhibit A is an APD for the well. A Form C-102 is being prepared and will be forwarded to you when I receive it.

The well will be drilled to a depth sufficient to test the Undesignated South McCormack-Silurian Pool (approximately 7200 feet subsurface). The pool is governed by statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line.¹

The proposed bottom hole location is based upon geologic reasons. Attached as Exhibit B are a structure map and a geological write-up. **Please note that the wells in the S½SE¼ of offsetting Section 22 are completed in and producing from the South McCormack-Silurian Pool.**

¹The pool has a special depth bracket allowable of 230 BOPD under Division Order No. R-11326.

A listing of the working interest owners in the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 22, to the north of the proposed well, and in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27, to the east of the proposed well, is attached as Exhibit C. The notice letter mailed to these interest owners is attached as Exhibit D.

Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Home-Stake
Oil & Gas Company

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address HOME-STAKE OIL & GAS COMPANY 15 E. 5th Street Suite 2800 Tulsa, OK 74103		² OGRID Number 163123
		³ API Number 30 - 25 -
³ Property Code	⁵ Property Name MOZINGO	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	27	22 S	37 E		365	NORTH	1593	EAST	LEA

⁸ Proposed Bottom Hole 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 line	County
B	27	22 S	37 E		150	NORTH	1470	EAST	LEA

⁹ Proposed Pool 1 South McCormack Silurian	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation
¹⁶ Multiple N	¹⁷ Proposed Depth 7500'	¹⁸ Formation FUSSELMAN	¹⁹ Contractor UNKNOWN	²⁰ Spud Date 3/15/2000

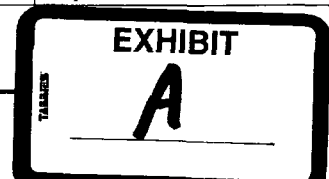
²¹ Proposed Casing and Cement Program

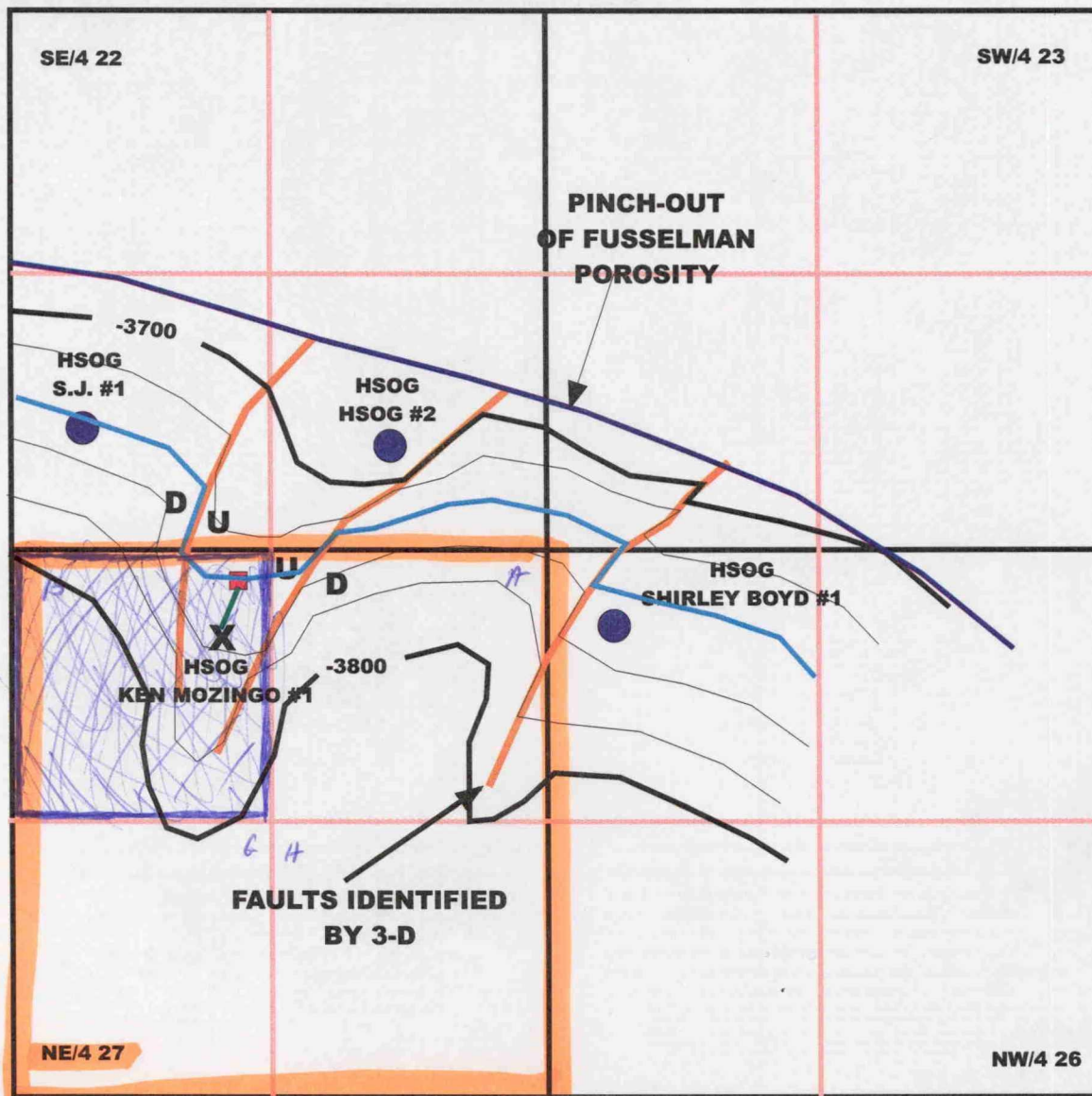
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	400'	425	Surface
12-1/4"	8-5/8"	32#	3400'	2300	Surface
7-7/8"	5-1/2"	15.5#	7500'	1100	3000

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 17-1/2" hole to 400' & set 13-3/8" surface casing. Circulate cement to surface. No BOP.
2. Drill 12-1/4" hole to 3400' using 13-5/8" 3000 psi BOP. Set 8-5/8" intermediate casing & circulate cement to surface.
3. Drill 7-7/8" hole to TD using 13-5/8" 3000 psi BOP. Run electric logs. Set 5-1/2" casing & cement with coverage up to 3000'.
4. Test well as necessary w/ 7-1/16" 3000 psi BOP.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Larry Tarwater</i> Printed name: Larry Tarwater Title: Production Engineer Date: 3/17/2000 Phone: (918) 583-0178 Ext. 17		OIL CONSERVATION DIVISION Approved by: Title: Approval Date: Expiration Date: Conditions of Approval: Attached <input type="checkbox"/>	
---	--	---	--





BRUNSON PROSPECT
22S-37E
LEA COUNTY, NM

STRUCTURE ON UNCONFORMITY
C.I.= 20'

MOZINGOPLAT
03/16/00



HOME-STAKE
OIL & GAS COMPANY



LOCATION EXCEPTION

MOZINGO #1-27

The Mozingo #1-27 structural position is critical to economic success. The structural position of the Fusselman formation is well defined in this area. The mechanism of production for the Fusselman is waterdrive and encountering the porosity in the formation below -3760 feet will not allow for commercial production.

The geological and geophysical evidence from a 3-D shoot has demonstrated an area in the NW/4 NE/4 of Section 27-22S-37E, where the top of the Fusselman porosity has been lifted above -3760 feet. Two faults, as identified by the d-D has created an "upblock" allowing the Fusselman to be productive if drilled. Location drilled further south in this fault block will not allow for commercial production since the contact with water exists just a few hundred feet to the south of the proposed bottom hole location.

The geological plat shows the positions of nearby Fusselman wells and the -3740 feet structural contour line has been highlighted in blue. This is the same structural position as the Home-Stake Oil & Gas Company Sarah Johnston #1 which is a commercial producer with around 40-50% water cut. Drilling below (south) of this point will ruin the chances of an economic producer.

WORKING INTEREST OWNERS S/2 SE/4 SECTION 22-22S-37E

Home-Stake Oil & Gas Company
15 East Fifth Street, Suite 2800
Tulsa, OK 74013

John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

Mr. Michael L. Klein
c/o John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

Mr. Dan Veirs
John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

Mr. Ron Westbrook
John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

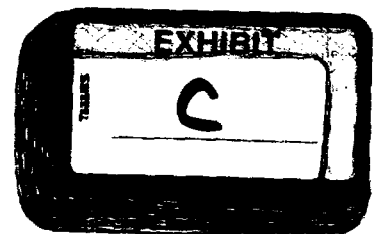
The above owners received their interest by virtue of a Term Assignment from Exxon.

Mr. Paul Keffer
Exxon USA, Inc.
P. O. Box 4697
Houston, TX 77002-4697

WORKING INTEREST OWNERS NE/4 NE/4 SECTION 27-22S-37E

Same owners as above. This interest was received by virtue of a Term Assignment from Texaco.

Mr. Mike Mullins
Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, TX 79702



JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

March 21, 2000

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

To: Persons on Exhibit A

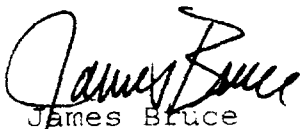
Dear Sirs:

Home-Stake Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division requesting administrative approval of an unorthodox oil well location for the following well:

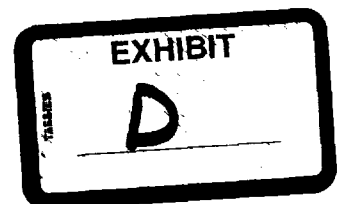
Mozingo Well No. 1
Bottom Hole Location: 150 feet FNL and 1470 feet FEL
NW¼NE¼ S27, Township 22 South, Range 37 East, NMPM
Lea County, New Mexico

A copy of the application is enclosed. If you object to the location, you must notify the Division in writing by Monday, April 10, 2000. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505 (Attention: Michael E. Stogner).

Very truly yours,


James Bruce

Attorney for Home-Stake
Oil & Gas Company



WORKING INTEREST OWNERS S/2 SE/4 SECTION 22-22S-37E

Home-Stake Oil & Gas Company
15 East Fifth Street, Suite 2800
Tulsa, OK 74013

John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

Mr. Michael L. Klein
c/o John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

Mr. Dan Veirs
John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

Mr. Ron Westbrook
John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, TX 79702-3040

The above owners received their interest by virtue of a Term Assignment from Exxon.

Mr. Paul Keffer
Exxon USA, Inc.
P. O. Box 4697
Houston, TX 77002-4697

WORKING INTEREST OWNERS NE/4 NE/4 SECTION 27-22S-37E

Same owners as above. This interest was received by virtue of a Term Assignment from Texaco.

Mr. Mike Mullins
Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, TX 79702

