

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

*Hand OK
3-8-93
Aiane*

**REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS**

I.

| | |
|---|---|
| Operator Adams Oil & Gas Producers | Well API No. 30-079-00 30-025-24303 |
| Address Box 433, Wink, Texas 79789 | |
| Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain) | |
| New Well <input type="checkbox"/> | Change in Transporter of: |
| Recompletion <input type="checkbox"/> | Oil <input type="checkbox"/> Dry Gas <input checked="" type="checkbox"/> |
| Change in Operator <input checked="" type="checkbox"/> | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |
| If change of operator give name and address of previous operator Tahoe Energy, Inc. 3909 W. Industrial, Midland, Tx. 79703 | |

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|--|----------------|---|--|---------------------|
| Lease Name Gulf NW State K-2952 | Well No. 1M | Pool Name, including Formation Triple X Delaware | Kind of Lease State, Federal or Fee | Lease No. K-2952 |
| Location Unit Letter <u>M</u> : <u>660</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>6</u> Township <u>24-S</u> Range <u>33-East</u> , NMPM, Lea County | | | | |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| | |
|--|--|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |
| <u>SANDHILLS PETROLEUM INC</u> | <u>P.O. Box 796 Monahans Tex 79756</u> |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |
| <u>GPM gas corp.</u> | <u>Barkesville 1040 Phoenix Office Bldg</u> |
| If well produces oil or liquids, give location of tanks. | Unit Sec. Twp. Rge. Is gas actually connected? When? |
| | <u>M</u> <u>6</u> <u>24S</u> <u>33E</u> <u>Yes</u> <u>N/A</u> |

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

| | | | | | | | | |
|--|-----------------------------|----------|-----------------|----------|--------|-------------------|------------|------------|
| Designate Type of Completion - (X) | Oil Well | Gas Well | New Well | Workover | Deepen | Plug Back | Same Res'v | Diff Res'v |
| Date Spudded | Date Compl. Ready to Prod. | | Total Depth | | | P.B.T.D. | | |
| Elevations (DF, RKB, RT, GR, etc.) | Name of Producing Formation | | Top Oil/Gas Pay | | | Tubing Depth | | |
| Perforations | | | | | | Depth Casing Shoe | | |
| TUBING, CASING AND CEMENTING RECORD | | | | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | | DEPTH SET | | | SACKS CEMENT | | |
| | | | | | | | | |
| | | | | | | | | |

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

| | | | |
|--------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tank | Date of Test | Producing Method (Flow, pump, gas lift, etc.) | |
| Length of Test | Tubing Pressure | Casing Pressure | Choke Size |
| Actual Prod. During Test | Oil - Bbls. | Water - Bbls. | Gas- MCF |

GAS WELL

| | | | |
|---------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D | Length of Test | Bbls. Condensate/MMCF | Gravity of Condensate |
| Testing Method (pu x, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size |

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Stanley D. Adams, Sr.
Signature
Stanley D. Adams, Sr., Owner
Printed Name
February 17, 1993
Date
915-586-3397
Telephone No.

OIL CONSERVATION DIVISION
MAR 10 1993
Date Approved _____
By ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR
Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

ASSIGNMENT AND AGREEMENT

THIS ASSIGNMENT AND AGREEMENT made and entered into by and between K. A. FREEMAN d/b/a TAHOE OIL & CATTLE COMPANY, whose address is 3909 W. Industrial Ave., Midland, Texas 79703 (hereinafter "Tahoe") and ~~ADOBE~~ OIL AND GAS PRODUCERS, whose address is Post Office Box 433, Wink, Texas 79747 (hereinafter "Adobe").

Tahoe is the owner of all of the operating rights and the rights of the Operator created by that certain Sublease Operating November 7, 1972, recorded in Book 307, page 225, Miscellaneous Records of Lea County, New Mexico, as amended by Letter Agreement of November 17, 1972 (hereinafter "the Gulf Operating Agreement") pertaining to the following lease ("said Lease"), insofar as said Lease covers the following described lands (hereinafter "said Lands"), to-wit:

Oil and Gas Lease dated December 18, 1962, from the Commissioner of the Public Lands for the State of New Mexico, Lessor, to Gulf Oil Corporation, Lessee, State of New Mexico Oil and Gas Lease No. K-2952, Gulf's Lea-State "NW" Lease No. 3-00709-00, insofar as said Lease covers the following described lands:

Township 24 South, Range 33 East, N.M.P.M.
Lea County, New Mexico
 Section 6: Lot 6 (NW/4 SW/4) 38.27 acres
 Lot 7 (SW/4 SW/4) 39.20 acres

as to formations lying between the surface and the base of the Delaware Sand Formation at a depth of 5,130 feet subsurface.

The Gulf Operating Agreement contains numerous provisions with regard to development of the captioned land, maintenance of the leasehold estate and a reservation by Gulf of an overriding royalty interest in said Lease insofar as it covers said Lands equal to 1/16 of 7/8 of 8/8 of production.

By an Assignment and Memorandum of Agreement from Jack Ahlen and wife, Marilyn Ahlen, to Hondo Drilling Company, dated November 16, 1972, recorded in Book 307, page 398, of the Miscellaneous Records of Lea County, New Mexico, Hondo was assigned the entire right, title and interest in said Lease as to said Lands, among other leases and lands, subject to the provisions of the Gulf Operating Agreement and the reservation of an overriding royalty interest equal to 4% of 8/8 of production, which was in addition to any prior burdens.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, Tahoe does hereby grant, assign and convey unto ~~ADOBE~~ all of the operating rights and working interest in and to said Lease insofar as it covers said Lands, together with all of the wells and equipment located thereon or obtained and used in connection therewith together with all easements and rights-of-way appurtenant thereto.

This Assignment is expressly made subject to all of the terms, provisions and burdens reflected in all instruments of record affecting the interest assigned hereby.

This Assignment is expressly made subject to the terms and provisions of the said Lease and the royalties payable thereunder and all applicable laws, rules and regulations.

~~Adobe~~^{ADAMS} agrees to assume all duties and obligations of Tahoe with regard to the interest herein assigned, including the liability to restore the surface to its original condition upon abandonment and plug all wells as provided by law and under the lease covering the subject land.

Tahoe agrees to execute and deliver to Adobe all such other and additional assignments, conveyances, instruments, notices, division orders, transfer orders and other documents and to do all such other and further acts and things as may be necessary more fully and effectually to grant, convey and assign to Adobe the rights, titles, interests and estate in said Lease and Lands conveyed hereby or intended to be.

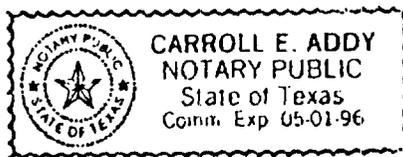
And for the same consideration, Tahoe covenants with ~~Adobe~~^{ADAMS}, its heirs, successors or assigns that Tahoe is the lawful owner of and has good title to the interest above assigned in and to said Lease and said Land, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; that said Lease is a valid and subsisting lease on the lands above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed; and that Tahoe will warrant and forever defend the same against all persons whomsoever lawfully claiming or to claim the same.

EXECUTED this 13 day of October, 1992; however, this Assignment shall be effective as of October 1, 1992 at 7:00 A.M. local time as to said Lands.

K. A. Freeman
K. A. FREEMAN d/b/a Tahoe Oil & Cattle Co.,

STATE OF TEXAS)
) SS.
COUNTY OF MIDLAND)

13th The foregoing instrument was acknowledged before me this day of October, 1992, by K. A. Freeman.



Carroll E. Addy
Notary Public, State of Texas
Printed Name: CARROLL E. ADDY
Commission Expires: 05-01-96

35422

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

MAR 9 1993

at 10:21 o'clock A. M.
and recorded in Book _____
Page _____
Pat. Therese Aza County Clerk
By Magdalena Deputy



✓

Form C-105
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | |
|------------------------|--|
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| LAND OFFICE | |
| OPERATOR | |

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
K-2952

1a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER _____

7. Unit Agreement Name

8. Farm or Lease Name
Gulf "NW" State

9. Well No.

2. Name of Operator
Hondo Drilling Company

3. Address of Operator
P. O. Box 116, Midland, Texas 79701

4. Location of Well

No. 1
Undesignated

UNIT LETTER **M** LOCATED **660** FEET FROM THE **South** LINE AND **660** FEET FROM

THE **West** LINE OF SEC. **6** TWP. **24S** RGE. **33E** NMPM

12. County
Lea

15. Date Spudded **12-5-72** 16. Date T.D. Reached **12-14-72** 17. Date Compl. (Ready to Prod.) **January 2, 1973** 18. Elevations (DF, RKB, RT, GR, etc.) **3598ft. RKB** 19. Elev. Casinghead **3590 ft. GR.**

20. Total Depth **5160 ft.** 21. Plug Back T.D. **5130 ft.** 22. If Multiple Compl., How Many _____ 23. Intervals Drilled By **Rotary Tools** **5160 ft.** Cable Tools _____

24. Producing Interval(s), of this completion - Top, Bottom, Name
Delaward Sand Top - 5010 ft. to 5034 ft.

25. Was Directional Survey Made
Yes

26. Type Electric and Other Logs Run
Schlumberger - Sonic Log, Gamma Ray

27. Was Well Cored
Yes

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

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| 10-3/4" | 32.75 lb.H-40 | 400 ft. | 15" | 375 sacks | |
| 4-1/2" | 9.50 lb.K-55 | 5158 ft. | 7-7/8" | 200 sacks | |

29. LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN |
|------|-----|--------|--------------|--------|
| | | | | |

30. TUBING RECORD

| SIZE | DEPTH SET | PACKER SET |
|--------|-----------|------------|
| 2-3/8" | 5007 ft. | |

31. Perforation Record (Interval, size and number)
**Perforated 5020 ft. to 5025 ft.
2 shots per ft. - 10 shots H.J. Charge,
Size Shots .41in.**

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

| DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
|----------------|-------------------------------|
| 5020' to 5025' | 6,000 gals M.O. Gel Oil |
| | 8,000 lb. 10-20 Sand |

33. PRODUCTION

Date First Production **January 2, 1973** Production Method (Flowing, gas lift, pumping - Size and type pump) **Pumping 1-1/2"x54"x10 strokes per min.** Well Status (Prod. or Shut-in) **Prod.**

| | | | | | | | |
|--------------------------------------|-----------------------------|-------------------------|-----------------------------------|------------------------|---------------------|---------------------------------------|-----------------------------|
| Date of Test January 14, 1973 | Hours Tested 24 hrs. | Choke Size 3/4" | Prod'n. For Test Period 97 | Oil - Bbl. 28.4 | Gas - MCF 32 | Water - Bbl. 1894 | Gas - Oil Ratio 39.9 |
| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity - API (Corr.) 39.9 | |

34. Disposition of Gas (Sold, used for fuel, vented, etc.) **Vented**

Test Witnessed By **F. M. Mathis**
Texas American Oil Co.

35. List of Attachments
Arceo Recording Chart, 1/2" orifice

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED  TITLE **President** DATE **January 15, 1973**

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill-stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

| | | | |
|--------------------------|----------------------------------|-----------------------------|------------------------|
| T. Anhy <u>1175 ft.</u> | T. Canyon _____ | T. Ojo Alamo _____ | T. Penn. "B" _____ |
| T. Salt <u>1313 ft.</u> | T. Strawn _____ | T. Kirtland-Fruitland _____ | T. Penn. "C" _____ |
| B. Salt <u>4712 ft.</u> | T. Atoka _____ | T. Pictured Cliffs _____ | T. Penn. "D" _____ |
| T. Yates _____ | T. Miss _____ | T. Cliff House _____ | T. Leadville _____ |
| T. 7 Rivers _____ | T. Devonian _____ | T. Menefee _____ | T. Madison _____ |
| T. Queen _____ | T. Silurian _____ | T. Point Lookout _____ | T. Elbert _____ |
| T. Grayburg _____ | T. Montoya _____ | T. Mancos _____ | T. McCracken _____ |
| T. San Andres _____ | T. Simpson _____ | T. Gallup _____ | T. Ignacio Qtzte _____ |
| T. Glorieta _____ | T. McKee _____ | Base Greenhorn _____ | T. Granite _____ |
| T. Paddock _____ | T. Ellenburger _____ | T. Dakota _____ | T. _____ |
| T. Blinebry _____ | T. Gr. Wash _____ | T. Morrison _____ | T. _____ |
| T. Tubb _____ | T. Granite _____ | T. Todilto _____ | T. _____ |
| T. Drinkard _____ | T. Delaware Sand <u>4983 ft.</u> | T. Entrada _____ | T. _____ |
| T. Abu _____ | T. Bone Springs _____ | T. Wingate _____ | T. _____ |
| T. Wolfcamp _____ | T. <u>Delaware Lime 4955 ft.</u> | T. Chinle _____ | T. _____ |
| T. Penn. _____ | T. _____ | T. Permian _____ | T. _____ |
| T. Cisco (Bough C) _____ | T. _____ | T. Penn. "A" _____ | T. _____ |

FORMATION RECORD (Attach additional sheets if necessary)

| From | To | Thickness in Feet | Formation | From | To | Thickness in Feet | Formation |
|---------|------|-------------------|---|------|----|-------------------|-----------|
| Surface | 1175 | 1175 | Redbeds | | | | |
| 1175 | 1313 | 138 | Anhydrite | | | | |
| 1313 | 3450 | 2137 | Salt | | | | |
| 3450 | 4127 | 677 | Anhydrite | | | | |
| 4127 | 4327 | 200 | Salt | | | | |
| 4327 | 4430 | 103 | Anhydrite | | | | |
| 4430 | 4712 | 282 | Salt | | | | |
| 4712 | 4955 | 243 | Anhydrite | | | | |
| 4955 | 4983 | 28 | Black Shaley Lime | | | | |
| 4983 | 5160 | 177 | Sand & Shaley Sand with show of oil from 5010 ft. to 5034 ft. | | | | |

RECEIVED

JAN 1 1973

**OIL CONSERVATION COMMISSION
HOBBS, N. M.**

| | |
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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65 *30 075-24302*

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
K-2952

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Hondo Drilling Company

3. Address of Operator
P.O. Box 116, Midland, Texas 79701

4. Location of Well UNIT LETTER **M** LOCATED **660** FEET FROM THE **South** LINE
AND **660** FEET FROM THE **West** LINE OF SEC. **6** TWP. **24 S** RGE. **33 E** NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Gulf State "NW" State

9. Well No.
No. 1

10. Field and Pool, or Wildcat
UNDESIGNATED

12. County
Lea

19. Proposed Depth **5200** 19A. Formation **Delaware** 20. Rotary or C.T. **Rotary**

21. Elevator s(Show whether DF, RT, etc.) **3590** 21A. Kind & Status Plug. Bond **State-wide** 21B. Drilling Contractor **Hondo Drilling Co** 22. Approx. Date Work will start **Dec. 4, 1972**

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| 15" | 10-3/4" | 40.5 | 400 | Circulate | |
| 7-7/8" | 4-1/2" | 9.5 | 5200' | 200 | |

We propose to drill this well to an approximate depth of 5200 feet to test the Ramsey Sand Sections of the Upper Delaware Formation. Expect to commence operations about December 4th, 1972.

We Will notify you 24 hours prior to setting surface casing.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 3-1-73

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 *Bill Pullman* Title President Date 11/29/72

(This space for State Use)

APPROVED BY *John D. Ramsey* TITLE SUPERVISOR DISTRICT I DATE DEC 1 1972

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.

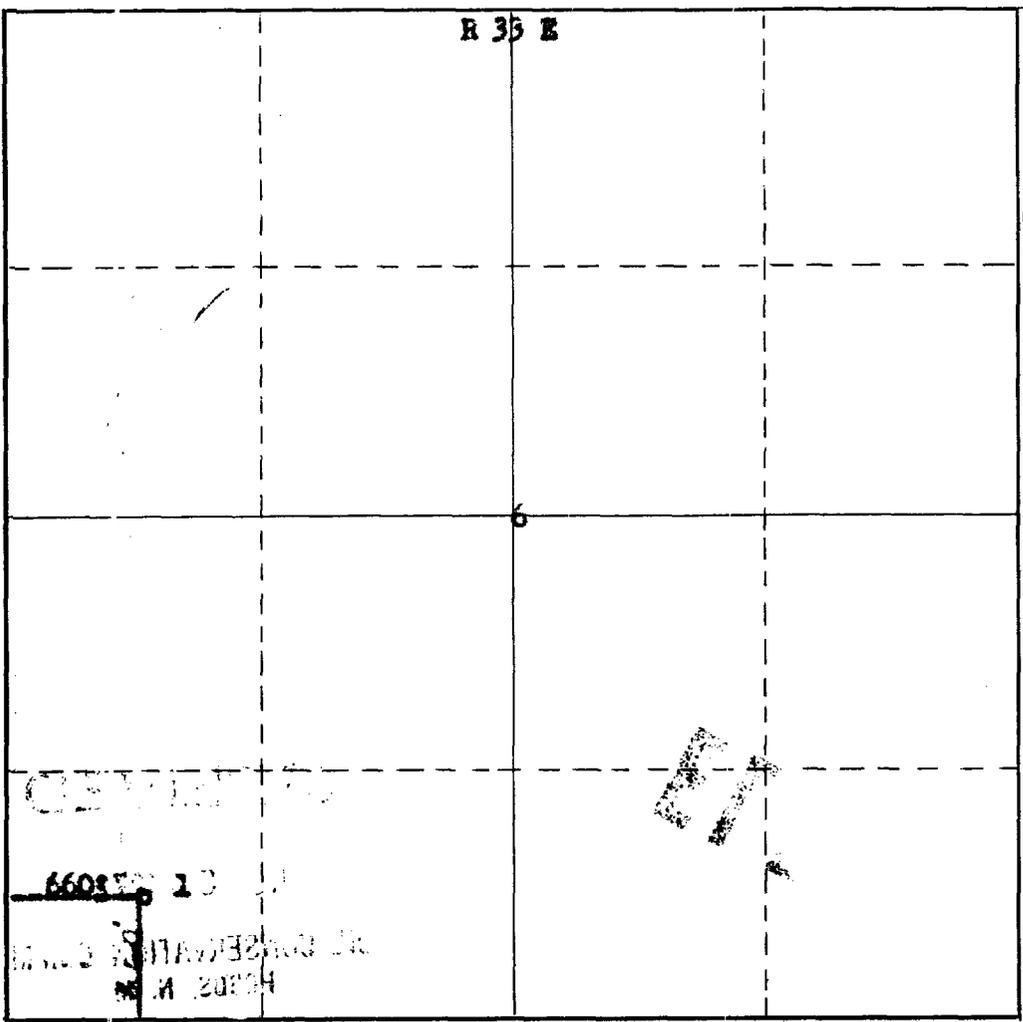
| | | | | | |
|--|---|-----------------------------|---|----------------------|----------------------|
| Operator HONDO DRILLING COMPANY | | | Lease GULF SERIES NW | | Well No. 1 |
| Unit Letter H | Section 6 | Township 24 South | Range 33 east | County Lea | |
| Actual Footage Location of Well: 660 feet from the South line and 660 feet from the West line | | | | | |
| Ground Lve. Elev. 3590 | Producing Formation Ramney Sand | Pool UNDESIGNATED | Dedicated Acreage: 39.2 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.

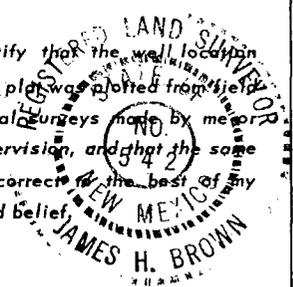
[Signature]

Name
President
Position
Hondo Drilling Company
Company

Date
11/29/72

Date

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
November 25th, 1972
Registered Professional Engineer
and/or Land Surveyor

[Signature]
Certificate No. **512**

