

AMERADA HESS CORPORATION

SEP 24 1991 4 09 09

P. O. DRAWER "D"
MONUMENT, NEW MEXICO 88265

September 24, 1991

Application for Administrative
Unorthodox Oil Well Location
Bagley Siluro-Devonian Pool
1830' FNL and 1980' FEL
Section 2, T - 12 S, R - 33 E, NMPM
Lea County, New MexicoState of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504*Case 16405*

ATTENTION: Mr. William J. Lemay

Gentlemen:

Amerada Hess Corporation respectfully requests administrative approval of our application for the subject unorthodox oil well location.

We are planning to drill and complete the State BT "A" #3 in the Bagley Siluro-Devonian Pool. The proposed well, to be located 1,830' FNL and 1,980' FEL, Section 2, T-12S, R-33E, Lea County, New Mexico, will be unorthodox by virtue of being located in a different quarter-quarter section than provided in Special Pool Rule, R-69-D, dated May 19, 1954. In addition, the proposed location is within an existing 80 acre proration unit, consisting of SW/4 NE/4 and NW/4 SE/4 of Section 2, T-12S, R-33E. Application requirements were discussed with Mr. Michael Stogner by telephone on September 20, 1991. At that time we were instructed to proceed with an administrative application.

The proposed location is 150' North of our State BT "A" #2, 1,980' FNL and 1,980' FEL, Section 2, T-12S, R-33E, a Pennsylvanian completion, which was plugged and abandoned in 1973.

Futhermore, the proposed well will replace the State BT "A" #1, 1,980' FSL and 1,980' FEL, Section 2, T-12S, R-33E, which is no longer capable of Devonian production due to collapsed casing, and is planned to be plugged and abandoned, See Attachment I. The State BT "A" #1, the Bagley Silvro-Devonian Pool discovery well has produced 2.2 MMBO, since its completion in July, 1949; and, the remaining recoverable reserves have been estimated at 200 MBO.

The proposed location will afford better structural position, approximately eighty feet, than a location offsetting our State BT "A" #1, see Attachment II. Since Bagley Siluro-Devonian Pool cumulative recoveries correspond to structural position and the Siluro-Devonian Formation has a prolific water drive, the location further up dip should yield a higher ultimate recovery.

A map detailing Bagley Permo-Pennsylvanian and Siluro-Devonian completions surrounding the State BT "A" Lease is illustrated in Attachment III. In addition, a well location and acreage dedication plat is illustrated in Attachment IV. Furthermore, a copy of this letter has been sent by certified mail to Oryx Energy Company, the sole offset to our State BT "A" Lease and the NMOCD office in Hobbs.

Yours very truly,



E. J. Haas
Sr. Petroleum Engineer

Attachments

xc: NMOCD - Hobbs

AMERADA HESS CORPORATION
STATE BT "A" LEASE

ATTACHMENT I

APPLICATION FOR AN UNORTHODOX
OIL WELL LOCATION
BAGLEY SILURO-DEVONIAN POOL
1830' FNL AND 1980' FEL
SECTION 2, T - 12 S, R - 33 E
LEA COUNTY, NEW MEXICO

- 07/06/49 WELL COMPLETED AS BAGLEY SILURO-DEVONIAN POOL DISCOVERY FROM PERFORATIONS: 10,950'-10,965'.
- 02/12/55 SET RETAINER AT 10,940', CEMENT SQUEEZED PERFORATIONS FROM 10,950'-10,965' WITH 100 SKS. CEMENT. PERFORATED FROM 10,865'-10,895' AND 10,912'-10,934' AND ACIDIZED WITH 1000 GALS. 15% HCL ACID.
- 07/29/59 CEMENT SQUEEZED PERFORATIONS FROM 10,912'-10,934' WITH 75 SKS. CEMENT.
- 03/07/60 SET CEMENT RETAINER AT 10,850' AND CEMENT SQUEEZED PERFORATIONS FROM 10,865'-10,895' WITH 75 SKS. CEMENT. PERFORATED FROM 10,812'-10,848' AND ACIDIZED WITH 500 GALS. ACID.
- 09/28/69 CEMENT SQUEEZED PERFORATIONS FROM 10,812'-10,848' WITH 150 SKS. CEMENT. PERFORATED FROM 10,752'-10,775'.
- 11/23/76 TESTED CASING AND RAN CASING INSPECTION LOG.
- 02/29/84 RAN BIT TO TIGHT SPOT AT 5,400'. RAN 4-3/4" MILL, MILLED FROM 5,417'-5,423'. TESTED CASING, HAD 400 PSI PRESSURE LOSS FROM 5,453' TO 9,620' IN 14 MINUTES.
- 05/15/91 RAN BIT TO 5,245', BEGAN TAKING WEIGHT. WORKED BIT TO 5,423'. CLEANED OUT TO 10,800'. TESTED CASING AND FOUND LEAK FROM 5,392'-5,452'. SET RBP AT 9,629', TESTED TO 2000 PSI AND SPOTTED 3 SKS. SAND ON RBP. SET CEMENT RETAINER AT 5,213' AND CEMENT SQUEEZED CASING LEAK WITH 50 SKS. CEMENT.
- 05/24/91 DRILLED OUT RETAINER AND CEMENT. RAN PACKER TO LOCATE LEAK, COULD NOT GET BELOW 5,422'. RAN BIT, SUSPECTED BIT OUTSIDE CASING. RECOVERING FORMATION AND LCM. RAN IMPRESSION BLOCK, INDICATED BLOCK OUTSIDE CASING. RAN MULE SHOE JOINT AND WORKED INTO PARTED CASING. LEFT MULE SHOE FOOT IN HOLE. ATTEMPTED TO RE-ENTER CASING WITH NO SUCCESS.

AMERADA HESS CORPORATION
STATE BT "A" LEASE

ATTACHMENT I

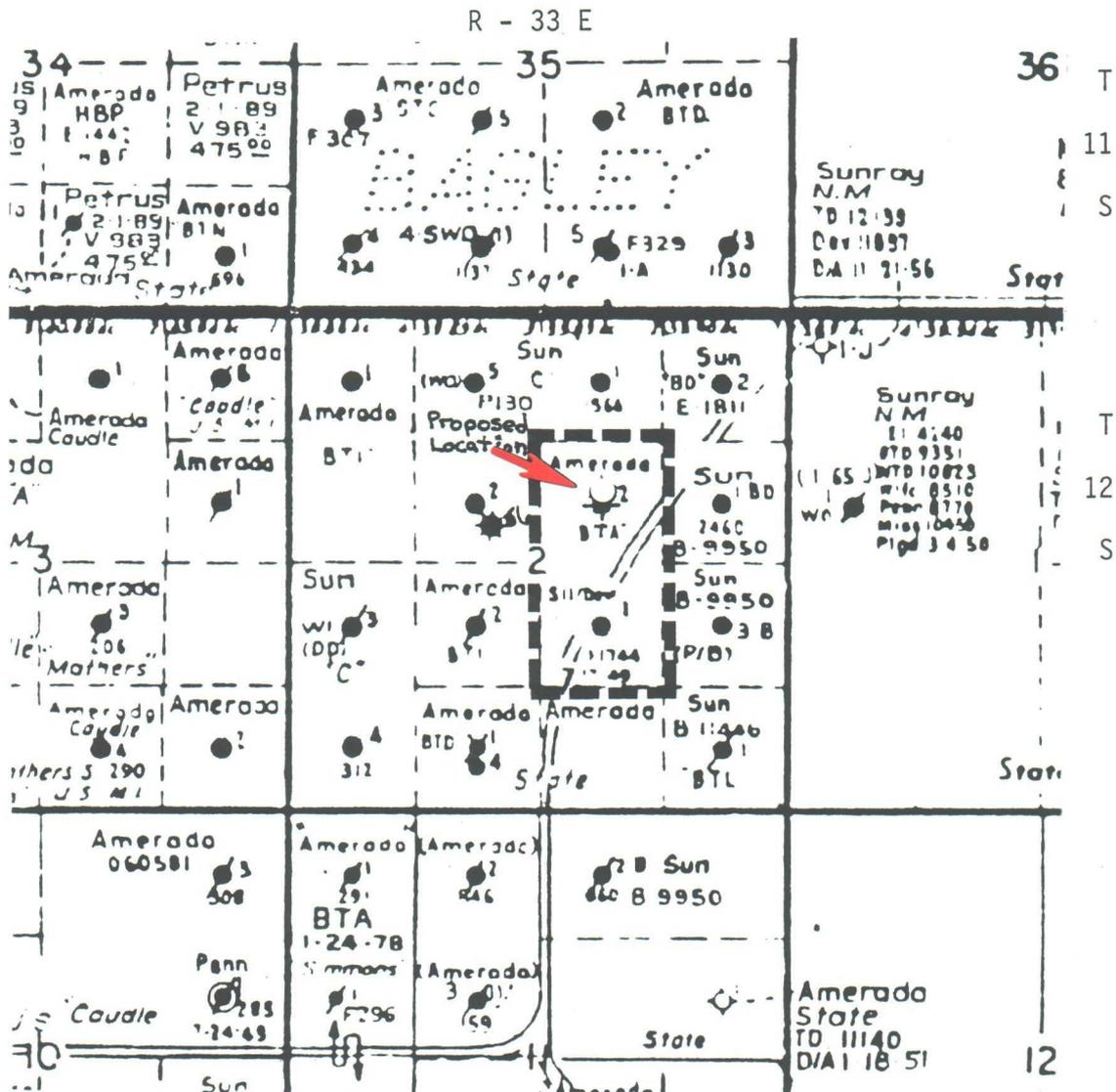
APPLICATION FOR AN UNORTHODOX
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LEA COUNTY, NEW MEXICO

- 06/04/91 SET CEMENT RETAINER AT 5,213' AND CEMENT SQUEEZED WITH 200 SKS.
CLASS "C" CEMENT. LEFT 5 SKS. ON TOP OF RETAINER.
- 09/13/91 RAN PIPE RECOVERY LOG FROM 5,198'-600'. INDICATED 5-1/2"
PRODUCTION CASING STUCK AT SEVERAL INTERVALS BELOW 2,000'.
- 09/16/91 RAN FREE POINT INDICATOR ON 5-1/2" PRODUCTION CASING, CONFIRMED
PIPE RECOVERY LOG INTERPRETATION.

AMERADA HESS CORPORATION
STATE BT "A" LEASE

ATTACHMENT III

APPLICATION FOR UNORTHODOX
OIL WELL LOCATION
BAGLEY SILURO-DEVONIAN POOL
1830' FNL AND 1980' FEL
SECTION 2, T - 12S, R - 33E
LEA COUNTY, NEW MEXICO



OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

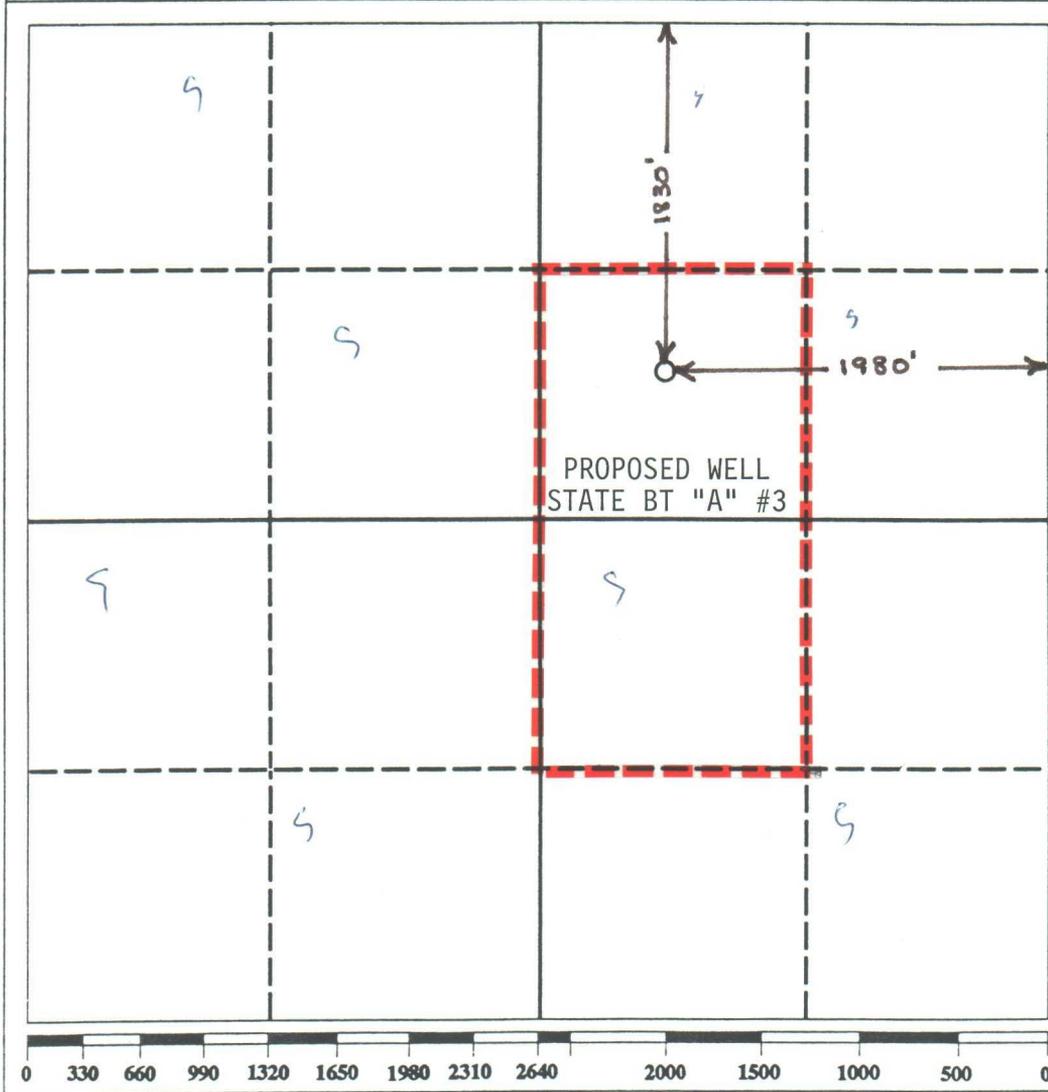
Operator AMERADA HESS CORPORATION			Lease STATE BT "A"		Well No. 3
Unit Letter G	Section 2	Township 12 SOUTH	Range 33 EAST	County LEA	
Actual Footage Location of Well: 1,830 feet from the NORTH line and 1,980 feet from the EAST line					
Ground level Elev. 4,235' (EST.)	Producing Formation SILURO-DEVONIAN		Pool BAGLEY SILURO-DEVONIAN	Dedicated Acreage: 80 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



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

Signature
E. J. Haas

Printed Name
 E. J. HAAS

Position
 SR. PETR. ENGR.

Company
 AMERADA HESS CORPORATION

Date
 9/23/91

SURVEYOR CERTIFICATION
 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

Signature & Seal of Professional Surveyor

Certificate No.