

**OIL CONSERVATION DIVISION**

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

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Instructions on  
Reverse Side

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410

**APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL**

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.  
If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator <b>VISION ENERGY, INC.</b>		Address <b>P.O. Box 2459 Carlsbad, NM 88220</b>	
Lease Name <b>H.B. 3 Federal</b>		Well No. <b>#1</b>	County <b>Eddy</b>
Well Location Unit Letter <b>J</b> : <b>1980'</b> Feet from The <b>South</b> Line and <b>1980'</b> Feet From the <b>East</b> Line of Section <b>3</b> , Township <b>24-S</b> , Range <b>29-E</b> , NMPM			
Suggested Pool Names (List in order of preference). 1. <b>Cedar Canyon Bone Springs</b> 2. 3.			
Name of Producing Formation <b>1st Bone Springs</b>	Perforations <b>7,863' - 7,895'</b>	Depth of Top Perf from GL <b>7,838'</b>	Date of Filing Form C-104 <b>10-10-91</b>
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? <b>No</b>	If yes, Give Date of Filing	Date Well was Spudded <b>7-22-87</b>	Date Compl. Ready to Prod. <b>10-6-91</b>
Total Depth <b>13,985</b>	Plugged Back Depth <b>9,565</b>	Depth Casing Shoe <b>13,933</b>	Tubing Depth <b>7,725'</b>
Elevation (Gr., DF, RKB, RT, etc.) <b>3052.5 GR</b>			
Oil Well Potential (Test to be taken only after all load oil has been recovered) <b>328</b> Bbls, Oil Per Day Based On <b>328</b> Bbls in <b>24</b> Hours; <b>71</b> Bbls Water Per Day Based On <b>71</b> Bbls In <b>24</b> Hours; Gas Production During Test: <b>800</b> MCF; Gas-Oil Ratio <b>2.44-1</b> Method Of Producing <b>F</b> Choke Size <b>18/64</b>			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name <b>Cedar Canyon</b>	Name of Producing Formation <b>Morrow</b>	Top of Pay <b>13,449'</b>	Bottom of Pay <b>13,576'</b>	Currently Producing? <b>Yes</b>
Horizontal Distance and Direction from Subject Discovery Well to the Nearest well in this Pool <b>1/2 mile North East</b>		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool <b>5,554'</b>		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production for this pay or formation only):

Pool Name <b>Unnamed</b>	Top of Pay <b>6,701'</b>	Bottom of Pay <b>6,906'</b>	Currently Producing <b>No</b>
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool <b>2 Miles North West</b>			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? <b>No</b>	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
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Is the Subject Well Multiple Completion? <b>No</b>	Is Discovery Allowable Requested for Other Zone(s)? <b>No</b>	If Yes, Name all Such Formations
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(Continue on reverse side)

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (*Attach additional sheet if necessary*)

NAME	ADDRESS
Exxon	615 West Missouri, Midland Tx 79701
Santa Fe Energy	500 West Illinois Av, Midland TX 79701
Enron	P.O. Box 2267 Midland Tx 79702
Marlow	P.O. Box 832 Midland Tx 79702
Texaco	Heritage Center, Midland Tx 79702
Yates	105 South 4Th Artesia NM 88210
Pacific Enterprise	4245 Kemp Suite 600 Wichita Falls Tx 76307

*Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application..*

Remarks:

**OPERATOR CERTIFICATION**

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well, I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

Tommy W. Folsom  
Signature

General Manager                      10-29-91  
Title    Date

Tommy W. Folsom  
Printed Name

(505) 236-6041  
Telephone No.

**INSTRUCTIONS:** File two copies of Form C-109 with attachments with appropriate district office and one copy with attachments with the Santa Fe Office.

**Attachments:** (See Rule 509 for details)

- 1) Map showing all wells within a two-mile radius of discovery well.
- 2) Electrical log with tops and bottoms of producing formations marked.
- 3) A sub-surface structure map if application is based on horizontal separation.
- 4) Geological cross-section.
- 5) Summary of reservoir data.
- 6) Evidence that all operators (listed above) owning leases within one mile of this well have been furnished a copy of this application.