

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766

ADMINISTRATION  
Phone (505) 827-5700  
Fax (505) 827-5853

GENERAL COUNSEL  
Phone (505) 827-5713  
Fax (505) 827-4262

PUBLIC AFFAIRS  
Phone (505) 827-1245  
Fax (505) 827-5766



#4972

COMMERCIAL RESOURCES  
Phone (505) 827-5724  
Fax (505) 827-6157

MINERAL RESOURCES  
Phone (505) 827-5744  
Fax (505) 827-4739

ROYALTY MANAGEMENT  
Phone (505) 827-5772  
Fax (505) 827-4739

SURFACE RESOURCES  
Phone (505) 827-5793  
Fax (505) 827-5711

**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

December 18, 2002

Strata Production Company  
P.O. Box 1030  
Roswell, New Mexico 88202-1030

Attn: Ms. Jo McInerney

Designation of Sub-Operator  
Forty Niner Ridge Unit  
Delaware Formation  
Eddy County, New Mexico

We are in receipt of your letter of December 4, 2002, wherein Texaco Exploration & Production Inc. has designated Strata Production Company as its sub-operator to assume all rights, duties and obligations as the unit sub-operator of the Delaware formation, Forty Niner Ridge Unit area, Eddy County, New Mexico.

Your designation of sub-operator is hereby approved. Our approval is subject to like approval by the Bureau of Land Management.

This designation of agent does not relieve the unit operator of the responsibility for compliance with the terms of the unit agreement and applicable state regulations.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: *Anthony H. Neal*  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
xc: Reader File    OCD    TRD    RMD    Texaco Exploration & Production Inc.



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

December 11, 1997

Texaco Exploration & Production Inc.  
P.O. Box 2100  
Denver, Colorado 80201

Attn: Mr. Mark E. Schneider

Re: 1998 Plan of Development  
Forty Niner Ridge Unit  
Eddy County, New Mexico

Dear Mr. Schneider:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, appearing to read "Jami Bailey".

BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
xc: Reader File

OCD

BLM

4972



October 21, 1997

Bureau of Land Management  
Roswell District Office  
P. O. Box 1397  
Roswell, New Mexico 88202-1397  
Attn: Armando Lopez

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Attn: Pete Martinez

New Mexico Oil Conservation Division ✓  
P. O. Box 2088  
Santa Fe, New Mexico 87501-2088

All Working Interest Owners  
(Address List Attached)

RE: **FORTY NINER RIDGE UNIT**  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the Development and Operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Texaco Exploration and Production Inc. submits, for your approval, a report of past operations and a plan of development for 1998. Enclosed is a map of the area and production plots for the three wells within the unit.

### **PAST OPERATIONS**

The original unit operator, Skelly Oil Company, completed the Forty Niner Ridge Unit No. 1 (SE Sec. 16 T23S-R30E) November 10, 1973, in the Morrow for an initial CAOF of 3,703 MCFPD. Cumulative Morrow production at abandonment on October 1, 1981, was 870,011 MCF. A Wolfcamp completion attempt in the Forty Niner Ridge Unit Well No. 1 during June 1982, proved to be non-productive. A subsequent workover in the Bone Spring was successful. The Bone Spring initially produced 37 BOPD and 250 MCF on June 27, 1982, from perforations at 7,564 feet - 7,589 feet. The Bone Spring pay was plugged back in August 1984. Cumulative production from the Bone Spring in Forty Niner Ridge Unit Well No. 1 was 2,744 barrels of oil.

Forty Niner Ridge Unit Well No. 1 was recompleted in the Delaware Cherry Canyon in August 1984. Initial production was 128 BOPD, 267 BWPD, and 19 MCF. A March 1990 workover opened additional Delaware pay. Cumulative production from the Delaware through September 30, 1997, is 69 MBO and 58 MMCFG. This well is currently shut in. Additional workover potential in the Bone Spring and Delaware Mountain Group is being evaluated.

Skelly Oil Company completed a second well, the Forty Niner Ridge Unit No. 2 (NE Sec. 21 T23S-R30E) in November 1974, as a Morrow producer. The initial CAOF was 2,492 MCFPD. Cumulative production from the Morrow zone was 42, 696 MCF prior to abandonment in August 1977. An October 1977 Bone Spring recompletion resulted in an initial potential of 11 BOPD, 46 MCFPD, and 8 BWPD from perforations at 7,415 feet - 7,568 feet. Cumulative production from this zone was 16,920 BO.

Texaco recompleted Forty Niner Ridge Unit No. 2 in the Delaware in November 1987. The well potentialized for 270 BOPD, 69 BWPD, GOR 370 from perforations at 6,043 feet - 6,048 feet. Through September 30, 1997, the Delaware produced 80 MBO and 69 MMCFG. Current production is 10 BOPD, 17 MCFD, and 12 BWPD.

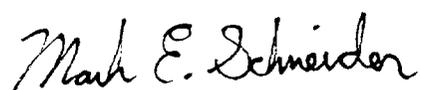
Texaco completed Forty Niner Ridge Unit No. 3 (NW Sec. 16 T23S-R30E) January 31, 1988, from Delaware sand perforations at 5,952 feet - 5,980 feet. It potentialized for 112 BOPD, 442 BWPD, and 143 MCFD. The well currently produces 4 BOPD, 0 MCFD, and 44 BWPD. Cumulative Delaware production through September 30, 1997 is 18 MBO and 48 MMCFG.

#### **PLANS FOR DEVELOPMENT FOR 1998**

In May of 1996, Texaco began shooting a 40+ square mile 3-D seismic survey covering all of the Forty Niner Ridge Unit and including surrounding areas. The 100% cost of the survey was in excess of \$1,000,000. Processing of the survey continued into 1997, with final tapes being delivered for interpretation in June of 1997. Texaco is presently interpreting the survey, with emphasis being placed on defining potential production trends in the Delaware sands, Wolfcamp, Atoka and Morrow formations. The remainder of 1997 will be a continuation of the seismic interpretation phase. Depending upon the outcome of our seismic interpretation, and taking into account Potash restrictions, we hope to commence a drilling phase in 1998 whereby we would drill at least one Delaware and one Morrow test in the unit.

Texaco plans to continue producing the Forty Niner Ridge Unit wells in an efficient manner. We will perform equipment modifications and well workovers as necessary to maintain commercial production. Texaco has been an active developer in adjacent Nash Draw Brushy Canyon field. We also continue to monitor activity in the Delaware Mountain Group and Bone Spring Formations in adjacent Los Medanos, Sand Dunes West, and Nash Draw fields so as to develop trends as they approach our unit boundaries.

Very truly yours,



Mark E. Schneider  
Permian West - Hobbs South  
Area Manager  
ATTACHMENTS

FORTY NINER RIDGE UNIT  
EDDY COUNTY, NEW MEXICO

Working Interest Owners

Texaco Exploration and Production Inc.  
P. O. Box 2100  
Denver, CO 80201

Bass Enterprises Production  
201 Main Street  
Fort Worth, TX 76102

ATTN: Mr. Wayne Bailey

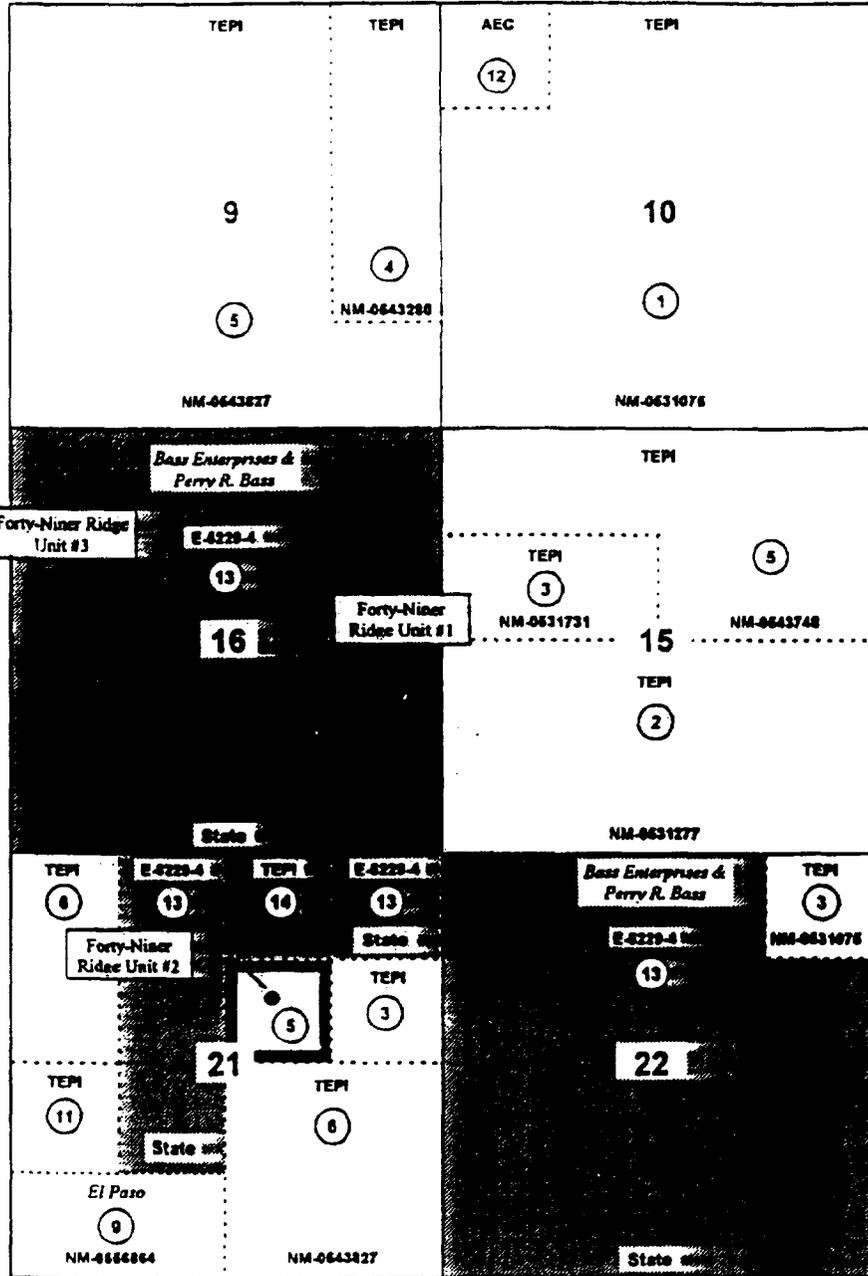
Maralo, Inc.  
Erma Lowe  
5151 San Felipe, Suite 400  
Houston, TX 77056-3607

ATTN: Mr. Joe Pulido

Marlene Juarez  
P. O. Box 131146  
Houston, TX 77219

R 30 E. N.M.P.M.

T  
23  
S



-  Federal Land
-  State Land
-  Fee Land
-  Participating Area for Delaware Cherry Canyon
-  Participating Area for Delaware Brushy Canyon
-  Denotes Tract No. on Exhibit "B"

*Exhibit "A" to the  
Forty-Niner Ridge Unit Area  
Eddy County, New Mexico*

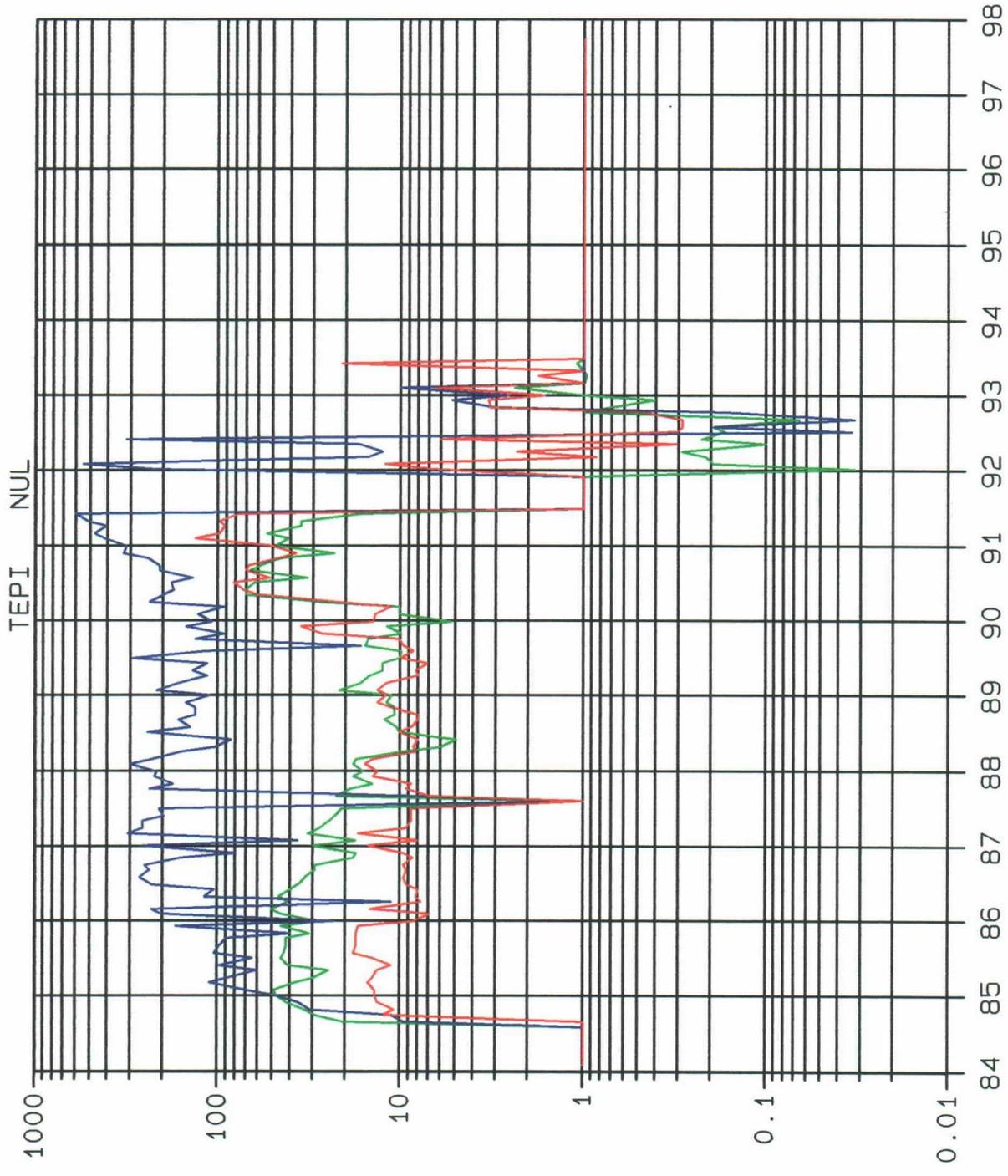


FORTY NINER RIDGE UNIT 1 FORTY NINER RIDGE DELAWARE

LEASE DATA  
 LSE 010939  
 FLD 24750  
 OPER TEPI  
 ZONE NUL

---  
 COUNTY 015  
 STATE 30  
 30015208990001

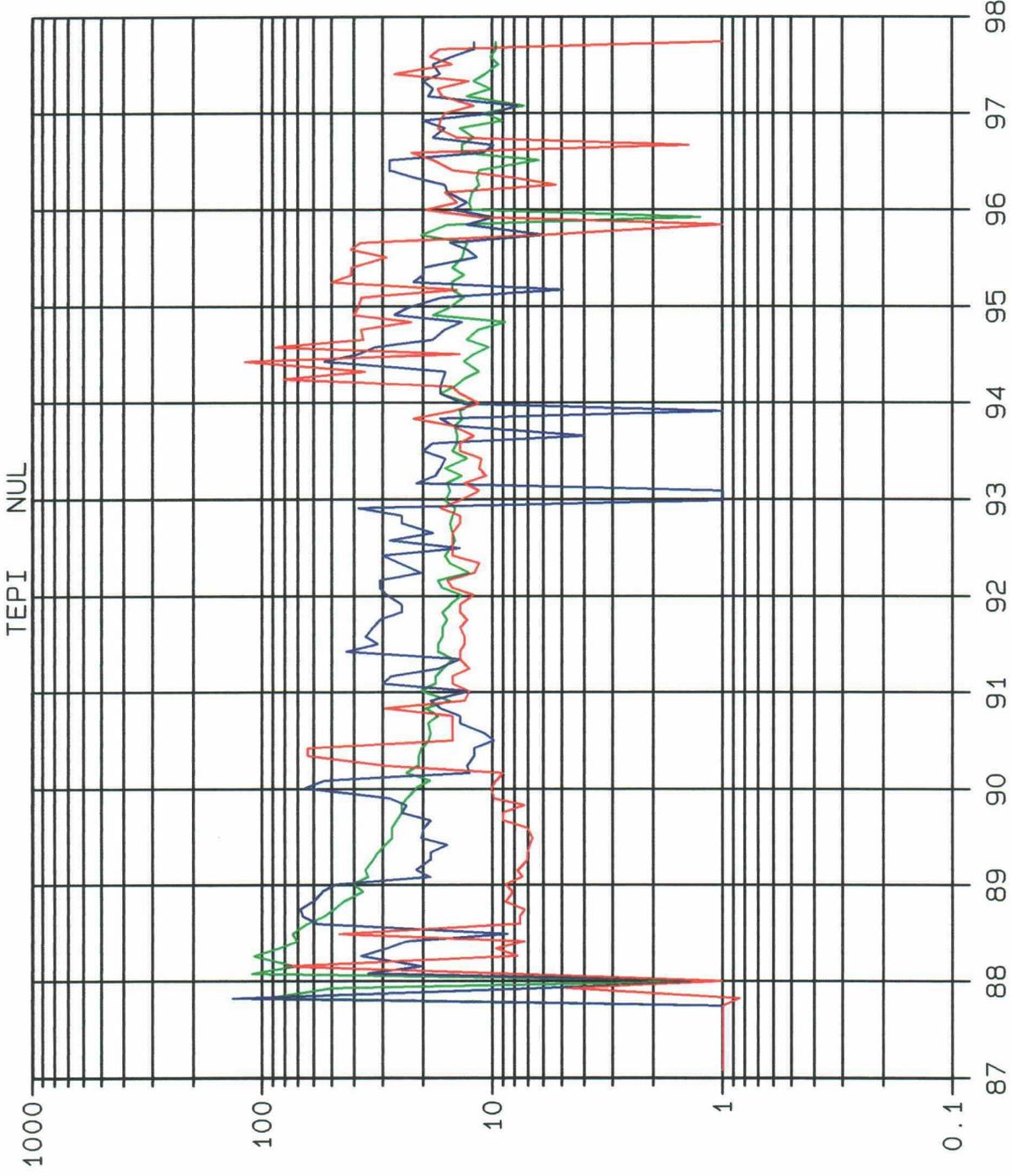
STATUS 9-97  
 CO 69 MBO  
 CG 57 MCF  
 CW 454 MBW  
 BOPD 0  
 BWPD 0  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0



YEARS

— MCFPD  
 — BWPD  
 — BOPD

FORTY NINER RIDGE UNIT 2 FORTY NINER RIDGE DELAWARE

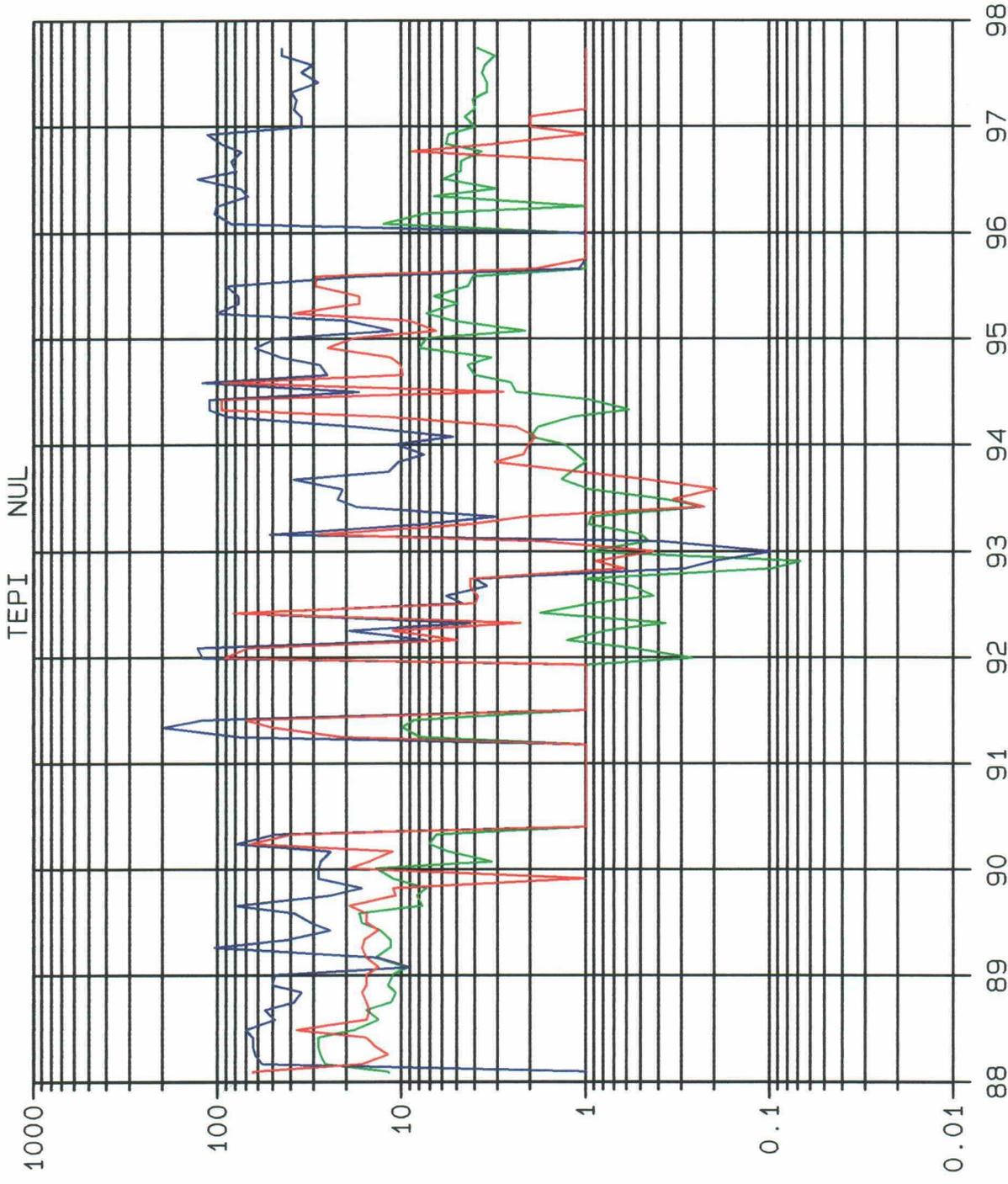


YEARS

LEASE DATA  
 LSE 010939  
 FLD 24750  
 OPER TEPI  
 ZONE NUL  
 --  
 COUNTY 015  
 STATE 30  
 30015211750001  
 STATUS 9-97  
 CO 80 MBO  
 CG 69 MMCF  
 CW 83 MBW  
 BOPD 10  
 BWPD 12  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0

MCFPD  
 BWPD  
 BOPD

FORTY NINER RIDGE UNIT 3 FORTY NINER RIDGE DELAWARE



YEARS

LEASE DATA  
 LSE 010939  
 FLD 24750  
 OPER TEPI  
 ZONE NUL  
 --  
 COUNTY 015  
 STATE 30  
 30015254540001  
 STATUS 9-97  
 CO 18 MBO  
 CG 48 MCF  
 CW 140 MBW  
 BOPD 4  
 BWPD 44  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0

BOPD  
 MCFPD  
 BWPD



4972

OIL CONSERVATION DIVISION  
RECEIVED

March 29, 1995

Texaco Exploration and Production Inc.  
Western E&P Field

P. O. Box 2101  
Denver, CO 80208  
401 DTC Boulevard  
Denver, CO 80202

1995 APR 11 PM 8 52

Re: G319056-Forty-Niner Ridge Unit  
G317771-USA NM0543827  
Forty-Niner Ridge Unit No. 2 Well  
Eddy County, New Mexico

Mr. John Simitz  
Bureau of Land Management  
Roswell District Office  
P. O. Box 1397  
Roswell, New Mexico 88202-1397

Gentlemen:

Texaco Exploration and Production Inc., as operator of the Forty-Niner Ridge Unit under Unit Agreement dated July 1, 1973, respectfully requests your approval of an initial participating area for the Delaware Brushy Canyon formation as indicated on the land ownership map attached as Exhibit "A". This same request was previously made under letter dated April 27, 1993, however the participating area apparently was never formally approved. The proposed initial participating area includes the 40 acres around the Forty-Niner Ridge Unit No. 2 Well. This well was determined to be capable of producing unitized substances in paying quantities as evidenced by the BLM's letter dated December 7, 1992. Exhibit "B" describes the lands within the proposed initial participating area and the percentage of participation.

The Forty-Niner Ridge Unit No. 2 Well was recompleted from the Morrow formation into the Brushy Canyon in October of 1987. Cumulative production to date from this well is 64,000 BO, 34 MMCFG, and 60,000 BW. Present production averages 18 oil, 22 water and 50 MCF per day. Structure-Isopach mapping in this area indicates that production from the Upper Brushy Canyon formation is controlled by an updip porosity pinchout to the west and a down-dip oil water contact to the east (see enclosed structure-isopach map). This interpretation indicates that this well cannot be economically offset in this sand channel at this time.

Please advise if we can furnish anything further in this regard.

Very truly yours,

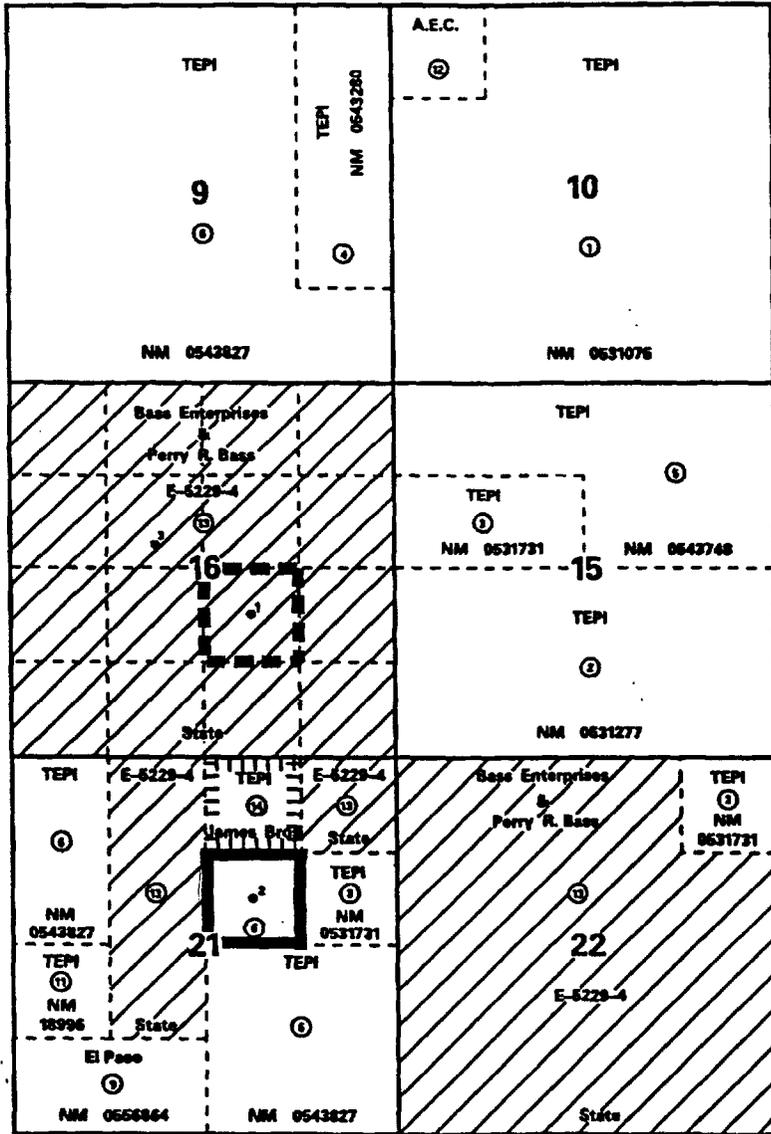
D. L. Sleeper  
Area Land Manager

ATTACHMENTS  
mar29dls1.doc

cc: Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Attn: Pete Martinez

Oil Conservation Division ✓  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 87504

**EXHIBIT "A"**  
**Forty-Niner Ridge Unit Area**  
**T-23-S, R-30-E, N.M.P.M.**  
**Eddy County, New Mexico**

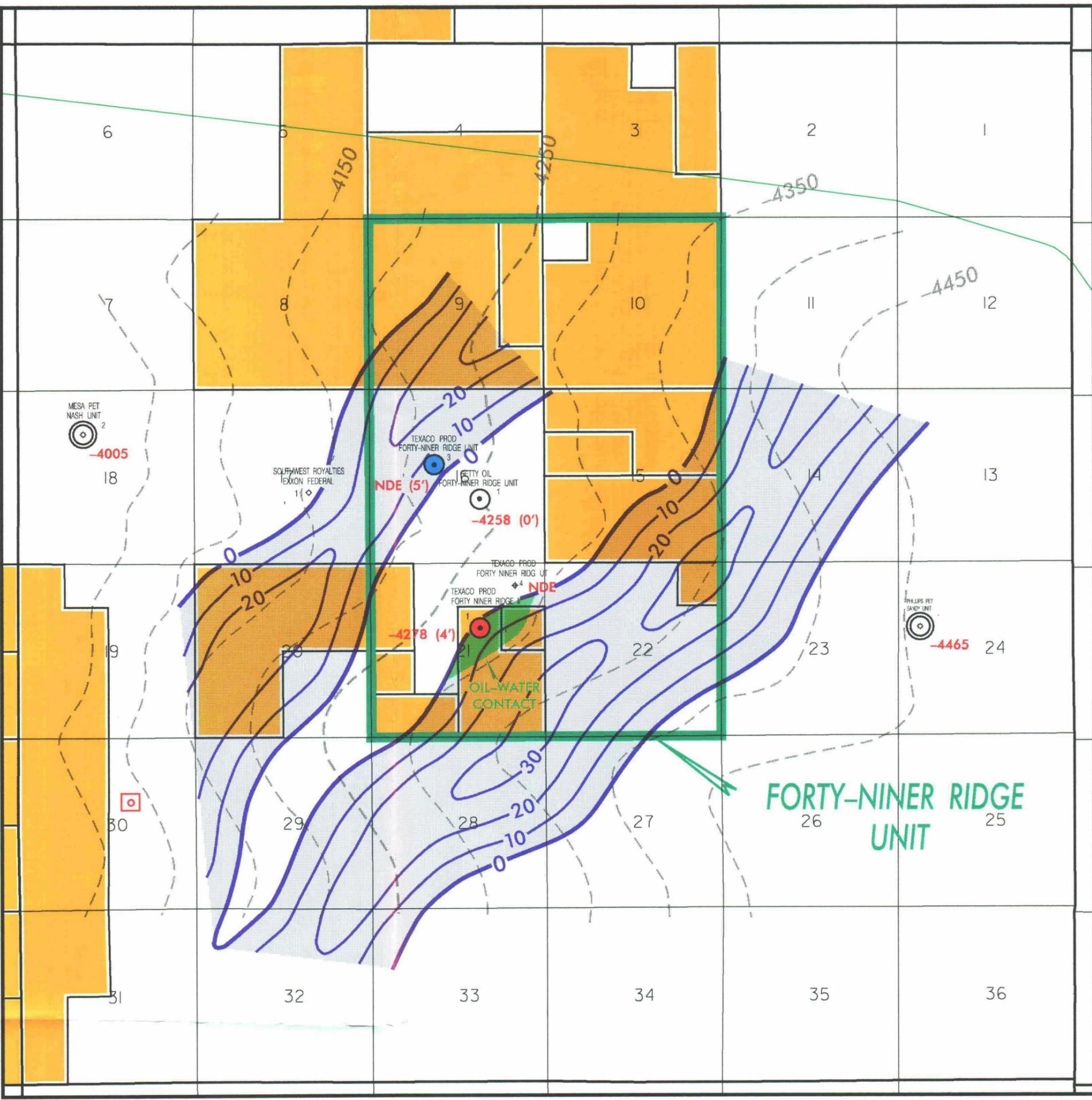


- Federal Land       Denotes Tract No. on Exhibit "B"
- State Land       Participating Area for Delaware Cherry Canyon
- Fee Land       Participating Area for Delaware Brushy Canyon

EXHIBIT "B"

Initial Delaware Brushy Canyon Formation Participating Area  
 Forty-Niner Ridge Unit Agreement  
 Eddy County, New Mexico

Tract No.	Lease No. and Type of Land	Description	Participating Acres	Percentage of Participation	Tract Owner
6	Federal NM-0543827	Sec. 21: SW4NE4	40	100%	Tecaco Exploration and Production Inc.
Total Federal Lands			40	100%	
			<u>40</u>	<u>100%</u>	



**LEGEND:**

-  1st UPPER BRUSHY CANYON SAND PRODUCTION
-  2nd UPPER BRUSHY CANYON SAND PRODUCTION
-  TEXACO LEASEHOLD
-  BONE SPRINGS STRUCTURE
-  1st UPPER BRUSHY CANYON SAND CHANNEL
-  1st UPPER BRUSHY CANYON SAND PRODUCTION

-4258 (0')  
 └── 1st UPPER BC SAND ISOP.  
 └── TOP OF BS STR. > 14%



**TEXACO E & P INC.**  
 WESTERN E & P REGION  
 AREA



**FORTY-NINER RIDGE**  
 1st UPPER BRUSHY CANYON SAND  
 POROSITY > 14%  
 STRUCTURE MAP T/BONE SPRINGS  
 C.I. 50'  
 ISOPACH MAP  
 C.I. 10'  
 EDDY COUNTY, NEW MEXICO

CONT. INT./150 INT.: 10'  
 DATUM: Upper BS  
 DATE: March, 1995

GEOSCIENTIST: Tim Shepard  
 ENGINEER: Jim Dore  
 LANDMAN: David Steeper  
 GEOPHYSICIST: Bill McKnight



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

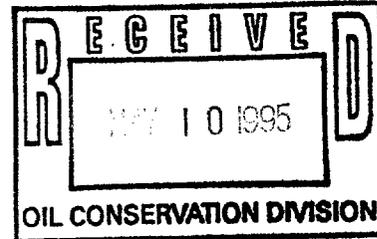
310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

May 9, 1995

Texaco Exploration & Production Inc.  
P.O. Box 2100  
Denver, Colorado 80201



Attention: Mr. David L. Sleeper

Re: Forty-Niner Ridge Unit Well No. 2  
Initial Delaware Brushy Canyon Participating Area  
SW4NE4, Section 21-23S-30E  
Effective October 28, 1987  
Eddy County, New Mexico

Dear Mr. Sleeper:

This office is in receipt of your letter of March 29, 1995, requesting approval of the Initial Delaware Brushy Canyon Participating Area for the Forty-Niner Ridge Unit, Eddy County, New Mexico.

Please be advised that pursuant to Article 11. PARTICIPATION AFTER DISCOVERY of the Forty-Niner Ridge Unit Agreement, the Commissioner of Public Lands hereby grants approval to the Initial Delaware Brushy Canyon Participating Area, effective October 28, 1987.

The Initial Delaware Brushy Canyon Participating Area is predicated upon the successful completion of the Forty-Niner Ridge Unit Well No. 2-G, Section 21-23S-30E, which was determined to be capable of producing unitized substances in paying quantities from the Delaware Brushy Canyon Formation by this office on February 11, 1993, and the Bureau of Land Management on December 7, 1992.

The boundary included in the Initial Brushy Canyon Participating Area contains 40.00 acres and is described as follows:

Township 23 South, Range 30 East

Section 21: SW4NE4

Since approval of the participating area and the effective date is also contingent upon approval by the Bureau of Land Management and the New Mexico Oil Conservation Division, our approval is subject to like approval by the above-mentioned agencies.

Texaco Exploration & Production, Inc.

Page 2

May 9, 1995

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS



BY:

JAMI BAILEY, Deputy Director  
Oil/Gas and Minerals Division  
(505) 827-5745

RP/JB/cpm

Enclosure

cc: Reader File

BLM

OCD

TRD



Texaco Exploration and Production Inc.  
Western E&P Region

P. O. Box 2100  
Denver CO 80201  
4301 UTC Boulevard  
Denver CO 80237

#4972

OIL CONSERVATION DIVISION  
RECEIVED

95 MAR 9 11 08 52

February 22, 1995

District Supervisor  
Bureau of Land Management  
Roswell District Office  
P. O. Box 1397  
Roswell, New Mexico 88202-1397

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

New Mexico Oil Conservation Division ✓  
P. O. Box 2088  
Santa Fe, New Mexico 87501-2088

All Working Interest Owners  
(Address List Attached)

RE: **FORTY NINER RIDGE UNIT**  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the Development and Operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Texaco Exploration and Production Inc. submits, for your approval, a report of past operations and a plan of development for 1995. Enclosed are a map of the area and production plots for the three wells within the unit.

### **PAST OPERATIONS**

The original unit operator, Skelly Oil Company, completed the Forty Niner Ridge Unit No. 1 (SE Sec. 16 T23S-R30E) November 10, 1973, in the Morrow for an initial CAOF of 3,703 MCFPD. Cumulative Morrow production at abandonment on October 1, 1981, was 870,011 MCF. A Wolfcamp completion attempt in Forty Niner Ridge Unit Well No. 1 during June 1982, proved to be non-productive. A subsequent workover in the Bone Spring was successful. The Bone Spring initially produced 37 BOPD and 250 MCF on June 27, 1982, from perforations at 7,564 feet - 7,589 feet. The Bone Spring pay was plugged back in August 1984. Cumulative production from the Bone Spring in Forty Niner Ridge Unit Well No. 1 was 2,744 barrels of oil.

Forty Niner Ridge Unit Well No. 1 was recompleted in the Delaware Cherry Canyon in August 1984. Initial production was 128 BOPD, 267 BWPD, and 19 MCF. A March 1990 workover opened additional Delaware pay. Cumulative production from the Delaware through December 31, 1994, is 69 MBO and 58 MMCFG. This well is currently shut in. Additional workover potential in the Bone Spring and Delaware Mountain Group is being evaluated.

Skelly Oil Company completed a second well, the Forty Niner Ridge Unit No. 2 (NE Sec. 21 T23S-R30E) in November 1974, as a Morrow producer. The initial CAOF was 2,492 MCFPD. Cumulative production from the Morrow zone was 42, 696 MCF prior to abandonment in August 1977. An October 1977 Bone Spring recompletion resulted in an initial potential of 11 BOPD, 46 MCFPD, and 8 BWPD from perforations at 7,415 feet - 7,568 feet. Cumulative production from this zone was 16,920 BO.

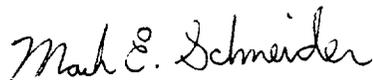
Texaco recompleted Forty Niner Ridge Unit No. 2 in the Delaware in November 1987. The well potentialized for 270 BOPD, 69 BWPD, GOR 370 from perforations at 6,043 feet - 6,048 feet. Through December 31, 1994, the Delaware produced 68 MBO and 48 MMCFG. Current production is 15 BOPD, 9 MCFD, and 23 BWPD.

Texaco completed Forty Niner Ridge Unit No. 3 (NW Sec. 16 T23S-R30E) January 31, 1988, from Delaware sand perforations at 5,952 feet - 5,980 feet. It potentialized for 112 BOPD, 442 BWPD, and 143 MCFD. The well currently produces 7 BOPD, 0 MCFD, and 48 BWPD. Cumulative Delaware production through December 31, 1994 is 14 MBO and 42 MMCFG.

#### **PLANS FOR DEVELOPMENT FOR 1995**

In 1995, Texaco plans to continue producing the Forty Niner Ridge Unit wells in an efficient manner. Texaco will perform equipment modifications and well workovers as necessary to maintain commercial production. Texaco will monitor development activity in the Delaware Mountain Group and Bone Spring Formations in the adjacent Los Medanos, Sand Dunes West, and Nash Draw fields.

Very truly yours,



Mark E. Schneider  
Permian West - Hobbs South  
Area Manager

#### **ATTACHMENTS**

MES:clf  
feb\17mes2.doc

**FORTY NINER RIDGE UNIT  
EDDY COUNTY, NEW MEXICO**

**Working Interest Owners**

**Texaco Exploration and Production Inc.  
P. O. Box 3109  
Midland, Texas 79702**

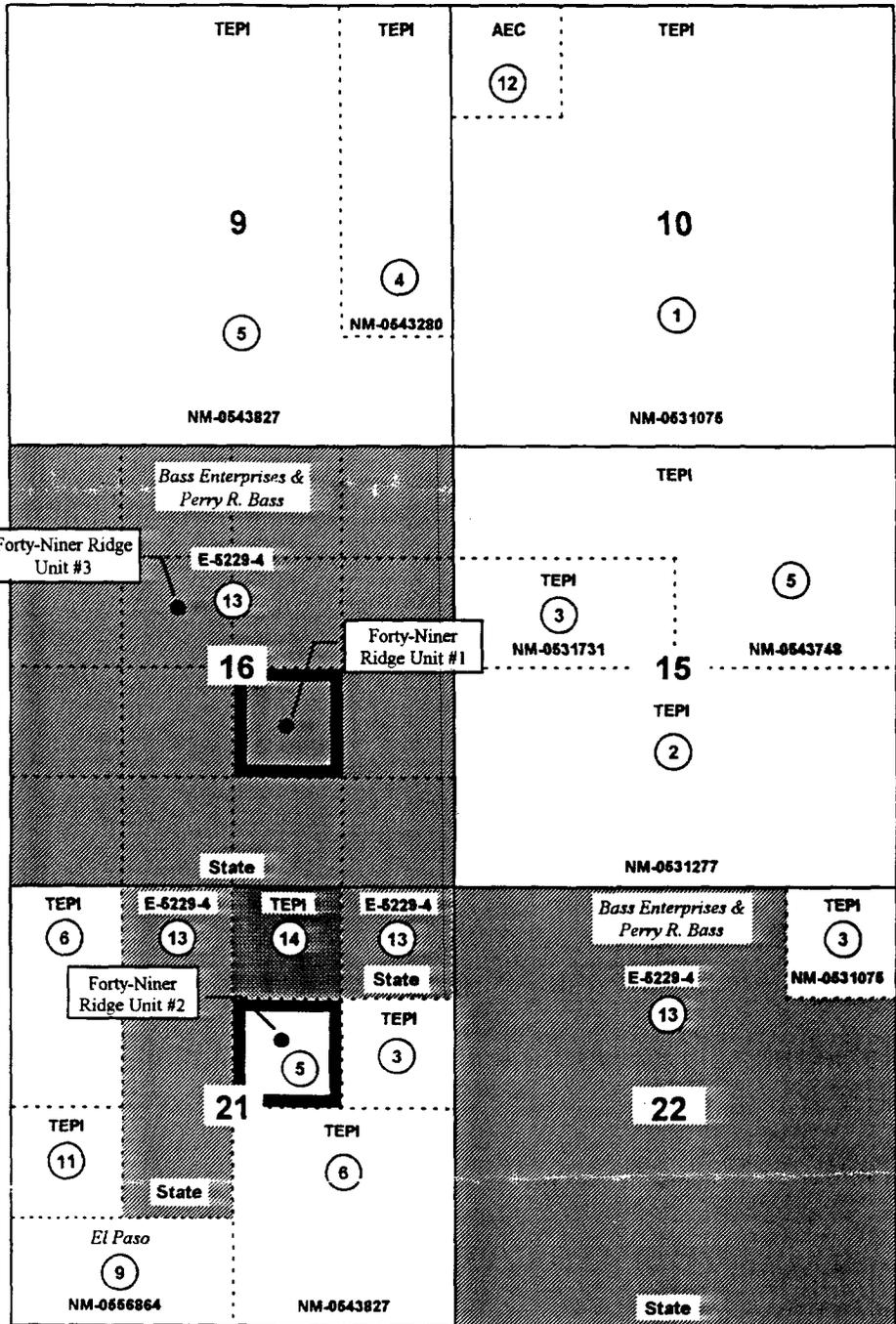
**Bass Enterprises Prod.  
201 Main Street  
Fort Worth, TX 76102  
ATTN: Joint Interest Manager**

**Mark A. Chapman  
13 Townhouse Court  
Bellaire, TX 77401**

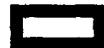
**Maralo, Inc.  
P. O. Box 832  
Midland, Texas 79702  
ATTN: R. A. Lowery**

R 30 E, N.M.P.M.

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23  
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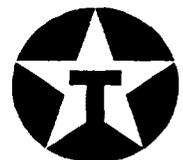


-  Federal Land
-  State Land
-  Fee Land

-  Participating Area for Delaware Cherry Canyon
-  Participating Area for Delaware Brushy Canyon

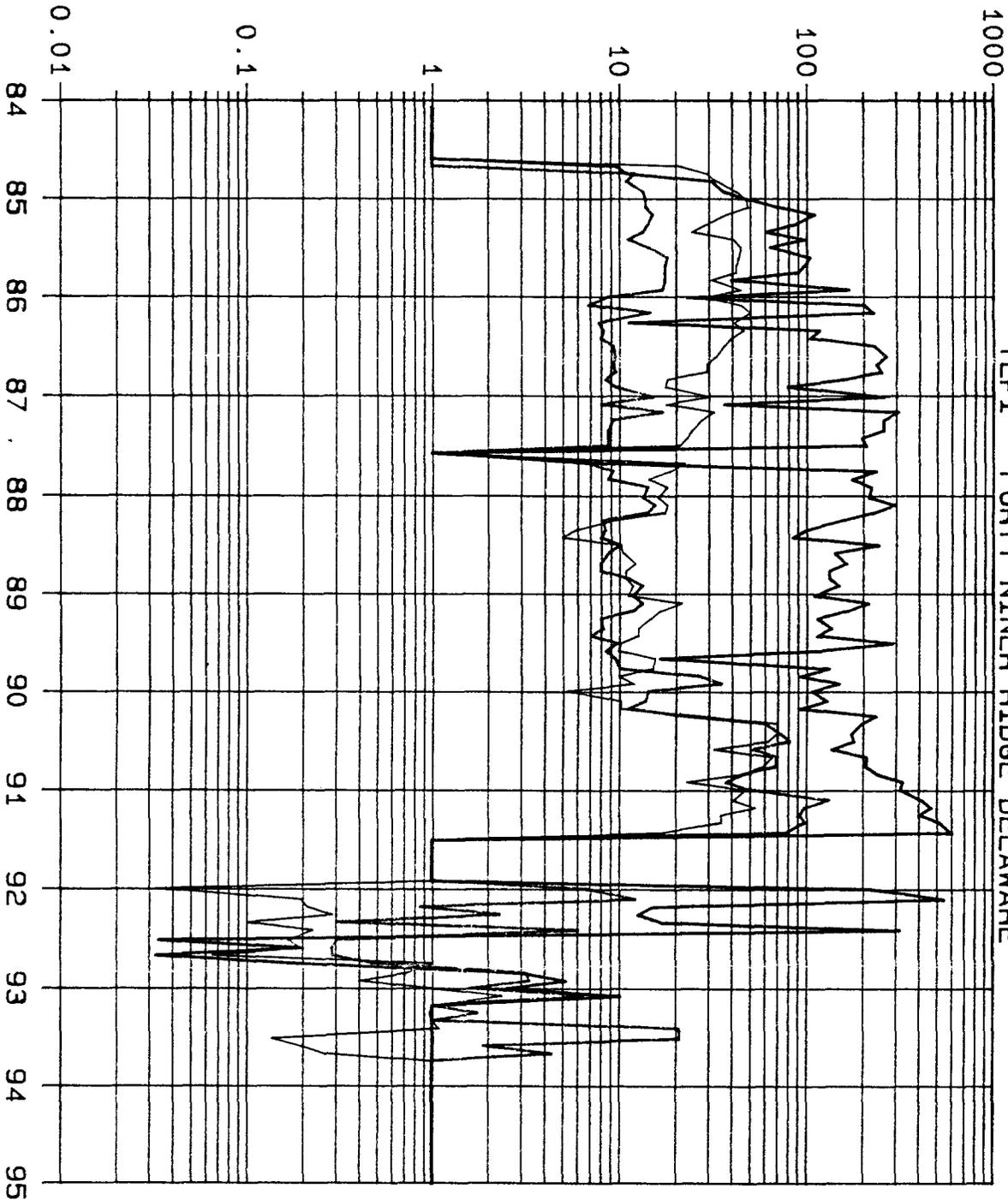
 Denotes Tract No. on Exhibit "B"

**Exhibit "A" to the  
Forty-Niner Ridge Unit Area  
Eddy County, New Mexico**



FORTY NINER RIDGE UNIT 1 FORTY NINER RIDGE DELAWARE

TEPI FORTY NINER RIDGE DELAWARE



BOPD    BWPD    MCFPD

YEARS

LEASE DATA

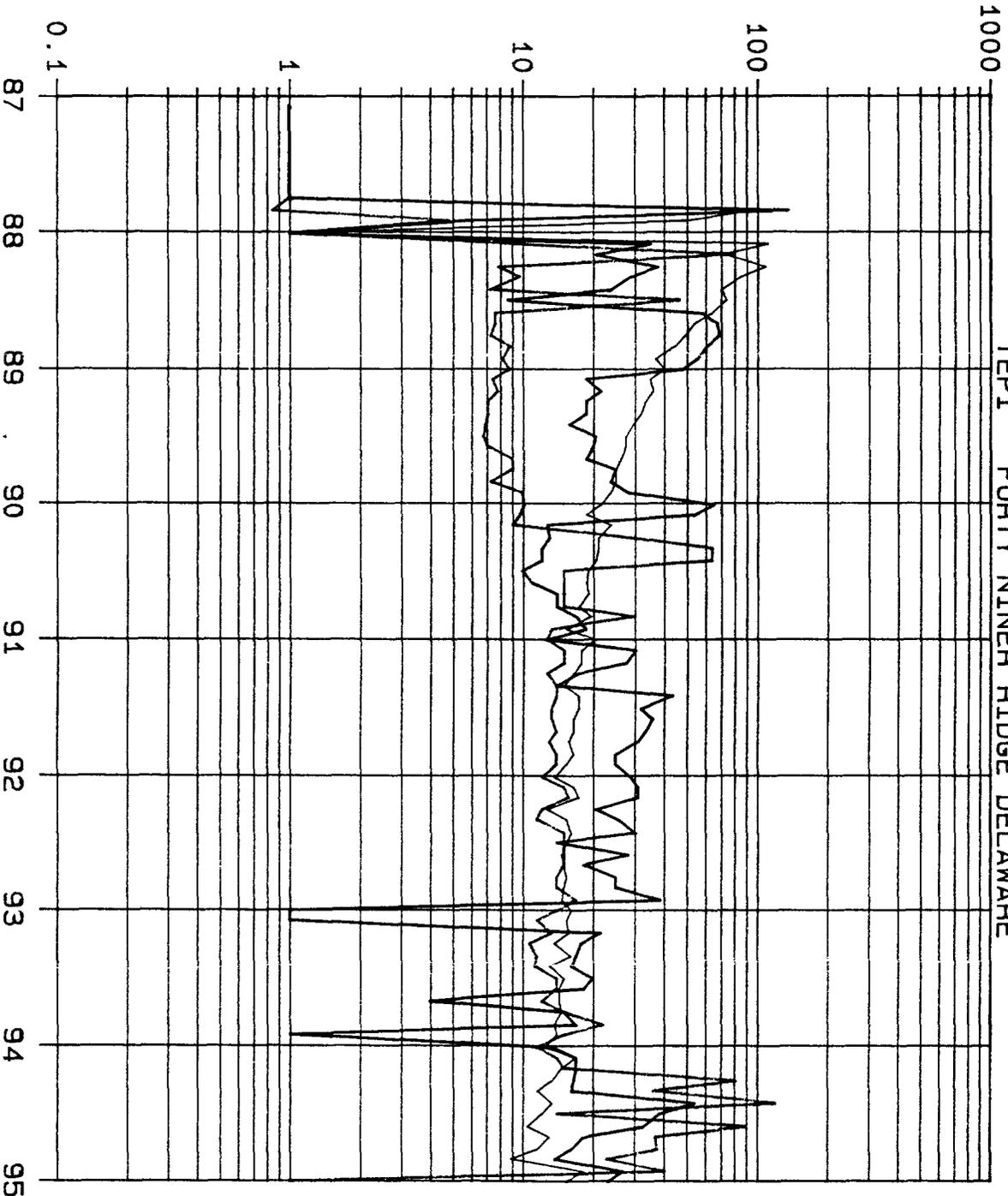
LSE 010939  
 FLD 24750  
 OPER TEPI  
 ZONE 24750

COUNTY 15  
 STATE 30

STATUS 12-94  
 CO 69 MBO  
 CG 58 MMCF  
 BOPD 0  
 BWPD 0  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWT  
 BWIPD 0

FORTY NINER RIDGE UNIT 2 FORTY NINER RIDGE DELAWARE

TEPI FORTY NINER RIDGE DELAWARE



BOPD    BWPD    MCFPD

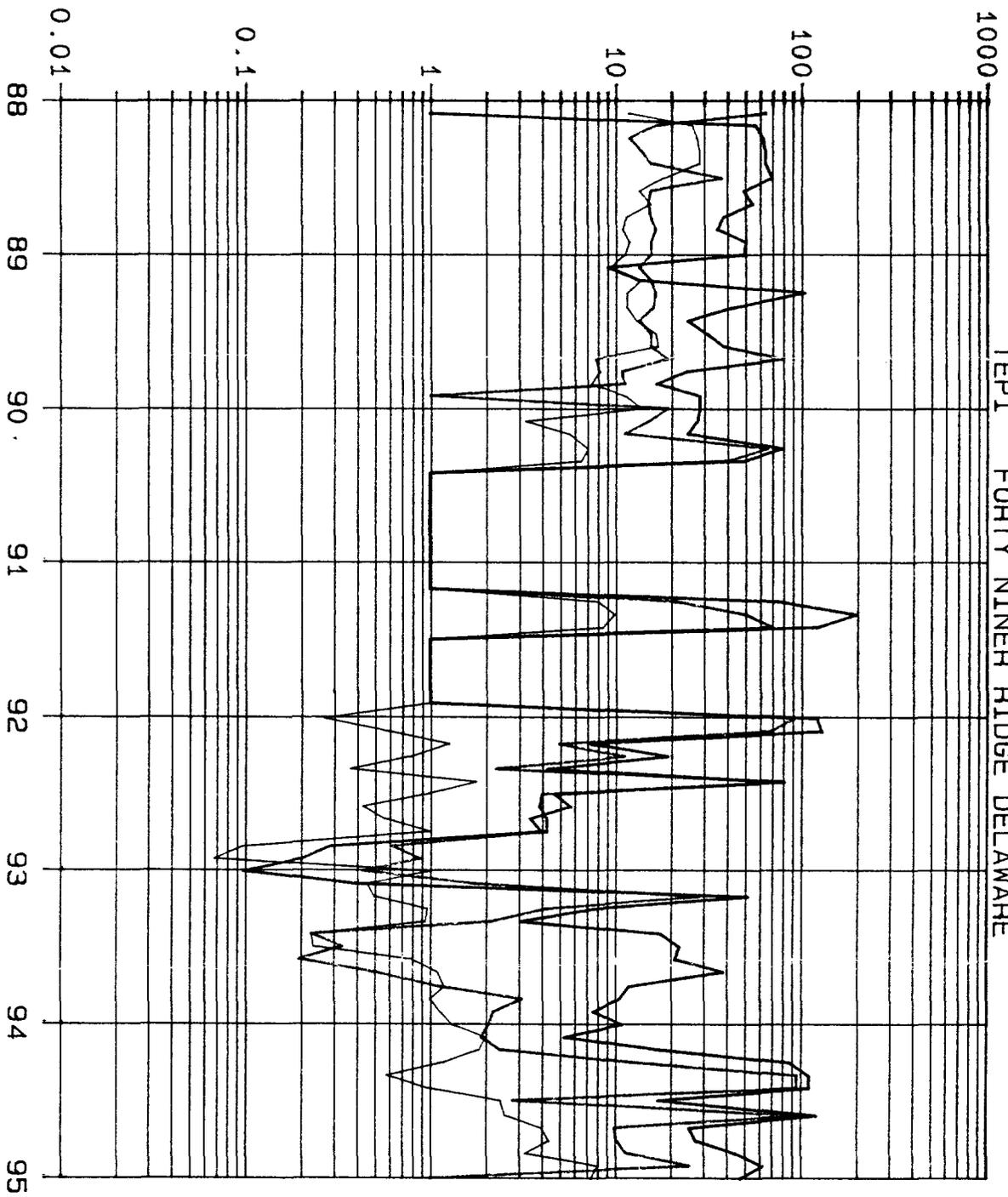
YEARS

LEASE DATA  
 LSE 010939  
 FLD 24750  
 OPER TEPI  
 ZONE 24750  
 COUNTY 15  
 STATE 30

STATUS 12-94  
 CO 68 MBO  
 CG 48 MMCF  
 BOPD 15  
 BWPD 23  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWT  
 BWIPD 0

FORTY NINER RIDGE UNIT 3 FORTY NINER RIDGE DELAWARE

TEPI FORTY NINER RIDGE DELAWARE



BOPD      BWPD      MCFPD

YEARS

LEASE DATA

LSE 010939  
 FLD 24750  
 OPER TEPI  
 ZONE 24750

COUNTY 15  
 STATE 30

STATUS 12-94  
 CO 14 MBO  
 CG 42 MMCF  
 BOPD 7  
 BWPD 48  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0



Texaco Exploration and Production Inc.  
Midland Producing Division

Oil Conservation Division  
OIL CONSERVATION DIVISION  
MIDLAND, TEXAS 79701

Oil Conservation Division  
MIDLAND, TEXAS 79702

4972

February 8, 1994

FEB 8 35

ok'd 2-24-94

District Supervisor  
Bureau of Land Management  
Roswell District Office  
P. O. Box 1397  
Roswell, New Mexico 88202-1397

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

All Working Interest Owners  
(Address List Attached)

RE: **FORTY NINER RIDGE UNIT**  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the Development and Operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Texaco Exploration and Production Inc. submits, for your approval, a report of past operations and a plan of development for 1994. Enclosed are a map of the area and production plots for the three wells within the unit.

**PAST OPERATIONS**

The original unit operator, Skelly Oil Company, completed the Forty Niner Ridge Unit No. 1 (SE Sec. 16-T23S-R30E) November 10, 1973, in the Morrow for an initial CAOF of 3,703 MCFPD. Cumulative Morrow production at abandonment on October 1, 1981, was 870,011 MCF. A Wolfcamp completion attempt in Forty Niner Ridge Unit Well No. 1 during June 1982, proved to be non-productive. A subsequent workover in the Bone Spring was successful. The Bone Spring initially produced 37 BOPD and 250 MCF on June 27, 1982, from perforations at 7564 feet-7589 feet. The Bone Spring pay was plugged back in August 1984. Cumulative production from the Bone Spring in Forty Niner Ridge Unit Well No. 1 was 2,744 barrels of oil.

Bureau of Land Management,  
Commissioner of Public Lands,  
New Mexico Oil Conservation  
Division, and Working  
Interest Owners  
1994

- 2 -

February 10,

Forty Niner Ridge Unit Well No. 1 was recompleted in the Delaware Cherry Canyon in August 1984. Initial production was 128 BOPD, 267 BWPd, and 19 MCF. A March 1990 workover opened additional Delaware pay. Production increased from approximately 10 BOPD and 92 BWPd to 69 BOPD and 193 BWPd. Cumulative production from the Delaware through August 31, 1993, is 69 MBO and 60 MMCFG. Current production is 1 BOPD, 28 MCFD and 1 BWPd.

Skelly Oil Company completed a second well, the Forty Niner Ridge Unit No. 2 (NE Sec. 21 T23S-R30E) in November 1974, as a Morrow producer. The initial CAOF was 2,492 MCFPD. Cumulative production from the Morrow zone was 42,696 MCF prior to abandonment in August 1977. An October 1977 Bone Spring recompletion resulted in an initial potential of 11 BOPD, 46 MCFPD, and 8 BWPd from perforations at 7415 feet-7568 feet. Cumulative production from this zone was 16,920 BO.

Texaco recompleted Forty Niner Ridge Unit No. 2 in the Delaware in November 1987. The well potentialized for 270 BOPD, 69 BWPd, GOR 370 from perforations at 6043 feet- 6048 feet. Through December 31, 1993, the Delaware produced 63 MBO and 33 MMCFG. Current production is 12 BOPD, 15 MCFD, and 15 BWPd.

Texaco completed Forty Niner Ridge Unit No. 3 (NW Sec. 16-T23S-R30E) January 31, 1988, from Delaware sand perforations at 5952 feet-5980 feet. It potentialized for 112 BOPD, 442 BWPd, and 143 MCFD. The well currently produces 1 BOPD, 2 MCFD, and 10 BWPd. Cumulative Delaware production through December 31, 1993, is 13 MBO and 31 MMCFG.

#### **PLANS FOR DEVELOPMENT 1994**

In 1994, Texaco plans to continue producing the Forty Niner Ridge Unit wells in an efficient manner. Texaco will perform equipment modifications and well workovers as necessary to maintain commercial production.

Yours very truly,



R. J. Rowak  
Assistant Division Manager

JLF/srt  
Attachments

**FORTY NINER RIDGE UNIT  
EDDY COUNTY, NEW MEXICO**

**Working Interest Owners**

**Texaco Exploration and Production Inc.  
P. O. Box 3109  
Midland, Texas 79702**

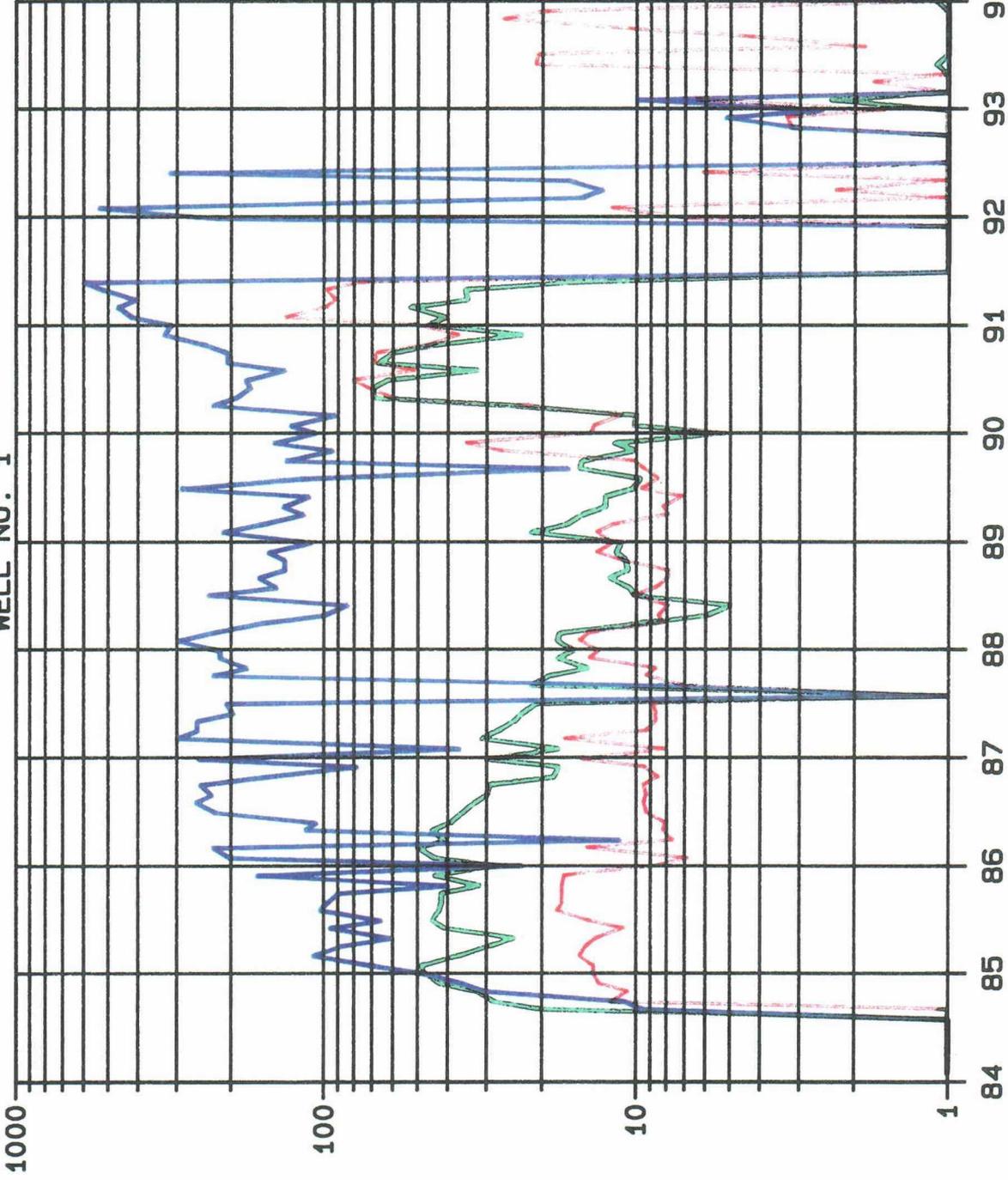
**Bass Enterprises Prod.  
201 Main Street  
Fort Worth, TX 76102  
ATTN: Joint Interest Manager**

**Mark A. Chapman  
13 Townhouse Court  
Bellaire, TX 77401**

**Maralo, Inc.  
P. O. Box 832  
Midland, Texas 79702  
ATTN: R. A. Lowery**

FORTY NINER RIDGE UNIT

WELL NO. 1



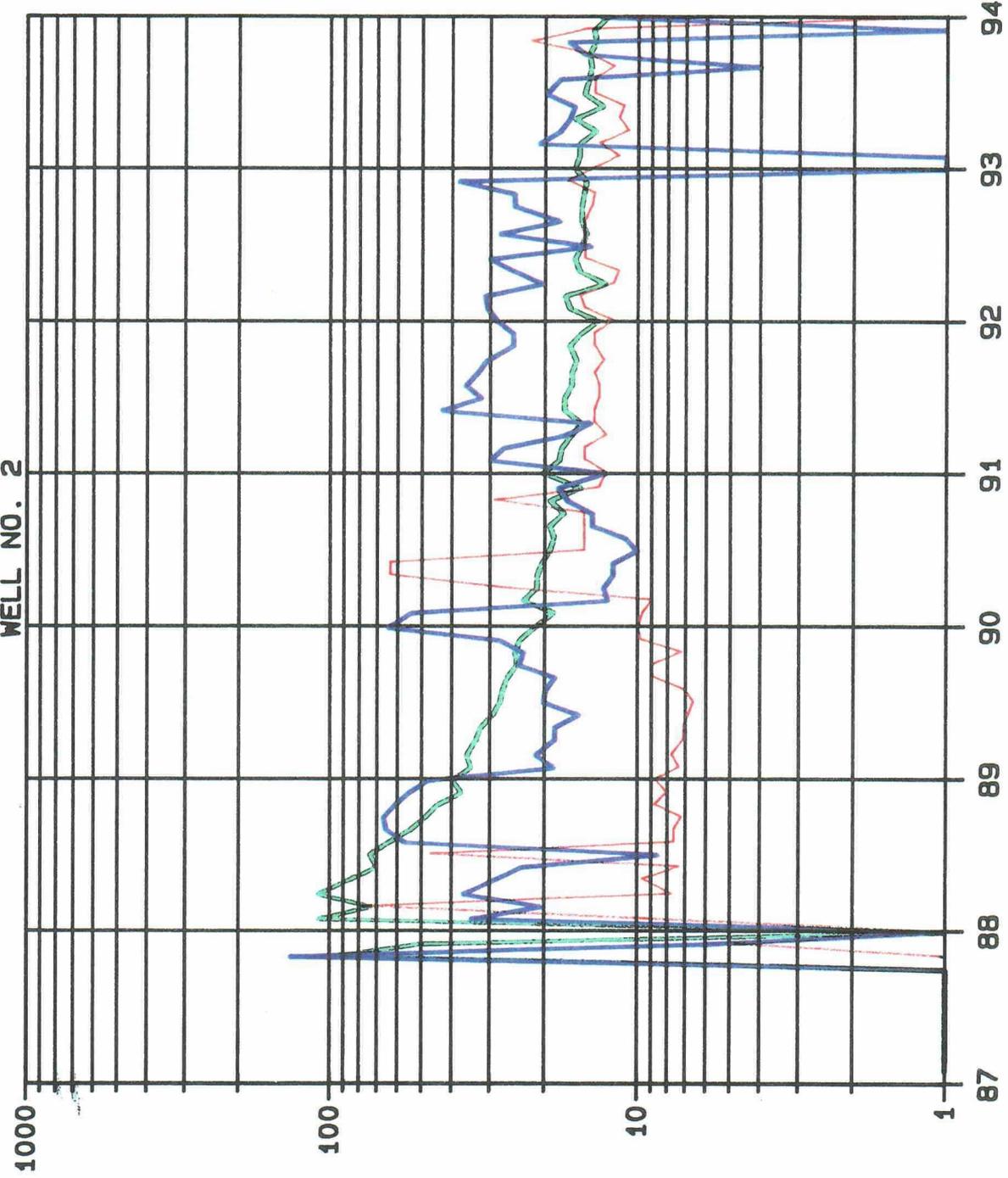
YEARS

LEASE DATA  
 LSE 238450  
 FLD 24750  
 OPER TEPI  
 ZONE 24750  
 --  
 COUNTY 15  
 STATE 30  
 30015208990000  
 STATUS 12-93  
 CO 69 MBO  
 CG 60 MCF  
 CW 454 MBW  
 BOPD 1  
 BWPD 0  
 MCFPD 0  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0

BOPD MCFPD BWPD

FORTY NINER RIDGE UNIT  
WELL NO. 2

LEASE DATA  
LSE 238465  
FLD 24750  
OPER TEPI  
ZONE 24750  
---  
COUNTY 15  
STATE 30  
30015211750000  
STATUS 12-93  
CO 63 MBO  
CG 33 MMCF  
CW 59 MBW  
BOPD 12  
BWPD 13  
MCFPD 0  
WELLS 1  
CI 0 MBWI  
BWIPD 0

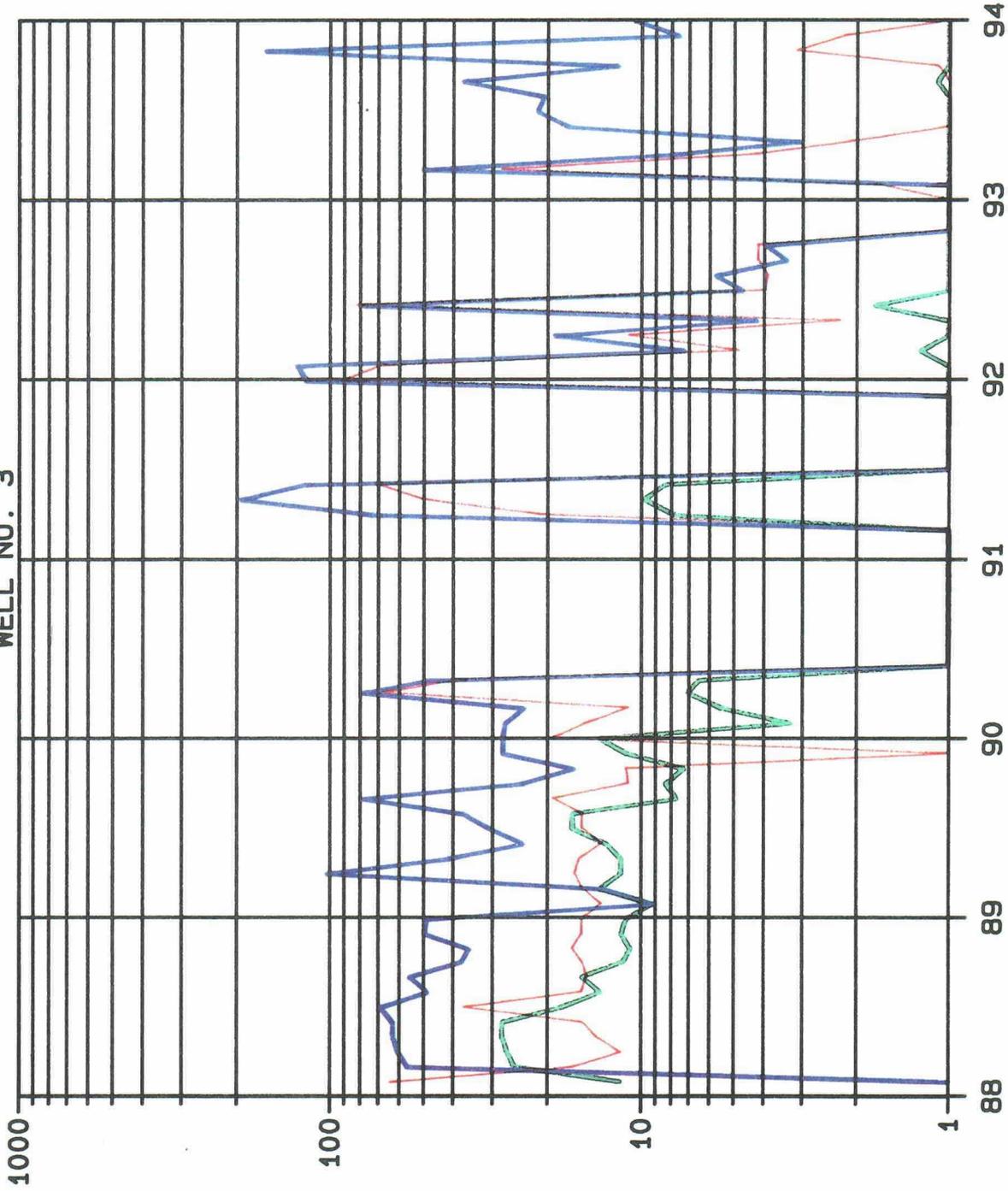


YEARS

BOPD  
BWPD  
MCFPD

FORTY NINER RIDGE UNIT  
WELL NO. 3

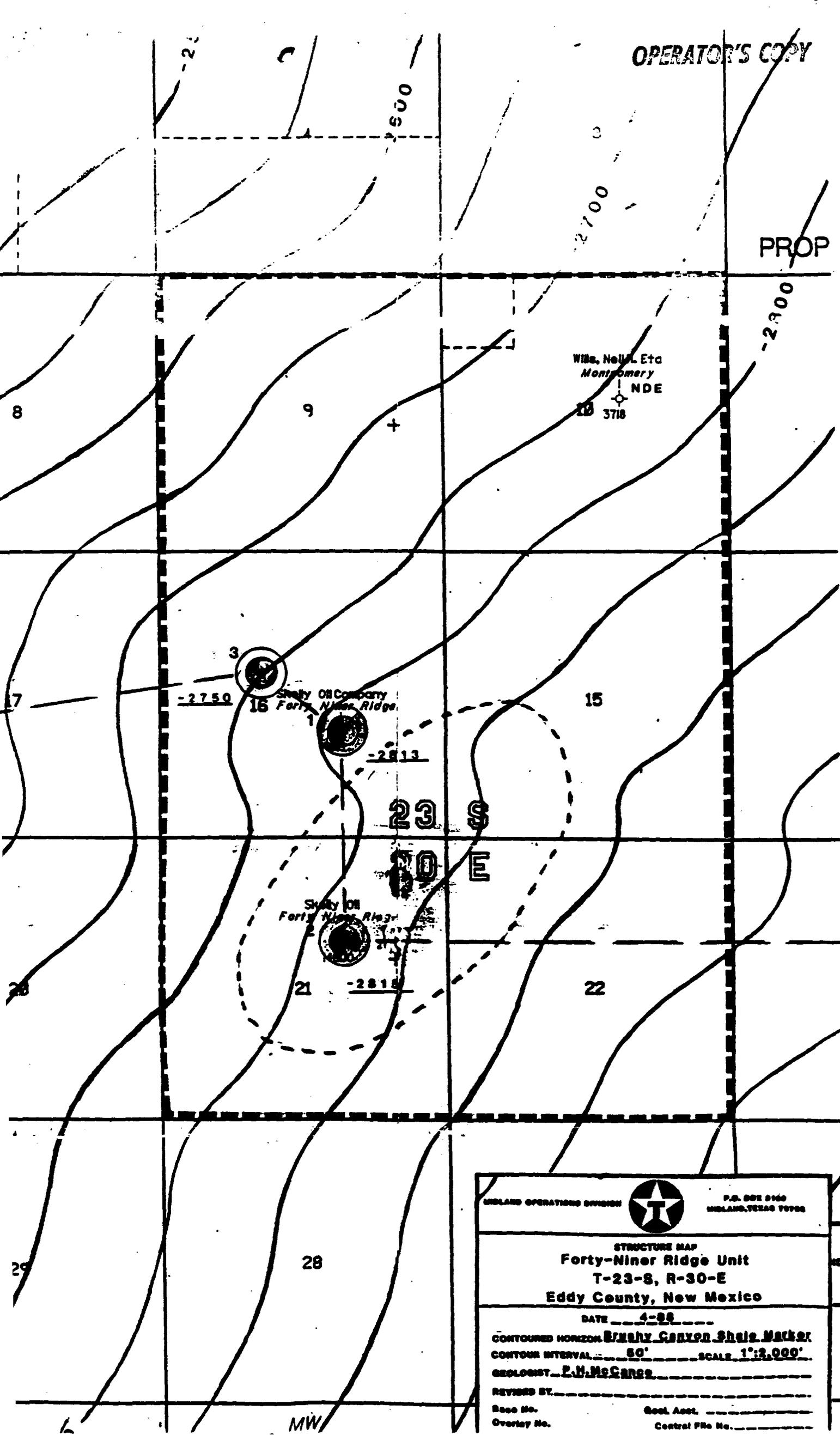
LEASE DATA  
LSE 238450  
FLD 24750  
OPER TEPI  
ZONE 24750  
--  
COUNTY 15  
STATE 30  
30015254540000  
STATUS 12-93  
CO 13 MBO  
CG 31 MMCF  
CW 71 MBW  
BOPD 0  
BWPD 11  
MCFPD 0  
WELLS 1  
CI 0 MBWI  
BWIPD 0



BOPD  
MCFPD  
BWPD

YEARS

PROP



Wils. Nell. Etc  
 Montgomery  
 NDE  
 3718

Shaly Oil Company  
 16 Forty-Niner Ridge

Shaly Oil  
 Forty-Niner Ridge

MIDLAND OPERATIONS DIVISION		P.O. BOX 2160 MIDLAND, TEXAS 79701
<b>STRUCTURE MAP</b> <b>Forty-Niner Ridge Unit</b> <b>T-23-S, R-30-E</b> <b>Eddy County, New Mexico</b>		
DATE <u>4-88</u>		
CONTOURED HORIZON <u>Brushy Canyon Shale Marker</u>		
CONTOUR INTERVAL <u>50'</u> SCALE <u>1"=2,000'</u>		
GEOLOGIST <u>P.H. McCARRA</u>		
REVISED BY _____		
Base No. _____	Geol. Ass't. _____	
Overlay No. _____	Central File No. _____	

MW



State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

SLO REF NO. OG-1387

March 24, 1994

Texaco Exploration & Production Inc.  
500 N. Loraine  
P.O. Box 3109  
Midland, Texas 79701

Attn: Mr. R. J. Rowak

Re: 1994 Plan of Development  
Forty Niner Ridge Unit  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

RBP/FOP/pm  
cc: OCD - Roy Johnson  
BLM



Texaco Exploration and Production Inc.  
Midland Producing Division

550 N. Lorraine  
Midland, TX 79701

P. O. Box 3109  
Midland, TX 79702

January 18, 1993

District Supervisor  
Bureau of Land Management  
Roswell District Office  
P. O. Box 1397  
Roswell, New Mexico 88202-1397

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

All Working Interest Owners  
(Address List Attached)

RE: FORTY NINER RIDGE UNIT  
EDDY COUNTY, NEW MEXICO

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the Development and Operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Texaco Exploration and Production Inc. submits, for your approval, a report of past operations and a plan of development for 1993. Enclosed are a map of the area and production plots for the three wells within the unit.

### **PAST OPERATIONS**

The original unit operator, Skelly Oil Company, completed the Forty Niner Ridge Unit No. 1 (SE Sec. 16-T23S-R30E) November 10, 1973, in the Morrow for an initial CAOF of 3,703 MCFPD. Cumulative Morrow production at abandonment on October 1, 1981, was 870,011 MCF. A Wolfcamp completion attempt in Forty Niner Ridge Unit Well No. 1 during June, 1982, proved to be non-productive. A subsequent workover in the Bone Spring was successful. The Bone Spring initially produced 37 BOPD and 250 MCF on June 27, 1982 from perforations at 7564 feet to 7589 feet. The Bone Spring pay was plugged back in August, 1984. Cumulative production from the Bone Spring in Forty Niner Ridge Unit Well No. 1 was 2,744 barrels of oil.

Bureau of Land Management,  
Commissioner of Public Lands,  
New Mexico Oil Conservation  
Division, and Working  
Interest Owners

- 2 -

January 18, 1993

Forty Niner Ridge Unit Well No. 1 was recompleted in the Delaware Cherry Canyon in August, 1984. Initial production was 128 BOPD, 267 BWPD, and 19 MCF. A March, 1990, workover opened additional Delaware pay. Production increased from approximately 10 BOPD and 92 BWPD to 69 BOPD and 193 BWPD. Cumulative production from the Delaware through August 31, 1992, is 71 MBO and 56 MMCFG. Average production in November, 1992, was 11 BOPD, 50 MCFD, and 78 BWPD.

Skelly Oil Company completed a second well, the Forty Niner Ridge Unit No. 2 (NE Sec. 21-T23S-R30E) in November, 1974, as a Morrow producer. The initial CAOF was 2,492 MCFPD. Cumulative production from the Morrow zone was 42,696 MCF prior to abandonment in August, 1977. An October, 1977, Bone Spring recompletion resulted in an initial potential of 11 BOPD, 46 MCFPD, and 8 BWPD from perforations at 7415 feet to 7568 feet. Cumulative production from this zone was 16,920 BO.

Texaco recompleted Forty Niner Ridge Unit No. 2 in the Delaware in November, 1987. The well potentialized for 270 BOPD, 69 BWPD, GOR 370 from perforations at 6043 feet to 6048 feet. Through August 31, 1992, the Delaware produced 56 MBO and 26 MMCFG. Current production is 19 BOPD, 17 MCFD, and 38 BWPD.

Texaco completed Forty Niner Ridge Unit No. 3 (NW Sec. 16-T23S-R30E) January 31, 1988, from Delaware sand perforations at 5952 feet to 5980 feet. It potentialized for 112 BOPD, 442 BWPD, and 143 MCFD. The well currently produces 2 BOPD, 13 MCFD, and 3 BWPD. Cumulative Delaware production through August 31, 1992, is 12 MBO and 29 MMCFG.

### PLANS FOR DEVELOPMENT 1993

In 1993, Texaco plans to continue producing the Forty Niner Ridge Unit wells in an efficient manner. Texaco will perform equipment modifications and well workovers as necessary to maintain commercial production.

Yours very truly,



D. D. Ulrich  
Assistant Division Manager

JFG/srt  
Attachments

**FORTY NINER RIDGE UNIT  
EDDY COUNTY, NEW MEXICO**

**Working Interest Owners**

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

Bass Enterprises Prod.  
201 Main Street  
Fort Worth, TX 76102  
ATTN: Joint Interest Manager

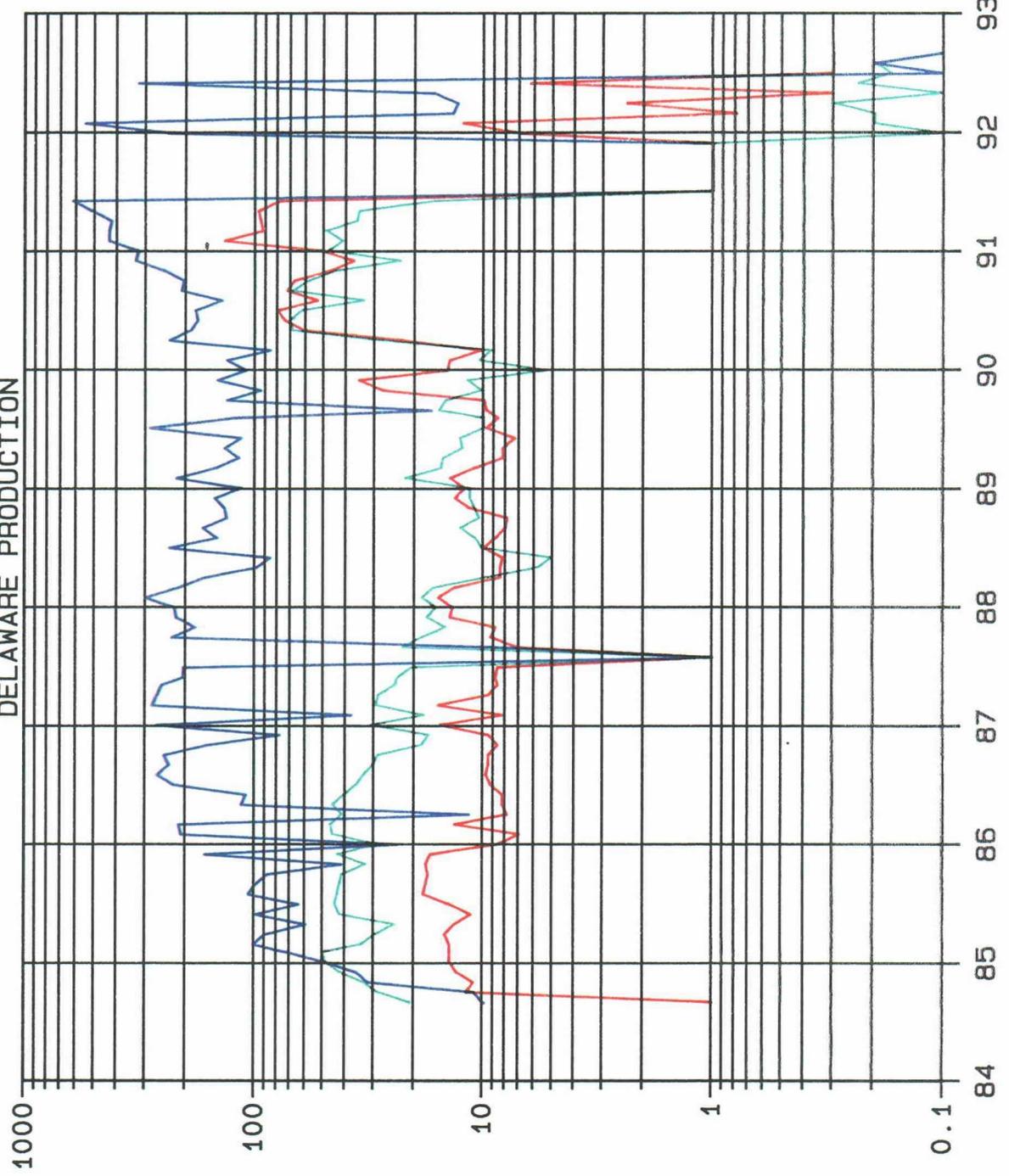
Mark A. Chapman  
13 Townhouse Court  
Bellaire, TX 77401

Maralo, Inc.  
P. O. Box 832  
Midland, TX 79702  
ATTN: R. A. Lowery

FORTY NINER RIDGE UNIT NO. 1  
DELAWARE PRODUCTION

LEASE DATA  
LSE 23S30E16J01  
FLD 8028554  
OPER 158628  
ZONE  
23S-30E-16  
COUNTY 015  
STATE 30

STATUS 8-92  
CO 69 MBO  
CG 56 MMCF  
BOPD 0  
BWIPD 0  
MCFPD 0  
WELLS 1  
CI 0 MBWI  
BWIPD 0

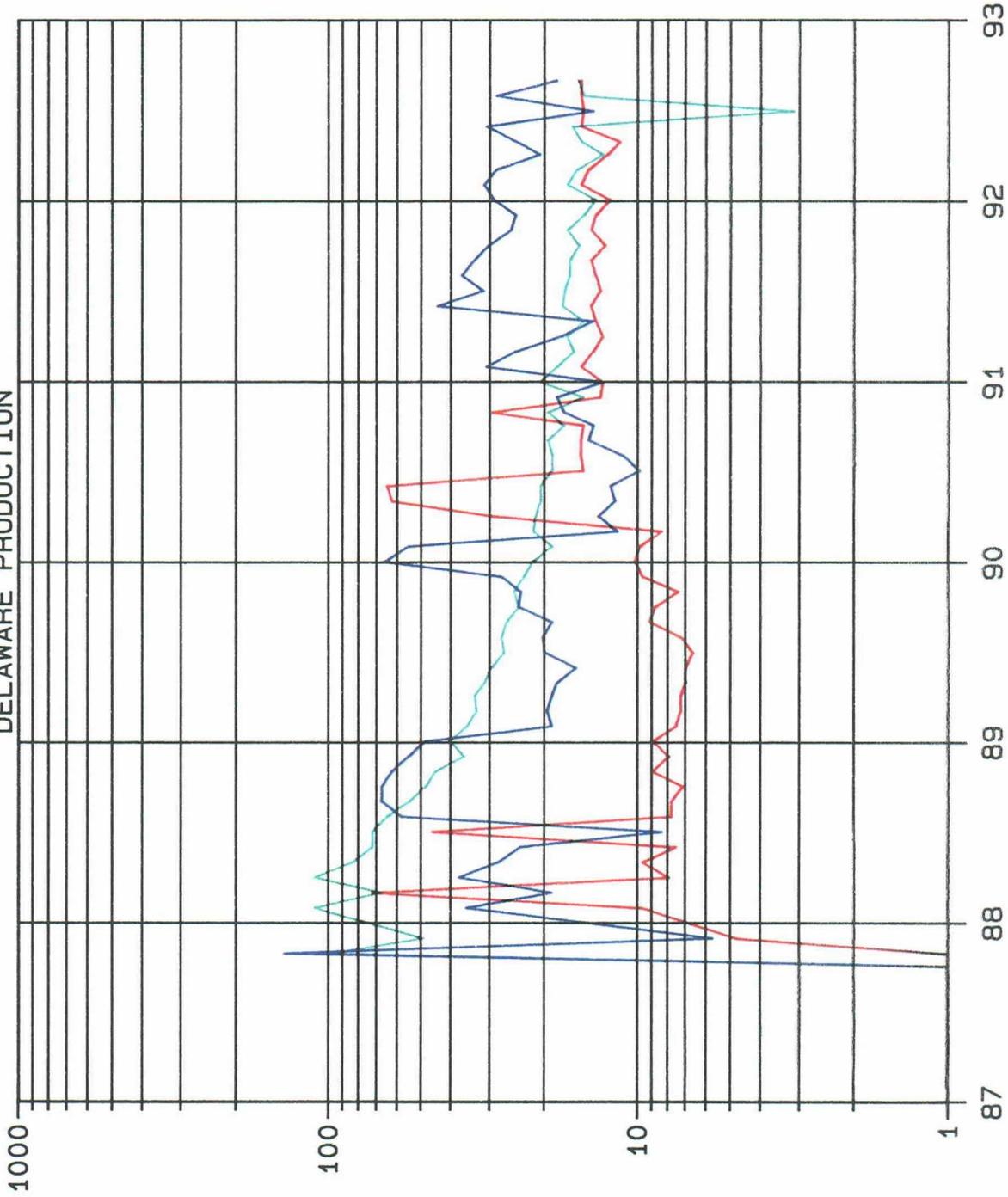


BOPD  
MCFPD  
BWIPD

YEARS

FORTY NINER RIDGE UNIT NO. 2

DELAWARE PRODUCTION



LEASE DATA  
 LSE 23S30E21G0  
 FLD 8028554  
 OPER 158628  
 ZONE  
 23S-30E-21  
 COUNTY 015  
 STATE 30

STATUS 8-92  
 CO 56 MBO  
 CG 26 MCMCF  
 BOPD 15  
 BWPD 18  
 MCFPD 15  
 WELLS 1  
 CI 0 MBWI  
 BWIPD 0

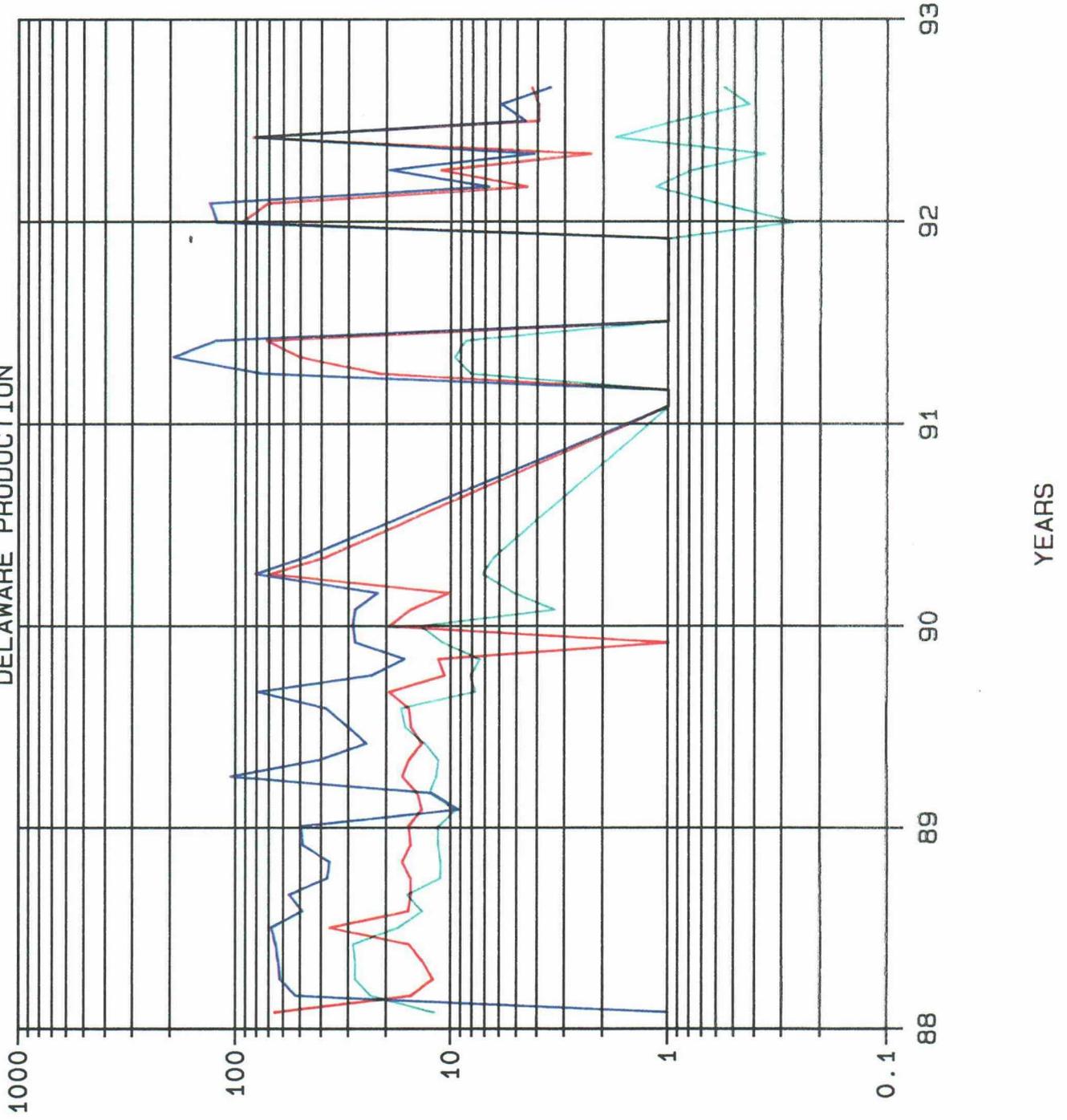
— MCFPD  
 — BWPD  
 — BOPD

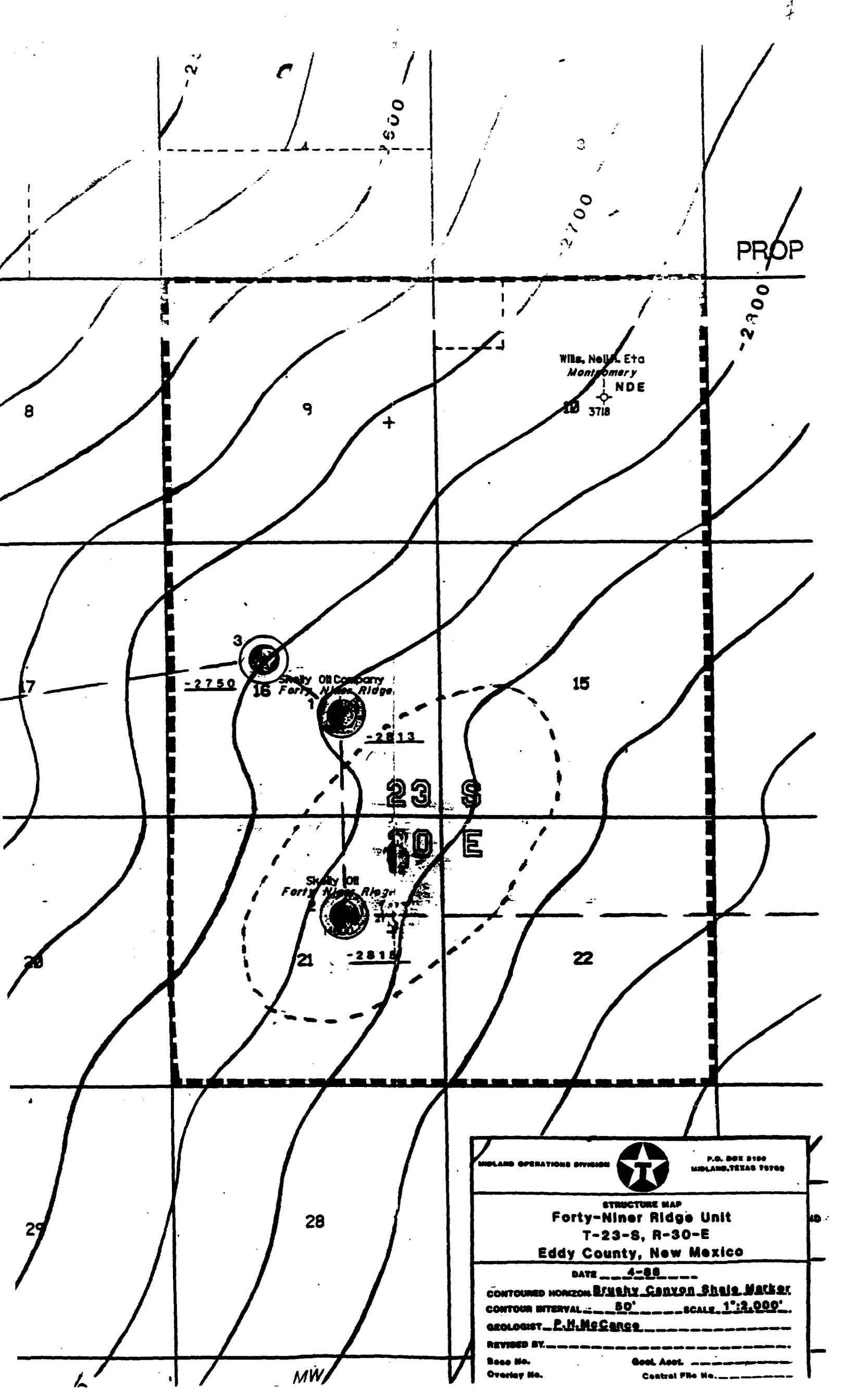
YEARS

FORTY NINER RIDGE UNIT NO. 3  
DELAWARE PRODUCTION

LEASE DATA  
LSE 23S30E16F01  
FLD 8028554  
OPER 158628  
ZONE  
23S-30E-16  
COUNTY 015  
STATE 30

STATUS 8-92  
CO 12 MBO  
CG 29 MMCF  
BOPD 1  
BWPDP 3  
MCFPD 4  
WELLS 1  
CI 0 MBWI  
BWIPD 0





MIDLAND OPERATIONS DIVISION		P.O. BOX 9100 MIDLAND, TEXAS 79709
<b>STRUCTURE MAP</b> <b>Forty-Niner Ridge Unit</b> <b>T-23-S, R-30-E</b> <b>Eddy County, New Mexico</b>		
DATE <u>4-88</u>		
CONTOURED HORIZON <u>Brushy Canyon Shale Marker</u> CONTOUR INTERVAL <u>50'</u> SCALE <u>1"=2,000'</u> GEOLOGIST <u>P.H. McCance</u>		
REVISED BY _____		
Base No. _____	Geol. Asst. _____	
Overlay No. _____	Central File No. _____	



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BACA  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 10, 1992

Texaco, Inc.  
P. O. Box 3901  
Midland, Texas 79702

#4972

Attn: Land Department

Re: Forty-Niner Ridge Unit Well Nos. 3 & 4  
Commercial Well Determinations  
Eddy County, New Mexico

Gentlemen:

A review of our records reveals that the Forty-Niner Ridge Unit Well No. 3-F located on Section 16, Township 23 South, Range 30 East was completed in the Delaware zone on January 31, 1988. Pursuant to the terms of the unit agreement, you are required to submit information as to whether or not this is a commercial well and entitled to a participating area.

In addition, our records also reflect that the New Mexico Oil Conservation Division approved your intent to drill the Forty-Niner Ridge Unit Well No. 4-A, in Sec. 21-23S-30E on July 27, 1988. As of this date we have not been furnished any completion information for this well. Please let us know what the status of this well is.

Please submit to this office, within 60 days from the receipt of this letter, the above requested information. Since this unit agreement also contains Federal lands, please provide a copy of all information to the Bureau of Land Management.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744

JB/FOP/pm

encls.

cc: Reader File  
OCD-Santa Fe  
BLM-Roswell



State of New Mexico  
Commissioner of Public Lands

#4972

W. R. Humphries  
COMMISSIONER

April 27, 1990

Advisory Board

George Clark  
Chairman

Texaco USA

Kristin Conniff  
Vice Chairman

P.O. Box 3109  
Midland, Texas 79702

Melvin Cordova

Joe Kelly

Robert Portillos

ATTN: S.G. Snyder

Nancy Lynch Vigil

Rex Wilson

RE: Forty Niner Ridge Unit  
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Forty Niner Ridge Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES,  
COMMISSIONER OF PUBLIC LANDS

BY:

*Floyd O. Prando*

FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5746

cc: OCD - Santa Fe, New Mexico  
BLM  
Unit Correspondence File  
Unit P.O.D. File

WRH/FOP/SMH



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

June 18, 1988

Texaco USA  
Attn: Mr. Joe E. King  
P. O. Box 728  
Hobbs, New Mexico 88240

Re: Forty-Niner Ridge Unit Agreement,  
Application for approval of  
Initial Delaware Cherry Canyon  
participating Area, Eddy County,  
New Mexico

Gentlemen:

The Commissioner of Public Lands has as of this date approved your application for approval of the Initial Delaware Cherry Canyon Participating Area.

This Initial Participating Area contains 40.00 acres and is described as the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 16, Topwnship 23 South, Range 30 East. The effective date is August 6, 1984, being the date in which the Forty Niner Ridge Unit Well No. 1 was Plugged back from the Bone Springs to the Delaware Cherry Canyon formation. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

On Exhibit "B" of your schedule please note that under Tract No. 13, the State Lease No. E-5229-4 has been typed in under the heading "Lease No. or Type of Land".

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.  
cc: OCD  
BLM  
OGAD

Handwritten initials or mark in the top left corner.



Joe E King  
District Manager

Texaco USA

PO Box 726  
HOBBS NM 88240  
505 399 7191

RECEIVED

JUN 7 8 07 AM '88

BUREAU OF LAND MGMT  
ROSWELL DISTRICT

June 2, 1988

District Supervisor  
Bureau of Land Management  
Roswell District Office  
P. O. Box 2-1397  
Roswell, New Mexico 88201  
Attention: Mr. Les Babyak

RE: Request for Approval of Participating Area for  
the Delaware Cherry Canyon Formation under the  
Forty-Niner Ridge Unit Agreement  
Eddy County, New Mexico

Gentlemen:

Texaco Producing Inc., as operator of the Forty-Niner Ridge Unit, respectfully request your approval of the lands indicated on the land ownership map attached as Exhibit "A", for the formation of the initial participation area in the Delaware Cherry Canyon Formation. The initial participation area as indicated includes 40 acres.

It is Texaco's understanding that this establishment of the initial participation area of 40 acres will not result in the loss of acreage to the Drilling Unit. Also, it is Texaco's understanding that the initial participation area may be expanded at such a time as other wells in the unit have proved to be commercial.

Exhibit "B" describes the lands within the initial participating area and the percentage of participation of each tract within said area.

Yours very truly,

Handwritten signature of Joe E. King.

PWS:tmr

Attachments

cc: Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
ATTN: Mr. Floyd O. Prando  
Director Oil and Gas Division

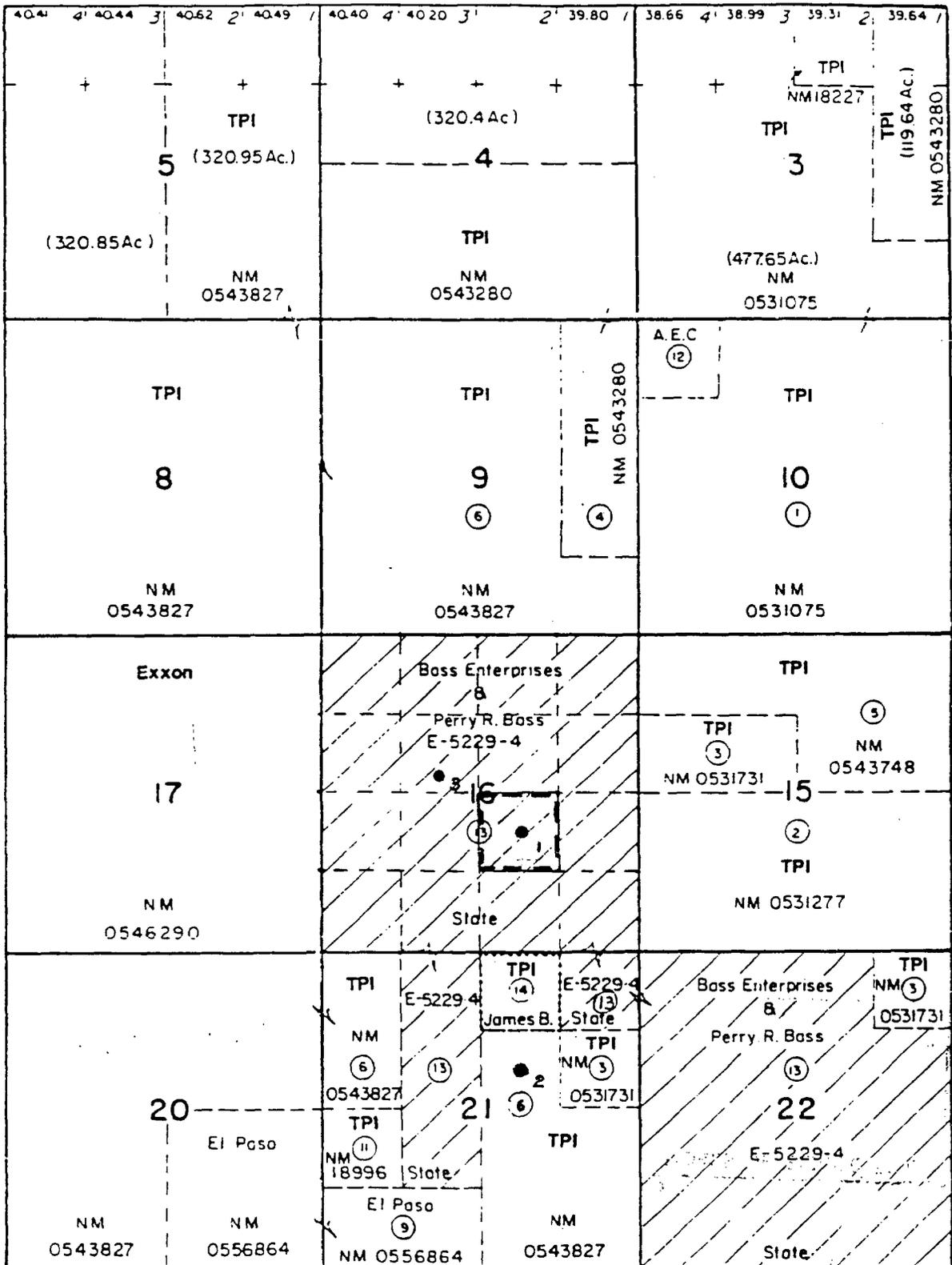
Approved: June 21, 1988  
*W. Q. Humphries*  
COMMISSIONER OF PUBLIC LANDS

EXHIBIT "A"

Forty-Niner Ridge Unit Area

T-23-S, R-30-E, N.M.P.M.

Eddy County, New Mexico



 FEDERAL LAND  
 STATE LAND  
 PATENTED LAND

 DENOTES TRACT NUMBER ON EXHIBIT "B"  
 PARTICIPATING AREA FOR THE DELAWARE CHERRY CANYON FORMATION

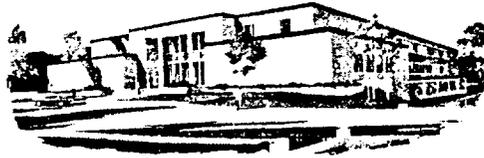
EXHIBIT "B"  
 FORTY-NINER RIDGE UNIT AREA (Delaware Cherry Canyon)  
 T-23-S, R-30-E, N.M.P.M.  
 EDDY COUNTY, NEW MEXICO  
EFFECTIVE August 6, 1984

Tract No.	Lease No. or Type of Land	Description	Participating Area	Percentage of Participation	Tract Owner
13	State E-5229-4	Sec. 16: NW/4 SE/4	40	100.0000%	Bass Enterprise Prod. Co. and Perry R. Bass

100.0000%

Total State Lands

	40				
	40				
				100.0000%	



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

SLO REF NO OG-703

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

March 24, 1988

Texaco USA  
Attn: Mr. Joe E. King  
P. O. Box 728  
Hobbs, New Mexico 88240

Re: 1988 Plan of Development  
Forty Niner Ridge Unit  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

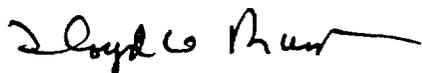
Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.  
cc: OCD  
BLM



March 7, 1988

District Supervisor  
Bureau of Land Management  
Roswell District Office  
P. O. Box 1397  
Roswell, New Mexico 88201

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

All Working Interest Owners  
(Address List Attached)

RE: FORTY NINER RIDGE UNIT  
EDDY COUNTY, NEW MEXICO

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the development and operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Texaco Inc. submits for your approval a report of past operations and a plan of development for 1988.

PAST OPERATIONS

The Forty Niner Ridge Unit No. 1 was completed November 10, 1973, in the Morrow gas zone for an initial CAOF of 3,703 MCFPD. The well is located in Unit Letter "J", 1980 FSL and FEL, Section 16, T-23-S, R-30-E, Eddy County, New Mexico. The cumulative Morrow production at abandonment on October 1, 1981, was 870,011 MCF.

A Wolfcamp completion in Forty Niner Ridge Unit Well No. 1 during June, 1982, proved to be non-productive. Later in June, a successful completion of the Forty Niner Ridge Bone Spring pay was made from perforations 7564'-89'. The Bone Spring initially produced 37 BOPD and 250 MCF on June 27, 1982, and stabilized at 12 BOPD and 15 MCFPD in July, 1982. The Bone Spring pay was

Bureau of Land Management,  
Commissioner of Public Lands,  
New Mexico Oil Conservation  
Division, and Working  
Interest Owners

- 2 -

March 7, 1988

plugged back in August, 1984. Cumulative production from the Bone Spring in Forty Niner Ridge Unit Well No. 1 was 2,744 barrels of oil.

Forty Niner Ridge Unit Well No. 1 was recompleted in the Delaware Cherry Canyon on August, 1984. Initial production was 128 BOPD, 267 BWPD, and 19 MCF. Cumulative production from the Delaware zone as of December 1, 1987, was 38,170 barrels of oil. The average daily production during November, 1987, was 18 BOPD, 219 BWPD, and 14 MCFPD.

The second well, the Forty Niner Ridge Unit No. 2, was completed November, 1974, as a Morrow producer. The well is located 1980' FNL and FEL of Section 21, T-23-S, R-30-E. The initial CAOF was 2492 MCFPD. Cumulative production from the Morrow zone was 42,696 MCF prior to abandonment in August, 1977.

The Forty Niner Ridge Unit No. 2 was recompleted in the Forty Niner Ridge Bone Spring on September 1, 1979. Perforations were from 7514'-68'. The initial potential on October 19, 1977, was 11 BOPD, 46 MCFPD, and 8 BWPD. Cumulative production of this zone was 16,920 BO.

The Forty Niner Ridge Unit No. 2 was recompleted to the Delaware in November of 1987. It potentialled for 270 BOPD, 69 BWPD, GOR 370 from perforations 6043' - 6048'.

Forty Niner Ridge Unit No. 3 was completed on January 31, 1988. It potentialled for 112 BOPD, 442 BWPD, and a GOR of 1277.

#### PLAN OF DEVELOPMENT 1988

Texaco's plans for 1988 will be the drilling of additional wells to the Delaware. These new wells will be drilled at locations that are yet to be determined and in an as diligent manner as possible. Other plans include the addition of perforations to Well No. 1.

Yours very truly,



PWS:jss

Attachments

FORTY-NINER RIDGE UNIT WELL NO. 1  
WORKING INTEREST OWNERS

Bass Enterprises Prod. Co.  
P. O. Box 2760  
Midland, Texas 79702

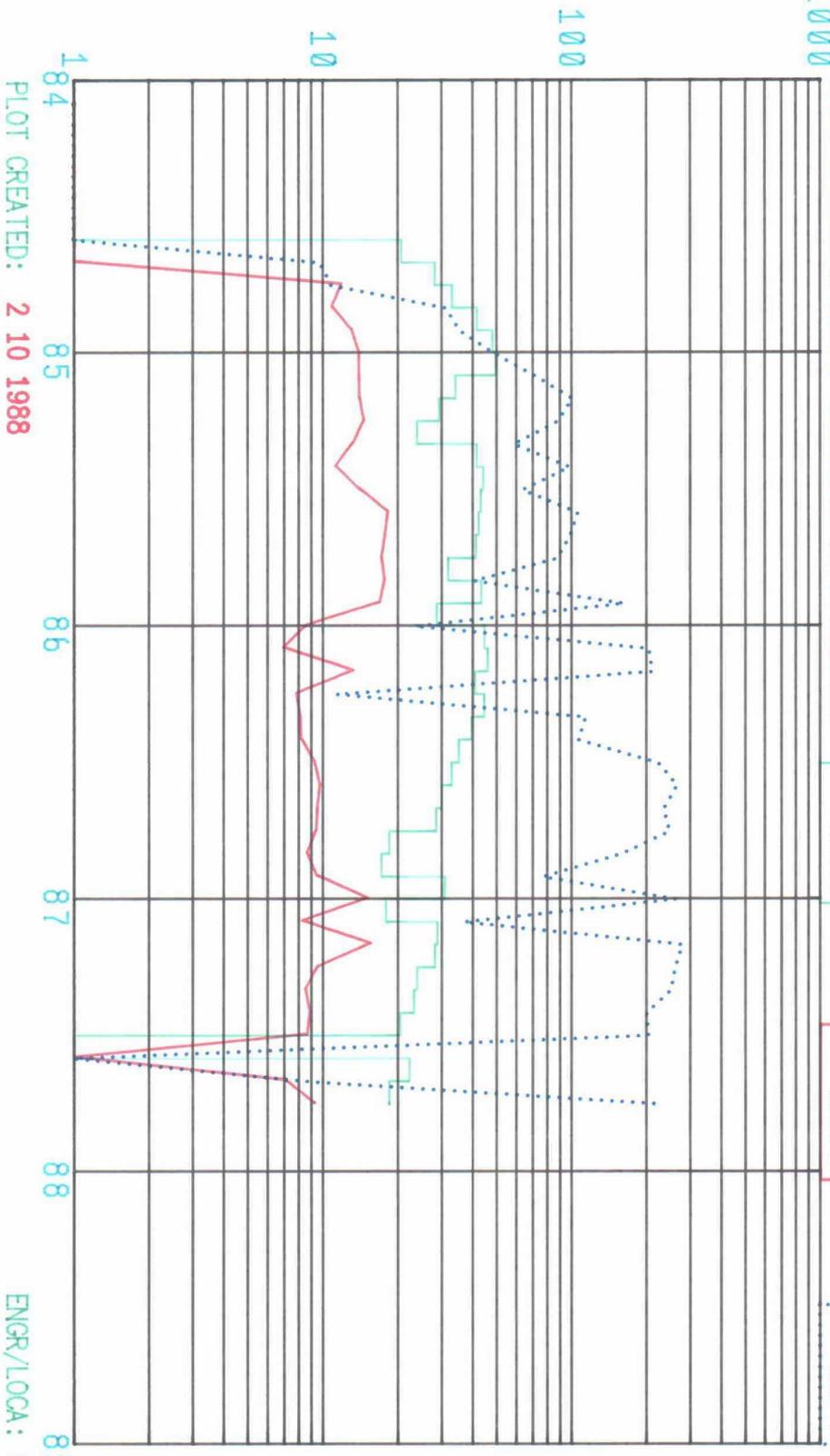
Meridian Oil  
21 Desta Drive  
Midland, Texas 79705

FORTY-NINER RIDGE UNIT WELL NO. 2  
WORKING INTEREST OWNERS

Meridian Oil  
21 Desta Drive  
Midland, Texas 79705

PROPERTY NAME: FORTY NINER RIDGE UNIT NO. 1  
 FIELD NAME: FORTY NINER RIDGE DELAWARE  
 OPERATOR NAME: TEXACO PRODUCING CO.  
 LOCATION: 23S 30E SEC 16 SPOT J  
 API NUMBER: 30 015 20899

LAST 6 MONTHS GOR / BPMM: 387.5 / 2580.67    BOPD    MCFPD    BWPPD



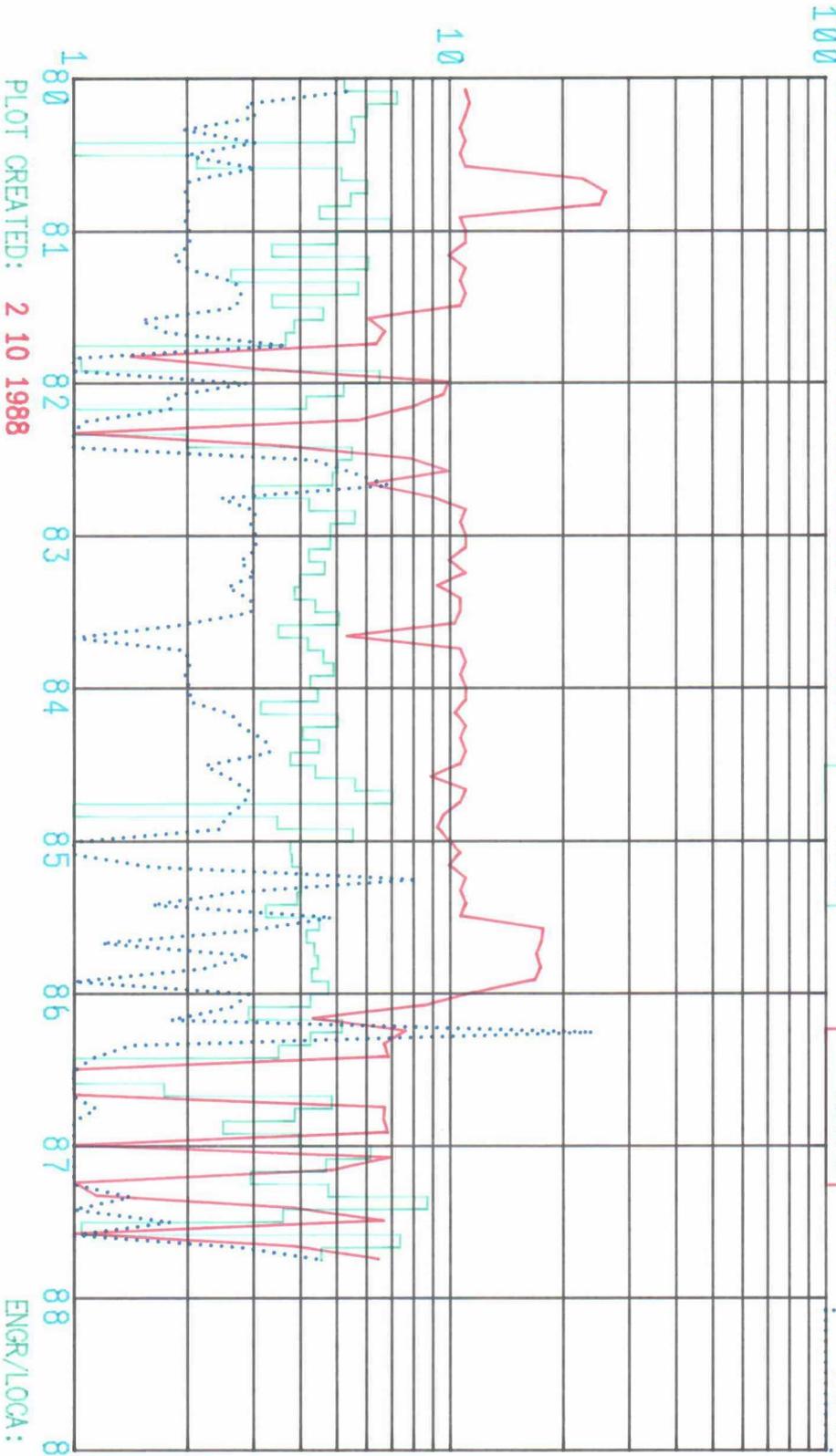
PLOT CREATED: 2 10 1988

ENGR/LOCA: PWS / HBS

1-1-87 CUMULATIVES:	1986 PRODUCTION:
OIL : 31.593    MBBLs	OIL : 12491    BBLS
GAS : 10.384    MMCF	GAS : 3499    MCF
WAT : 99.323    MBBLs	WAT : 64625    BBLS

PROPERTY NAME: FORTY NINER RIDGE UNIT NO. 2  
 FIELD NAME: FORTY NINER RIDGE BONE SPRING  
 OPERATOR NAME: TEXACO PRODUCING CO.  
 LOCATION: 23S 30E SEC 21 SPOT G  
 API NUMBER: 30 015 21175

LAST 6 MONTHS GOR / BPMM: 726.3 / 1376.88  
 BOPD  
 MCFPD  
 BWPPD



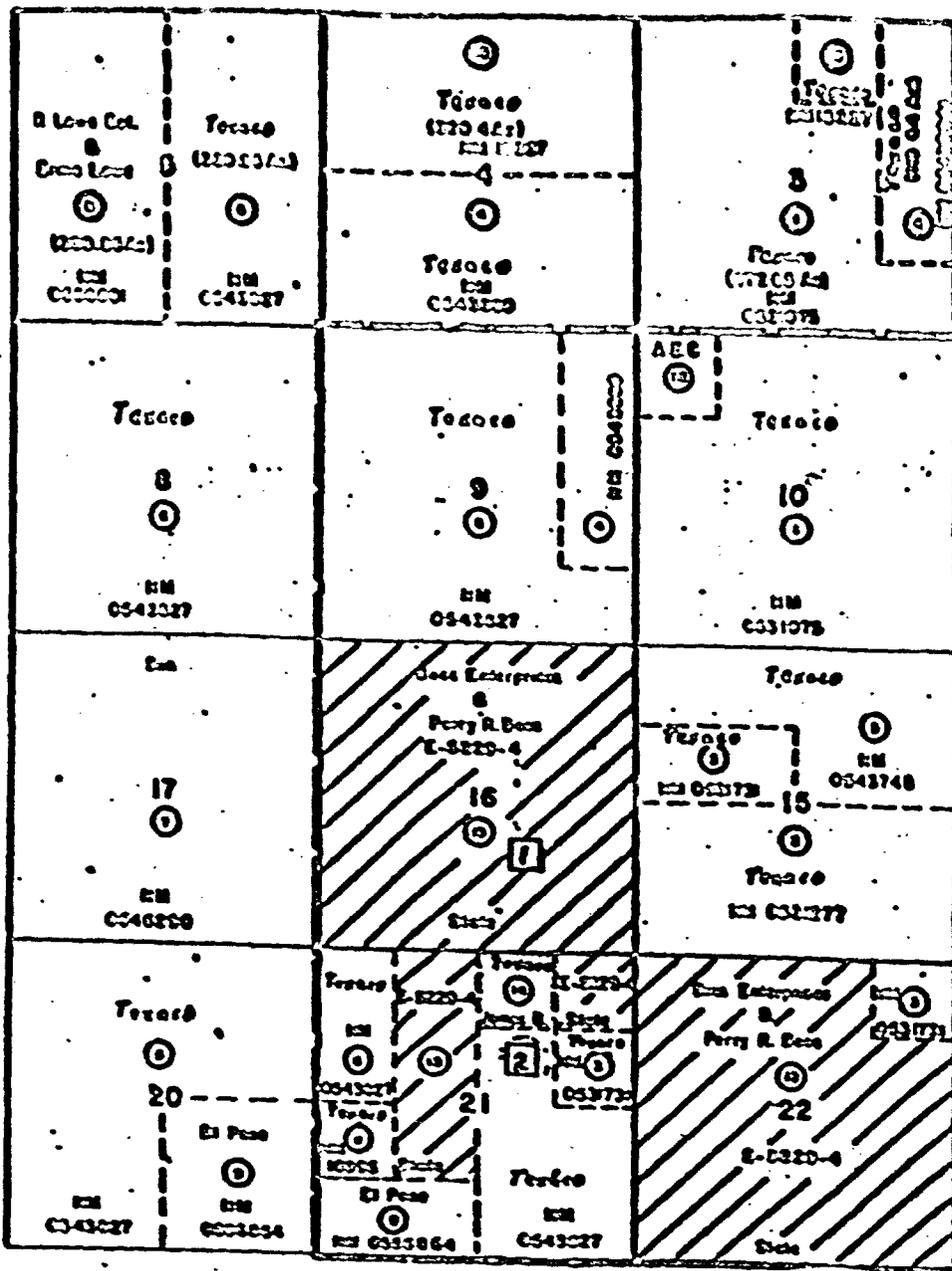
PLOT CREATED: 2 10 1988

ENGR./LOCA: PWS / HBS

1-1-87 CUMULATIVES:	1986 PRODUCTION:
OIL : 15.516 MBBLs	OIL : 1130 BBLs
GAS : 29.392 MMCF	GAS : 1686 MCF
WAT : 8.128 MBBLs	WAT : 983 BBLs

# TEXACO.

EXHIBIT A  
 Forty-Nine Block Unit Area  
 T-23-S, R-50-E, N11R11  
 Reddy County, New Mexico



-  FEDERAL LAND
-  STATE LAND
-  PATENTED LAND

State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-613

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

November 25, 1987

Texaco, Inc.  
ATTENTION: Mr. Joe King  
P. O. Box 728  
Hobbs, New Mexico 88240

Re: Amended 1987 Plan of Development  
Forty Niner Ridge Unit  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your Amended 1987 Plan of Development for the Forty Niner Ridge Unit Area, Eddy County, New Mexico. Such plan advises that due to the litigation delays for drilling the Unit Well No. 3, you propose to amend your 1987 Plan of Development to include the drilling of one well to the Delaware and the recompletion of the Unit Well No. 2 to the Delaware.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

State of New Mexico

#4972



REF NO. 00-23

W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

April 9, 1987

Texaco, Inc.  
ATTENTION: Mr. Joe King  
P. O. Box 728  
Hobbs, New Mexico 88240

Re: Forty Niner Ridge Unit  
1987 Plan of Development  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1987 Plan of Development for the Forty Niner Ridge Unit Area, Eddy County, New Mexico. Such plan proposes to recomplete the Unit Well No. 2 in the Delaware and you will also drill two additional wells to the Delaware.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

W.H. F.T. 00  
encls

cc: GED-Santa Fe, New Mexico  
BIM-Roswell, New Mexico Attn: Mr. Armando Lopez  
Gulfair, Inc.

# State of New Mexico



## Commissioner of Public Lands

W.R. HUMPHRIES  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

March 5, 1987

Texaco USA  
ATTENTION: Mr. S. L. Chandler  
P. O. Box 3109  
Midland, Texas 79702

Re: Forty-Niner Ridge Unit Agreement  
Initial Participating Area for  
Delaware Cherry Canyon Formation  
Eddy County, New Mexico And 1987  
Plan of Development

Gentlemen:

Reference is made to your application for approval of the Initial Delaware Cherry Canyon Participating Area for the Forty-Niner Ridge Unit Area, Eddy County, New Mexico.

A review of our records reflects that the Forty-Niner Ridge Unit Well No. 1-J is producing from the Forty Niner Ridge Delaware pool and the Unit Well No. 2-G is producing from the Forty Niner Ridge Bone Spring pool.

In our letter of March 28, 1986, we concurred with the Bureau of Land Management that the Initial Morrow Participating Area for the above captioned unit terminated automatically on October 1, 1981, being the date the Unit Well Nos. 1 and 2 were abandoned in the Morrow formation. We also requested that you submit a copy of your participating area for the Initial Delaware Cherry Canyon formation together with revised Exhibits "A" and "B" to this office and the Bureau of Land Management for approval. Your Application dated November 13, 1986 requested this participating area to include Sections 9, 10, 15, 16, 21 and 22, T. 23S., R. 30 E. containing 3.840.00 acres and was based on the completion of the Forty Niner Ridge Unit Well No. 1 from the Delaware Cherry Canyon formation at depths between 5433 and 5952 feet effective as of August 6, 1984.

In our letter of January 6, 1987, we notified you that a six section participating area containing 3.840 acres was not appropriate if only one well was going to be produced from the unit and therefore you were given thirty days to submit additional information about your future development plans for the unit.

Please be advised that this office is in receipt of a copy of your 1987 Plan of Development dated February 3, 1987 and your subsequent letter of February 10, 1987 requesting that we reconsider approval of the six section Initial Delaware Cherry Canyon Participating Area for the Forty-Niner Ridge Unit Area. Please be advised that your 1987 Plan of Development is not acceptable.

A study of the development history of the Forty-Niner Ridge Unit clearly indicates that the operator did not pursue development in a diligent manner. The discovery well was completed November 10, 1973 and the second well was completed one year later in November 1974. For the past 11 years following the completion of the 2nd unit well the operator has occupied himself with reworking and workover operations conducted on these same existing wells. The only other indication of activity was your letter of September 30, 1985 advising that "in accordance with Oil Conservation Commission Order No. R-111-A, Texaco Producing Inc. wishes to notify you of our intention to drill the Forty Niner Ridge Unit Well No. 3 to be located 2310' FNL and 2310' FEL of Sec. 16-23S-30E and will be drilled to a total depth of 6400'". Accompanying this letter was NMOCD Form C-101 and C-102 dated October 10, 1985, and approved by the NMOCD on November 4, 1985. Our records indicate that this well was never drilled.

In your letter of February 10, 1987 you state that "as operator of the Forty-Niner Ridge Unit Texaco must strongly assert that it would be inequitable and illogical to deny our request for a six section unit due to lack of activity when the NMOCD has rejected all of Texaco's efforts to drill another well". Checking with the NMOCD confirms that an application was made and arbitration with potash operators failed. However, there was no follow-up and no hearing was ever requested. In short, it is our opinion that the operator did not diligently follow up on the requirement for developing the producing area.

The data provided by Texaco is highly interpretive and highly speculative. Production to date does not confirm the existence of a widespread blanket of producing lithology. Production to date suggests marginal capabilities and the small recoveries certainly do not suggest drainage areas of more than 40.00 acres for oil. It is our opinion that a drainage area of 160.00 acres per oil well would be considered overly generous.

In view of the above, your request for approval of the Initial Delaware Cherry Canyon Participating Area can not be approved unless Texaco resubmits an acceptable Plan of Development providing for the drilling and completion of two

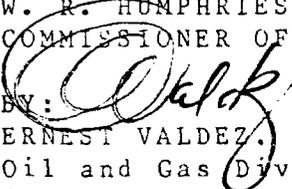
Texaco USA  
March 5, 1987  
Page 3

wells within the proposed participating area by December 31, 1987. All other subsequent Plans should also provide for the drilling of additional wells until this unit area is fully developed.

If we can be of further help please do not hesitate to contact us.

Very truly yours.

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
ERNEST VALDEZ, Assistant Director  
Oil and Gas Division  
(505) 827-5744

WRH/EV/pm

cc: OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

State of New Mexico

# 4972



JIM BACA  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

May 14, 1986

Texaco USA  
ATTN: Mr. S. L. Chandier  
P. O. Box 3109  
Midland, Texas 79702

Re: Forty Niner Ridge Unit Well No. 1  
Commercial Determination  
Eddy County, New Mexico

Gentlemen:

This office is in receipt of your letter of May 5, 1986, wherein as unit operator of the Forty Niner Ridge Unit, you have determined that the Unit Well No. 1 is capable of producing unitized substances in paying quantities in accordance with the unit agreement.

According to the data submitted the Commissioner of Public Lands concurs with your determination. Our records reflect that the Unit Well No. 1 is located 1980' FSL and 1980' FEL of Section 16, Township 23 South, Range 30 East and was completed in the in the Forty Niner Ridge - Delaware formation as designated by the New Mexico Oil Conservation Division by their Order No. R-7708.

Please submit a copy of your participating area for the above mentioned formation together with revised Exhibits "A" and "B" to this office and the Bureau of Land Management for approval.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

JB/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



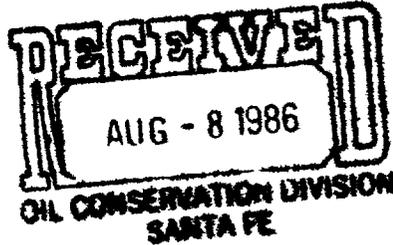
# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

IN REPLY  
REFER TO:

3180 (C65)  
14-C8-0001-12406



AUG 07 1986

Texaco USA  
Attn: B. E. Hellman  
P. O. Box 3109  
Midland, TX 79702

Re: Commercial Well Determination  
Forty-Niner Ridge Unit No. 1  
Eddy County, New Mexico

Gentlemen:

We are in receipt of your letter dated May 5, 1986 which describes your commercial well determination for the Forty-Niner Ridge Unit No. 1 Well, located in Section 16, T. 23 S., R. 30 E., N.M.P.M.

According to the data submitted, the Bureau of Land Management concurs with your determination and that of the Commissioner of Public Lands that the Forty-Niner Ridge Unit No. 1 Well is capable of producing unitized substances in paying quantities from the Delaware Cherry Canyon Formation.

At your earliest convenience, please submit a participating area request for the above named formation which should include revised exhibits "A" and "B" together with appropriate geologic maps (structure, isopach, etc.) to justify inclusion of all lands to the attention of Les Babyak.

Should you have additional questions, please call Les Babyak at 505/622-9042. We appreciate your detailed engineering, geologic and economic analysis for the Forty-Niner Ridge Unit No. 1 Well.

Sincerely,

Orig. Sgd. David E. Mart

FOR Francis R. Cherry, Jr.  
District Manager

cc:  
Commissioner of Public Lands, Santa Fe  
/NMOCD, Santa Fe

State of New Mexico

#4972



JIM BACA  
COMMISSIONER

Commissioner of Public Lands

April 9, 1984

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Getty Oil Company  
P. O. Box 730  
Hobbs, New Mexico 88240

Re: 1984 Plan of Development  
Forty Niner Ridge Unit  
Eddy County, New Mexico

ATTENTION: Mr. W. A. Frnka

Gentlemen:

The Commissioner of Public Lands has this date approved your 1984 Plan of Development for the Forty Niner Ridge Unit Agreement, Eddy County, New Mexico. Such plan proposes to recomplete the Well No. 1 in the Delaware pay and if the recompletion is successful, also recomplete the Well No. 2 in the Delaware pay. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy of your plan for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls  
cc:

OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico  
BLM-Albuquerque, New Mexico



IN REPLY  
REFER TO:

4972

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
505 MARQUETTE AVENUE, N.W., SUITE 815  
ALBUQUERQUE, NEW MEXICO 87102

RECEIVED  
FEB 21 9 36 AM '83  
STATE LANDS DIVISION  
SANTA FE, N. M.

Getty Oil Company  
Attention: Dale R. Crockett  
P. O. Box 730  
Hobbs, New Mexico 88240

Gentlemen:

An approved copy of your 1983 plan of development for the Forty Niner Ridge unit area, Eddy County, New Mexico, is enclosed. Such plan, proposing to recomplete the No. 1 and No. 2 wells in the Delaware Sand, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

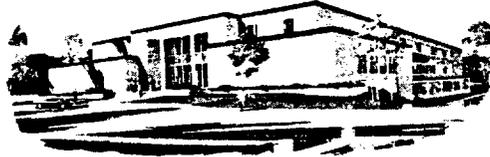
**FOR** Gene F. Daniel  
Deputy Minerals Manager  
Oil and Gas

Enclosure

cc:  
Comm. of Public Lands  
NMOCD

State of New Mexico

# 4972



JIM BACA  
COMMISSIONER

Commissioner of Public Lands  
February 2, 1983

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Getty Oil Company  
P. O. Box 730  
Hobbs, New Mexico 88240

Re: 1983 Plan of Development  
Forty Niner Ridge Unit  
Eddy County, New Mexico

ATTENTION: Mr. Dale R. Crockett

Gentlemen:

The Commissioner of Public Lands has this date approved your 1983 Plan of Development and Operations of the Forty Niner Ridge Unit, Eddy County, New Mexico. Such plan proposes to recompleate the Well Nos. 1 and 2 to the Delaware pay during 1983. Our approval is subject to like approval by the United States Minerals Management Service and the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:  
FLOYD O. PRANDO, Assistant Director  
Oil and Gas Division  
AC 505/827-5744

JB/FOP/pm  
encls.  
cc:

OCD-Santa Fe, New Mexico  
USMMS-Albuquerque, New Mexico  
Administration

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO  
COMMISSIONER

October 26, 1981

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

4972

Re: 1982 Plan of Development  
Forty Niner Ridge Unit  
Eddy County, New Mexico

ATTENTION: Mr. Dale R. Crockett

Gentlemen:

The Commissioner of Public Lands has this date approved your 1982 Plan of Development for the Forty Niner Ridge Unit, Eddy County, New Mexico. Such Plan proposes the recompletion of the No. 1 Well in the Wolfcamp and the continued production of the No. 2 Well in the Bone Springs formation. Our approval is subject to like approval by the Oil Conservation Division and the United States Geological Survey.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-2748

AJA/RDG/pm  
encl.

cc: OCD-Santa Fe, New Mexico  
USGS-Albuquerque, New Mexico



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

December 29, 1981

BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

Attention: Dale R. Crockett

Re: 1982 Plan of Development for  
Forty-Niner Ridge Unit, Eddy  
County, New Mexico

Dear Mr. Crockett:

The New Mexico Oil Conservation Division has this date approved your 1982 Plan of Development for the Forty-Niner Ridge Unit, Eddy County, New Mexico. Our approval is subject to like approval by the U. S. Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Sincerely,

W. PERRY PEARCE  
General Counsel

WPP/dr

cc: U. S. Geological Survey - Albuquerque  
Commissioner of Public Lands

South Central Region  
P. O. Box 26124  
Albuquerque, New Mexico 87125-6124

OCT 27 1981

Getty Oil Company  
Attention: Dale R. Crockett  
P. O. Box 1231  
Midland, Texas 79702

4972

Gentlemen:

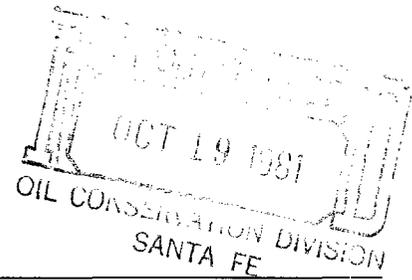
An approved copy of your 1982 plan of development for the Forty Niner Ridge unit area, Eddy County, New Mexico is enclosed. Such plan, proposing the recompletion of the Forty Niner Ridge Unit No. 1 Well in the Wolfcamp Formation as soon as working interest approval is secured, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

Gene F. Daniel  
Deputy Conservation Manager  
Oil and Gas

Enclosure

cc:  
NMOCD, Santa Fe  
Comm. of Public Lands, Santa Fe  
DS, Roswell (w/encl)



Getty Oil Company |

Central Exploration and Production Division

October 14, 1981

4972

Oil Conservation Commission (3)  
State of New Mexico  
Capital Annex Building  
Santa Fe, New Mexico 87051

Commissioner Public Lands (3)  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87051

Director (3)  
United States Geological Survey  
P.O. Drawer 1857  
Roswell, New Mexico 88201

All Working Interest Owners  
  
File: Forty Niner Ridge Unit  
Eddy County, New Mexico  
Lease No. 0543827

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the development and operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Getty Oil Company, as unit operator, respectfully submits for your approval the following Plan of Development for the calendar year 1982.

The Forty Niner Ridge Unit No. 1 was completed November 10, 1973 in the Morrow zone for an initial CAOF of 3703 MCFGPD. The well is located in unit letter "J", 1980 FS & EL, Section 16, T-23-S, R-30-E, Eddy County, New Mexico. The perforated Morrow interval had 28' net pay based on 5% porosity and 50% water saturation cut off. The well is currently shut-in awaiting working interest partnership approval to recomplate the well in the Wolfcamp zone. The Cummulative Morrow gas production at abandonment October 1, 1981 is 868,095 MCF. The Forty Niner Ridge Unit No. 1 will be recompleted in the Wolfcamp as soon as sufficient approval is secured.

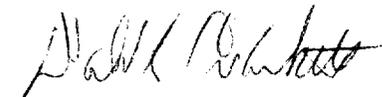
The second well, the Forty Niner Ridge Unit No. 2 was completed November 26, 1974. The well is located 1980' FN&EL, Section 21, T-23-S, R-30-E. The well's initial potential was 2,492 MCFGD (CAOF). Cummulative production from the Morrow zone was 42,696 MCFG to abandonment in August, 1977. The well was recompleted in the Forty Niner Bone Spring interval on September 1, 1978.

Perforations were from 7,514' to 7,568' (25 holes). The initial potential dated October 19, 1977, was 11BO, 46 MCFG and 8 BW (GOR 4,182) in 24 hours. Cummulative production to August 1, 1981 was 7,951 BO, 14,681 MCFG and 3,176 BW. Current production from this well is 4.5 BO, 10.5 MCFG, and 1.5 BW per day.

This plan of development will be supplemented as additional data becomes available.

Very truly yours,

GETTY OIL COMPANY



Dale R. Crockett  
Area Superintendent

*Jim*  
JIM/lh  
Attachments

cc: Mr. L.R. Hall

Production History  
Forty Niner Ridge Unit

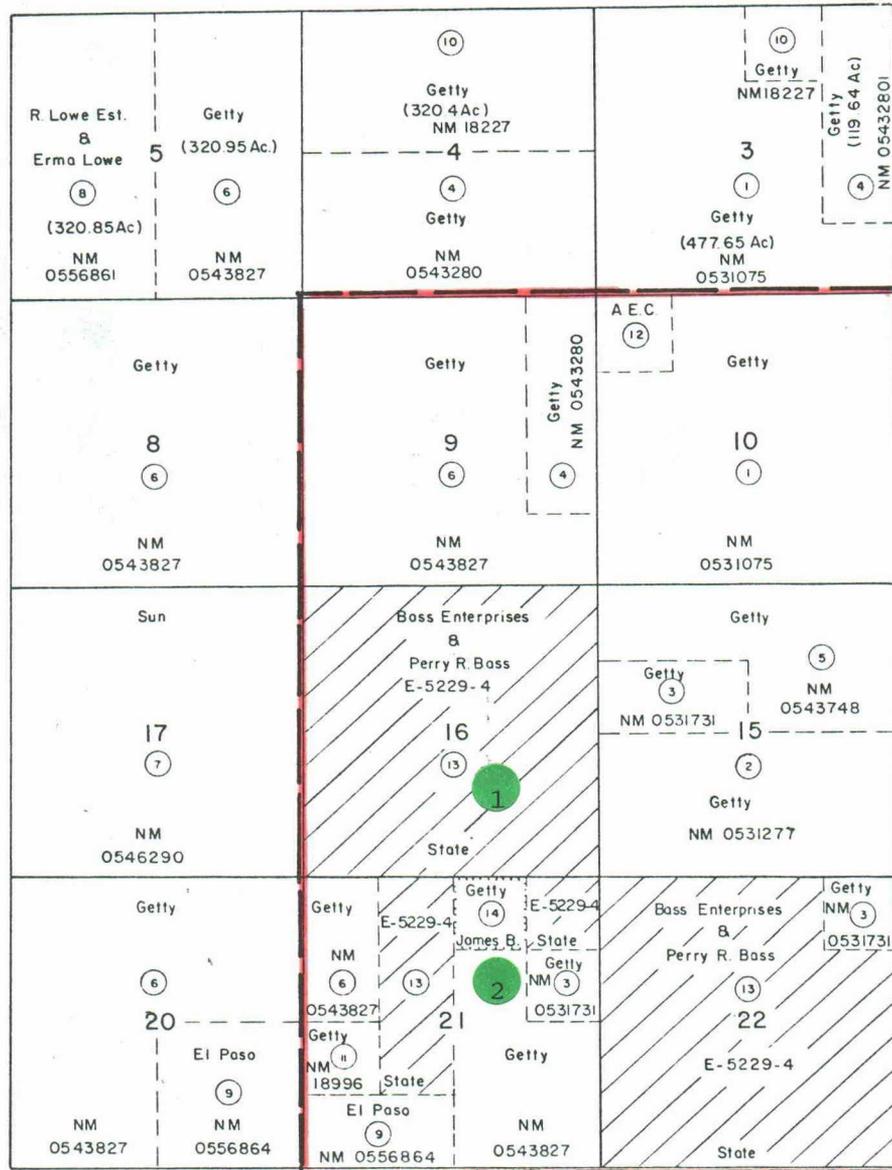
	<u>Well No. 1</u>			<u>Well No. 2</u>		
	<u>Oil*</u>	<u>Water*</u>	<u>Gas**</u>	<u>Oil*</u>	<u>Water*</u>	<u>Gas**</u>
June 80	0	0	381	23	60	324
July 80	0	0	177	65	93	335
August 80	0	0	0	158	62	685
September 80	0	0	0	185	60	792
October 80	0	0	0	167	62	763
November 80	0	0	0	138	60	324
December 80	0	0	0	213	62	335
January 81	0	0	0	154	62	335
February 81	0	0	0	103	56	302
March 81	0	0	0	186	62	335
April 81	0	0	0	80	82	324
May 81	0	0	0	175	85	335
June 81	0	0	0	103	82	324
July 81	0	0	0	141	46	184

\* Oil and water tabulated in barrels per month

\*\* Gas tabulated in MCFGPM

GETTY OIL COMPANY

EXHIBIT A  
 Forty-Niner Ridge Unit Area  
 T-23-S, R-30-E, N.M.P.M.  
 Eddy County, New Mexico



-  FEDERAL LAND
-  STATE LAND
-  PATENTED LAND

-  DENOTES TRACT NUMBER ON EXHIBIT "B"
-  PARTICIPATING AREA FOR THE MORROW FORMATION  
REVISED EFFECTIVE 12-18-78

-  Forty Niner Ridge Unit I  
Interval: Morrow-Shut-in
-  Forty Niner Ridge Unit II  
Interval; Forty Niner Bone Spring-Producing

WORKING INTEREST OWNERS

Bass Enterprises Production Company  
P.O. Box 2760  
Midland, Texas 79702

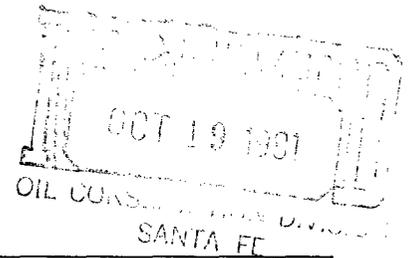
—  
Sun Oil Company  
Box 1861  
Midland, Texas 79702

—  
El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas 79978

Attention: Jim Worsham

—  
Maralo, Inc.  
P.O. Box 832  
Midland, Texas 79702

—  
Erma Lowe  
P.O. Box 832  
Midland, Texas 79701



Getty Oil Company |

Central Exploration and Production Division

October 14, 1981

Oil Conservation Commission (3)  
State of New Mexico  
Capital Annex Building  
Santa Fe, New Mexico 87051

Director (3)  
United States Geological Survey  
P.O. Drawer 1857  
Roswell, New Mexico 88201

Commissioner Public Lands (3)  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87051

All Working Interest Owners

File: Forty Niner Ridge Unit  
Eddy County, New Mexico  
Lease No. 0543827

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the development and operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Getty Oil Company, as unit operator, respectfully submits for your approval the following Plan of Development for the calendar year 1982.

The Forty Niner Ridge Unit No. 1 was completed November 10, 1973 in the Morrow zone for an initial CAOF of 3703 MCFGPD. The well is located in unit letter "J", 1980 FS & EL, Section 16, T-23-S, R-30-E, Eddy County, New Mexico. The perforated Morrow interval had 28' net pay based on 5% porosity and 50% water saturation cut off. The well is currently shut-in awaiting working interest partnership approval to recomplete the well in the Wolfcamp zone. The Cumulative Morrow gas production at abandonment October 1, 1981 is 868,095 MCF. The Forty Niner Ridge Unit No. 1 will be recompleted in the Wolfcamp as soon as sufficient approval is secured.

The second well, the Forty Niner Ridge Unit No. 2 was completed November 26, 1974. The well is located 1980' FN&EL, Section 21, T-23-S, R-30-E. The well's initial potential was 2,492 MCFGD (CAOF). Cumulative production from the Morrow zone was 42,696 MCFG to abandonment in August, 1977. The well was recompleted in the Forty Niner Bone Spring interval on September 1, 1978.

Perforations were from 7,514' to 7,568' (25 holes). The initial potential dated October 19, 1977, was 11BO, 46 MCFG and 8 BW (GOR 4,182) in 24 hours. Cummulative production to August 1, 1981 was 7,951 BO, 14,681 MCFG and 3,176 BW. Current production from this well is 4.5 BO, 10.5 MCFG, and 1.5 BW per day.

This plan of development will be supplemented as additional data becomes available.

Very truly yours,

GETTY OIL COMPANY



Dale R. Crockett  
Area Superintendent

JIM  
JIM/lh  
Attachments

cc: Mr. L.R. Hall

Production History  
Forty Niner Ridge Unit

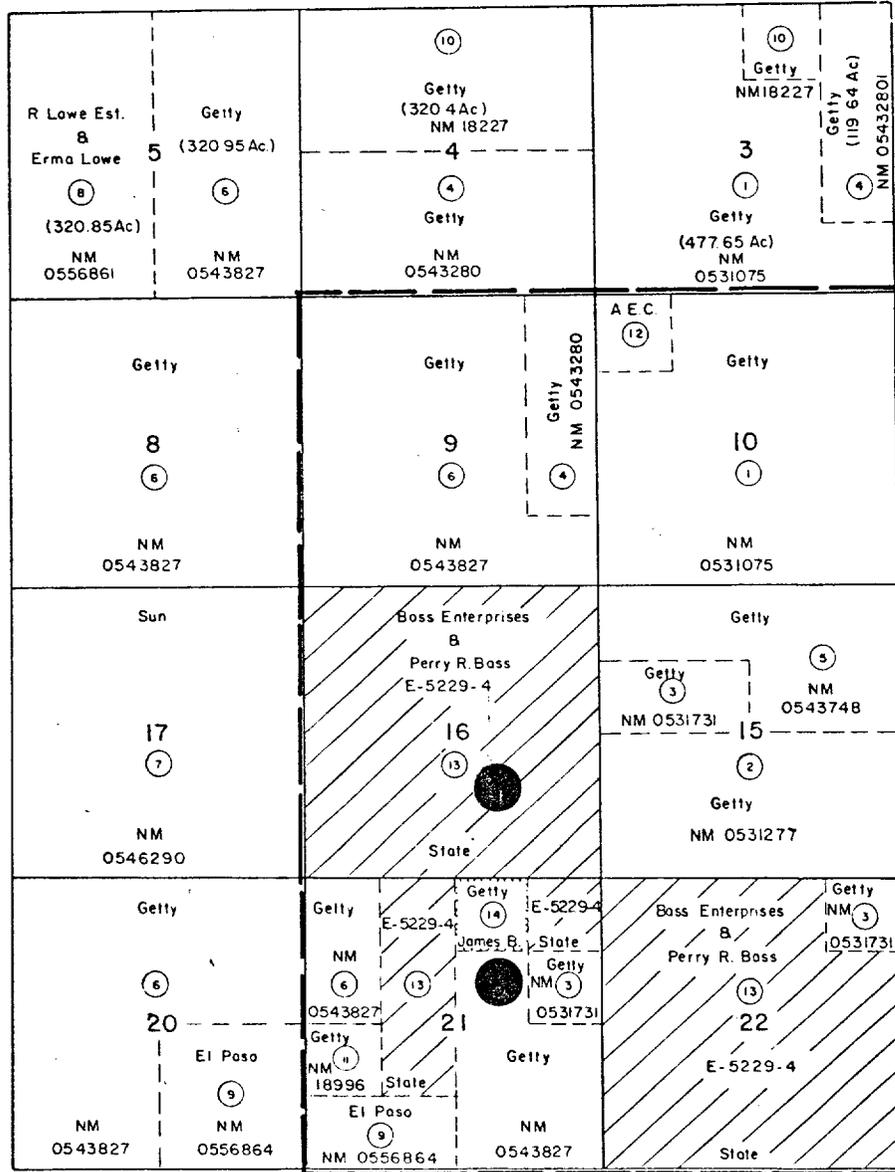
	<u>Well No. 1</u>			<u>Well No. 2</u>		
	<u>Oil*</u>	<u>Water*</u>	<u>Gas**</u>	<u>Oil*</u>	<u>Water*</u>	<u>Gas**</u>
June 80	0	0	381	23	60	324
July 80	0	0	177	65	93	335
August 80	0	0	0	158	62	685
September 80	0	0	0	185	60	792
October 80	0	0	0	167	62	763
November 80	0	0	0	138	60	324
December 80	0	0	0	213	62	335
January 81	0	0	0	154	62	335
February 81	0	0	0	103	56	302
March 81	0	0	0	186	62	335
April 81	0	0	0	80	82	324
May 81	0	0	0	175	85	335
June 81	0	0	0	103	82	324
July 81	0	0	0	141	46	184

\* Oil and water tabulated in barrels per month

\*\* Gas tabulated in MCFGPM

GETTY OIL COMPANY

EXHIBIT A  
 Forty-Niner Ridge Unit Area  
 T-23-S, R-30-E, N.M.P.M.  
 Eddy County, New Mexico



-  FEDERAL LAND
-  STATE LAND
-  PATENTED LAND

-  DENOTES TRACT NUMBER ON EXHIBIT "B"
  -  PARTICIPATING AREA FOR THE MORROW FORMATION
- REVISED EFFECTIVE 12-18-78



Forty Niner Ridge Unit I  
 Interval: Morrow-Shut-in



Forty Niner Ridge Unit II  
 Interval; Forty Niner Bone Spring-Producing

WORKING INTEREST OWNERS

Bass Enterprises Production Company  
P.O. Box 2760  
Midland, Texas 79702

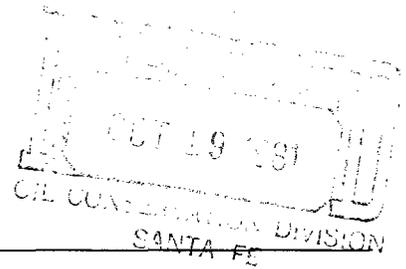
—  
Sun Oil Company  
Box 1861  
Midland, Texas 79702

—  
El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas 79978

Attention: Jim Worsham

—  
Maralo, Inc.  
P.O. Box 832  
Midland, Texas 79702

—  
Erma Lowe  
P.O. Box 832  
Midland, Texas 79701



Getty Oil Company

Central Exploration and Production Division

October 14, 1981

Oil Conservation Commission (3)  
State of New Mexico  
Capital Annex Building  
Santa Fe, New Mexico 87051

Director (3)  
United States Geological Survey  
P.O. Drawer 1857  
Roswell, New Mexico 88201

Commissioner Public Lands (3)  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87051

All Working Interest Owners

File: Forty Niner Ridge Unit  
Eddy County, New Mexico  
Lease No. 0543827

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the development and operations of the Forty Niner Ridge Unit, Eddy County, New Mexico, Getty Oil Company, as unit operator, respectfully submits for your approval the following Plan of Development for the calendar year 1982.

The Forty Niner Ridge Unit No. 1 was completed November 10, 1973 in the Morrow zone for an initial CAOF of 3703 MCFGPD. The well is located in unit letter "J", 1980 FS & EL, Section 16, T-23-S, R-30-E, Eddy County, New Mexico. The perforated Morrow interval had 28' net pay based on 5% porosity and 50% water saturation cut off. The well is currently shut-in awaiting working interest partnership approval to recomplete the well in the Wolfcamp zone. The Cumulative Morrow gas production at abandonment October 1, 1981 is 868,095 MCF. The Forty Niner Ridge Unit No. 1 will be recompleted in the Wolfcamp as soon as sufficient approval is secured.

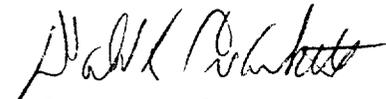
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Perforations were from 7,514' to 7,568' (25 holes). The initial potential dated October 19, 1977, was 11BO, 46 MCFG and 8 BW (GOR 4,182) in 24 hours. Cumulative production to August 1, 1981 was 7,951 BO, 14,681 MCFG and 3,176 BW. Current production from this well is 4.5 BO, 10.5 MCFG, and 1.5 BW per day.

This plan of development will be supplemented as additional data becomes available.

Very truly yours,

GETTY OIL COMPANY



Dale R. Crockett  
Area Superintendent

JIM  
JIM/lh  
Attachments

cc: Mr. L.R. Hall

Production History  
Forty Niner Ridge Unit

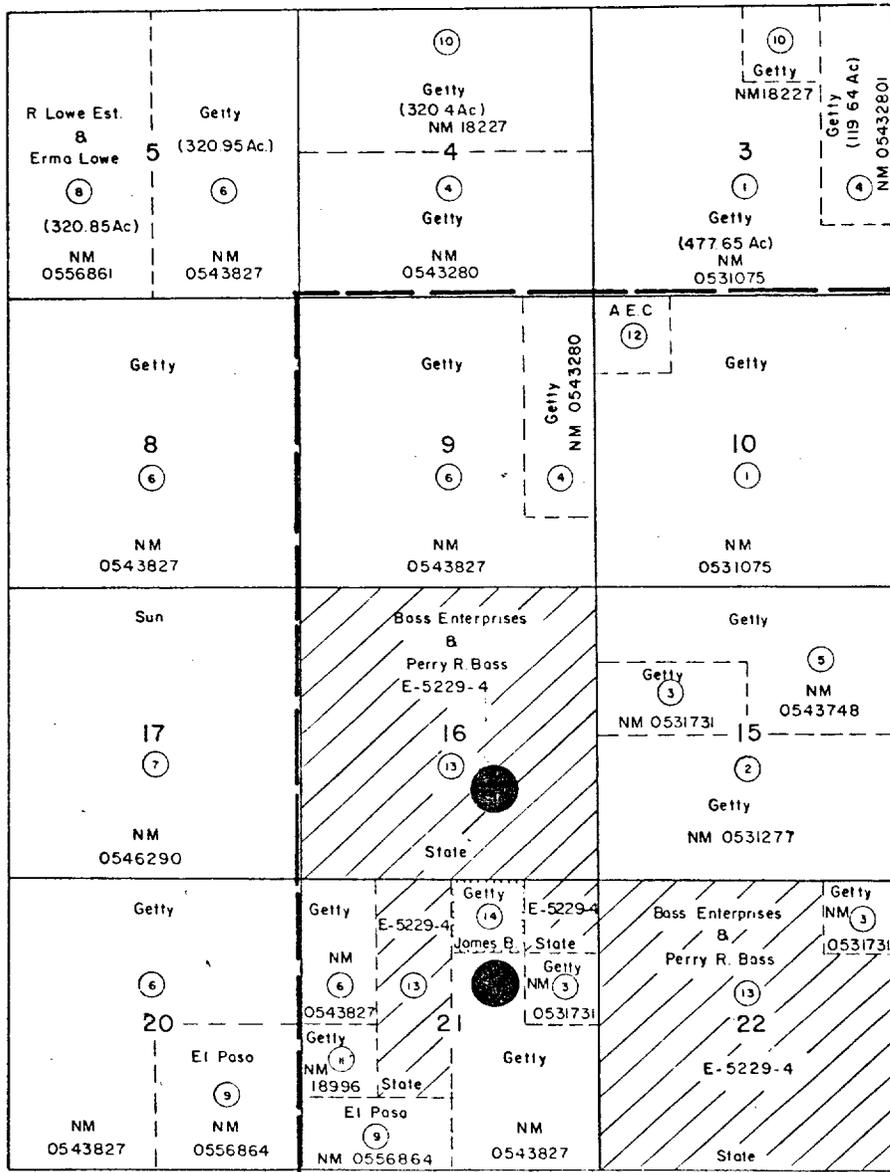
	<u>Well No. 1</u>			<u>Well No. 2</u>		
	<u>Oil*</u>	<u>Water*</u>	<u>Gas**</u>	<u>Oil*</u>	<u>Water*</u>	<u>Gas**</u>
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December 80	0	0	0	213	62	335
January 81	0	0	0	154	62	335
February 81	0	0	0	103	56	302
March 81	0	0	0	186	62	335
April 81	0	0	0	80	82	324
May 81	0	0	0	175	85	335
June 81	0	0	0	103	82	324
July 81	0	0	0	141	46	184

\* Oil and water tabulated in barrels per month

\*\* Gas tabulated in MCFGPM

GETTY OIL COMPANY

EXHIBIT A  
 Forty-Niner Ridge Unit Area  
 T-23-S, R-30-E, N.M.P.M.  
 Eddy County, New Mexico



-  FEDERAL LAND
-  STATE LAND
-  PATENTED LAND
-  DENOTES TRACT NUMBER ON EXHIBIT "B"
-  PARTICIPATING AREA FOR THE MORROW FORMATION
- REVISED EFFECTIVE 12-18-78

 Forty Niner Ridge Unit I  
 Interval: Morrow-Shut-in

 Forty Niner Ridge Unit II  
 Interval; Forty Niner Bone Spring-Producing

WORKING INTEREST OWNERS

Bass Enterprises Production Company  
P.O. Box 2760  
Midland, Texas 79702

—  
Sun Oil Company  
Box 1861  
Midland, Texas 79702

—  
El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas 79978

Attention: Jim Worsham

—  
Maralo, Inc.  
P.O. Box 832  
Midland, Texas 79702

—  
Erma Lowe  
P.O. Box 832  
Midland, Texas 79701



Getty Oil Company |

Central Exploration and Production Division

October 14, 1981

Oil Conservation Commission (3)  
State of New Mexico  
Capital Annex Building  
Santa Fe, New Mexico 87051

Director (3)  
United States Geological Survey  
P.O. Drawer 1857  
Roswell, New Mexico 88201

Commissioner Public Lands (3)  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87051

All Working Interest Owners

File: Forty Niner Ridge Unit  
Eddy County, New Mexico  
Lease No. 0543827

Gentlemen:

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This plan of development will be supplemented as additional data becomes available.

Very truly yours,

GETTY OIL COMPANY



Dale R. Crockett  
Area Superintendent

JIM  
JIM/lh  
Attachments

cc: Mr. L.R. Hall

Production History  
Forty Niner Ridge Unit

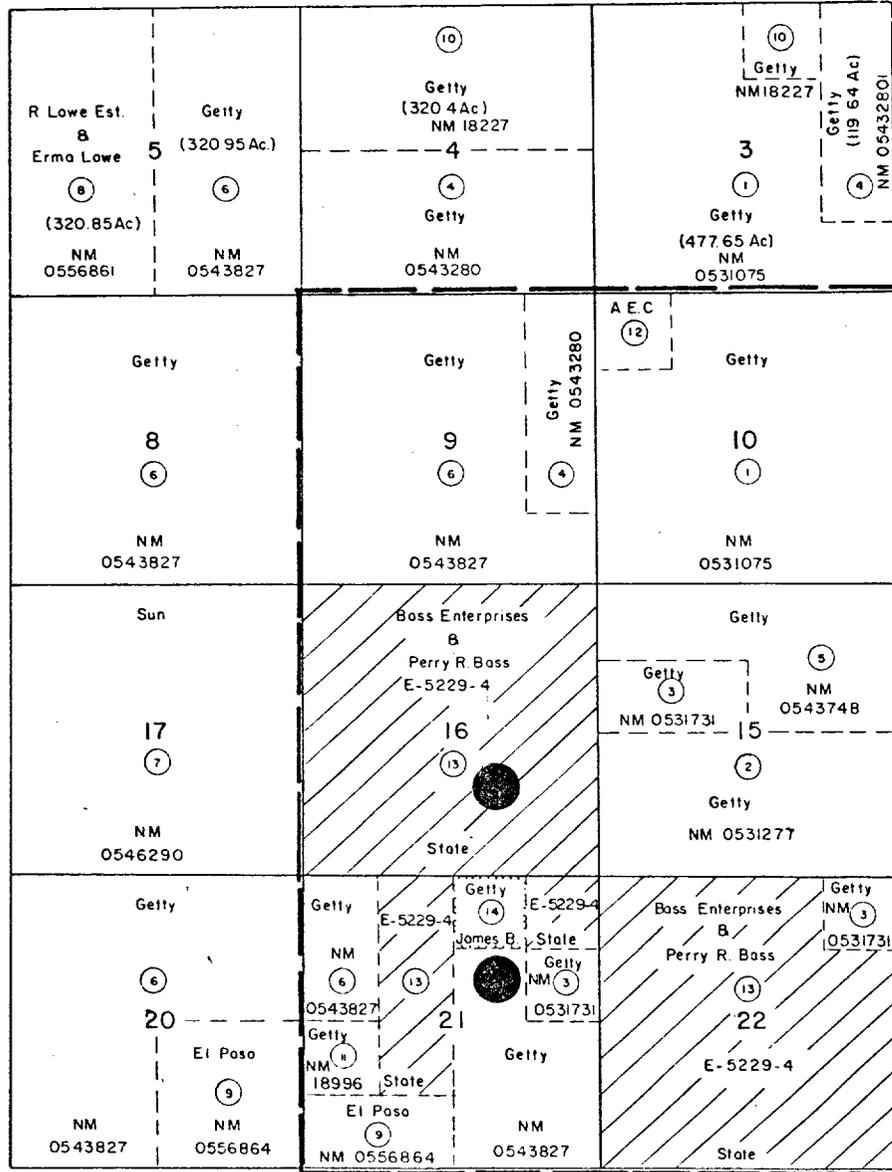
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GETTY OIL COMPANY

EXHIBIT A  
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 T-23-S, R-30-E, N.M.P.M.  
 Eddy County, New Mexico



-  FEDERAL LAND
-  STATE LAND
-  PATENTED LAND

-  DENOTES TRACT NUMBER ON EXHIBIT "B"
  -  PARTICIPATING AREA FOR THE MORROW FORMATION
- REVISED EFFECTIVE 12-18-78



Forty Niner Ridge Unit I  
 Interval: Morrow-Shut-in



Forty Niner Ridge Unit II  
 Interval; Forty Niner Bone Spring-Producing

WORKING INTEREST OWNERS

Bass Enterprises Production Company  
P.O. Box 2760  
Midland, Texas 79702

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Sun Oil Company  
Box 1861  
Midland, Texas 79702

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El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas 79978

Attention: Jim Worsham

\_\_\_\_\_  
Maralo, Inc.  
P.O. Box 832  
Midland, Texas 79702

\_\_\_\_\_  
Erma Lowe  
P.O. Box 832  
Midland, Texas 79701

# State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



## Commissioner of Public Lands

March 2, 1979

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

4972

Re: Forty-Niner Ridge Unit  
Eddy County, New Mexico  
ELIMINATION OF LANDS

ATTENTION: Mr. H. O. Woods, Jr.

Gentlemen:

We are in receipt of a copy of your letter to the United States Geological Survey, together with Exhibit "D" and Revised Exhibits "A" and "B", whereby you describe the elimination of lands from the Forty-Niner Ridge Unit.

The Commissioner of Public Lands concurs with the description of lands eliminated and approves the elimination subject to like approval by the United States Geological Survey.

Enclosed is one approved copy for your files.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division

AJA/RDG/s  
encl.  
cc:

OCD-Santa Fe, New Mexico ✓  
USGS-Roswell, New Mexico  
USGS-Albuquerque, New Mexico



# United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124  
Albuquerque, New Mexico 87125

MAR 19 1979

Getty Oil Company  
Attention: Larry C. McCarter  
P. O. Box 1231  
Midland, Texas 79702

*No. 4972*

Gentlemen:

Your letter of February 12, 1979, accompanied by Exhibit D and revised Exhibits A and B, correctly describes the lands automatically eliminated from the Forty-Niner Ridge unit agreement, Eddy County, New Mexico, pursuant to Section 2(e) of the agreement. The lands so eliminated have been described as containing 3,838.80 acres which constitutes all legal subdivisions, no part of which is included in the 3,840.00 acre Morrow participating area, which is the resultant unit area.

Federal lands remaining within the contracted unit area are embraced in the following leases:

NM 0531075*	NM 0543748
NM 0531277	NM 0543827*
NM 0531731	NM 0556864*
NM 0543280*	NM 18996

\*Indicates lease which covers lands inside the unit area as well as land eliminated from the unit area.

The following Federal leases are entirely eliminated from the unit area:

NM 0546290	NM 18227
NM 0556861	

The initial Morrow participating area was effective December 18, 1973. Since drilling operations were not in progress on non-participating lands on December 18, 1978, the automatic contraction provision of Section 2(e) operated effective as of December 18, 1978.

We hereby concur with your description of the lands automatically eliminated from the Forty-Niner Ridge unit agreement effective as of December 18, 1978. You have complied with the requirements of Section 2(e)

to our satisfaction, provided you promptly notify all parties in interest. Returned herewith is one copy of the approved notification.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

cc:

BLM, Santa Fe (w/cy atchs)

NMOCD (ltr only) ←~~////~~ This Copy for



Getty Oil Company

P.O. Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Central Exploration and Production Division

March 26, 1979

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*No. 4972*

Attention: Mr. Joe D. Ramey

Re: Forty Niner Ridge Unit  
Eddy County, New Mexico

Gentlemen:

Enclosed for your information and files are copies of the "Revised" Exhibits to the Forty Niner Ridge Unit along with letters from Mr. Alex J. Armijo, Commissioner of Public Lands, and Mr. James W. Sutherland, Oil and Gas Supervisor, which indicate their approval of the subject unit.

Should you need additional information, please advise.

Yours very truly,

GETTY OIL COMPANY

*Larry C. McCarter*  
Larry C. McCarter

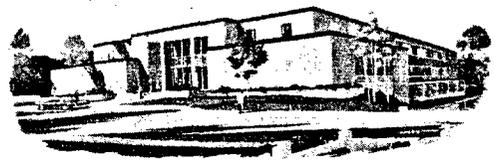
LCMc/ss

Encls.

OIL CONSERVATION DIVISION  
SANTA FE

GETTY OIL COMPANY  
EOL & PROD. DEPT  
MAR 5 1979  
MIDLAND E&P DISTRICT

# State of New Mexico



## Commissioner of Public Lands

March 2, 1979

ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

Re: Forty-Niner Ridge Unit  
Eddy County, New Mexico  
ELIMINATION OF LANDS

ATTENTION: Mr. H. O. Woods, Jr.

Gentlemen:

We are in receipt of a copy of your letter to the United States Geological Survey, together with Exhibit "D" and Revised Exhibits "A" and "B", whereby you describe the elimination of lands from the Forty-Niner Ridge Unit.

The Commissioner of Public Lands concurs with the description of lands eliminated and approves the elimination subject to like approval by the United States Geological Survey.

Enclosed is one approved copy for your files.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division

AJA/RDG/s  
encl.

cc: OCD-Santa Fe, New Mexico  
USGS-Roswell, New Mexico  
USGS-Albuquerque, New Mexico

cc: Prod-816 3/5/79  
Prod-Hobbs ✓



Getty Oil Company

P.O. Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Central Exploration and Production Division

February 12, 1979

~~United States Department of the Interior  
Geological Survey  
P. O. Box 26124  
Albuquerque, New Mexico 87125~~

~~Attention: Mr. James W. Sutherland  
Oil & Gas Supervisor, SRMA~~

Re: Forty-Niner Ridge Unit  
T23S-R30E, N.M.P.M.  
Eddy County, New Mexico

Gentlemen:

As requested in your letter dated January 26, 1979, Getty Oil Company, as Operator, is submitting the following Exhibits to comply with the automatic elimination provision contained in Section 2(c) of the Forty-Niner Ridge Unit Agreement.

1. Exhibit "D" - A list of the eliminated tracts containing the lease number (all are U.S.A. Leases), description by Section and the working interest owner of each lease. Also, a plat indicating the eliminated tracts and the remaining unit area.
2. Exhibit "A" - Revised Exhibit "A" that is the effective unit area as of December 18, 1978. This is the same as the participating area for the unit that was approved by the U.S.G.S. and New Mexico State Land Office December 19, 1975, and was effective as of December 18, 1973.
3. Exhibit "B" - Revised Exhibit "B".

United States Department of the Interior  
February 12, 1979  
Page Two

Your letter of January 26, 1979, advised that Getty Oil Company, as Operator, had sixty (60) days to submit the above revised exhibits. We appreciate the consideration you have extended and we hope that the enclosed will meet with your approval.

Getty Oil, as Operator, will notify all working interest owners in the Forty-Niner Ridge Unit of this action and will furnish each with a copy of the above materials.

Should you need additional information, please advise.

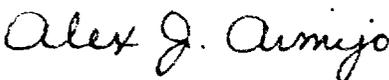
Yours very truly,

GETTY OIL COMPANY

  
H. O. Woods, Jr.

HOWJr/ss  
Attachment

CC: Mr. Ray D. Graham  THIS COPY FOR  
Director of Oil & Gas Dept.  
New Mexico State Land Office  
P. O. Box 1148  
Santa Fe, New Mexico 87501

Approved March 2, 1979  
  
COMMISSIONER OF PUBLIC LANDS



# United States Department of the Interior

GEOLOGICAL SURVEY  
P. O. Box 26124  
Albuquerque, New Mexico 87125

MAR 19 1979

GETTY OIL COMPANY  
ENGL. & PROD. DEPT

MAR 22 1979

MIDLAND E&P DISTRICT

Getty Oil Company  
Attention: Larry C. McCarter  
P. O. Box 1231  
Midland, Texas 79702

Gentlemen:

Your letter of February 12, 1979, accompanied by Exhibit D and revised Exhibits A and B, correctly describes the lands automatically eliminated from the Forty-Niner Ridge unit agreement, Eddy County, New Mexico, pursuant to Section 2(e) of the agreement. The lands so eliminated have been described as containing 3,838.80 acres which constitutes all legal subdivisions, no part of which is included in the 3,840.00 acre Morrow participating area, which is the resultant unit area.

Federal lands remaining within the contracted unit area are embraced in the following leases:

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NM 0531277	NM 0543827*
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NM 0543280*	NM 18996

\*Indicates lease which covers lands inside the unit area as well as land eliminated from the unit area.

The following Federal leases are entirely eliminated from the unit area:

NM 0546290	NM 18227
NM 0556861	

The initial Morrow participating area was effective December 18, 1973. Since drilling operations were not in progress on non-participating lands on December 18, 1978, the automatic contraction provision of Section 2(e) operated effective as of December 18, 1978.

We hereby concur with your description of the lands automatically eliminated from the Forty-Niner Ridge unit agreement effective as of December 18, 1978. You have complied with the requirements of Section 2(e)



to our satisfaction, provided you promptly notify all parties in interest. Returned herewith is one copy of the approved notification.

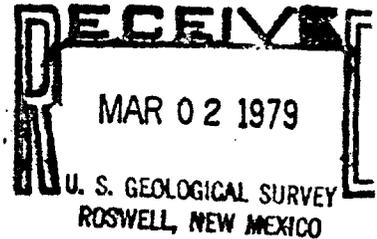
Sincerely yours,

A handwritten signature in cursive script that reads "James W. Sutherland". The signature is written in dark ink and is positioned above the typed name.

JAMES W. SUTHERLAND  
Oil and Gas Supervisor, SRMA

EXHIBIT "D"

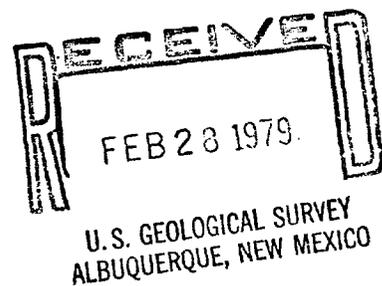
FORTY-NINER RIDGE UNIT - ELIMINATED TRACTS  
T-23-S, R-30-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO



<u>Lease No.</u>	<u>Description</u>	<u>Working Interest Owner</u>
	<u>Section 3:</u>	
NM-18227	Lot 2	Getty Oil Company
NM-0543280	Lot 1, SE/4 NE/4 & NE/4 SE/4	Getty Oil Company
NM-0531075	Lots 3&4, S/2 NW/4, SW/4 NE/4, SW/4, S/2 SE/4 & SW/4 SE/4	Getty Oil Company
	<u>Section 4:</u>	
NM-18227	N/2	Getty Oil Company
NM-0543280	S/2	Getty Oil Company
	<u>Section 5:</u>	
NM-0543827	E/2	Getty Oil Company
NM-0556861	W/2	Erma Lowe, et al
	<u>Section 8:</u>	
NM-0543827	All	Getty Oil Company
	<u>Section 17:</u>	
NM-0546290	All	Sun Oil Company
	<u>Section 20:</u>	
NM-0543827	N/2 & SW/4	Getty Oil Company
NM-0556864	SE/4	El Paso Natural Gas Co.

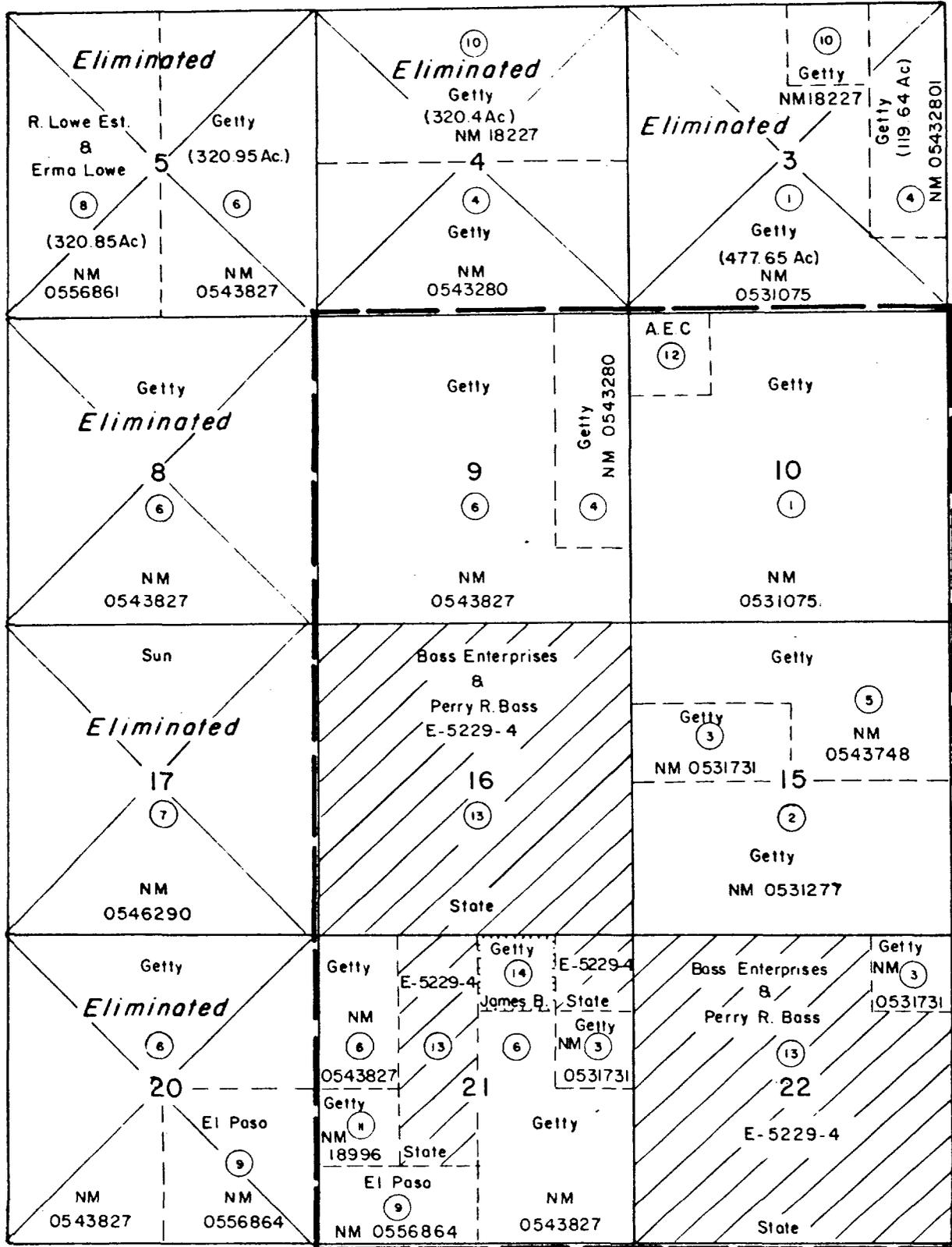
The above described lands have been eliminated from the Forty-Niner Ridge Unit as provided for in the automatic elimination provision contained in Section 2(c) of the Unit Agreement. See attached plat for revised area.

APPROVED MAR 19 1979  
*Jama W. Sutherland*  
Area Oil & Gas Supervisor  
U. S. Geological Survey



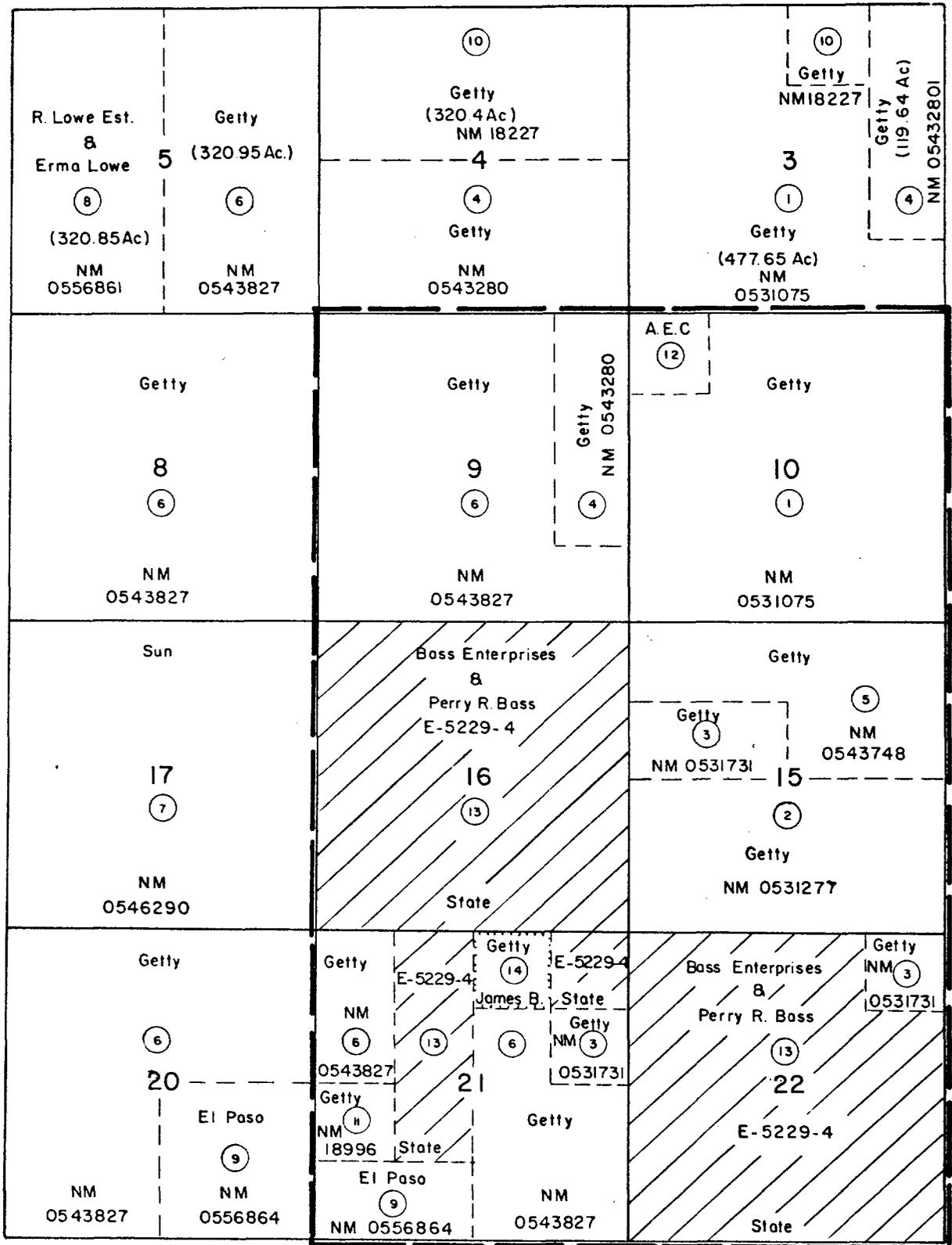
*Eliminated Sections*

EXHIBIT D  
Forty-Niner Ridge Unit Area  
T-23-S, R-30-E, N.M.P.M.  
Eddy County, New Mexico



-  FEDERAL LAND
  -  STATE LAND
  -  PATENTED LAND
  -  ELIMINATED FROM ORIGINAL UNIT AREA EFFECTIVE 12-18-78
  -  DENOTES TRACT NUMBER ON EXHIBIT "B"
  -  PARTICIPATING AREA FOR THE MORROW FORMATION
- REVISED EFFECTIVE 12-18-78

REVISED  
EXHIBIT A  
Forty-Niner Ridge Unit Area  
T-23-S, R-30-E, N.M.P.M.  
Eddy County, New Mexico



 FEDERAL LAND  
 STATE LAND  
 PATENTED LAND

 DENOTES TRACT NUMBER ON EXHIBIT "B"  
 PARTICIPATING AREA FOR THE MORROW FORMATION  
 REVISED EFFECTIVE 12-18-78

"REVISED"

EXHIBIT "B"  
 FORTY-NINER RIDGE UNIT AREA  
 T-23-S, R-30-E, N.M.P.M.  
 EDDY COUNTY, NEW MEXICO  
 REVISED EFFECTIVE DECEMBER 18, 1978

Tract No.	Lease No. or Type of Land	Description	Participating Areas		Working Interest Owner
			Percentage of Participation		
1	NM-0531075	Sec. 10: NE/4 NW/4, N/2 NE/4,S/2 N/2, S/2	600	15.7895%	Getty Oil Company
2	NM-0531277	Sec. 15: S/2	320	8.4211%	Getty Oil Company
3	NM-0531731	Sec. 15: S/2 NW/4 Sec. 21: SE/4 NE/4 Sec. 22: NE/4 NE/4	160	4.2105%	Getty Oil Company
4	NM-0543280	Sec. 9: E/2 NE/4, NE/4 SE/4	120	3.1579%	Getty Oil Company
5	NM-0543748	Sec. 15: N/2 N/2, S/2 NE/4	240	6.3158%	Getty Oil Company
6	NM-0543827	Sec. 9: W/2,W/2 E/2, SE/4 SE/4, Sec. 21: SW/4 NE/4, SE/4, W/2 NW/4	800	21.0526%	Getty Oil Company

"REVISED"

EXHIBIT "B"

FORTY-NINER RIDGE UNIT AREA  
 T-23-S-R-30-E, N.M.P.M.  
 EDDY COUNTY, NEW MEXICO  
REVISED EFFECTIVE DECEMBER 18, 1978

Tract No.	Lease No. or Type of Land	Description	Participating Areas	Percentage of Participation	Working Interest Owner
9	NM-0556864	Sec. 21: S/2 SW/4	80	2.1053%	EI Paso Natural Gas Co.
11	NM-18996	Sec. 21: NW/4 SW/4	40	1.0526%	Getty Oil Company
12	Public Land	Sec. 10: NW/4 NW/4	40	-0-	Withdrawn AEC
13	State	Sec. 16: All Sec. 21: E/2 NW/4, NE/4 SW/4, NE/4 NE/4 Sec. 22: N/2 NW/4, NW/4 NE/4, S/2 N/2, S/2	1400	36.8421%	Bass Enterprise Prod. Co. and Perry R. Bass
14	Patented	Sec. 21: NW/4 NE/4	40	1.0526%	Getty Oil Company
			3840	100.0000%	
	Total Federal Lands		2360	62.1053%	
	Total State Lands		1400	36.8421%	
	Total Patented Lands		40	1.0526%	
	Public Land - A.E.C.		40	0.0000%	
			3840	100.0000%	



Getty Oil Company

P.O. Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Central Exploration and Production Division

February 27, 1979

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*No. 4972*

Attention: Mr. Joe D. Ramey

Re: Forty Niner Ridge Unit  
Eddy County, New Mexico

Gentlemen:

Attached for your information and files are revised exhibits for the Forty Niner Ridge Unit, T-23S-R30E, N.M.P.M., Eddy County, New Mexico, and our letter of compliance as requested by Mr. James W. Sutherland, Oil and Gas Supervisor, SRMA, U.S.G.S., Albuquerque, New Mexico.

Yours very truly,

GETTY OIL COMPANY

H. O. Woods, Jr.

RECEIVED

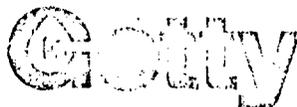
FEB 28 1979

HOWJr/ss

OIL CONSERVATION DIVISION

Attachment

SANTA FE



Joe D. Ramsey  
OCC - Santa Fe

Getty Oil Company

P.O. Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Central Exploration and Production Division

February 12, 1979

United States Department of the Interior  
Geological Survey  
P. O. Box 26124  
Albuquerque, New Mexico 87125

Attention: Mr. James W. Sutherland  
Oil & Gas Supervisor, SRMA

Re: Forty-Niner Ridge Unit  
T23S-R30E, N.M.P.M.  
Eddy County, New Mexico

Gentlemen:

As requested in your letter dated January 26, 1979, Getty Oil Company, as Operator, is submitting the following Exhibits to comply with the automatic elimination provision contained in Section 2(c) of the Forty-Niner Ridge Unit Agreement.

1. Exhibit "D" - A list of the eliminated tracts containing the lease number (all are U.S.A. Leases), description by Section and the working interest owner of each lease. Also, a plat indicating the eliminated tracts and the remaining unit area.
2. Exhibit "A" - Revised Exhibit "A" that is the effective unit area as of December 18, 1978. This is the same as the participating area for the unit that was approved by the U.S.G.S. and New Mexico State Land Office December 19, 1975, and was effective as of December 18, 1973.

Exhibit "B" - Revised Exhibit "B".

FEB 13 1979  
OIL CONSERVATION DIVISION  
SANTA FE

United States Department of the Interior  
February 12, 1979  
Page Two

Your letter of January 26, 1979, advised that Getty Oil Company, as Operator, had sixty (60) days to submit the above revised exhibits. We appreciate the consideration you have extended and we hope that the enclosed will meet with your approval.

Getty Oil, as Operator, will notify all working interest owners in the Forty-Niner Ridge Unit of this action and will furnish each with a copy of the above materials.

Should you need additional information, please advise.

Yours very truly,

GETTY OIL COMPANY



H. O. Woods, Jr.

HOWJr/ss  
Attachment

CC: Mr. Ray D. Graham  
Director of Oil & Gas Dept.  
New Mexico State Land Office  
P. O. Box 1148  
Santa Fe, New Mexico 85714



United States Department of the Interior

How

GEOLOGICAL SURVEY  
P. O. Box 26124  
Albuquerque, New Mexico 87125

To: LAND UNIT (2-6-79)

January 26, 1979

GETTY OIL COMPANY  
EXPL. & PROD. DEPT  
  
JAN 29 1979  
  
MIDLAND E&P DISTRICT

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

BYN	ELT	CRB
APC	ELT	BYN
LRB	CVC	SEH
JRA	JIM	BY
KP	BY	CRB
BEH	BY	BY

FILE: 30349-20-11

Gentlemen:

Our records show that the initial Morrow participating area for the Forty-Niner Ridge unit agreement, Eddy County, New Mexico, was established effective as of December 18, 1973. Such participating area effective date set the date of December 18, 1978, as the time when the automatic elimination provision contained in Section 2(e) of the subject unit agreement became operative. No drilling operations were in progress on the unitized lands within the Forty-Niner Ridge unit area outside the participating area on December 18, 1978. Therefore, all unit non-participating lands were automatically eliminated effective as of December 19, 1978.

You as unit operator, are required to submit to this office within 60 days, a description of lands eliminated with appropriate revised exhibits A and B.

Sincerely yours,

JAMES W. SUTHERLAND  
Oil and Gas Supervisor, SRMA

Exhibit A - Done  
Exhibit B - Done  
Desc. of Land - Done

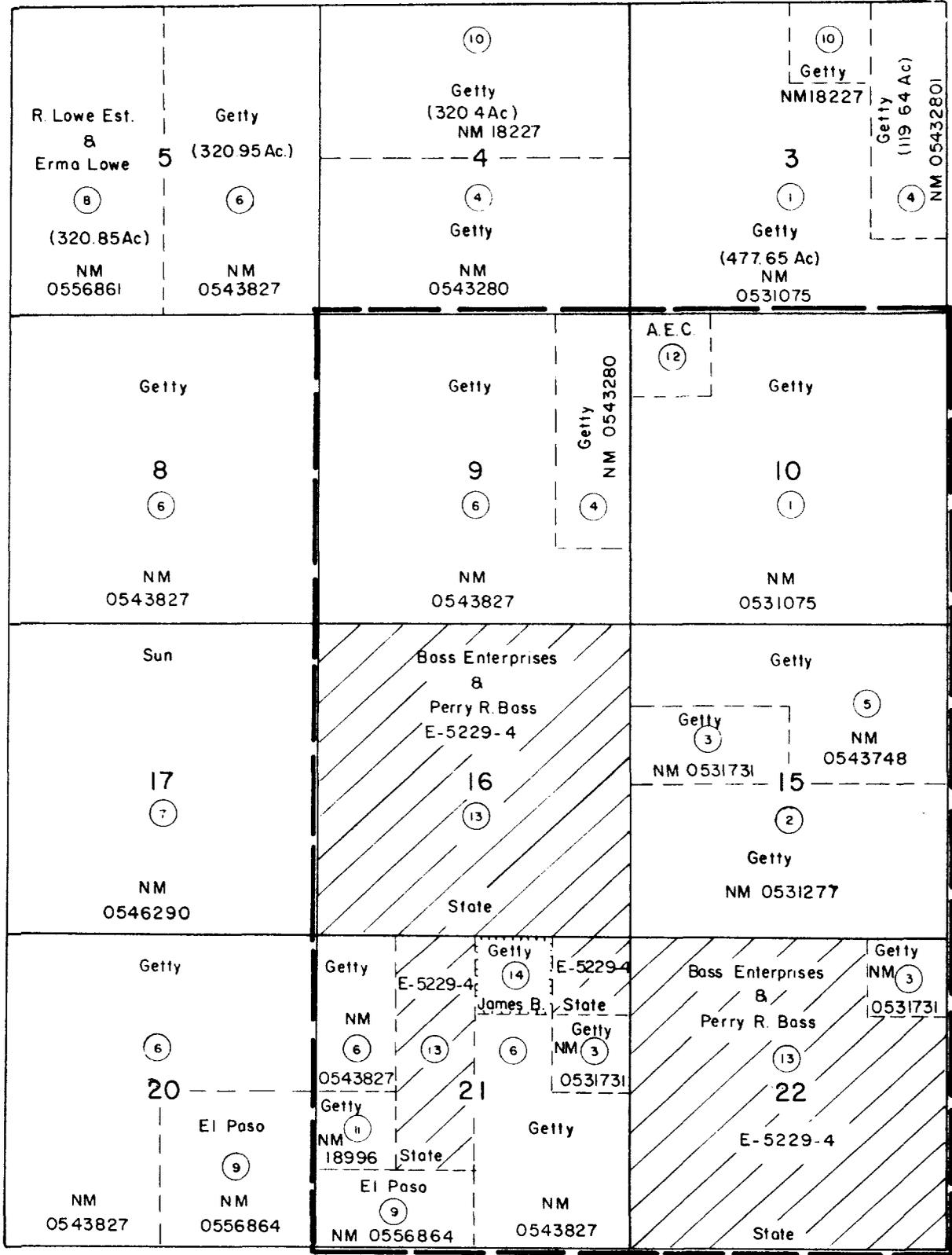
EXHIBIT "D"

FORTY-NINER RIDGE UNIT - ELIMINATED TRACTS  
T-23-S, R-30-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

<u>Lease No.</u>	<u>Description</u>	<u>Working Interest Owner</u>
	<u>Section 3:</u>	
NM-18227	Lot 2	Getty Oil Company
NM-0543280	Lot 1, SE/4 NE/4 & NE/4 SE/4	Getty Oil Company
NM-0531075	Lots 3&4, S/2 NW/4, SW/4 NE/4, SW/4, S/2 SE/4 & SW/4 SE/4	Getty Oil Company
	<u>Section 4:</u>	
NM-18227	N/2	Getty Oil Company
NM-0543280	S/2	Getty Oil Company
	<u>Section 5:</u>	
NM-0543827	E/2	Getty Oil Company
NM-0556861	W/2	Erma Lowe, et al
	<u>Section 8:</u>	
NM-0543827	All	Getty Oil Company
	<u>Section 17:</u>	
NM-0546290	All	Sun Oil Company
	<u>Section 20:</u>	
NM-0543827	N/2 & SW/4	Getty Oil Company
NM-0556864	SE/4	El Paso Natural Gas Co.

The above described lands have been eliminated from the Forty-Niner Ridge Unit as provided for in the automatic elimination provision contained in Section 2(c) of the Unit Agreement. See attached plat for revised area.

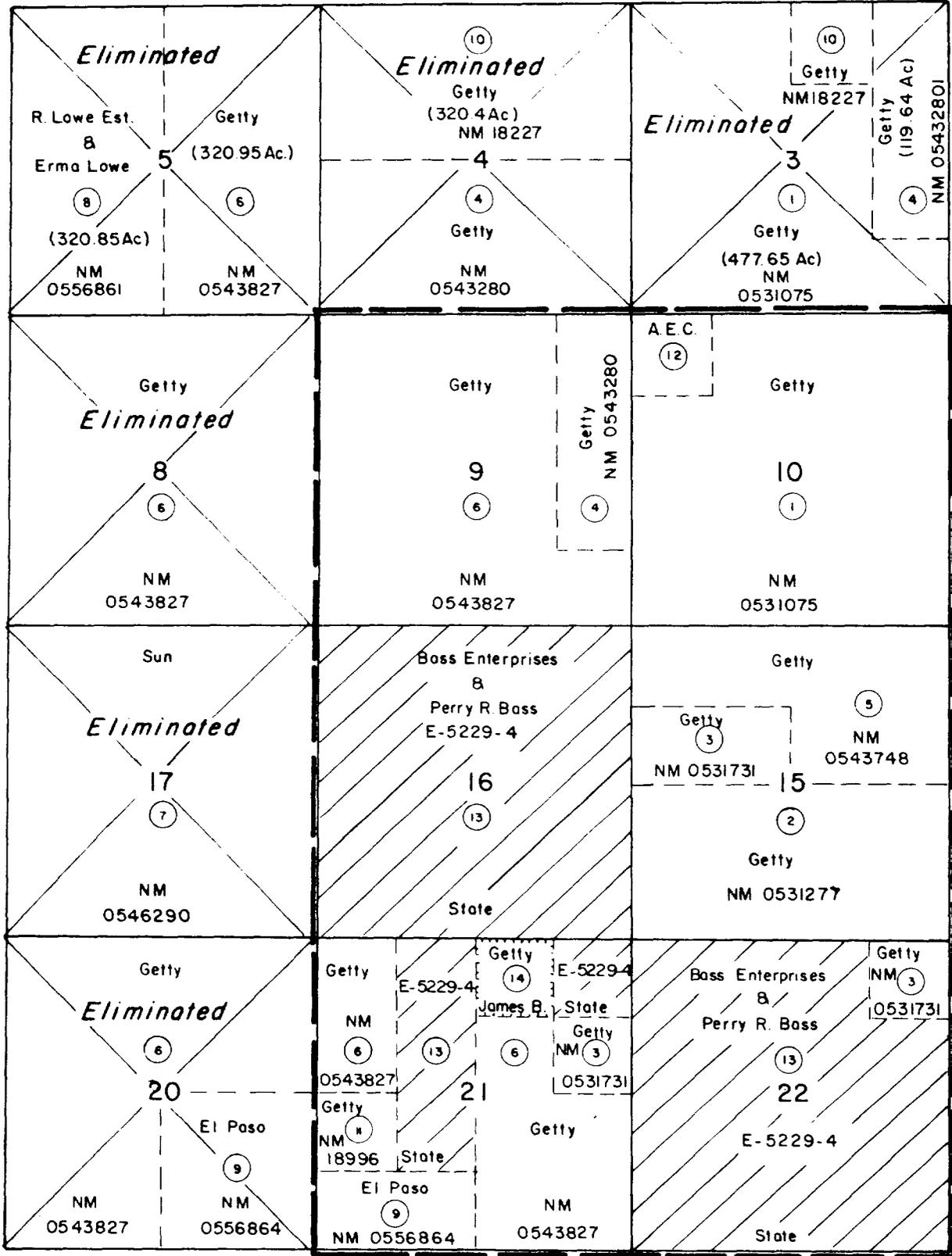
REVISED  
 EXHIBIT A  
 Forty-Niner Ridge Unit Area  
 T-23-S, R-30-E, N.M.P.M.  
 Eddy County, New Mexico



 FEDERAL LAND  
 STATE LAND  
 PATENTED LAND  
 DENOTES TRACT NUMBER ON EXHIBIT "B"  
 PARTICIPATING AREA FOR THE MORROW FORMATION  
 REVISED EFFECTIVE 12-18-78

*Eliminated Sections*

EXHIBIT D  
 Forty-Niner Ridge Unit Area  
 T-23-S, R-30-E, N.M.P.M.  
 Eddy County, New Mexico



FEDERAL LAND  
 STATE LAND  
 PATENTED LAND



① DENOTES TRACT NUMBER ON EXHIBIT "B"  
 PARTICIPATING AREA FOR THE MORROW FORMATION  
 REVISED EFFECTIVE 12-18-78

ELIMINATED FROM ORIGINAL UNIT AREA EFFECTIVE 12-18-78

"REVISED"

EXHIBIT "B"

FORTY-NINER RIDGE UNIT AREA  
 T-23-S, R-30-E, N.M.P.M.  
 EDDY COUNTY, NEW MEXICO  
REVISED EFFECTIVE DECEMBER 18, 1978

Tract No.	Lease No. or Type of Land	Description	Participating Areas	Percentage of Participation	Working Interest Owner
1	NM-0531075	Sec. 10: NE/4 NW/4, N/2 NE/4, S/2 N/2, S/2	600	16.1290%	Getty Oil Company
2	NM-0531277	Sec. 15: S/2	320	8.6022%	Getty Oil Company
3	NM-0531731	Sec. 15: S/2 NW/4 Sec. 21: SE/4 NE/4 Sec. 22: NE/4 NE/4	160	4.3011%	Getty Oil Company
4	NM-0543280	Sec. 9: E/2 NE/4, NE/4 SE/4	120	3.2258%	Getty Oil Company
5	NM-0543748	Sec. 15: N/2 N/2, S/2 NE/4	240	6.4516%	Getty Oil Company
6	NM-0543827	Sec. 9: W/2, W/2 E/2, SE/4 SE/4, SW/4 NE/4, SE/4, W/2 NW/4	800	21.5054%	Getty Oil Company

"REVISED"

EXHIBIT "B"

FORTY-NINER RIDGE UNIT AREA

T-23-S-R-30-E, N.M.P.M.

EDDY COUNTY, NEW MEXICO

REVISED EFFECTIVE DECEMBER 18, 1978

Tract No.	Lease No. or Type of Land	Description	Participating Areas	Percentage of Participation	Working Interest Owner
9	NM-0556864	Sec. 21: S/2 SW/4	80	2.1505%	El Paso Natural Gas Co.
11	NM-18996	Sec. 21: NW/4 SW/4	40	-0-	Not committed
12	Public Land	Sec. 10: NW/4 NW/4	40	-0-	Withdrawn AEC
13	State	Sec. 16: All Sec. 21: E/2 NW/4, NE/4 SW/4, NE/4 NE/4 Sec. 22: N/2 NW/4, NW/4 NE/4, S/2 N/2, S/2	1400	37.6344%	Bass Enterprise Prod. Co. and Perry R. Bass
14	Patented	Sec. 21: NW/4 NE/4	<u>40</u>	<u>-0-</u>	Not committed
			3840	100.0000%	
	Total Federal Lands		2360	62.1053%	
	Total State Lands		1400	36.8421%	
	Total Patented Lands		40	1.0526%	
	Public Land - A.E.C.		<u>40</u>	<u>0.0000%</u>	
			3840	100.0000%	



# United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124  
Albuquerque, New Mexico 87125

JAN 17 1979

Getty Oil Company  
Attention: Mr. Audra B. Cary  
P. O. Box 1231  
Midland, Texas 79702

*No. 4972*

Gentlemen:

The 1979 plan of development submitted for the Forty Niner Ridge unit area, Eddy County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes continued study for potentially economic Bone Springs well locations which might be approvable within the potash area underlying the major portion of the unit.

Four approved copies are enclosed.

Sincerely yours,

Orig. Sign. [Signature]

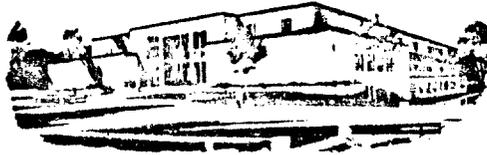
Oil and Gas Supervisor, SRMA

Enclosures (4)

cc:  
NMOCD, Santa Fe (ltr. only)  
Com. Pub. Lands, Santa Fe (ltr. only)

*This Copy for* ←

State of New Mexico



Commissioner of Public Lands

January 12, 1979

ALEX J. ARMIJO  
COMMISSIONER

P. O. Box 1148  
SANTA FE, NEW MEXICO

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

*No. 4972*

Re: Forty Niner Ridge Unit  
Eddy County, New Mexico  
PLAN OF FURTHER DEVELOPMENT  
AND OPERATION (1979)

ATTENTION: Mr. Audra B. Cary

Gentlemen:

The Commissioner of Public Lands has this date approved your 1979 Plan of Further Development and Operation for the Forty Niner Ridge Unit, Eddy County, New Mexico. Such plan proposes continued study for potentially economic Bone Springs well locations which might be approvable within the potash area underlying the major portion of the unit.

Enclosed is one approved copy for your files.

Your Three (\$3.00) Dollar filing fee has been received.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division

AJA/RDG/s  
encls.

cc:           OCD-Santa Fe, New Mexico ✓  
              USGS-Roswell, New Mexico  
              USGS-Albuquerque, New Mexico



# United States Department of the Interior

GEOLOGICAL SURVEY  
P. O. Box 26124  
Albuquerque, New Mexico 87125

100-9-1073

JAN 06 1978

Getty Oil Company  
Attention: Mr. Audra B. Cary  
P. O. Box 1231  
Midland, Texas 79702

*No. 4972*

Gentlemen:

Returned herewith are four approved copies of your 1978 plan of development for the Forty Niner Ridge unit agreement, Eddy County, New Mexico. Such plan proposes continued study for potentially economic Morrow and Bone Springs well locations which might be approvable within the potash area underlying the major portion of the unit.

This approval is subject to like approval by the appropriate State officials.

Sincerely yours,

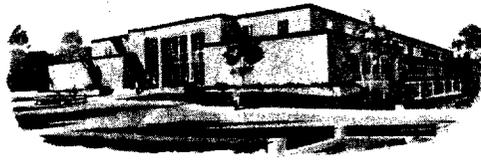
(ORIG. SGD.) JAMES W. SUTHERLAND

Area Oil and Gas Supervisor

Enclosures

cc: NMOCC, Santa Fe (ltr only) ← (for)  
Com. Pub. Lands, Santa Fe (ltr only)

# State of New Mexico



## Commissioner of Public Lands

PHIL R. LUCERO  
COMMISSIONER

December 29, 1977

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

Re: Forty Niner Ridge Unit  
Eddy County, New Mexico  
PLAN OF FURTHER DEVELOP-  
MENT AND OPERATION (1978)

ATTENTION: Audra B. Cary

Gentlemen:

The Commissioner of Public Lands has this date approved the 1978 Plan of Development for the Forty Niner Ridge Unit. Your plan calls for additional study for Morrow development. This approval is subject to like approval by the United States Geological Survey.

Enclosed is one approved copy for your files.

Your Three (\$3.00) Dollar filing fee has been received.

Very truly yours,

PHIL R. LUCERO  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division

FRL/RDG/s  
encls.

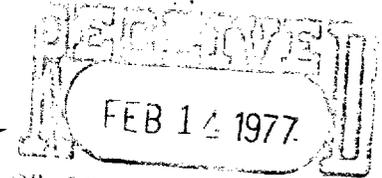
cc: OCC-Santa Fe, New Mexico  
USGS-Roswell, New Mexico  
USGS-Albuquerque, New Mexico

RECEIVED  
DEC 29 1977  
Commission



# SKELLY OIL COMPANY

February 8, 1977



CONSERVATION COMM.  
Santa Fe

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER  
M. J. EKMAN, DISTRICT ENGINEER  
C. F. BOSECKER, LEAD RESERVOIR ENGINEER  
F. J. PETRO, LEAD PRODUCTION ENGINEER

File: Forty Niner Ridge Unit No. 2  
Lease No. 09056  
Eddy County, New Mexico

ADDRESS REPLY TO:  
P. O. BOX 1351  
MIDLAND, TEXAS 79701

Oil & Gas Supervisor (6)  
United State Geological Survey  
P. O. Box 1857  
Roswell, New Mexico 88201

Commissioner of Public Lands (3)  
The State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico 87501

Oil Conservation Commission (2)  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 82501

Gentlemen:

Getty Oil Company wishes to inform you that as a result of merger action they have acquired Skelly Oil Company's interest in the referenced unit effective midnight January 31, 1977. Getty, as operator of the Forty Niner Ridge Unit, submits for your approval the following proposal to abandon the present Morrow (Gas) completion in Well No. 2 and test prospective pay zones in the Bone Springs limestone and the Delaware sandstone.

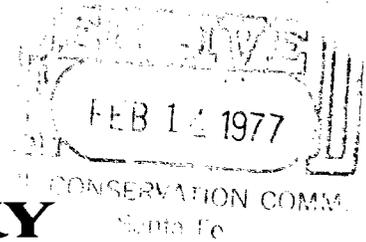
The Forty Niner Ridge Unit Well No. 2 was initially completed in the Morrow on November 10, 1973 and potentialled for a CAOF of 3,703 MCFD. The well is located 1980' FN and EL, Section 21, T23S, R30E, and has produced a cumulative of 44,219 MCF to January 1, 1977. Presently the well is uneconomical to operate and will produce only every third day at a 30 MCFD rate for two to three hours.

Log analysis indicates the Bone Springs and the Delaware sandstone to have production potential and it is proposed that these zones be tested. The deeper zone (Bone Springs) will be tested first and, if non-commercial, the Delaware will then be tested.

Yours very truly,

  
F. L. Franz

JBN/slw



# SKELLY OIL COMPANY

February 8, 1977

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

- F. L. FRANZ, DISTRICT PRODUCTION MANAGER
- M. J. EKMAN, DISTRICT ENGINEER
- C. F. BOSECKER, LEAD RESERVOIR ENGINEER
- F. J. PETRO, LEAD PRODUCTION ENGINEER

File: Forty Niner Ridge Unit No. 2  
Lease No. 09056  
Eddy County, New Mexico

ADDRESS REPLY TO:  
P. O. BOX 1351  
MIDLAND, TEXAS 79701

Oil & Gas Supervisor (6)  
United State Geological Survey  
P. O. Box 1857  
Roswell, New Mexico 88201

Commissioner of Public Lands (3)  
The State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico 87501

Oil Conservation Commission (2)  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 82501

Gentlemen:

Getty Oil Company wishes to inform you that as a result of merger action they have acquired Skelly Oil Company's interest in the referenced unit effective midnight January 31, 1977. Getty, as operator of the Forty Niner Ridge Unit, submits for your approval the following proposal to abandon the present Morrow (Gas) completion in Well No. 2 and test prospective pay zones in the Bone Springs limestone and the Delaware sandstone.

The Forty Niner Ridge Unit Well No. 2 was initially completed in the Morrow on November 10, 1973 and potentialled for a CAOF of 3,703 MCFD. The well is located 1980' FN and EL, Section 21, T23S, R30E, and has produced a cumulative of 44,219 MCF to January 1, 1977. Presently the well is uneconomical to operate and will produce only every third day at a 30 MCFD rate for two to three hours.

Log analysis indicates the Bone Springs and the Delaware sandstone to have production potential and it is proposed that these zones be tested. The deeper zone (Bone Springs) will be tested first and, if non-commercial, the Delaware will then be tested.

Yours very truly,

  
F. L. Franz

JBN/slw

4972

Conservation Division  
Western Bank Building  
505 Marquette, NW, Room 815  
Albuquerque, New Mexico 87102

DEC 30 1976

Skelly Oil Company  
Attention: Mr. Leland Franz  
P. O. Box 1341  
Midland, Texas 79701

Gentlemen:

Enclosed herewith are four approved copies of your 1977 plan of development submitted for the Forty Niner Ridge unit agreement, Eddy County, New Mexico. Such plan proposing the drilling of unit well No. 3 to the Morrow was approved on this date subject to approval of the Notice to Drill by the District Engineer and like approval by the appropriate State officials.

Sincerely yours,

Orig. Signed - JAMES W. SUTHERLAND

Area Oil and Gas Supervisor

**Enclosures**

cc:  
NMOCC, Santa Fe (ltr. only) ← This Copy for  
Comm. Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

4972

December 21, 1976

Skelly Oil Company  
P. O. Box 1351  
Midland, Texas 79701

Attention: Mr. Leland Franz

Re: 1977 Plan of Development,  
Forty Niner Ridge Unit,  
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Further Development and Operation for the calendar year 1977 for the Forty Niner Ridge Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

JOE D. RAMEY  
Secretary-Director

JDR/JEK/og

cc: Commissioner of Public Lands - Santa Fe  
United States Geological Survey - Roswell



# SKELLY OIL COMPANY

December 17, 1976

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER

M. J. EKMAN, DISTRICT ENGINEER

C. F. BOSECKER, LEAD RESERVOIR ENGINEER

F. J. PETRO, LEAD PRODUCTION ENGINEER

File: Forty Niner Ridge Unit  
Lease No. 08002  
Eddy County, New Mexico

Re: Plan of Further Development  
and Operation (1977)

ADDRESS REPLY TO:  
P. O. BOX 1351  
MIDLAND, TEXAS 79701

Oil & Gas Supervisor (6)  
United States Geological Survey  
P. O. Box 1857  
Roswell, New Mexico 88201

Commissioner of Public Lands (3)  
The State of New Mexico  
Capitol Annex Building  
Santa Fe, New Mexico 87501

Oil Conservation Commission (2)  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

In accordance with Section 10 of the Unit Agreement for the development and operation of the Forty Niner Ridge Unit, Eddy County, New Mexico, Skelly Oil Company, as Unit Operator, respectfully submits for your approval the following Plan of Further Development and Operation for the calendar year 1977.

The Forty Niner Ridge Unit Well No. 1 was completed November 10, 1973, from the Morrow zone for an initial CAOF of 3,703 MCFGPD. The perforated Morrow interval has 28' net pay based on 5% porosity and 50% water saturation cut off. The well is producing approximately 383 MCF per day in the 1,200 psi sales line of the Natural Gas Pipeline Company of America. The cumulative gas production to November 1, is 618,299 MCF.

The second well, the Forty Niner Ridge Unit Well No. 2 was completed November 26, 1974, from the Morrow zone. The well located 1,980' FNL and 1,980' FEL, Section 21, T23S, R30E, had the initial CAOF of 2,492 MCFGPD. The perforated Morrow interval has 33' net pay based on 5% porosity and 50% water saturation cut off. The well has produced a total 40,645 MCF since initial production during May of 1975. Due to the well's low deliverability, re-stimulation of the zone is presently being considered. Natural Gas Pipeline Company of America is also the purchaser of the gas from this well.

On December 19, 1975, an initial participating area for the Morrow formation embracing 3,840 acres was approved by the working interest owners, the State Commissioner of Public Lands and the United States Geological Survey. This initial participating area is outlined on the attached maps.

Forty Niner Ridge Unit (Continued)

Page 2

December 17, 1976

On August 30, 1976, an "Application For Permit to Drill" - Trial Run was filed for a Morrow test at Unit "G", 1980' FNL and 1980' FEL of Section 9-23S-30E. A September 23, 1976, meeting was held between the United States Geological Survey and Skelly Oil Company at Roswell, New Mexico. Due to the complications resulting from the potash deposits, it was indicated that this location would not be approved but agreement was reached that Skelly would study other possible locations. Attached are updated geological maps resulting from this study. Contingent upon successful completion of this study and upon obtaining approval of a satisfactory well location, plans are to continue development by drilling a Morrow test offsetting Section 16 during 1977. It is anticipated that this well will require 108 days for the drilling and completion.

This plan of development will be supplemented as additional data becomes available.

Very truly yours,

  
Leland Franz

CFB/jf  
Attachs.

Approved.....*December 21, 1976*  
  
.....  
Secretary Director

NEW MEXICO OIL CONSERVATION COMMISSION