Shahara Oil, LLC

207 W. McKay ◆ Carlsbad, NM 88220 ◆ 505-885-5433 ◆ Fax 505-885-4989

May 13, 1998

CONSERVATION DIVISIO

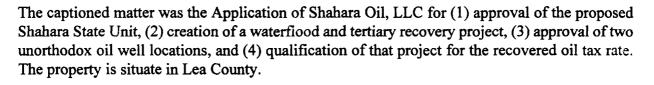
Ms. Lori Wrotenbery, Director Oil Conservation Division PO Box 6429 Santa Fe, NM 87505

RE:

Cases No. 11923 & 11924

Shahara Oil, LLC

Dear Ms. Wrotenbery,



The matter came on for hearing before Examiner Michael Stogner on February 19, 1998, after which it was taken under consideration by him.

Before making my plea, I wish to make it clear in no uncertain terms that both Mr. Stogner and the Division are held in the highest regard by this writer for when I have appeared before him in Santa Fe, on behalf of Shahara Oil or other companies, Mr. Stogner has always been most courteous. His questions are salient and directly to point, and the Division's Orders reasonable and well written. I can not help but believe that the tasks placed on his shoulders are many.

My plea to you in this instance is to seek an expedited order in the captioned matter. Shahara Oil is truly a small, independent operator and the writer is it. I undertook the evaluation and acquisition of the properties (which are certainly marginal), handle all the day-to-day operations - and empty the waste baskets in the evening.

If the application is approved, Shahara Oil can commence its program which should result in substantial additional production. Delay in commencing the program places an onerous economic burden on me.

Very truly yours,

Perry LyHughes

cc: Paul A. Cooter



1. K 1 4 38.

ATTORNEYS AT LAW

April 13, 1998

500 Marquette NW Suite 1200 Albuquerque, NM 87102-5311 Mr. Michael Stogner New Mexico Oil Conservation Division PO Box 6429 Santa Fe, NM 87505

P.O. Box 1276 87103-1276

Re: Cases No. 11923 and 11924 - Shahara Oil LLC

505•247•2315

Dear Mr. Stogner:

Facsimile 505•764•5480

The only interest owner which had not ratified the Unit Agreement in the captioned cases was Norwest Bank of Texas, Executor, which owned a small, overriding royalty interest. That ratification has now been received and is forwarded with this letter for filing.

Very truly yours,

The state of the same

Paul A. Cooter

JOHN P EASTHAM
ROBERT A JOHNSON
DONALD B MONNHEIMER
DENNIS E JONTZ
D JAMES SORENSON
BRUCE E CASTLE
JAMES L RASMUSSEN
STEPHEN R NELSON
A. DREW HOFFMAN
RICHARD A. BACHAND
R THOMAS DAWE
KATHLEEN DAVISON LEBECK
MARILYN C. O'LEARY
ROSS L CROWN
P RENEE REIMER
CLINTON W MARRS
NICKAY B MANNING
CHARLOTTE LAMONT
ALAN HALL
JAMES T REIST
KARLA K POE
DAVID J. ABELL
JANINE R FRIEDE
HEATHER J SAFFELL
JEFFREY H ALBRIGHT

PAC\smb cc: Perry Hughes

PAUL A COOTER Of Counsel

RATIFICATION OF UNIT AGREEMENT

The undersigned acknowledges receipt of a copy of that certain Unit Agreement for the Development and Operation of the Shahara State Unit Area, Lea County, New Mexico, and hereby ratifies the same for all purposes. Dated this 30th day of Man DOUG MILINTY DE (Printed Name) STATE OF Texas COUNTY OF Befor The foregoing instrument was acknowledged before me this 30th of March 1997, by Doug Mc Integra, Vice President 1998 D. A.B. day of March My Commission Expires: Notary Public DEBORAH ANN BARNES 10-20-2001 Notary Public, State of Texas My Commission Expires 10-20-2001 STATE OF COUNTY OF The foregoing instrument was acknowledged before me this _ day of ______, 1997, by ______, of _____, corporation, on behalf of the corporation.

My Commission Expires:

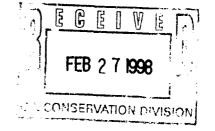
Notary Public

Shahara Oil, LLC

207 W. McKay ◆ Carlsbad, NM 88220 ◆ 505-885-5433 ◆ Fax 505-885-4989

February 24, 1998

Mr. Michael Stogner Oil Conservation Division 2040 S Pacheco Santa Fe, NM 87504



RE:

Shahara Oil, LLC

Case No.s 11923 & 11924 Combined Hearing of February 19, 1998

Dear Mr. Stogner,

Per your request at the referenced hearing, attached is additional information regarding two plugged wells within in Area of Review for the proposed Shahara State Unit. These wells, the Phillips Petroleum Phillips "E" State No. 9 in Section 9 and the Phillips Petroleum Leamex No. 11 in Section 16, appear to have been well cemented initially and plugged and abandoned properly. This should allow Shahara injection into the Grayburg and San Andres formations without possibility of injection fluids leaving these formations. Please advise if I can provide additional information.

Sincerely,

Perry L. Hughes

President

Enclosures PLH/tm

CC: Paul Cooter

Phillips "E" State No. 9

7 7/8" hole to 4450'

5 ½" casing @ 4450' w/100 sx

 $5 \frac{1}{2}$ " casing x 7 7/8" hole = 0.1733 Ft³/Ft

Assume Class "C" neat mixed @ $14.8 \#/gal - Yield = 1.32 Ft^3/sack$

 $1.32 \times 100 \text{sx} = 132 \text{ Ft}^3$

 $132 \text{ Ft}^3/0.1733 \text{ Ft}^3/\text{Ft} = 762\text{ft}$

4450' - 762' = 3688'

Calc Top of Cement = 3688'

Phillips Petroleum Company
Phillips "E" State #9
1980' FSL & 1980' FWL, Unit K
Section 9, T17S, R33E
Pugged Office/95

	Plugges 04/06/43
<u> </u>	
	12" hate to 302"
155 sx plug Surf-352'	
	1 878" CSQ @ 302'
Perf@352'	1200 5x - CITC.
	
Pert @ 1230	- July - i link
Perf @ 1230' 25 sx plug @ 1293'-1540'	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
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Pert @ 2740'	
50 sx plug @ 2558-2740'	
	
	
	
	
	CAIC. TOP OF CHOT = 3688
35 sx pluge 3894-424	EST. TOP OF GRAVBURG: 415
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	2/2" (=0 @ 14450)
	17/21/21/21/21/21/21/21/21/21/21/21/21/21/

Phillips Leamex No. 11

1. 7 7/8" hole to 11,310'

5 ½" casing set @ 11,309' w/913sx

 $5 \frac{1}{2}$ casing x 7 7/8" hole = 0.1733 Ft³/Ft

 $5 \frac{1}{2}$ " casing x 8 $\frac{5}{8}$ " casing = 0.1926 Ft³/Ft

Assume Class "C" cmt neat mixed at 14.8#/gal

giving yield of 1.32 Ft³/sx

$$913 \times 1.32 = 1205 \text{ Ft}^3$$

Volume of 7 7/8" hole x 5 ½" csg from 8 5/8" csg shoe @ 4549' is 1172 Ft³

Therefore $1205 - 1172 = 33 \text{ Ft}^3 \text{ cmt in annulus between } 5 \frac{1}{2} \text{"csg } \&$

$$8 5/8$$
" csg = 171 Ft

Therefore Top of Cement inside 8 5/8" csg = 4378 Ft

2. $8 \frac{5}{8}$ " csg x 12 $\frac{1}{4}$ " hole = 0.4127 Ft³/Ft

Assume Class "C" mixed at 14.8#/gal giving yield of 1.32 Ft³/sx (Probably Low)

$$516 \times 1.32 = 681 \text{ Ft}$$

$$681/0.4127 = 1650$$

Calc Top of Cement behind 8 5/8" casing = 2899'

3. Pool Designation: Maljamar Grayburg San Andres

Unitized Interval: Grayburg (top≈4100'), and San Andres (top≈4400')

to 5500' (base of Shahara rights). Estimated base of

Sand Andres ≈ 5850'

Phillips Petroleum Company

Leamex #11

2309' FSL & 1980' FWL, Unit K Section 16-T17S-R33E Plugged 10/07/61

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Exhibit "D"
Plugged and Abandoned Well Data
Attachment to Shahara State Unit C-108

Operator - Well Name Location	Plug Date	Ð	Perfs	Casing Size	Casing Depth	Cement Sacks/Top
Phillips Petroleum Company						
	03/31/95	4458'	4309-4410'	8 5/8"	290'	175 sx/circ
680' FSL & 660' FWL, Unit M				5 1/2"	4454'	125 sx
Section 9-11/S-K33E						
Phillips Petroleum Company						
Phillips "E" State #8	04/04/95	4436'	4332-4426'	8 5/8"	295'	185 sx/circ
660' FSL & 1980' FWL, Unit N				5 1/2"	4435'	50 sx
Section 8-11/S-R33E						
Phillips Petroleum Company						
Phillips "E" State #9	04/06/95	4450'	3894-4240-		302'	200 sx/clrc
1980' FSL & 1980' FWL, Unit K Section 9-T17S-R33E			H344-1464	5 1/2"	4450'	100 sx
Philling Defraignment						
Phillips "E" State #10	04/08/95	4570'	4357-44551	8.5/A"	378	300 eviciro
990' FSL & 1650' FWL, Unit O				4 1/2"	4566	270 sx
Section 9-T17S-R33E						
Phillips Petroleum Company						
	10/07/61	11310		13 3/8"	334'	400 sx
2309' FSL & 1980' FWL, Unit K				8 5/8"	4545'	516 sx
Section 16-T17S-R33E				5 1/2"	11309'	913 sx
				(8 5/8" csg cut & pld	d @ 1131')	
				(6 1/2" csg cut & pld @ 2590")	d @ 2590')	
Fullips Petroleum Company	00,000	1000	12007 0007	10,1		
	11/17/87	4553	4282-4365		360'	250 sx/circ
Section 21-T17S-R33E				Z/L C	4553	300 \$X/10C 25/0
Phillips Petroleum Company						
Leamex #25	03/13/83	11500'	8973-11374'	13 3/8"	376'	500 sx/circ
1650' FNL & 760' FWL, Unit E				8 5/8"	4702'	1900 sx/circ
Section 21-T17S-R33E				5 1/2"	11499'	900 sx/TOC 3420'
				(5 1/2" csg cut & pld @ 3200")	d @ 3200')	
Phillips Petroleum Company						
Leamex #57	03/04/97	15200'	13562-14900'	13 3/8"	405'	500 sx/clrc
460' FSL & 905' FWL, Unit M				8 5/8"	4640'	1800 sx/circ
Section 16-11/S-K33E				5 1/2"	13850'	1470 sx
				(5 1/2" csg cut & pld @ 7065")	d @ 7065")	

Kemp, Smith, Duncan & Hammond, P.C.

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 1200, ALBUQUERQUE, NEW MEXICO 87102-5311 | P.O. BOX 1276, 87103-1276 | 505 247-2315 | FAX 505 764-5480

EL PASO*

TAD R. SMITH CHRIS A. PAUL JIM CURTIS DANE GEORGE MICHAEL D. McQUEEN DARRELL R. WINDHAM ROGER D. AKSAMIT MICHAEL F. AINSAT TT YVONNE K. PUIG CHARLES A. BECKHAM, JR. MARGARET A. CHRISTIAN KENNETH R. CARR

MARK R. FLORA**** RICHARD BONNER MILTON C. COLIA DARCY ALAN FROWNFELTER** MARK E. MENDEL NANCY C. SANTANA MITZI T. SHANNON ALLAN GOLDFARB SUSAN F. AUSTIN KATHLEEN CAMPBELL WALKER CYNTHIA S. ANDERSON***

KEVIN E. SHANNON KAY C. JENKINS† JAMES W. BREWER! TERRY G. PASQUALONE HENRY L. SMITH, JR. THOMAS G. WICKER, JR. CLARA B. BURNST MARK N. OSBORN MATTHEW R. HENRY GENE WOLF ROBERT L. BLUMENFELD! HUNTER W. BURKHALTER

FRANCISCO J. GUZMÁN R. SHAWN OLLER ! KENT J. LISENBY KATHRINE E. URBANT STEVEN J. BLANCO t JASON T. CHAPMAN TAMMY M. HOLT CATHERINE C. CHAVEZ ERICH A. MORALES MICHAEL C. ZWEBER SUSAN ZULKOWSKI

ALBUQUERQUET

JOHN P. EASTHAM ROBERT A. JOHNSON DONALD B. MONNHEIMER **DENNIS E. JONTZ111** D. JAMES SORENSON BRUCE E. CASTLE* JAMES L. RASMUSSEN STEPHEN R. NELSON A. DREW HOFFMAN R. THOMAS DAWE KATHLEEN DAVISON LEBECK MARILYN C. O'LEARY

ROSS L. CROWN P. RENEE REIMER CLINTON W. MARRS NICKAY B. MANNING CHARLOTTE LAMONTITI ALAN HALL JAMES T. REIST KARLA K. POE11 DAVID J. ABELL JANINE R. FRIEDETT HEATHER J. SAFFELL JEFFREY H. ALBRIGHT

OF COUNSEL: PAUL A. COOTER*

FEB - 4 1998

THISERVATION DIVISION

OF COUNSEL: JOSEPH P. HAMMOND RAYMOND H. MARSHALL

" MEMBERS TEXAS BAR 1 MEMBERS NEW MEXICO BAR "" MEMBERS IDAHO BAR 11 MEMBERS COLORADO BAR

*** MEMBERS NEW MEXICO AND CALIFORNIA BARS 111 MEMBERS IOWA BAR

**** MEMBERS FLORIDA AND MICHIGAN BARS 1111 MEMBERS DISTRICT OF COLUMBIA BAR

February 3, 1998

Ms. Florine Davidson New Mexico Oil Conservation Division PO Box 6429 Santa Fe, NM 87505

Application of Shahara Oil, L.L.C.

Dear Ms. Davidson:

The writer recently forwarded to you for filing the captioned application wherein Shahara Oil sought, among other matters, approval of two proposed unorthodox well locations in the W/2 Section 16. Please note paragraph 7 of that application. two unorthodox locations have been changed to the Phillips State No. 100 Well located 1330 feet FNL and 140 feet FWL of said Section 16 and the Phillips State No. 101 Well located 2630 feet FNL and 140 feet FWL of said Section 16.

The Wiser Oil Company which is the offsetting operator has consented to those two wells as heretofore described, and the same approved by Gary the Division's been Wink, Representative.

Shahara Oil's application has been set for hearing February In my telephone call to Michael Stogner this morning, it was suggested that I write this letter to you setting forth those revised locations.

Very truly yours,

Paul A. Cooter

PAC/smb

FAX COVER PAGE

KEMP, SMITH, DUNCAN & HAMMOND, P.C. ATTORNEYS AT LAW

500 Marquette, N.W., Suite 1200 Albuquerque, New Mexico 87102-2121

(505) 247-2315

FAX (505) 764-5480

IMPORTANT/CONFIDENTIAL: This message is intended only for the use of the individual or entity to which it is addressed. This message contains information from the law firm of KEMP, SMITH, DUNCAN & HAMMOND, P.C., which may be privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately at our telephone number set forth above. We will be happy to arrange for the return of this message via the U.S. Postal Service to us at no cost to you.

Date: February 17, 1998

No. of Pages: 5 (including this cover page)

ORIGINALS WILL FOLLOW BY MAIL: NO

PLEASE DELIVER TO:

Name Michael Stogner	Fax 505/827-8177
Company NM Oil Conservation Div.	
Name James Bruce	Fax 505/982-2151
Сострану	

FROM:

Sonder's Name	Paul A.	Cooter	Person to Contact	
			(if different from Sender)	Sue Bowersock
			File Number	09638.00100

COMMENTS:

in case of a problem with this fax transmission, call the contact or sender at (505) 247-2315

Kemp, Smith, Duncan & Hammond, P.C.

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 1200, ALBUQUERQUE, NEW MEXICO 87102-5311 | P.O. BOX 1276, 87103-1276 | 505 247-2315 | FAX 505 764-5480

EL PASO"

TAU R. SMITH C. HITS A. PAUL JIM CHRIS DANC GEORGE MICHAEL D. MAQUEEN DARRELL R. WINDHAM YVONNE K. PUIG CHARLES A. BECKHAM, JR. MARGARET A. CHRISTIAN

MARK R. FLORA RICHARD BONNER MILTON C. COLIA DARCY ALAN FROMNFELTER** NANCY C. SANTANA MITZI T. SHANNON ALLAN GOLDFARE JOHN & HOWELL KATHLEEN CAMPBELL WALKER

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HUNTER W. BURKHALTER R. SHAWN CLLER? KENT J. LISENBY KATHRINE E. URBANT STEVEN J. BLANCOT JASON T. CHAPMAN TAMMY M. HOLT CATHERINE C. CHAVEZ ERICH A. MORALES MICHAEL C. ZWEBER SUBAN ZULKOWSKI

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JOHN P. EASTHAM

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DONALD B. MONNHEMER

DENNIS E. JOHNZITT

D. JAMES SORENSON

BHUCE E. CASTLE*

JAMES L. RASMUSSEN

STEPHEN R. NELSON

A. DREW HOFEMAN*

N. THOMAS DAWE

KATHLEEN DAVISON LEBECK

MARILYN C. O'LEARY

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JEFFREY H. ALBRIGHT

OF COUNSEL! PAUL A. COOTER"

OF COUNSEL: JOSEPH P. HAMMOND
RAYMOND H. MARSHALL

* MEMBERS TEXAS BAR I MEMBERS NEW MEXICO BAR

** MEMBERS IDAHO BAR 11 MEMBERS COLORADO BAR

*** MEMBERS NEW MEXICO AND CALIFORNIA BARS

*** MEMBERS FLORIDA AND MICHIGAN BARS 1111 MEMBERS DISTRICT OF COLUMBIA BAR

February 17, 1998

By Fax: 505/827-8177

Mr. Michael Stogner New Mexico Oil Conservation Division PO Box 6429 Santa Fe, NM 87505

Case Nos. 11923 and 11924

Dear Mr. Stogner:

Faxed to you with this letter is the Prehearing Statement of Shahara Oil, LLC, the Applicant in the captioned cases.

Your attention is invited to the fact that Applicant will request a joinder of these two cases for hearing purposes.

Very truly yours,

Paul A. Cooter

PAC\smb

cc w/enc.:

James Bruce (505/982-2151)

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF SHAHARA OIL, LLC, FOR (1) APPROVAL OF THE PROPOSED SHAHARA STATE UNIT, (2) CREATION OF A WATERFLOOD AND TERTIARY RECOVERY PROJECT (3) APPROVAL OF TWO UNORTHODOX OIL WELL LOCATIONS, AND (4) QUALIFICATION OF THAT PROJECT FOR THE RECOVERED OIL TAX RATE, LEA COUNTY, NEW MEXICO.

CASE NOS. 11923 and 11924

PREHEARING STATEMENT

This Prehearing Statement is submitted by the Applicant Shahara Oil, L.L.C., by and through its attorneys of record.

APPEARANCES OF PARTIES

PARTY

ATTORNEY

Shahara Oil, L.L.C. 207 W. McKay Carlsbad, NM 88220 915/686-9927 Kemp, Smith, Duncan &
 Hammond, P.C.
Paul A. Cooter
PO Box 1276
Albuquerque, NM 87103~1276
505/247-2315

OPPOSITION OR OTHER PARTY

None known at this time.

STATEMENT OF CASE

Applicant applies for an Order (1) approving the Shahara State Unit in Lea County, New Mexico, covering the land and formations described in its Application, (2) creating a secondary waterflood and tertiary recovery project using micro-organisms for enhanced recovery of oil from that Unit, (3) approving two new proposed unorthodox oil well locations for producing wells along the west edge of the Unit, and (4) qualifying that project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act."

09638-00100/PCOO/A110244

PROPOSED WITNESSES

WITNESS

ESTIMATED TIME

Perry L. Hughes H. L. Atnipp

1 hour 30 min.

A list of Shahara Oil's proposed exhibits in this case (13 in number, including the four attached to its Application) is attached hereto. In addition, Applicant will submit an Affidavit of Mailing of the Application to all interested parties.

PROCEDURAL MATTERS

Applicant respectfully requests the joinder of Cases 11923 and 11924 for the purpose of this hearing.

KEMP, SMITH, DUNCAN & HAMMOND, P.C.

Paul A. Cooter

Attorneys for Shahara Oil, LLC

PO Box 1276

Albuquerque, NM 87103

(505) 247-2315

EXHIBITS FOR SHAHARA OIL'S W/2 SECTION 16 UNIT

ATTACHED TO THE APPLICATION:

- Unit Agreement with Ratifications (15 all WI and ORRI owners except Dale McCarter and Norwest Bank, Trustee)
- 2. Form C-108 with following listed attachments

Statement (2 p)

- A) Map Area of Review
- A-1) Enlarged Map Development Plan
- B) Well Data and Schematic Diagrams of Proposed Injection Wells (4 p)
- C) Well Data for Wells within the Area of Review (3 p)
- D) Well Data & Schematic Diagram of Plugged and Abandoned Well Bores within the Area of Review (10 p)
- 3. Cooperative Unit Line Well and Unit Line Infill Drilling Agreement between The Wiser Oil Company and Shahara Oil, with attached Operating Agreement
- 4. Unit Operating Agreement with Ratifications (6 all WI owners except McCarter)

NEW EXHIBITS:

- 5. McCarter's Ratifications (2 Unit Agreement and Unit Operating Agreement)
- 6. Structure Map
- 7. Cross-Section (A-A')
- Cross-Section (B-B')
- Area Map with injection pressures of other area wells
- 10. Applications for Permit to Drill and Well Location and Acreage Dedication Plats for Phillips State Wells Nos. 9, 10, 11, 12, 13, 14, 15, 100, 101
- 11. Approval by Wiser Oil (12/8/97) of revised locations for Wells Nos. 100 and 101
- 12. Pressurized Water Sale Agreement between Wiser Oil and Shahara Oil
- 13. Financial Summary and Summary of Redevelopment Costs

09638-00100/PCOO/A109346.

Case 11923

Kemp, Smith, Duncan & Hammond, P.C.

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 1200, ALBUQUERQUE, NEW MEXICO 87102-5311 | P.O. BOX 1276, 87103-1276 | 505 247-2315 | FAX 505 764-5480

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M. SMITH
MS A. PAUL
M. CURTIS
MANE GEORGE
MICHAEL D. McQUEEN
MARRELL R. WINDHAM
MOGER D. AKSAMIT
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YVONNE K. PUIG
CHARLES A. BECKHAM, JR.
MARGARET A. CHRISTIAN
KUNNETH R. CARR

MARK R. FLORA ****
RICHARD BONNER
MILTON C. COLIA
DARCY ALAN FROWNFELTER**
MARK E. MENDEL
NANCY C. SANTANA
MITZI T. SHANNON
ALLAN GOLDFARB
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JOHN S. HOWELL
KATHLEEN CAMPBELL WALKER
CYNTHIA S. ANDERSON ***

KEVIN E. SHANNON
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TERRY G. PASQUALONE
HENRY L. SMITH, JR.
THOMAS G. WICKER, JR.
CLARA B. BURNST
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ROBERT L. BLUMENFELDT
HUNTER W. BURKHALTER

FRANCISCO J. GUZMÁN R. SHAWN OLLER1 KENT J. LISENBY KATHRINE E. URBAN1 STEVEN J. BLANCO1 JASON T. CHAPMAN TAMMY M. HOLT CATHERINE C. CHAVEZ ERICH A. MORALES MICHAEL C. ZWEBER SUSAN ZULKOWSKI **ALBUQUERQUET**

JOHN P. EASTHAM
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DONALD B. MONNHEIMER
DENNIS E. JONTZ111
D. JAMES SORENSON
BRUCE E. CASTLE*
JAMES L. RASMUSSEN
STEPHEN R. NELSON
A. DREW HOFFMAN*
R. THOMAS DAWE
KATHLEEN DAVISON LEBECK
MARILYN C. O'LEARY

ROSS L. CROWN
P. RENEE REIMER*
CLINTON W. MARRS
NICKAY B. MANNING
CHARLOTTE LAMONT††††
ALAN HALL
JAMES T. REIST
KARLA K. POE††
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OF COUNSEL: PAUL A. COOTER*

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111 MEMBERS IOWA BAR

**** MEMBERS FLORIDA AND MICHIGAN BARS
†††† MEMBERS DISTRICT OF COLUMBIA BAR

January 28, 1998

By Fax: 505/827-8177

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Dept.
2040 South Pacheco
PO Box 6429
Santa Fe, NM 87505

Re: Application of Shahara Oil, L.L.C. for its Shahara State Unit

Dear Michael:

Forwarded to you with this letter is a copy of Order R-3155 granting Shenandoah Oil Corporation's Application for the injection of water in the Phillips State No. 2 Well located in Unit D of Section 16. This answers your morning's inquiry.

With regards, I am

Very truly yours,

Paul A. Cooter

PAC/smb enclosure

99000-00000/PCOO/A52702.

Kemp, Smith, Duncan & Hammond, P.C.

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 1200, ALBUQUERQUE, NEW MEXICO 87102-5311 | P.O. BOX 1276, 87103-1276 | 505 247-2315 | FAX 505 764-5480

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January 28, 1998

By Fax: 505/827-8177

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Dept.
2040 South Pacheco
PO Box 6429
Santa Fe, NM 87505

Re: Application of Shahara Oil, L.L.C. for its Shahara State Unit

Dear Michael:

After your inquiry, Shahara Oil reviewed the records obtained from Lynx Petroleum Consultants, from whom it purchased the property in February, 1995 and learned the following facts:

- 1. The well was originally drilled by Pair Oil Company in April, 1959, and designated the Pair State No. 2 Well. A copy of the relevant Commission's Form C-101 is enclosed.
- 2. The well was apparently converted to an injection well some time prior to April, 1971, when rework operations were conducted on the well by an unknown operator. The file contained a one-page memorandum of those operations, but the name of the operator at that time remains a mystery. That operator may still have been Pair, or possibly Shenandoah Oil Corporation which thereafter sold the well to Southland Royalty Company in March, 1979. A copy of that referenced page is enclosed.
- 3. The aforementioned sale is evidenced by the Division's Form C-104 which shows that the well was a water-injection well

99000-00000/PCOO/A52702.

January 28, 1998 Page 2

when it was sold by Shenandoah to Southland. A copy of that form is enclosed.

4. Southland subsequently sold the well to Lynx Petroleum Consultants in September, 1984, who thereafter sold it to Shahara Oil as first mentioned. Copies of those Division Forms C-104 are also enclosed.

Shahara Oil continues its investigation of the matter. Be assured that you will be advised of what is learned.

Very truly yours,

Paul A. Cooter

PAC/smb enclosure

NEW MEXICO OIL CONSERVATION COMMISSION SARTA Fe, New Mexico

Form 0-101 Revised (12/1/55)

NOTICE OF INTENTION TO DRILL

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PHILLIPS
PAIR STATE #2

Packer - 95.

4/29/71 Move rig in to pull tubing.

Unseated Larkin Simpak Tension Packer - 9S.

Pulled 136 joints 2 3/8" tubing (plastic coated).

Found split in 30th joint.

Rigged up sand pump, ran in hole, got pick up....put on bottom flag.

Ran depthometer, found T.D. at 4405'.

Picked up rust scale and small amount of sand.

Could not make hole with 3 1/4" sand pump.

Shut down rig.

4/30/71 Poured rope socket, ran 4 1/4 sand pump, made approximately 16' of hole, getting some muddy substance and fractured with sand.

Cleaned out to 4421' depthometer measurement.

Made up Baker AD tension packer, ran 135 joints 2 3/8' o.d. 8 round thread, internally plastic costed tubing. Packer set at 4175.94'.

Tied well up to injection line, started water back in ground.

Released rig.

CC: Downey _ 5/14/7/ Bellah HIGH MO MITH WAS DEPARTMENT

CONSERVATION DIVISIO, P. O. DOX 20no

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Division have been compiled with	regulations of the Oil Conservation for the information given see best of my knowledge and believes	The Cinn	d by
3-1-79		If this is a request for al well, this form must be accomteste taken on the well in ac. All sections of this form able on new and recompleted. Fill out only Sections I, well name or maker, or transport	must be filled out completely for affect

STATE OF NEW MEXICO ENERGY NO MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

Form C-104 Remsed 10-01-78 Formal 06-01-63 Page 1

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS Operater Lynx Petroleum Consultants, Incorporated P.O. Box 1666, Hobbs, New Mexico 88240 Ressum(s) for illing (Check proper box) Other (Please explain)] New Well] OII Recompletion Dry Gas Change in Ownership Casinghead Gas Condensete If change of ownership give name Southland Royalty Co. 21 Desta Drive. Midland, Texas 7970 and address of previous owner II. DESCRIPTION OF WELL AND LEASE ell No. | Pool Name, Including Formation Kind of Lease Legae No. State, Federal or Foo State Phillips State Maljamar 2 GR-SA B-2148 Location 660 D North Line and 660 Feet From The Unit Letter 17S 33E Lea Township Range NUPM. Line of Section County III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS Name of Authorized Transporter of Cil or Condensate Asiatoba (Give address to which approved copy of this form is to be sent) Injection Well Hame of Authorized Transporter of Continghead Gas or Dry Gos Address (Give address to which approved copy of this form is to be sent) Unii Sec. Ree. is gas actually connected? When If well produces oil or liquids, give location of tonks. If this production is commingled with that from any other lease or pool, give commingling order number: NOTE: Complete Parts IV and V on reverse side if necessary. VI. CERTIFICATE OF COMPLIANCE I hereby certify that the rules and regulations of the Oil Conservation Division have

been complied with and that the information given is true and complete to the best of my knowledge and belief.

Lay W. Formay
(Signature) Vice-President
(Ticle)
September 10. 1984
/Date)

APPRO	OIL CONSERVATION DESCRIPTION OF SEP 2 1 1984	DIVISION .
BY	ORIGINAL SAME	⊌N
-1-1-	DISTRICT I SUPERV	

This form is to be filed in compliance with AULE 1104.

If this is a request for allowable for a newly drilled or deepense well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with AULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fift out only Sections I. II. III. and VI for changes of owner, wall name or number, or transporter, or other such change of condition Separate Forms C-104 must be filed for each gool in multiply completed wells.

Well Test Data

Data New OU

" Gas Delivery Date

" Test Date

" Test Longib

" The Pressure

H Cag. Pressure

State of New Mexico Form C-104 District 1 PO Box 1988, Hobbs, NM 84241-1960 Revised February 10, 1994 H 3/12 District II Instructions on back PO Drawer DD, Artesia, NM \$8211-9719 Submit to Appropriate District Office OIL CONSERVATION DIVISION District III PO Box 2088 5 Copies 1000 Rio Brazos Rd., Astet, NM 87410 Santa Fe, NM 87504-2088 ■ AMENDED REPORT District IV PO Box 2008, Banta Fe, NM 87504-2005 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT Operator name and Address OGRID Number SHAHARA OIL CORPORATION 143119 Reseas for Filing Code 207 W MCKAY CARLSBAD, NM 88220 CH-Effective 2/21/95 ⁴ Pool Code 1 Pool Name API Number 43329 30-025-01429 Maljamar Grayburg SA Property Code Property Name ' Well Number 005983 (6772) Phillips State 002 Injection 10 Surface Location Loi.lda Feet from the North/South Une | Feet from the Ul er lot se. Sertion Towarbip Range EAN West Los Consty 660 North 660 West Lea D 178 33E 16 11 Bottom Hole Location UL or lot so. Section Range Lot Ida Feet from the North/South Enc Feet from the Fast/West Ras Towaship County Lea 33E 17S 660 West 660 North " Cas Connection Date 11 C-129 Permit Number " C-139 Effective Date " C-129 Expiration Date 11 Lee Code 19 Producing Method Code Unknown Injection * III. Oil and Gas Transporters "Transporter Name " O/G M POD Tremporter " POD ULSTR Location and Address OCRID and Description Texas New Mexico Pipeli e 1199610 022628 P.O. Rox 1510 Midland TX 79702 C-16-17S-33E GPM gas Còrp. 1199630 4001 Penbrook Odessa TX 79762 C-16-17S-33E Produced Water POD " POD ULSTR Location and Description C-16-17S-33E 1199650 Well Completion Data W Ready Date Sped Date " TD " PBTD " Perforations " Hole She " Casing & Tubing Size " Depth Set " Sacks Cement

" Choke	Size	4 OI	4 Water	● G m	* AOF	" Test Method
	information given above		livision have been complied plete to the best of my	OIL CO	NSERVATION D	IVISION
Signature:	. /V.lela	rue M	scher !	Approved KIGINAL SIG	NED BY JERRY SEXTO	วพ์
Printed name:	MELANIE J		R	Title: DISTING	CT I SUPERVISOR	
Title:	SECRETARY			Approval Date: MAR	2 1 0 1005	
Date:	03/08/95	Phone: 5/	05/885-5433			

RECEIVED MAR 1 5 1995

FAX COVER PAGE

KEMP, SMITH, DUNCAN & HAMMOND, P.C.

ATTORNEYS AT LAW

500 Marquette, N.W., Suite 1200 Albuquerque, New Mexico 87102-2121

(505) 247-2315

FAX (505) 764-5480

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Date: January 28, 1998

No. of Pages: 4 (including this cover page)

ORIGINALS WILL FOLLOW BY MAIL: YES

PLEASE DELIVER TO:

Name	Michael Stogner	Fax	505/827-8177
Company	NM Oil Conservation Division		

FROM:

Sender's Name	Paul A	. Cooter	Person to Contact
			(If different from Sender) Sue Bowersock
			File Number 09638.00100

COMMENTS:

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11D H. SMITH M CURTIS MICHAEL D. MEQUEEN DARRELL R. WINDHAM ROGER D. AKSAMIT MICHAEL F. AINSA† ††
YVONNE K. PUIG
CHARLES A. BECKHAM, JR.
MARGARET A. CHRISTIAN KI-NINETH R. CARR

MARK R. FLORA MARK R. FLORA""
RICHARD BONNER
MILTON C. COLIA
DARCY ALAN FROWNFELTER"
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NANCY C. SANTANA
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JAMES L. RASMUSSEN STEPHEN H. NELSON A. DREW HOFFMAN® R. THOMAS DAWE KATHLEEN DAVISON LEBECK MARKYN C. O'LEARY

ROSS L. CROWN P. RENEE REIMER* CLINTON W. MARRS MCKAY B. MANNING MCKAY B. MANNING
CHARLGTTE LAMONTITIT
ALAN HALL
JAMES T. REIST
KARLA K. POETT
DAVID J. ABELL
JANNE R. FRIEDETT
HEATHER J. SAFFELL
JEFFREY H. ALBRIGHT

OF COUNSEL: PAUL A. COOTER*

or counsel: JOSEPH P. HAMMONO RAYMOND H. MARSHALL

MEMBERS TEXAS BAR MEMBERS NEW MEXICO BAR

"" MEMBERS IDAHO BAR 11 MEMBERS COLORADO BAR *** MEMBERS NEW MEXICO AND CALIFORNIA BARS TIT MEMBERS IOWA BAR

**** MEMBERS FLORIDA AND MICHIGAN BARS

January 28, 1998

By Fax: 505/827-8177

Mr. Michael E. Stogner Chief Hearing Officer/Engineer Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Dept. 2040 South Pacheco PO Box 6429 Santa Fe, NM 87505

Application of Shahara Oil, L.L.C. for its Shahara State Unit

Dear Michael:

Forwarded to you with this letter is a copy of Order R-3155 granting Shenandoah Oil Corporation's Application for the injection of water in the Phillips State No. 2 Well located in Unit D of This answers your morning's inquiry. Section 16.

With regards, I am

Very truly yours,

Bul A. Cooter 8mb

PAC/smb enclosure

99000-00000/PCOO/A52702.

01/28/98 15:22 FAX 5058854989 07/03/97 10:35

SHAHARA OIL CORP

Ø102

KEMP SMITH

Ø 002

JUL-03-87 THU 10:37 AM OIL CONSERVATION DIV

FAX NO. 5058278177

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P. 02

BEFORE TER OIL COMSERVATION COMMISSION OF THE STATE OF MEN MEXICO

DELEGAR SET TO SETTAM SET HI CALLED BY THE GIL COMMERVATION COMMISSION OF NEW MEXICO TOR THE PURPOSE OF CONSIDERING:

> - CASE No., 3486 Order No. R-3155

I. . . ratti

APPLICATION OF SHEMANDOAR OIL CORPORATION FOR A WATERFLOOD PROJECT, LEA COURTY, HIN MEXICO.

ORDER OF THE CONSCRETOR

Section 4 and a second

BY THE CONTESION.

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MCM, on this 18th day of Movember, 1966, the Commission, a quorum being present, having considered the testimony, and the recommendations of the Smaniner, and being fully advisad in the premises,

FINDS:

- (1) That dra public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
 - (2) That the applicant, Shenandoah Oil Corporation, seeke permission to institute a veterflood project in the Maljamer Poul by the injection of water into the Grayburg-San Andrea formation: through four injection wells in Sections 7, 8, and 16, Weenship 17 South, Range 33 East. MOPH, Lee County, New MacLeo.
 - (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper"
 - (4) The the proposed Wetsrilood project should result to the recovery of otherwise unrecoverable oil, thereby preventing vaste.

01/28/98 15:22 FAX 5058854989 07/03/97 10:38

SHAHARA OIL CORP

Ø 03 **Ø 003**

JUL-03-97 THU 10:37 AM OIL CONSERVATION DIV

FAX NO. 5058278177

P. 03

-2-CASE No. 3486 Order No. R-3155

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shemandosh Gil Corporation, is hereby authorized to institute a waterflood project in the Maljamar Fool by the injection of water into the Grayburg-San Andree formation through the following-described wells in Township 17 South, Range 13 Bast; MOFM, Les County, New Mexico:

OF HEATOR

WHILL NO.

LOCATION

Shenandcah Oil Corporation-State "A" No. 2 Unit C = Section 7
Shenandcah Oil Corporation-State "A" No. 6 Unit E - Section 8
Shenandcah Oil Corporation-Sheil State "A" No. 1 Unit E - Section 8
Shenandcah Oil Corporation-Faillips State No. 2 Unit D - Section 16

- (2) That the subject veterflood project is hereby designated the Northeast Maljamar Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.
- (3) That monthly progress reports of the waterflood project herein authorized shall be subsitted to the Commission in accordance with Bulos 704 and 1120 of the Commission Rules and Regulations.
- (4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may does necessary.

DONE at Santa Fe, New Marrice, on the day and year hereinabove designated.

OTT CONTENTATION CONSTSTOR

DACK M. CAMPBELL, Chairman

GULTUE E. MAYS, Member

8 X A Z

A. L. POMTER, Jr., Member & Secretary

COVER PAGE F A X

KEMP, SMITH, DUNCAN & HAMMOND, P.C. ATTORNEYS AT LAW

500 Marquette, N.W., Suite 1200 Albuquerque, New Mexico 87102-2121

(505) 247-2315

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Date:

January 28, 1998

No. of Pages: (O(including this cover page)

ORIGINALS WILL FOLLOW BY MAIL: YES

PLEASE DELIVER TO:

	hael Stogner	Fax 505/82	27-8177
Company NM	Oil Conservation Division		
FROM:			
Sender's Name	Paul A. Cooter	Person to Contact	
		(if different from Sender)	Sue Bowersock
		File Number	09638.00100

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TAD R. SMITH CHRIS A. FAUL JIM CURTIS DANE GEORGE MICHAEL D. MCQUEEN DARRELL R. WINDHAM ROGER D. AKSAMIT MICHAEL F. AINSAT 11 YVONNE K. PUIG CHARLES A. BECKHAM, JR. MARGARET A. CHRISTIAN KENNETH R. CARR

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OF COUNSEL: PAUL A. COOTER"

OF COUNSEL: JOSEPH P. HAMMOND RAYMOND H. MARSHALL

" MEMBERS TEXAS BAR T MEMBERS NEW MEXICO BAR

** MEMBERS IDAHO BAR †† MEMBERS COLORADO BAR

*** MEMBERS NEW MEXICO AND CALIFORNIA BARS
111 MEMBERS IOWA BAR

*** MEMBERS FLORIDA AND MICHIGAN BARS
1111 MEMBERS DISTRICT OF COLUMBIA BAR

January 28, 1998

By Fax: 505/827-8177

Mr. Michael E. Stogner Chief Hearing Officer/Engineer Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Dept. 2040 South Pacheco PO Box 6429 Santa Fe, NM 87505

Application of Shahara Oil, L.L.C. for its Shahara State Unit Re:

Dear Michael:

After your inquiry, Shahara Oil reviewed the records obtained from Lynx Petroleum Consultants, from whom it purchased the property in February, 1995 and learned the following facts:

- The well was originally drilled by Pair Oil Company in April, 1959, and designated the Pair State No. 2 Well. A copy of the relevant Commission's Form C-101 is enclosed.
- The well was apparently converted to an injection well some time prior to April, 1971, when rework operations were conducted on the well by an unknown operator. The file contained a one-page memorandum of those operations, but the name of the operator at that time remains a mystery. That operator may still have been Pair, or possibly Shenandoah Oil Corporation which thereafter sold the well to Southland Royalty Company in March, A copy of that referenced page is enclosed.
- The aforementioned sale is evidenced by the Division's Form C-104 which shows that the well was a water-injection well

99000-00000/PCOO/A52702.

January 28, 1998 Page 2

when it was sold by Shenandoah to Southland. A copy of that form is enclosed.

4. Southland subsequently sold the well to Lynx Petroleum Consultants in September, 1984, who thereafter sold it to Shahara Oil as first mentioned. Copies of those Division Forms C-104 are also enclosed.

Shahara Oil continues its investigation of the matter. Вe assured that you will be advised of what is learned.

Very truly yours,

Paul A. Cooter

PAC/smb enclosure

99000-00000/PCOO/A52702.

01/28/98 09:32 FAX 5058854989

SHAHARA OIL CORP

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NEW MEXICO OIL CONSERVATION COMM...SON Santa Fe, New Mexico

Form 0-101 Revised (12/1/55)

NOTICE OF INTENTION TO DRILL

	e Commissi	on.	If State Las	One copy will be returned aubait 6 Copies Atta	ich Form C- 128 in trij	ninte de vinte de	soppe of form C-101
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01/28/98 09:32 FAX 5058854989

SHAHARA OIL CORP

PHILLIPS
PAIR STATE #2

4/29/71 Move rig in to pull tubing.
Unseated Larkin Simpak Tension Packer - 9S.
Pulled 136 joints 2 3/8" tubing (plastic coated).
Found split in 30th joint.
Rigged up sand pump, ran in hole, got pick up....put on bottom flag.
Ran depthometer, found T.D. at 4405'.
Picked up rust scale and small amount of sand.
Could not make hole with 3 1/4" sand pump.
Shut down rig.

4/30/71 Poured rope socket, ran 4 1/4 sand pump, made approximately 16' of hole, getting some muddy substance and fractured with sand.

Cleaned out to 4421' depthometer measurement.

Made up Baker AD tension packer, ran 135 joints 2 3/8' o.d. 8 round thread, internally plastic costed tubing. Packer set at 4175.94'.

Tied well up to injection line, started water back in ground.

Released rig.

CC: Downey 5/1/7/ Bellah 9/1/7/

₫006

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form C-104
form S-10-1-78

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SHAHARA OIL CORP

01/28/98 09:32 FAX 5058854989
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STATE MITH UNITS DEPARTMENT

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CONSCRVATION DIVISIO,

P. O. BOX 2006

SANTA FE, NEW MEXICO 87501

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TATOLOGIAN COL	REQUEST F	OR ALLOWABLE	
CT A LT COM	ANT OF HOITASINOHTUA	AND . ISPORT OIL AND NATURAL GAS	
Constant Brance		·	
Southland Royald	cy Company		
1100 Wall Towns	s West, Midland, Tx. 7970	N3	
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Charge in Ownership	OI) Dry (Cavinghed Cas Cand	Gos DITECTAE 5-1-	. 13
L	Changedock Oil Com 150	20.0	
sig addices of frientons amust -	inerial doan off corp., 150	00 Commerce Bldg., Ft. Wo	rth, Tx. 76102
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Location		·	D-2140
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Line of Section 16 To	innship 175 Range 33	Е , кыры, Lea	County
DESIGNATION OF TRANSPOR	TER OF OIL AND NATURAL G	:AS	
Name of Authorised Transporter of Ct	I Contempale		oved copy of this form is to be sent)
Water Injection		Address (Cite address to take A and	oved copy of this form is to be sent!
None None	andrede one Co. on più one Co.	Variant laws apparers to mitter obliv	ness soht of twin law it to be tauth
If well produces all or liquide, cive location of lanks,	Unii Sec. Twp. Ree.	is gas actually connected?	hen
(this production is commingled wi	th that from any other lease or pool	, give commingling order numbers	
Designate Type of Completion	on - (X) Oil Well Gus Well	flew Wall Workover Deepen	Plug Bazz Same Hes'v. Dill. Hes'
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Fritorations	L		Depth Casing Shoe
	TURING CASING AN	D CEMENTING RECORD	
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
EST DATA AND REQUEST FO DL WELL	able for this di	epsh or be for full 24 hours)	l and must be equal to ar exceed top allo
Nete First New Cil Hun To Tanks	Date of Test	Producing kiethed (Flow, pump, 101)	ilit eleri
engin of Test	Tubing Pressure	Casing Pressur	Choke Size
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01/28/98 12:21 FAX 5057645480 KEMP SMITH DUNCAN P.C. **4**007 Actual Find, TestsMCF/D Longin of Toes Testing Method (pilat, beek pr.) Tubing Pressure (Enut-in) Cosing Piesewe (Shut-18) Chot's Size CERTIFICATE OF COMPLIANCE OIL CONSERVATION DIVISION APPROVED. I hereby certify that the rules and regulations of the Oil Conservation Division have been compiled with and that the information given above is true and complete to the best of my knowledge and belief. hery Berion TITLE. Dan J. Berre This form is to be filed in compliance with nucl tivi. If this is a request for allowable for a newly diffici or despenwell, this form must be accompanied by a tabulation of the deviationals taken on the well in accordance with fully lift.

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All enotions of this form must be filled out completely for allo able on new and recompleted walls.

1911 out only nections 1, 11, 111, and VI for changes of could wall name or morber, or transporter or other such theory of couldle

Repercia Pains C-104 must be filed for each pool in multip

SHAHARA OIL CORP

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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SANTA FE		
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LAND DFFEE		
TRANSPORTER OIL		
DAG		
OPERATOR		
PROMATION DIFFICE		

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

	RALLUWABLE
	ND PORT OIL AND NATURAL GAS
I.	
Lynx Petroleum Consultants, Incor	porated
Addises	
P.O. Box 1666, Hobbs, New Mexico	
Receive(s) for filing (Check proper box) New Woll Change in Transporter of:	Other (Piesse aspiain)
	ry Gas
Change in Ownership Casinghood Gas C	endensets
If change of ownership give name Southland Royalty C and address of previous owner Southland Royalty C	o. 21 Desta Drive, Midland, Texas 79
II. DESCRIPTION OF WELL AND LEASE	
Lyes Name Well No. Pool Name, Including F	
Phillips State 2 Maljamar	GR-SA Signo, Federal or Fee State B-21
Unit Latter D : 660 Feet From The North Litt	te and 660 Feet From The West
Line of Section 16 Township 175 Range	33E , NMPM, Lea Cour
III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL	L GAS
Name of Authorized Transporter of Oil or Candensole	Address (Give address to which approved copy of this form is to be sent)
Injection Well Name of Authorized Transporter of Casinghed Gas at Dry Gas	Address (Give address to which approved copy of this form is to be sent)
Arms of Valuetizes Manahama and Co. And Co.	
If well preduces oil or liquids, Unit Sec. Twp. Rev. give location of tanks.	is gas estually connected?
If this production is commingled with that from any other lesse or pool,	give commingling order numbers .
NOTE: Complete Parts IV and V on reverse side if necessary.	
VI. CERTIFICATE OF COMPLIANCE	OIL CONSERVATION DIVISION
	SFP 2 1 1984
I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of	APPROVED
my knowledge and belief.	DISTRICT I SUPERVISOR
•	TITLE
9.1	This form is to be flied in compliance with RULE 1104.
Gigneria)	If this is a request for allowable for a newly drilled or deep, well, this form must be accompanied by a tabulation of the devi-
Vice-President	tests taken on the well in accordance with mut & 111.
(Title)	All nections of this form must be filled out completely for all able on new and recompleted walls.
September 10, 1984	Fill out only Sections I. II. and VI for changes of own wall name or number, or transporter, or other such change of condi-
141	Separate Forms C-104 must be filled for each peel in mult

District I PO Box 1984, Hobbs, NM 80241-1960

State of New Mexico

Firein C-104

Revised February 10, 1994

01/28/98 09:32 FAX 5058854989

SHAHARA OIL CORP

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Halia instructions on back District II Submit to Appropriate District Office OIL CONSERVATION DIVISION PO Drawer DD, Artesia, NM \$42(1-4719 5 Copies District III PO Box 2088 Santa Fe, NM 87504-2088 1000 Rio Brane Rd., Aster, NM 87410 MENDED REPORT District IV PO Box 1000, Santa Fa, NM 87504-2005 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT Operator name and Address 143119 SHAHARA OIL CORPORATION A Remon for Filing Code 207 W MCKAY CARLSBAD, NM 88220 CH-Effective 2/21/95 Fool Name 1 Poul Code API Number 43329 30-025-01429 Maljamar Grayburg SA Property Code Wali Namber Property Name 005983- 16770 Phillips State 002 Injection 10 Surface Location Feet from the North/South Line | Fort from the East/West Los Loi.lda Ul er let me. Section Russe Ten public North 660 West 660 Lea D 16 175 33E 11 Bottom Hole Location Township Feet from the North/South Loc Fed from the FAMILY AND ELEC UL or let mo. Section Reses Lea 17S 33E North 660 West 16 660 " Gee Connection Date H C-129 Permit Number " C-129 Effective Date " C-111 Expiration Date " Lee Code " Producing Method Code Injection * Unknown S III. Oil and Gas Transporters "Transporter Name # POD " O/G FOD ULSTR Location Transporter and Address and Description OGRID Texas New Mexico Pipeline 1199610 022628 O P.O. Box 1510 Midland TX 79702 C-16-175-33E GPM gas Corp. 1199630 009171 4001 Penbrook -16-17S-33E Odessa, TX 79762 V. Produced Water " POD ULSTR Location and Description POD C-16-17S-33E 1199650 Well Completion Data # 1D Sped Date " Ready Date " PETD " Perforations " Iloia Sian H Cooling & Tublag Stee Depth Set Secta Cement VI. Well Test Data Date New Off " Gas Delivery Date " Test Longith " Cag. Drawn

" I hereby certify that the rules of the Dil Conserve with and that the information given above in true an knowledge and belief, Signature:		OIL COI	NSERVATION I	" Test Meth
with and that the information given above in true an knowledge and belief.		OIL CO	NSERVATION I	NOISIVIC
Printed name: MELANIE J. PA		POIS JANIBIK, MOTOR	NED BY JERRY SEXT	ON
SECRETARY	Ap	proval Date: MAR	1 0 1995	4
Date: 03/08/95 Pho	-: 505/885-5433		- 17 1000	

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