BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 278
Order No. R-111-A

THE APPLICATION OF THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION FOR AN ORDER REVISING ORDER R-111 ISSUED IN CASE 278, PERTAINING TO THE POTASH-OIL AREAS OF EDDY AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on July 14, 1955, August 17, 1955 and September 15, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 13th day of October, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the delineation of an area including and containing potential oil and gas reserves, within which are commercial potash deposits, and the promulgation of rules and regulations for the orderly development of oil and gas resources in such area known to be productive of potash is within the authority of the Commission for the protection of correlative rights, the promotion of conservation, and the prevention of waste.

IT IS THEREFORE ORDERED:

That this order shall be known as The Rules and Regulations Governing the Exploration of Oil and Gas in Certain Areas Herein Defined, which are Known to contain Potash Reserves.

I.

OBJECTIVE

The objective of these Rules and Regulations is to prevent waste, protect correlative rights, assure maximum conservation of the oil, gas and potash

resources of New Mexico, and permit the economic recovery of oil, gas and potash minerals in the area hereinafter defined.

II.

THE POTASH-OIL AREA

(1) The Potash-Oil Area, as outlined in Exhibit A attached hereto and made a part hereof, represents the area in various part of which potash mining operations are now in progress, or in which core tests indicate commercial potash reserves.

(2) The Potash-Oil Area, as outlined herein, may be revised by the Commission after due notice and hearing.

III.

DRILLING IN THE POTASH AREA

(1) All drilling of oil and gas wells in the Potash Area shall be subject to these Rules and Regulations.

(2) No wells will be drilled for oil or gas at a location which, in the opinion of the Commission or its duly authorized representative, would result in undue waste of potash deposits or constitute a hazard to or interfere unduly with potash deposits.

No mining operations will be conducted in the Potash Area that would, in the opinion of the Commission or its duly authorized representative, constitute a hazard to oil or gas production, or that would unreasonably interfere with the orderly development and production from any oil or gas pool.

(3) Upon discovery of oil or gas in the Potash Area, the Oil Conservation Commission shall promulgate pool rules for the affected area after due notice and hearing.

IV.

DRILLING AND CASING PROGRAM

(1) For the purpose of the regulations and the drilling of oil and gas exploratory test wells, shallow and deep zones are defined, as follows:

(a) The shallow zone shall include all formations above the base of the Delaware sand or above a depth of 5,000 feet, whichever is the lesser.

(b) The deep zone shall include all formations below the base of the Delaware sand or below a depth of 5,000 feet, whichever is the lesser.

(2) Surface Casing String:

(a) A surface casing string of new or used oil field casing in good condition shall be set in the "Red Bed" section of the basal Rustler formation immediately above the salt section, or in the anhydrite at the top of the salt section, as determined necessary by the regulatory representative approving the drilling operations, and shall be cemented with not less than one hundred and fifty percent (150) percent of calculated volume necessary to circulate cement to the ground surface.

(b) Cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

(c) Casing and water-shut-off tests shall be made both before and after drilling the plug and below the casing seat as follows:

(i) If rotary tools are used, the mud shall be displaced with water and a hydraulic pressure of six hundred (600) pounds per square inch shall be applied. If a drop of one hundred (100) pounds per square inch or more should occur within thirty (30) minutes, corrective measures shall be applied.

(ii) If cable tools are used, the mud shall be bailed from the hole, and if the hole does not remain dry for a period of one hour, corrective measures shall be applied.

(d) The above requirements for the surface casing string shall be applicable to both the shallow and deep zones.

(3) Salt Protection String:

(a) A salt protection string of new or used oil field casing in good condition shall be set not less than one hundred (100) feet nor more than six hundred (600) feet below the base of the salt section; provided that such string shall not be set below the top of the highest known oil or gas zone.

(b) The salt protection string shall be cemented, as follows:

(i) For wells drilled to the shallow zone, the string may be cemented with a nominal volume of cement for testing purposes only. If the exploratory test well is completed as a productive well, the string shall be re-cemented with sufficient cement to fill the annular space back of the pipe from the top of the first cementing to the surface or to the bottom of the cellar, or may be cut and pulled if the production string is cemented to the surface as provided in sub-section IV (5), (i) below.

(ii) For wells drilled to the deep zone, the string must be cemented with sufficient cement to fill the annular space back of the pipe from the casing seat to the surface or to the bottom of the cellar; however, where the base of the Delaware Mountain Group is definable the casing rules in (IV) (3b) (i) shall apply even if the depth of the bottom of the Delaware Mountain Group is greater than 5,000 feet. For the purpose of identification, the base of the Delaware Mountain Group is hereby identified as the equivalent of the base of such formation as found at a depth of 7485 feet in the Richardson and Bass No. 1

Rodke well in Section 27, Township 20 South, Range 31 East, NMPM, Lea County, New Mexico, immediately overlying the Bone Springs formation.

(c) If the cement fails to reach the surface or the bottom of the cellar, where required, the top of the cement shall be located by a temperature or gamma ray survey and additional cementing shall be done until the cement is brought to the point required.

(d) The fluid used to mix with the cement shall be saturated with the salts common to the zones penetrated and with suitable proportions but not less than 1% of calcium chloride by weight of cement.

(e) Cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

(f) Casing tests shall be made both before and after drilling the plug and below the casing seat, as follows:

(i) If rotary tools are used, the mud shall be displaced with water and a hydraulic pressure of one thousand (1000) pounds per square inch shall be applied. If a drop of one hundred (100) pounds per square inch or more should occur within thirty (30) minutes, corrective measures shall be applied.

(ii) If cable tools are used, the mud shall be bailed from the hole and if the hole does not remain dry for a period of one hour, corrective measures shall be applied.

(g) The Commission, or its duly authorized representative, may require the use of centralizers on the salt protection string when in their judgment the use of such centralizers would offer further protection to the salt section.

(h) The above requirements for the salt protection string shall be applicable to both the shallow and deep zones except for sub-section IV (3), (b), (i) and (ii) above.

(4) Intermediate String:

(a) In the drilling of oil and gas exploratory test wells to the deep zone, the operator shall have the option of running an intermediate string of pipe, unless the Commission requires an intermediate string.

(b) Cementing procedures and casing tests for the intermediate string shall be the same as provided under sub-sections IV (3), (c), (e) and (f) for the salt protection string.

(5) Production String:

(a) A production string shall be set on top or through the oil or gas pay zone and shall be cemented as follows:

(i) For wells drilled to the shallow zone the

production string shall be cemented to the surface if the salt protection string was cemented only with a nominal volume for testing purposes, in which case the salt protection string can be cut and pulled before the production string is cemented; provided, that if the salt protection string was cemented to the surface, the production string shall be cemented with a volume adequate to protect the pay zone and the casing above such zone.

(ii) For wells drilled to the deep zone, the production string shall be cemented with a volume adequate to protect the pay zone and the casing above such zone; provided, that if no intermediate string shall have been run and cemented to the surface, the production string shall be cemented to the surface.

(b) Cementing procedures and casing tests for the production string shall be the same as provided under sub-section IV (3), (c) (e) and (f) for the salt protection string; however if high pressure oil or gas production is discovered in any area, the Commission shall promulgate the necessary rules to prevent the charging of the salt section.

V.

DRILLING FLUID FOR SALT SECTION

The fluid used while drilling the salt section shall consist of water, to which has been added sufficient salts of a character common to the zone penetrated to completely saturate the mixture. Other admixtures may be added to the fluid by the operator in overcoming any specific problem. This requirement is specifically intended to prevent enlarged drill holes.

VI.

PLUGGING AND ABANDONMENT OF WELLS

(1) All wells heretofore and hereafter drilled within the Potash Area shall be plugged in a manner and in accordance with field rules established by the Commission that will provide a solid cement plug through the salt section and any water bearing horizon and prevent liquids or gases from entering the hole above or below the salt section.

(2) The fluid used to mix the cement shall be saturated with the salts common to the salt section penetrated and with suitable proportions but not more than three (3) percent of calcium chloride by weight of cement being considered the desired mixture whenever possible.

VII.

LOCATION FOR WELLS

Before commencing drilling operations for oil or gas on any lands within the Potash Area, the well operator shall prepare a map or plat showing the location of

the proposed well, said map or plat to accompany each copy of the Notice of Intention to Drill. In addition to the number of copies required by the Commission, the well operator shall send one copy by registered mail to all potash operators holding potash leases within a radius of one mile of the proposed well, as reflected by the plats submitted under paragraph IX (2).

The well operator shall furnish proof of the fact that said potash operators were notified by registered mail of his intent by attaching return receipt to the copies of the Notice of Intention to Drill and plats furnished the Commission.

The Commission, or its authorized representative, may approve such Notice of Intention to Drill if no objection to the location of the proposed well is made by a potash operator within ten days after receipt. If the location of the proposed well is objected to by the potash operator, the matter shall be referred to the Secretary-Director of the Commission for arbitration. If a satisfactory settlement cannot be reached, the Secretary-Director of the Commission shall refer the matter to a hearing before the Commission after due notice and a decision either approving or denying the operator's plans to drill shall be entered by the Commission.

VIII.

INSPECTION OF DRILLING AND MINING OPERATIONS

A representative of the potash operator may be present during drilling, cementing, casing, and plugging of all oil or gas wells within a radius of one mile of the well location to observe conformance with these regulations. Likewise, a representative of the oil and gas lessee may inspect mine workings on his lease to observe conformance with these regulations.

IX.

FILING OF WELL SURVEYS, MINE SURVEYS AND POTASH DEVELOPMENT PLANS

(1) Directional Surveys:

The Commission may require an operator to file a certified directional survey from the surface to a point below the lowest known potash bearing horizon on all wells drilled within the Potash Area. These surveys may be required where, in the Commission's judgment, the exact location of the well-bore must be determined in order to aid mining operations.

(2) Mine Surveys:

Within 30 days after the adoption of this order, and thereafter on or before January 31st of each year, each potash operator shall furnish two copies of a plat of a survey of the location of his leaseholdings and all of his open mine workings, which plat shall be available for public inspection.

(3) Potash Development Plans

Within 30 days after adoption of this order and thereafter on or before January 31st of each year, each potash operator shall furnish two copies of a projection of development plans in the form of a plat, which plat shall be for the confidental use of the Commission and for inspection by any affected oil or gas operator. The projection shall cover not less than 3 nor more than a 5 year development program.

X.

APPLICABILITY OF STATEWIDE RULES AND REGULATIONS

All general statewide rules and regulations of the Oil Conservation Commission governing the development, operation, and production of oil and gas in the State of New Mexico not inconsistent or in conflict herewith, are hereby adopted and made applicable to the areas described herein.

EXHIBIT "A"

POTASH-OIL AREA

TOWNSHIP 18 SOUTH, RANGE 30 EAST
Section 13: SW/4
Section 14: S/2, NW/4, W/2 NE/4
Section 15: SE/4
Section 22: E/2, E/2 W/2
Section 23: All
Section 24: NW/4
Section 26: N/2
Section 27: N/2 NE/4

TOWNSHIP 19 SOUTH, RANGE 29 EAST
Section 11: SE/4
Section 12: S/2, S/2 NE/4
Section 13: N/2, N/2 S/2, S/2 SW/4
Section 14: E/2, E/2 W/2
Section 23: N/2 NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST
Section 3: S/2
Section 4: S/2, NW/4, SW/4 NE/4
Section 5: E/2, E/2 W/2, SW/4 SW/4
Section 7: S/2, S/2 N/2, N/2 NE/4
Section 8: All
Section 9: All
Section 10: All
Section 11: SW/4, W/2 SE/4
Section 14: W/2, W/2 SE/4
Section 15: All
Section 16: All
Section 17: All
Section 18: E/2, NW/4
Section 19: NE/4
Section 20: N/2, SE/4 SE/4
Section 21: All
Section 22: All
Section 23: W/2
Section 26: W/2, SE/4
Section 27: All
Section 28: All
Section 29: E/2
Section 32: SE/4, NE/4 NE/4
Section 33: All
Section 34: All
Section 35: All
Section 36: SW/4, S/2 NW/4, S/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST
Section 36: SE/4

TOWNSHIP 19 SOUTH, RANGE 32 EAST
Section 31: W/2 SW/4
Section 33: SE/4, E/2 SW/4
Section 34: S/2
Section 35: S/2
Section 36: SW/4, SE/4 SE/4

TOWNSHIP 19 SOUTH, RANGE 33 EAST
Section 22: SE/4 SE/4
Section 23: SW/4
Section 25: SW/4
Section 26: All
Section 27: E/2
Section 31: S/2
Section 32: SW/4
Section 34: NE/4 NE/4
Section 35: All
Section 36: S/2, NW/4 W/2 NE/4

TOWNSHIP 19 SOUTH, RANGE 34 EAST
Section 31: SW/4 SW/4

TOWNSHIP 20 SOUTH, RANGE 29 EAST
Section 13: SW/4 SW/4
Section 14: SE/4 SE/4
Section 22: SE/4, S/2 NE/4
Section 23: S/2, NE/4
Section 24: W/2, W/2 SE/4
Section 25: N/2, N/2 S/2
Section 26: All
Section 27: E/2
Section 34: NE/4, N/2 SE/4
Section 35: NW/4

TOWNSHIP 20 SOUTH, RANGE 30 EAST
Section 1: All
Section 2: All
Section 3: All
Section 4: All
Section 5: S/2, NE/4
Section 6: S/2, S/2 NE/4
Section 7: NW/4, E/2
Section 8: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 18: E/2
Section 19: E/2

EXHIBIT "A" (Continued)

TOWNSHIP 20 SOUTH, RANGE 30 EAST (continued)

Section 20: All
Section 21: All
Section 22: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: E/2
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

TOWNSHIP 20 SOUTH, RANGE 31 EAST

Section 1: E/2, E/2 W/2
Section 6: SW/4, S/2 NW/4, W/2 SE/4
Section 7: W/2, SE/4, W/2 NE/4
Section 8: S/2, S/2 N/2
Section 9: SW/4, S/2 NW/4
Section 11: SE/4, E/2 SW/4
Section 12: All
Section 13: All
Section 14: E/2, SW/4, E/2 NW/4
Section 16: W/2
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: NW/4, S/2
Section 22: S/2, S/2 NE/4
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

TOWNSHIP 20 SOUTH, RANGE 32 EAST

Section 1: All
Section 2: All
Section 3: All
Section 4: E/2, SW/4, E/2 NW/4

EXHIBIT "A" (continued)

TOWNSHIP 20 SOUTH, RANGE 32 EAST, (continued)

Section 5: S/2 SE/4
Section 6: W/2, SW/4 SE/4
Section 7: All
Section 8: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: All
Section 22: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

TOWNSHIP 20 SOUTH, RANGE 33 EAST

Section 1: All
Section 2: E/2, E/2 W/2
Section 5: W/2
Section 6: All
Section 7: All
Section 8: W/2, SW/4 NE/4, SE/4
Section 9: S/2 S/2, NW/4 SW/4
Section 10: S/2
Section 11: E/2, E/2 NW/4, SW/4
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: W/2 SW/4, NW/4, N/2 NE/4

EXHIBIT "A" (Continued)

TOWNSHIP 20 SOUTH, RANGE 33 EAST, (Continued)
Section 22: N/2 N/2
Section 23: N/2 N/2, SE/4 NE/4
Section 24: N/2, N/2 SE/4, SE/4 SE/4
Section 29: W/2, NE/4, N/2 SE/4, SW/4 SE/4
Section 30: All
Section 31: N/2, W/2 SW/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST
Section 6: W/2, W/2 SE/4
Section 7: All
Section 8: SW/4
Section 16: SW/4, SW/4 NW/4, SW/4 SE/4
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: All
Section 22: SW/4
Section 27: W/2
Section 28: All
Section 29: N/2, SE/4, NE/4 SW/4
Section 30: NE/4 NW/4, N/2 NE/4, SE/4 NE/4
Section 32: N/2 NE/4, SE/4 NE/4
Section 33: N/2, SE/4, N/2 SW/4, SE/4 SW/4
Section 34: W/2

TOWNSHIP 21 SOUTH, RANGE 29 EAST
Section 1: All
Section 2: Lots 1 - 16, incls., SE/4, NE/4 SW/4
Section 3: Lots 1 - 9, incl.
Section 4: Lots 1 - 8, incl., Lots 10 and 11
Section 11: E/2, E/2 SW/4
Section 12: All
Section 13: All
Section 14: E/2, E/2 W/2, SW/4 NW/4, NW/4 SW/4
Section 15: SE/4 NE/4, NE/4 SE/4
Section 23: N/2 NE/4
Section 24: NE/4, NE/4 SE/4, N/2 NW/4, SE/4 NW/4
Section 35: S/2 NE/4, SE/4, E/2 SW/4
Section 36: S/2 SW/4, SE/4, S/2 NE/4, NE/4 NE/4

TOWNSHIP 21 SOUTH, RANGE 30 EAST
Section 1: All
Section 2: All
Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: N/2, SW/4
Section 10: N/2, SE/4, N/2 SW/4, SE/4 SW/4
Section 11: All
Section 12: All
Section 13: All

EXHIBIT "A" (continued)

TOWNSHIP 21 SOUTH, RANGE 30 EAST (continued)

Section 14: All
Section 15: NE/4, NE/4 NW/4, N/2 SE/4, SE/4 SE/4
Section 16: NW/4 NW/4
Section 17: All
Section 18: All
Section 19: All
Section 20: NW/4, N/2 NE/4
Section 22: E/2 E/2
Section 23: All
Section 24: All
Section 25: N/2, SE/4, N/2 SW/4, SE/4 SW/4
Section 26: N/2, N/2 S/2
Section 27: NE/4, N/2 SE/4, SE/4 SE/4
Section 29: NW/4, N/2 SW/4
Section 30: E/2, E/2 W/2
Section 31: All
Section 32: S/2, NW/4, NW/4 NE/4, S/2 NE/4
Section 36: E/2

TOWNSHIP 21 SOUTH, RANGE 31 EAST

Section 1: All
Section 2: All
Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All
Section 10: W/2
Section 12: N/2, SE/4, N/2 SW/4, SE/4 SW/4
Section 13: N/2 NE/4
Section 15: W/2
Section 16: E/2, NW/4, E/2 SW/4
Section 18: NW/4, W/2 NE/4, NE/4 NE/4, W/2 SW/4
NE/4 SW/4
Section 21: E/2, NE/4 NW/4
Section 22: W/2
Section 27: W/2, SW/4 NE/4, W/2 SE/4
Section 28: E/2
Section 30: SW/4, W/2 NW/4, SE/4 NW/4
Section 31: W/2
Section 33: NE/4 NE/4
Section 34: NW/4, NW/4 NE/4

TOWNSHIP 21 SOUTH, RANGE 32 EAST

Section 6: Lots 1 - 7 incls., Lots 10 - 15, inclus., SW/4
Section 7: W/2
Section 22: E/2
Section 23: All
Section 24: All

EXHIBIT "A" (continued)

TOWNSHIP 21 SOUTH, RANGE 33 EAST
Section 3: Lots 1, 2, 3
Section 17: S/2 S/2
Section 18: SE/4 SE/4
Section 19: All
Section 20: All
Section 21: W/2, SE/4, S/2 NE/4
Section 22: S/2, S/2 N/2
Section 23: S/2, S/2 N/2, NE/4 NE/4
Section 24: All
Section 25: NW/4, N/2 NE/4, SW/4 NE/4, N/2 SW/4
Section 26: W/2, NE/4, N/2 SE/4, SW/4 SE/4
Section 27: All
Section 28: All
Section 29: N/2, SE/4, NE/4 SW/4
Section 30: N/2 NE/4, SE/4 NE/4
Section 33: N/2 N/2
Section 34: N/2 N/2

TOWNSHIP 21 SOUTH, RANGE 34 EAST
Section 19: W/2

TOWNSHIP 22 SOUTH, RANGE 29 EAST
Section 1: All
Section 2: E/2, E/2 NW/4, SW/4
Section 3: S/2 SE/4, NE/4 SE/4
Section 10: E/2, E/2 W/2, SW/4 SW/4
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: SE/4, SE/4 NE/4, SE/4 SW/4
Section 20: E/2 E/2
Section 21: All
Section 22: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: NE/4, N/2 NW/4, SE/4 NW/4, SE/4
Section 33: NE/4 NE/4
Section 34: NW/4, W/2 E/2, N/2 SW/4, SE/4 SW/4
Section 35: E/2, SW/4, SE/4 NW/4
Section 36: All

TOWNSHIP 22 SOUTH, RANGE 30 EAST
Section 1: E/2
Section 5: N/2, N/2 S/2, SW/4 SW/4
Section 6: All
Section 7: W/2, W/2 E/2, SE/4 SE/4
Section 8: S/2 SW/4
Section 12: NE/4 NE/4
Section 13: NW/4, N/2 SW/4, SW/4 SW/4
Section 14: SE/4, S/2 NE/4, E/2 SW/4, SW/4 SW/4
Section 17: NW/4
Section 18: All
Section 19: All

EXHIBIT "A" (continued)

TOWNSHIP 22 SOUTH, RANGE 30 EAST (continued)
Section 20: All
Section 21: S/2, SW/4 NW/4
Section 22: S/2, S/2 N/2, NE/4 NE/4
Section 23: W/2, W/2 NE/4, NE/4 NE/4
Section 26: W/2 W/2
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: W/2

TOWNSHIP 22 SOUTH, RANGE 31 EAST
Section 6: W/2, W/2 NE/4, NW/4 SE/4
Section 7: N/2 NW/4

TOWNSHIP 23 SOUTH, RANGE 29 EAST
Section 1: All
Section 2: E/2, NW/4, NE/4 SW/4
Section 11: NE/4 NE/4
Section 12: N/2 N/2

TOWNSHIP 23 SOUTH, RANGE 30 EAST
Section 2: NW/4
Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: NE/4, N/2 NW/4, SE/4 NW/4
Section 8: N/2 N/2, S/2 NE/4
Section 9: N/2, NE/4 SW/4, N/2 SE/4
Section 10: N/2, SW/4

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member & Secretary

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NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE - NEW MEXICO

EXTENSIONS AS CONTAINED IN ORDERS R-111-B THROUGH R-111-O, INCLUSIVE, TO THE POTASH-OIL AREA AS DEFINED BY ORDER NO. R-111-A

TOWNSHIP 18 SOUTH, RANGE 30 EAST

Section 22: W/2 W/2
Section 27: NE/4 NW/4

TOWNSHIP 19 SOUTH, RANGE 29 EAST

Section 13: S/2 SE/4
Section 14: W/2 SW/4
Section 22: E/2
Section 23: All
Section 24: N/2 and N/2 S/2

Section 26: N/2 NW/4
Section 27: NE/4 NW/4 and N/2 NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST

Section 4: SE/4 NE/4
Section 5: SW/4 NW/4 and NW/4 SW/4
Section 6: E/2 SE/4
Section 11: S/2 NE/4 and E/2 SE/4
Section 12: S/2 NW/4, NE/4 SW/4, W/2 SE/4 and NE/4 SE/4
Section 13: W/2 and NE/4
Section 14: NE/4 and E/2 SE/4
Section 18: SW/4
Section 19: NW/4
Section 20: NE/4 SW/4, N/2 SE/4, and SW/4 SE/4
Section 23: N/2 NE/4
Section 24: NW/4 NW/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST

Section 7: W/2 NW/4
Section 18: W/2 NW/4 and NW/4 SW/4
Section 36: N/2 and SW/4

TOWNSHIP 21 SOUTH, RANGE 29 EAST

Section 2: S/2 SW/4 and NW/4 SW/4
Section 10: E/2 SE/4
Section 11: NW/4 and W/2 SW/4
Section 14: NW/4 NW/4
Section 15: NE/4 NE/4

TOWNSHIP 21 SOUTH, RANGE 31 EAST

Section 10: E/2
Section 11: All
Section 12: SW/4 SW/4
Section 13: W/2
Section 14: All
Section 15: E/2
Section 16: W/2 SW/4
Section 17: All
Section 18: SE/4 NE/4, SE/4 and SE/4 SW/4
Sections 19 & 20: All
Section 21: NW/4 NW/4, and S/2 NW/4, and SW/4
Section 22: E/2
Section 23: N/2
Section 24: NW/4
Section 27: E/2 E/2 and NW/4 NE/4
Section 34: E/2 NE/4 and SW/4 NE/4

TOWNSHIP 22 SOUTH, RANGE 29 EAST

Section 31: SE/4
Section 32: NE/4 and S/2
Section 33: W/2, NW/4 NE/4, S/2 NE/4, and SE/4
Section 34: SW/4 SW/4 and E/2 E/2
Section 35: N/2 NW/4 and SW/4 NW/4

TOWNSHIP 22 SOUTH, RANGE 30 EAST

Section 4: W/2 W/2
Section 5: S/2 SE/4 and SE/4 SW/4
Section 7: E/2 NE/4 and NE/4 SE/4
Section 8: N/2 and N/2 SW/4
Section 9: W/2 NW/4
Section 23: SE/4 and SE/4 NE/4
Section 24: W/2 W/2
Section 25: W/2 W/2
Section 26: E/2 W/2 and E/2
Section 35: E/2

TOWNSHIP 23 SOUTH, RANGE 29 EAST

Section 2: W/2 SW/4 and SE/4 SW/4
Sections 3, 4, & 5: All
Section 6: E/2
Section 7: N/2 NE/4
Section 8: N/2 N/2 and SE/4 NE/4
Section 9: NW/4 and N/2 NE/4
Section 10: All
Section 11: NW/4, N/2 SW/4, W/2 NE/4, SE/4 NE/4, and SE/4
Section 12: S/2 N/2 and S/2
Section 13: E/2 E/2
Section 15: W/2, W/2 E/2, and NE/4 NE/4
Section 21: SE/4
Section 22: W/2, W/2 NE/4, SE/4 NE/4, and SE/4

TOWNSHIP 23 SOUTH, RANGE 29 EAST, con'd

Section 23: S/2
Section 24: E/2 NE/4
Section 26: All
Section 27: N/2 and E/2 SE/4
Section 34: E/2 NE/4 and NE/4 SE/4
Section 35: NW/4, N/2 SW/4, W/2 NE/4, SE/4 NE/4, and NW/4 SE/4
Section 36: S/2 NW/4, SW/4 NE/4, N/2 SW/4, and NW/4 SE/4

TOWNSHIP 23 SOUTH, RANGE 30 EAST

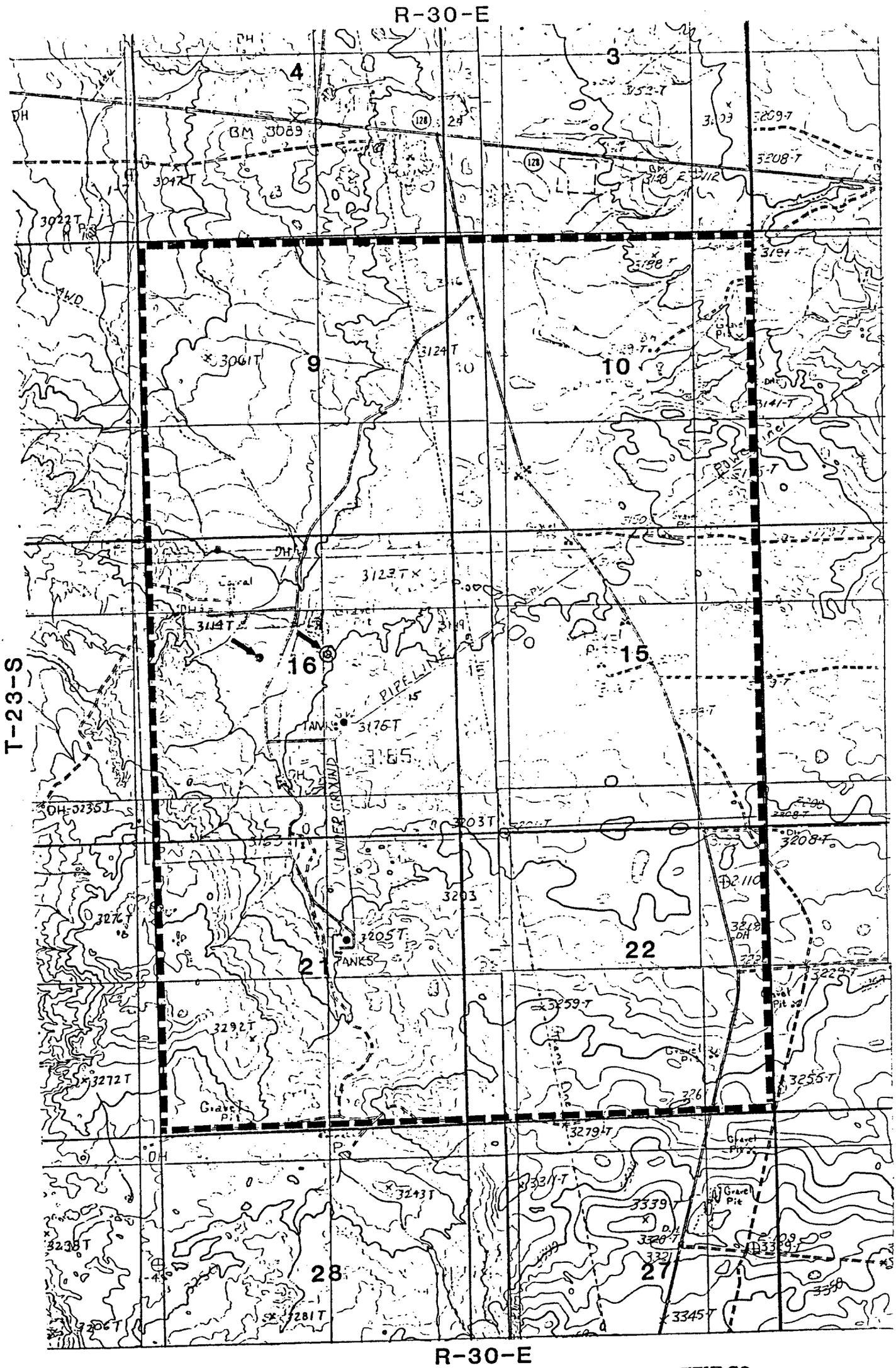
Section 2: S/2 and NE/4
Section 7: SW/4 NW/4 and S/2
Section 8: S/2 and S/2 NW/4
Section 9: S/2 SW/4, NW/4 SW/4, and S/2 SE/4
Section 10: SE/4
Sections 11 through 15: All
Sections 16, 17, and 18: All
Section 19: N/2, NE/4 SW/4, and N/2 SE/4
Section 20: SE/4 SE/4
Section 21: SW/4 SW/4
Sections 24 and 25: All
Section 26: E/2
Section 28: W/2 W/2
Section 29: E/2 E/2
Section 32: NE/4 NE/4
Section 33: NW/4 NW/4

TOWNSHIP 23 SOUTH, RANGE 31 EAST

Section 7: S/2, NW/4, S/2 NE/4, and NW/4 NE/4
Section 18: All
Sections 19 and 20: All
Sections 27 through 30: All

November 6, 1980

dr/



PRIMARY LOCATION

SECONDARY LOCATION

TEXACO EX. 10
OCC CASE 9148
9158

TEXACO
FORTY NINER RIDGE
WELL NO. 3
FORTY NINER RIDGE FIELD
EDDY COUNTY, NEW MEXICO
CRC
6-5-87

NEW MEXICO OIL CONSERVATION DIVISION

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR Texaco Prod. Inc.					ADDRESS P.O. Box 728, Hobbs, New Mexico 88240		
REPORT OF	FIRE X	BREAK	SPILL	LEAK	BLOWOUT	OTHER*	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE	GASO PLNT	OIL RFY	OTHER* Satellite Station
NAME OF FACILITY Skelly Penrose A Unit Sat #6							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION) NW/4 NW/4					SEC. 10	TWP. 23S	RGE. 37E / COUNTY Lea
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 9 miles S of Eunice, NM							
DATE AND HOUR OF OCCURENCE 01/20/86					DATE AND HOUR OF DISCOVERY 01/20/86 Approx. 5:45 a.m.		
WAS IMMEDIATE NOTICE GIVEN?	YES	NO X	NOT REQUIRED		IF YES, TO WHOM		
BY WHOM					DATE AND HOUR		
TYPE OF FLUID LOST Oil and Water					QUANTITY OF LOSS 15 Bbl Oil 40 Bbl Water		VOLUME RECOVERED 2 Bbl Oil 10 Bbl Water
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO X	QUANTITY				

IF YES, DESCRIBE FULLY**

DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**

Hole came in 3 X 2 swage and sprayed oil on test heater pilot light causing fire.

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**

Fluid ran in road picked up by vacuum truck and covered up with sand.

DESCRIPTION OF AREA	FARMING	GRAZING X	URBAN	OTHER*			
SURFACE CONDITIONS	SANDY X	SANDY LOAM	CLAY	ROCKY	WET	DRY X	SNOW

DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**

Dry and Cool

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

SIGNED W. B. Ush TITLE Dist. Oper. Mgr. DATE 01/31/86

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

NEW MEXICO OIL CONSERVATION COMMISSION

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR	Texaco Inc				ADDRESS	P.O. Box 728 Hobbs, N.M.	
REPORT OF	FIRE	BREAK	SPILL	LEAK	BLOWOUT	OTHER*	Lightning Strike
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY X	PIPE LINE	GASO PLNT	OIL RFY	OTHER*
NAME OF FACILITY	J.C. Estlack Battery						
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)	Unit Letter T (Lone Section)				SEC. 3	TWP. 21s	RGE. 37E / COUNTY Lea
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK	5 miles North of Eunice, N.M.						
DATE AND HOUR OF OCCURENCE	P.M. 4-30-87				DATE AND HOUR OF DISCOVERY	7:30 am 5-1-87	
WAS IMMEDIATE NOTICE GIVEN?	YES X	NO	NOT REQUIRED		IF YES, TO WHOM	NMOCC	
BY WHOM	Mr Bill Henry				DATE AND HOUR	8:00 am 5-1-87	
TYPE OF FLUID LOST	Oil / Produced Water				QUANTITY OF LOSS	110/30	VOLUME RECOVERED 0/0
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO X	QUANTITY				

IF YES, DESCRIBE FULLY**

DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**

Lightning Storm in PM of 4-30-87 - Lightning struck tank during storm splitting tank top and bottom seams, breaking loose all associated lines.

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**

Oil and Fluid basically confined to fenced battery area - All oil was soaked up and or covered.

DESCRIPTION OF AREA	FARMING	GRAZING X	URBAN	OTHER*			
SURFACE CONDITIONS	SANDY X	SANDY LOAM	CLAY	ROCKY X	WET X	DRY	SNOW

DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**

Moderate Temperature Severe Thunderstorm

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

SIGNED J.K. Johnson TITLE Relief Foreman DATE 5.5.87

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

NEW MEXICO OIL CONSERVATION COMMISSION

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR	Texaco Producing, Inc.				ADDRESS	PO Box 728 Hobbs, N. Mex. 8824	
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER*	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY X	PIPE LINE	GASO PLNT	OIL RFY	OTHER*
NAME OF FACILITY	Hobbs 'N' and State AP Tank Btry						
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)	Unit H				SEC. 8	TWP. 18S	RGE. 35E COUNTY Lea
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK	3 1/2 miles SE of Buckeye Store						
DATE AND HOUR OF OCCURENCE	12:00 Noon 6-2-87				DATE AND HOUR OF DISCOVERY	2:30 P.M. 6-2-87	
WAS IMMEDIATE NOTICE GIVEN?	YES X	NO	NOT REQUIRED		IF YES, TO WHOM	Joan Marchbanks	
BY WHOM	P.W. Muchow				DATE AND HOUR	2:40 P.M. 6-2-87	
TYPE OF FLUID LOST	Oil				QUANTITY OF LOSS	30 Bbl.	VOLUME RECOVERED 20 Bbl.
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO X	QUANTITY				

IF YES, DESCRIBE FULLY**

DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**

Cow rubbed 1" Ball valve on circ. pump open. - Valve has been replaced w/ gate valve

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**

Btry. yard 50'x20' - Vacuum Truck picked up all recoverable oil/chat spread on pad

DESCRIPTION OF AREA	FARMING	GRAZING XX	URBAN	OTHER* Btry pad			
SURFACE CONDITIONS	SANDY	SANDY LOAM	CLAY	ROCKY X	WET	DRY	SNOW

DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**

85° Clear sky 5 mph Breeze

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SIGNED P.W. Muchow TITLE Prod. Sup. DATE 6-2-87

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

NEW MEXICO OIL CONSERVATION DIVISION

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR	Texaco Producing Inc.				ADDRESS	P.O. Box 728, Hobbs, NM 88240	
REPORT OF	FIRE	BREAK	SPILL	LEAK X	BLOWOUT	OTHER*	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY	PIPE LINE X	GASO PLNT	OIL RFY	OTHER*
NAME OF FACILITY	Skelly Unit #68						
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)	600 yrd N.E. well				SEC. 21	TWP. T-17S	RGE. 31E
COUNTY	Eddy						
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK							
DATE AND HOUR OF OCCURENCE	12-31-85 9:30 A.M.				DATE AND HOUR OF DISCOVERY	12-31-85 2:35 P.M.	
WAS IMMEDIATE NOTICE GIVEN?	YES	NO	NOT REQUIRED X		IF YES, TO WHOM		
BY WHOM					DATE AND HOUR		
TYPE OF FLUID LOST	Wtr & oil 10 wtr, 2 oil				QUANTITY OF LOSS	12 bbls	VOLUME RECOVERED None
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO X	QUANTITY				

IF YES, DESCRIBE FULLY**

None

DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**

Hole in 3" flow line

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**

Sandy, covered w/ fresh sand

DESCRIPTION OF AREA	FARMING	GRAZING X	URBAN	OTHER*			
SURFACE CONDITIONS	SANDY X	SANDY LOAM	CLAY	ROCKY	WET	DRY X	SNOW

DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**

65° No precep.

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

SIGNED W. B. [illegible] TITLE Dist. Opr. Mgr. DATE 1/20/86

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

NEW MEXICO OIL CONSERVATION COMMISSION

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR Texaco					ADDRESS		
REPORT OF	FIRE ✓	BREAK	SPILL	LEAK	BLOWOUT	OTHER*	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY ✓	PIPE LINE	GASO PLNT	OIL RFY	OTHER*
NAME OF FACILITY							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION)					SEC. 10	TWP.	RGE.
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK							
DATE AND HOUR OF OCCURENCE					DATE AND HOUR OF DISCOVERY 6:00 PM 5-26-87		
WAS IMMEDIATE NOTICE GIVEN?	YES	NO	NOT REQUIRED		IF YES, TO WHOM		
BY WHOM					DATE AND HOUR 6-2-87		
TYPE OF FLUID LOST					QUANTITY OF LOSS		VOLUME RECOVERED
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO ✓	QUANTITY				

IF YES, DESCRIBE FULLY**

DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**

DESCRIPTION OF AREA	FARMING	GRAZING	URBAN	OTHER*			
SURFACE CONDITIONS	SANDY	SANDY LOAM	CLAY	ROCKY	WET	DRY ✓	SNOW

DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

SIGNED TITLE DATE

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY

NEW MEXICO OIL CONSERVATION DIVISION

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

NAME OF OPERATOR Texaco Producing INc.					ADDRESS P.O. Box 728, Hobbs, NM 88240		
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER*	
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTTY X	PIPE LINE	GASO PLANT	OIL RFY	OTHER*
NAME OF FACILITY Myers Langlie Mattix Unit							
LOCATION OF FACILITY (QUARTER/QUARTER SECTION OR FOOTAGE DESCRIPTION) SE ¼, NE ¼					SEC. 5	TWP. 24S	RGE. 37E	COUNTY Lea
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 10 miles South of Eunice							
DATE AND HOUR OF OCCURRENCE 01/29/86 1:00 a.m.					DATE AND HOUR OF DISCOVERY 01/29/86 7: a.m.		
WAS IMMEDIATE NOTICE GIVEN?	YES X	NO	NOT REQUIRED		IF YES, TO WHOM NMOCC		
BY WHOM Pat McKelvey					DATE AND HOUR 01/29/86 9:00 a.m.		
TYPE OF FLUID LOST Produced Water & Oil					QUANTITY OF LOSS 50 Bbl Oil 300 Bbl Water	VOLUME RECOVERED 40 Bbl Oil 290 Bbl Water	
DID ANY FLUIDS REACH A WATERCOURSE?	YES	NO X	QUANTITY				

IF YES, DESCRIBE FULLY**

DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**

Emergency pit ran over due to produced water pump failure. Stopped run over.

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**

Pature Land - all covered up with new soil.

DESCRIPTION OF AREA	FARMING	GRAZING X	URBAN	OTHER*			
SURFACE CONDITIONS	SANDY	SANDY LOAM X	CLAY	ROCKY	WET	DRY	SNOW

DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**

Clear, 70 degrees

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

SIGNED W. B. [illegible] TITLE Dist. Oper. Mgr. DATE 02/04/86

*SPECIFY **ATTACH ADDITIONAL SHEETS IF NECESSARY