

PMESD-426532-389

Rec: 9-15-04

Susp: 10-5-04

O'Briant and Associates, Inc.

P. O. Box 10487 Midland, TX, 79702
(432) 683 5511 (24 Hr. Ans), (432) 683 5903 (Fax)
E-Mail: cobriant@apex2000.net

State of New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Michael Stogner

DATE: September 14, 2004

WELL: Bettis, Boyle, & Stovall
Big Eddy Unit #114
Unit Letter H, T-21S, R-29E

SUBJECT: Non-Standard Location
2080' FNL & 660' FEL
Quahada Ridge Atoka Pool
Eddy County, New Mexico

2004 SEP 15 AM 11 56

Dear Mr. Stogner:

Attached is a form C-102 with attachments for the subject well. The location is 560' FNL of the ¼ section instead of 660' FNL of the ¼ section.

The well was drilled and completed in January-February 1990 in the Morrow formation. The well has been recompleted in the Atoka formation and a request is made at this time for a non-standard location. Offset operators are being notified this date with attachments, will obtain Waivers and send to you as soon as possible.

Please advise should any further information be required. The undersigned can be contacted at 432/683-5511.

Yours very truly
Bettis, Boyle & Stoval



Sheryl L. Jonas
Agent for Bettis, Boyle & Stoval

SJ/sj

**OFFSET OPERATORS
BETTIS, BOYLE AND STOVALL
BIG EDDY UNIT #114
EDDY COUNTY, NEW MEXICO**

Location: 2080' FNL and 660' FEL of
Section 21, T-21S, R-29E

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

**Chi Operation Inc.
P. O. Box 1799
Midland, Texas 79702**

**Richardson Oil Operators
4601 DTC Blvd., Suite 470
Denver, Colorado 802372558**

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30015262630051		2 Pool Code 83200		3 Pool Name Quahada Ridge Atoka	
4 Property Code		5 Property Name Big Eddy Unit			6 Well Number 114
7 OGRID No. 2175		8 Operator Name Bettis, Boyle & Stovall			9 Elevation 3394.7

10 Surface Location

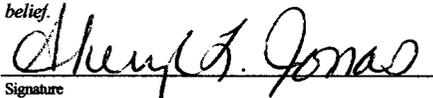
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	21	21S	29E		2080	North	660	East	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 3.20	13 Joint or Infill N	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		03205 - HBU Bass 100% WI USA 12.5% RI	2080'	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Sheryl L. Jonas Printed Name Agent cobriant@apex2000.net Title and E-mail Address September 14, 2004 Date
		03364 - HBU Bass 100% WI USA 12.5% RI		
	<i>Standard to 40-acre Section</i>	LC-061396	Bass 100% WI USA 12.5% RI	18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor: See copy of original survey attached. John W. West, 675 Certificate Number Ronald J. Eidson, 3239

Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

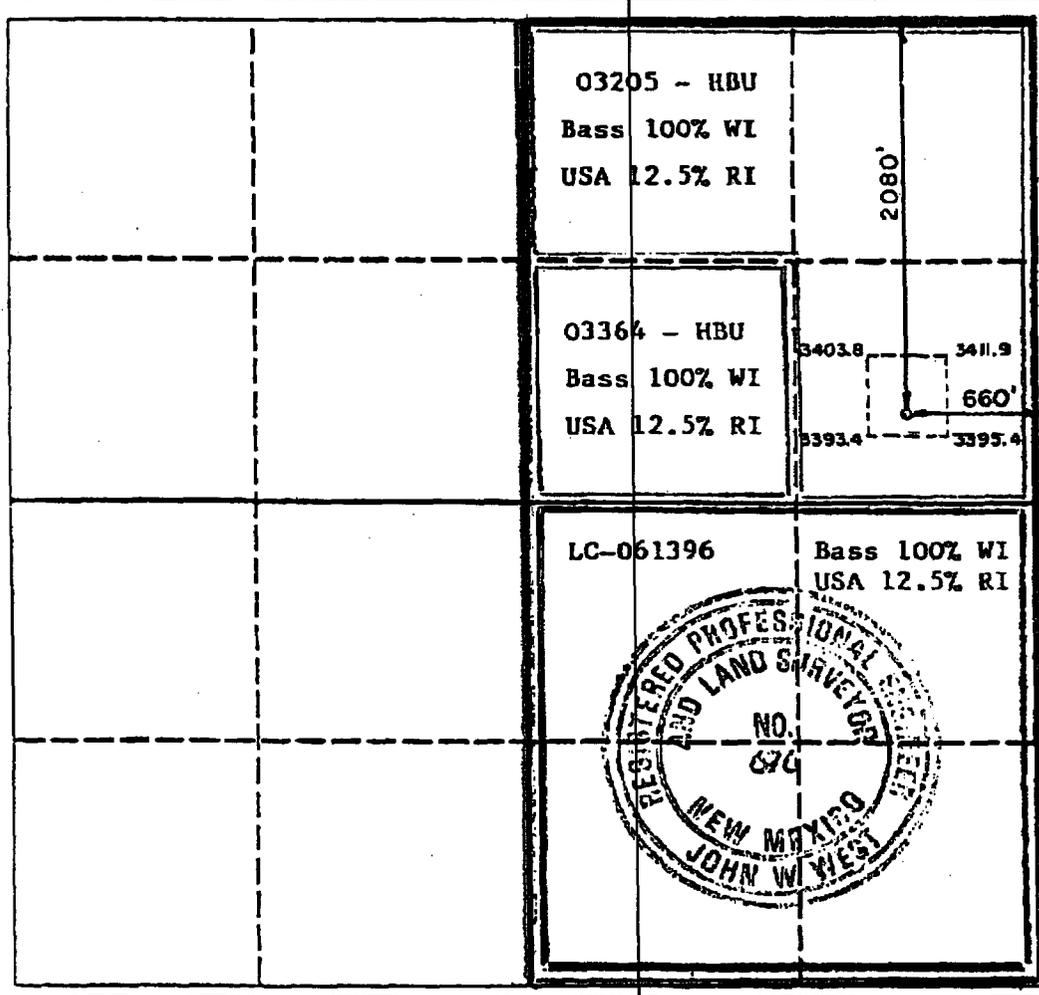
DISTRICT III
1000 Rin Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Bettis, Boyle & Stovall			Lease Big Eddy Unit		Well No. 114
Unit Letter H	Section 21	Township 21 South	Range 29 East	County NMPM	Eddy
Actual Footage Location of Well: 2080 feet from the North line and 660 feet from the East line					
Ground level Elev. 3394.7	Producing Formation Morrow		Pool Wildcat	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



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

Signature: *John D. Bettis*
Printed Name: **John D. Bettis**
Position: **Agent**
Company: **Bettis, Boyle & Stovall**
Date: **11-30-89**

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **November 9, 1989**
Signature & Seal of Professional Surveyor: *John W. West*
Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

Tuesday 10-5-2004

- 9:04 AM

received a voice mail message
from Sheryl L. Jones of
O'Briant + Assoc.
for Pattie, Boyle, + Stovall's
Big Eddy Unit Well No. 119
432-683-5511

- Returned her call @ 9:50 AM

Stogner, Michael

From: Arrant, Bryan
Sent: Monday, September 13, 2004 10:44 AM
To: Gum, Tim; Stogner, Michael
Subject: Big Eddy Unit # 114



Letterhead4.doc



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

September 13, 2004

Bettis, Boyle & Stovall
P.O. Box 1240
Graham, TX 76450

RE: Shut In order for Bettis, Boyle & Stovall's Big Eddy Unit # 114, located in Unit H, 2080' FNL & 660' FEL of Section 21 in Township 21 South, Range 29 East in Eddy County, New Mexico. API # 30-015-26263

Dear Ms. Kim Ligon or To Whom It May Concern:

In regards to the above referenced well, the New Mexico Oil Conservation Division (NMOCD) has received regulatory information from the Bureau of Land Management on 6/18/2004 indicating that said well was to be plugged back from the Morrow formation to the Atoka formation for gas production in the Quahada Ridge; Atoka Gas Pool. Furthermore, it has been brought to my attention per our conversation with you on September 8, 2004 that said well is now producing as a gas well from the Atoka formation.

The NMOCD has not received any further regulatory information as of June 18, 2004 nor have we received a NSL approval for Atoka gas production per the conditions of NMOCD Rule 104C.(2)(b).

Additionally as of this date our records show that we have not received NMOCD form C-104 "Request for Allowable and Authorization to Transport".

I have provided a copy of part of NMOCD's rules 12,14, 104, 1102,1104 and 1105 that I am aware that your company is in violation. Depending on the date of completion, some of these rules may not be violations.

Below are copies of these rules for your reference and review.

Said well is to be shut in immediately until all regulatory requirements are met.

19.15.1.12 ENFORCEMENT
OF STATUTES AND RULES:

The division is charged with the duty and obligation of enforcing all rules and statutes of the state of New Mexico relating to the conservation of oil and gas including the protection of public health and the environment. However, it shall be the responsibility of all the owners or operators to obtain information pertaining to the regulation of oil and gas before operations begin.

[1-1-50...2-1-96; A, 7-15-99; 19.15.1.12 NMAC - Rn, 19 NMAC 15.A.12, 5-15-01]

19.15.1.14 UNITED STATES
GOVERNMENT LEASES:

Operator shall file or cause to be filed with the division copies of "application for permit to drill, deepen or plug back," (BLM form no. 3160-3), "sundry notices and reports on wells," (BLM form no. 3160-5), and "well completion or recompletion report and log," (BLM form no. 3160-4), as approved by the bureau of land management for wells on U.S. government land.

[1-1-50...2-1-96; 19.15.1.14 NMAC - Rn, 19 NMAC 15.A.14, 5-15-01]

19.15.3.104 WELL SPACING
AND LOCATION:

(2) 320-Acre Spacing applies to any deep gas well in Lea, Chaves, Eddy or Roosevelt County, defined as a well that is projected to be drilled to a gas producing formation or is within a defined gas pool in the Wolfcamp or an older formation. Such well shall be located on a spacing unit consisting of 320 surface contiguous acres, more or less, comprising any two contiguous quarter sections of a single section that is a legal subdivision of the U.S. Public Land Surveys provided that:

(b) only one infill well on a 320-acre unit shall be allowed provided that the well is located in the quarter section of the 320-acre unit not containing the initial well and is no closer than 660 feet to the outer boundary of the quarter section and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; and

(c) the division-designated operator for the infill well is the same operator currently designated by the division for the initial well.

19.15.13.1102 WELL
LOCATION AND ACREAGE DEDICATION
PLAT (Form C-102):

D. Amended form C-102 (in triplicate or quadruplicate) shall be filed in the event there is a change in any of the information previously submitted. The well location need not be certified when filing amended form C-102.

[1-1-65...2-1-96; 19.15.13.1102 NMAC - Rn, 19 NMAC 15.M.1102, 06/30/04]

19.15.13.1104 REQUEST FOR
ALLOWABLE AND AUTHORIZATION TO
TRANSPORT OIL AND NATURAL GAS
(Form C-104):

A. Form C-104 completely filled out by the operator of the well must be filed in quintuplicate before an allowable will be assigned to any newly completed or recompleted well. (A recompleted well shall be considered one which has been deepened or plugged back to produce from a different pool than previously.) Form C-104 must be accompanied by a tabulation of all deviation tests taken on the well as provided by 19.15.3.111 NMAC.

19.15.13.1105 WELL
COMPLETION OR RECOMPLETION
REPORT AND LOG (Form C-105):

A. Within 20 days following the completion or recompletion of any well, the operator shall file form C-105 with the division. It must be filed in quintuplicate and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, one copy of all electrical and radio-activity logs run on the well must be filed with form C-105. If the form C-105 with attached log(s) and summaries is not received by the division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with.

If you or your or your staff has any questions regarding this matter please feel free to call.

Respectfully yours,

Bryan G. Arrant
PES

E Mail: Tim Gum- District Supervisor, Artesia
Michael Stogner-Chief Hearing Examiner, Santa Fe