



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

November 19, 1986

**TONY ANAYA**  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Tomsco Energy  
P.O. Box 664  
Artesia, New Mexico 88210

Attention: Thomas K. Scroggin

Re: Administrative Order NFL-145

Dear Mr. Scroggin:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission Regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Lara Michelle Well No. 2 located 1980 feet from the South line and 2270 feet from the West line (Unit K) of Section 34, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of said Section 34 is currently dedicated to the applicant's Carper Levers Well No. 4 located 1650 feet from the South Line and 2310 feet from the West line (Unit K) of said Section 34.

(5) Said unit is not being effectively and efficiently drained by the existing well on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 56,880 MCF of gas from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Lara Michelle Well No. 2 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of Section 34, Township 17 South, Range 28 East, NMPM, Artesia Queen Grayburg San Andres Pool, Eddy County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

  
Michael E. Stogner,  
Examiner

N.M.O.C.D. - Artesia

Tomsco Energy  
P.O. Box 664  
Artesia, New Mexico 88210

Attention: Thomas K. Scroggin

Re: Administrative Order NFL- 145

Dear Mr. Scroggin:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Lara Michelle Well No. 2 located 1980 feet from the South line and 2270 feet from the West line (Unit K) of Section 34, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit; and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of said Section 34 is currently dedicated to the applicant's Carper Levers Well No. 4 located 1650 feet from the South Line and 2310 feet from the West line (Unit K) of said Section 34.

(5) Said unit is not being effectively and efficiently drained by the existing well on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 56,880 MCF of gas from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Lara Michelle Well No. 2 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of Section 34, Township 17 South, Range 28 East, NMPM, Artesia Queen Grayburg San Andres Pool, Eddy County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Michael E. Stogner  
Examiner

N.M.O.C.D. - Artesia

NFLTOM

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

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER  
NFL \_\_\_\_\_

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER  
MADE PURSUANT TO SECTION 271.305(b) OF THE  
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,  
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION  
ORDER NO. R-6013

I.

Operator Tomsco Energy <sup>PO Box 664</sup> Artesia, NM 88210 Well Name and No. Lara Michelle Well No. 2  
Location: Unit K Sec. 34 Twp. 17S Rng. 28E Cty. Eddy

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the Artesia Queen Crayhurs San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the NE 1/4 SW 1/4 (Unit K) of Sec. 34, Twp. 17S, Rng. 28E, is currently dedicated to the Casper Levers Well No. 4 located in Unit K of said section.

(5) That this proration unit is () standard ( ) nonstandard; if nonstandard, said unit was previously approved by Order No. NA.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 56,880 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

RECEIVED BY

NOV 20 1985

All distances must be from the outer boundaries of the Section

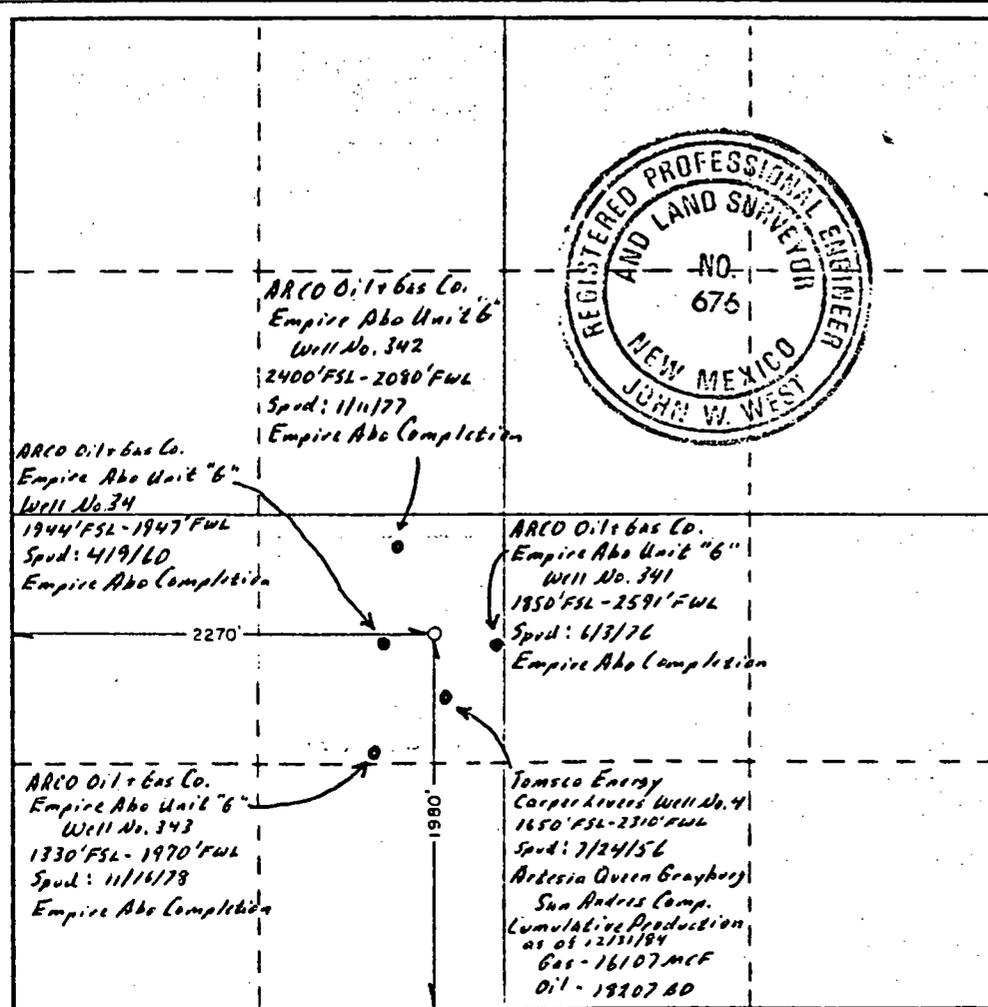
Lessee TOMSCO ENERGY		Lease LARA MICHELLE		Well No. 2
Section ARTESIA, OFFICE	Township 17 SOUTH	Range 28 EAST	County EDDY	
Approximate Location of Well: 1980 feet from the SOUTH line and 2270 feet from the WEST line				
Ground Level Elev. 2660.1'	Producing Formation <i>San Andres</i>	Pool <i>West Artesia - D - G - SA</i>	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



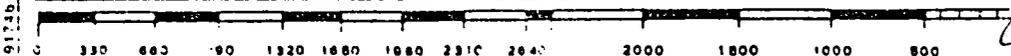
CERTIFICATION

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

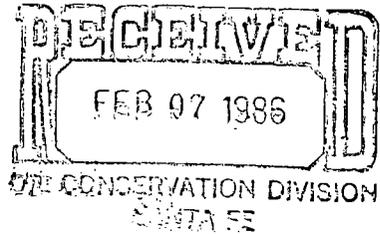
Name: *Thomas K. Scrogge*  
 Position: *OPERATOR*  
 Company: *TOMSCO ENERGY*  
 Date: *11-14-85*

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 2, 1985*  
 Registered Professional Engineer and/or Land Surveyor: *John W. West*  
 Certificate No. *JOHN W. WEST, 676*  
*RONALD J. EIDSON, 3239*



Thomas K. Scroggin  
TOMSCO Energy  
P. O. Box 664  
Artesia, New Mexico 88210  
(505) 746-6346  
(505) 748-2118



January 31, 1986

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

RE: Regulations pursuant to Section 271.  
305 of the Federal Energy Regulatory  
Commission relating to Section 103  
of the NGPA.

Dear Mr. Stogner:

I am writing this letter to show the need for two wells to drain the Artesia Q, G, SA reservoir in the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of S34 T17S R28E, Eddy County, New Mexico.

There are two wells producing from this horizon:

1. Carper Levers #4, 2310' FWL and 1650' FSL  
Spud date: July 19, 1956  
Completion date: August 22, 1956  
Current rate of production: 10 barrels of oil per month, 0 gas.  
Perforations: 2176'-2215' in the Grayburg formation.  
Total depth of well: 2236 feet
2. Lara Michelle #2, 1980' FSL and 2270' FWL  
Spud date: November 26, 1985  
Completion date: December 16, 1985  
Current rate of production: 1200 barrels of oil per month, 50  
MCF per day.  
Perforations: 2602'-2894'  
Total depth of well: 3300 feet.

The Carper Levers #4 is producing from the Grayburg formation with total depth at 21 feet below the bottom perforation. I needed to obtain production from the deeper San Andres formation and I drilled the Lara Michelle #2 to effectively accomplish this. If you will refer to exhibit A which is a log of the Lara Michelle #2, you will see the Grayburg horizon which the Carper Levers #4 is producing from highlighted in yellow. The green highlighting shows the producing interval of the Lara Michelle #2. From these illustrations, I believe it was necessary to have these two wells to effectively and efficiently drain the Artesia Q, G, SA reservoir in the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 34 T17S R28E, Eddy County, New Mexico.

*Thomas K. Scroggin*

*TOMSCO Energy*

*P. O. Box 664*

*Artesia, New Mexico 88210*

*(505) 746-6346*

*(505) 748-2118*

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

January 31, 1986  
Page 2

As shown in the current rates of production, there has been a significant increase in productivity from this proration unit due to the second well.

Also enclosed is a copy of the letter sent to the offset owners. Thank you for your assistance in this matter.

Very truly yours,

*Thomas K Scroggin*

Thomas K. Scroggin

TKS:dc

Enclosure



WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

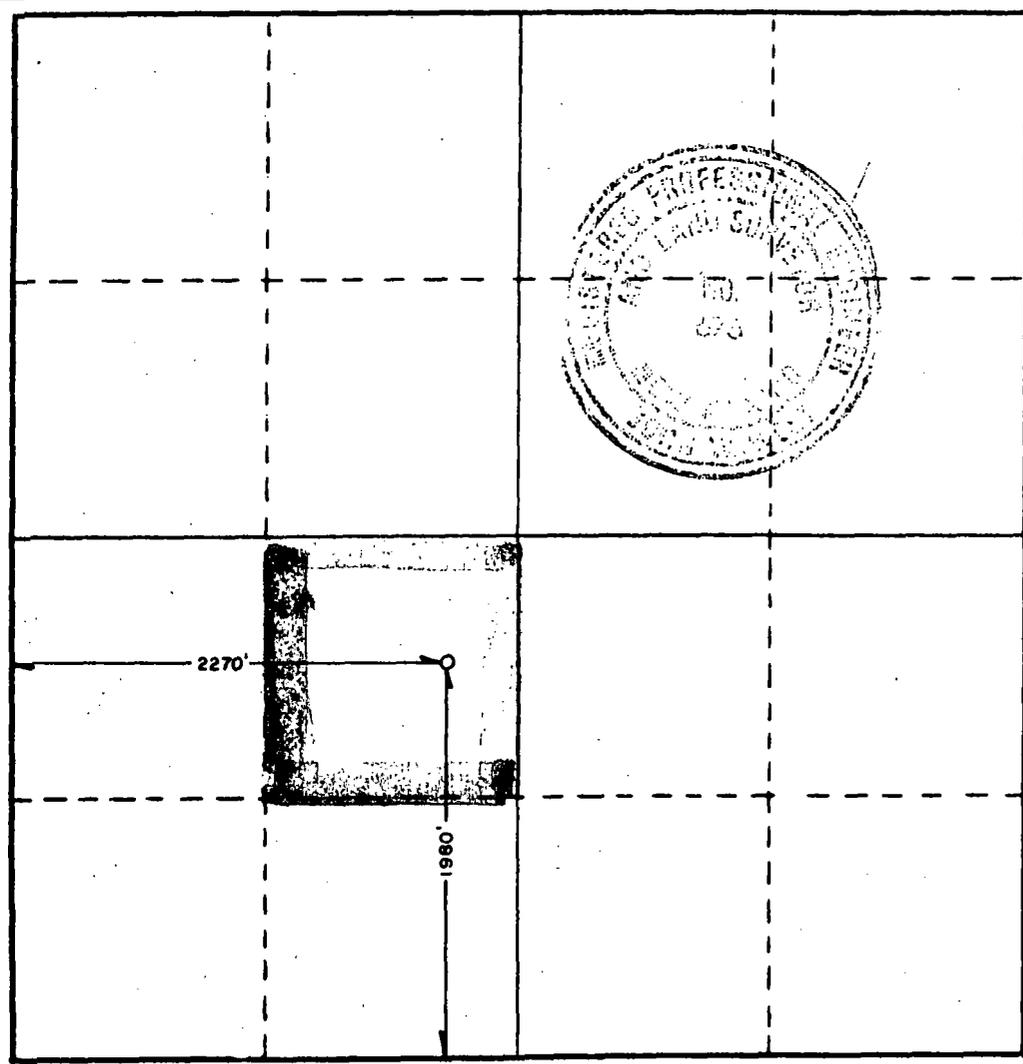
All distances must be from the outer boundaries of the Section.

Operator <b>TOMSCO ENERGY</b>		Lease <b>LARA MICHELLE</b>			Well No. <b>2</b>
Unit Letter <b>K</b>	Section <b>34</b>	Township <b>17 SOUTH</b>	Range <b>28 EAST</b>	County <b>EDDY</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>2270</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>3660.1'</b>	Producing Formation		Pool	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



**CERTIFICATION**

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

Name  
*Thomas K. Snuggs*

Position  
**OPERATOR**

Company  
**TOMSCO ENERGY**

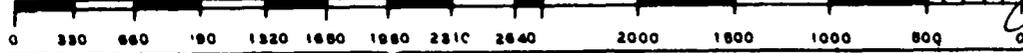
Date  
**NOV. 15, 1985**

*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 2, 1985**

Registered Professional Engineer and/or Land Surveyor  
*John W. West*

Certificate No. **JOHN W. WEST, 676**  
**RONALD J. EIDSON, 3239**



No. of Copies Received	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

RECEIVED BY O. BOX 2088  
SANTA FE, NEW MEXICO 87501  
NOV 20 1985  
O. C. D.  
ARTESIA, OFFICE

5A. Indicate Type of Lease  
STATE  FCC   
5. State Oil & Gas Lease No.  
B-2071

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work  
Type of Well DRILL  DEEPEN  PLUG BACK   
OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

7. Unit Agreement Name

Name of Operator  
TOMSCO Energy

8. Farm or Lease Name  
Lara Michelle

Address of Operator  
P.O. Box 664 Artesia, New Mexico 88210

9. Well No.  
2

Location of Well UNIT LETTER K LOCATED 1980 FEET FROM THE South LINE  
2270 FEET FROM THE West LINE OF SEC. 34 TWP. 17S RCE. 28E NMPM

10. Field and Pool, or Wildcat  
Artesia Q G SA



12. County  
Eddy

19. Proposed Depth 3300 ft.	19A. Formation San Andres	20. Rotary or C.T. Rotary
Elevations (Show whether DF, KT, etc.) Ground Level 3660.1	21A. Kind & Status Plug. Bond Single	21B. Drilling Contractor Artesia Fishing Tool
		22. Approx. Date Work will start 12-1-85

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	24#	465'	Circulate	Surface
7 7/8"	4 1/2"	10.5#	3300'	Circulate	Surface

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 6-26-86  
UNLESS DRILLING UNDERWAY

PLEASE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Thomas K. George Title Operator Date 11-14-85

(This space for State Use)

Original Signed By  
Mike Williams TITLE \_\_\_\_\_ DATE NOV 26 1985  
Oil & Gas Inspector

APPROVED BY \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

*Thomas K. Scroggin*

**TOMSCO Energy**

P. O. Box 664

Artesia, New Mexico 88210

(505) 746-6346

(505) 748-2118

January 31, 1986

Arco Oil and Gas Company  
P.O. Box 1610  
Midland, Texas 79702

To Whom It May Concern:

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

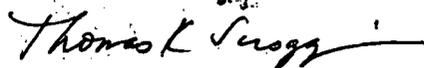
As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico. I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

Very Truly Yours,



Thomas K. Scroggin

TKS:dc

cc: New Mexico Oil Conservation Division

*Thomas K. Scroggin*

*TOMSCO Energy*

*P. O. Box 664*

*Artesia, New Mexico 88210*

*(505) 746-6346*

*(505) 748-2118*

January 31, 1986

C.O. Fulton  
P.O. Box 1121  
Artesia, New Mexico 88210

To Whom It May Concern:

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

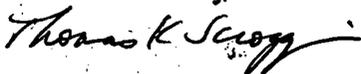
As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico, I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

Very Truly Yours,



Thomas K. Scroggin

TKS:dc

cc: New Mexico Oil Conservation Division

*Thomas K. Scroggin*  
**TOMSCO Energy**  
P. O. Box 664  
Artesia, New Mexico 88210  
(505) 746-6346  
(505) 748-2118

January 31, 1986

Marbob Energy Corporation  
P. O. Drawer 217  
Artesia, New Mexico 88210

**To Whom It May Concern:**

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

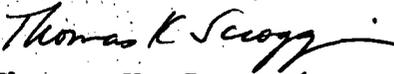
As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico, I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

Very Truly Yours,

  
Thomas K. Scroggin

TKS:dc

cc: New Mexico Oil Conservation Division

*Thomas K. Scroggin*  
**TOMSCO Energy**  
P. O. Box 664  
Artesia, New Mexico 88210  
(505) 746-6346  
(505) 748-2118

January 31, 1986

Mrs. Donald Leahy  
555 Chalette Drive  
Beverly Hills, California 90210

**To Whom It May Concern:**

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

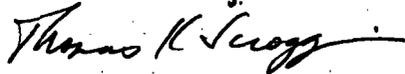
As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico, I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

**Very Truly Yours,**

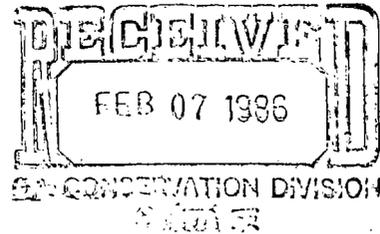


**Thomas K. Scroggin**

TKS:dc

cc: New Mexico Oil Conservation Division

*Thomas K. Scroggin*  
**TOMSCO Energy**  
P. O. Box 664  
Artesia, New Mexico 88210  
(505) 746-6346  
(505) 748-2118



January 31, 1986

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

RE: Regulations pursuant to Section 271.  
305 of the Federal Energy Regulatory  
Commission relating to Section 103  
of the NGPA.

Dear Mr. Stogner:

I am writing this letter to show the need for two wells to drain the Artesia Q, G, SA reservoir in the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of S34 T17S R28E, Eddy County, New Mexico.

There are two wells producing from this horizon:

1. Carper Levers #4, 2310' FWL and 1650' FSL  
Spud date: July 19, 1956  
Completion date: August 22, 1956  
Current rate of production: 10 barrels of oil per month, 0 gas.  
Perforations: 2176'-2215' in the Grayburg formation.  
Total depth of well: 2236 feet
2. Lara Michelle #2, 1980' FSL and 2270' FWL  
Spud date: November 26, 1985  
Completion date: December 16, 1985  
Current rate of production: 1200 barrels of oil per month, 50  
MCF per day.  
Perforations: 2602'-2894'  
Total depth of well: 3300 feet.

The Carper Levers #4 is producing from the Grayburg formation with total depth at 21 feet below the bottom perforation. I needed to obtain production from the deeper San Andres formation and I drilled the Lara Michelle #2 to effectively accomplish this. If you will refer to exhibit A which is a log of the Lara Michelle #2, you will see the Grayburg horizon which the Carper Levers #4 is producing from highlighted in yellow. The green highlighting shows the producing interval of the Lara Michelle #2. From these illustrations, I believe it was necessary to have these two wells to effectively and efficiently drain the Artesia Q, G, SA reservoir in the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 34 T17S R28E, Eddy County, New Mexico.

*Thomas K. Scroggin*

*TOMSCO Energy*

*P. O. Box 664*

*Artesia, New Mexico 88210*

*(505) 746-6346*

*(505) 748-2118*

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

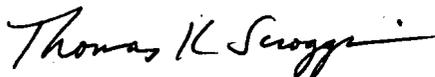
January 31, 1986

Page 2

As shown in the current rates of production, there has been a significant increase in productivity from this proration unit due to the second well.

Also enclosed is a copy of the letter sent to the offset owners. Thank you for your assistance in this matter.

Very truly yours,



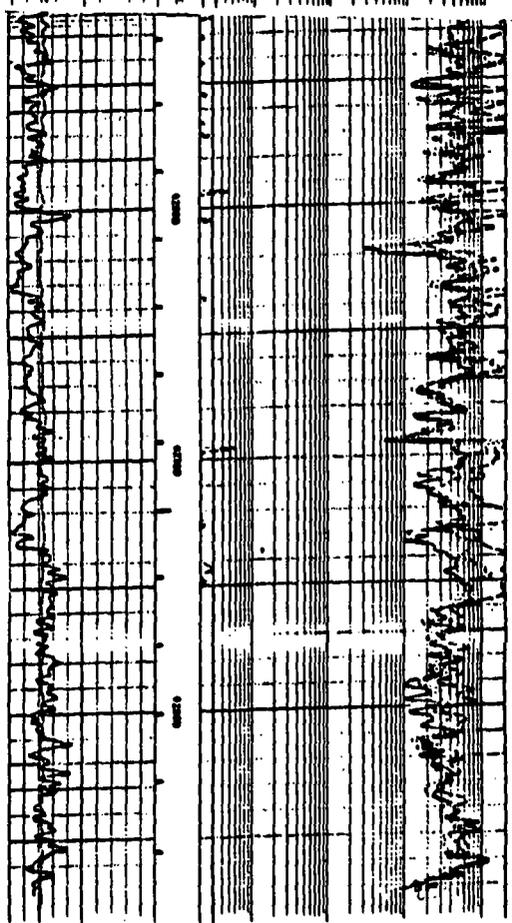
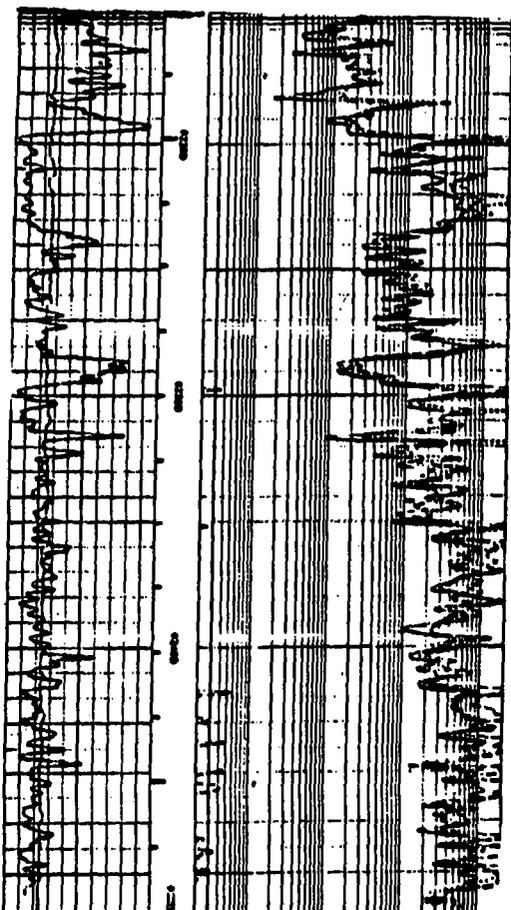
Thomas K. Scroggin

TKS:dc

Enclosure

Dresser Atlas		DUAL LATEROLOG MICRO LATEROLOG GAMMA RAY	
FILE NO.	TEMPERATURE	LOGGED ENERGY	
API NO.	WELL	INSTRUMENT NO. 2	
	FIELD	PROFESSOR	
	COUNTY	UNIT	WHEEL H.R.
LOGGING SPEED		OTHER SERVICE	
1. LOGGING SPEED		2. LOGGING SPEED	
3. LOGGING SPEED		4. LOGGING SPEED	
5. LOGGING SPEED		6. LOGGING SPEED	
7. LOGGING SPEED		8. LOGGING SPEED	
9. LOGGING SPEED		10. LOGGING SPEED	
11. LOGGING SPEED		12. LOGGING SPEED	
13. LOGGING SPEED		14. LOGGING SPEED	
15. LOGGING SPEED		16. LOGGING SPEED	
17. LOGGING SPEED		18. LOGGING SPEED	
19. LOGGING SPEED		20. LOGGING SPEED	
21. LOGGING SPEED		22. LOGGING SPEED	
23. LOGGING SPEED		24. LOGGING SPEED	
25. LOGGING SPEED		26. LOGGING SPEED	
27. LOGGING SPEED		28. LOGGING SPEED	
29. LOGGING SPEED		30. LOGGING SPEED	
31. LOGGING SPEED		32. LOGGING SPEED	
33. LOGGING SPEED		34. LOGGING SPEED	
35. LOGGING SPEED		36. LOGGING SPEED	
37. LOGGING SPEED		38. LOGGING SPEED	
39. LOGGING SPEED		40. LOGGING SPEED	
41. LOGGING SPEED		42. LOGGING SPEED	
43. LOGGING SPEED		44. LOGGING SPEED	
45. LOGGING SPEED		46. LOGGING SPEED	
47. LOGGING SPEED		48. LOGGING SPEED	
49. LOGGING SPEED		50. LOGGING SPEED	
51. LOGGING SPEED		52. LOGGING SPEED	
53. LOGGING SPEED		54. LOGGING SPEED	
55. LOGGING SPEED		56. LOGGING SPEED	
57. LOGGING SPEED		58. LOGGING SPEED	
59. LOGGING SPEED		60. LOGGING SPEED	
61. LOGGING SPEED		62. LOGGING SPEED	
63. LOGGING SPEED		64. LOGGING SPEED	
65. LOGGING SPEED		66. LOGGING SPEED	
67. LOGGING SPEED		68. LOGGING SPEED	
69. LOGGING SPEED		70. LOGGING SPEED	
71. LOGGING SPEED		72. LOGGING SPEED	
73. LOGGING SPEED		74. LOGGING SPEED	
75. LOGGING SPEED		76. LOGGING SPEED	
77. LOGGING SPEED		78. LOGGING SPEED	
79. LOGGING SPEED		80. LOGGING SPEED	
81. LOGGING SPEED		82. LOGGING SPEED	
83. LOGGING SPEED		84. LOGGING SPEED	
85. LOGGING SPEED		86. LOGGING SPEED	
87. LOGGING SPEED		88. LOGGING SPEED	
89. LOGGING SPEED		90. LOGGING SPEED	
91. LOGGING SPEED		92. LOGGING SPEED	
93. LOGGING SPEED		94. LOGGING SPEED	
95. LOGGING SPEED		96. LOGGING SPEED	
97. LOGGING SPEED		98. LOGGING SPEED	
99. LOGGING SPEED		100. LOGGING SPEED	

EXHIBIT A



No. of Copies Received	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

RECEIVED BY O. BOX 2088  
SANTA FE, NEW MEXICO 87501  
NOV 20 1985  
O. C. D.  
ARTESIA, OFFICE

5A. Indicate Type of Lease  
STATE  FEE   
5. State Oil & Gas Lease No.  
B-2071

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work  
Type of Well DRILL  DEEPEN  PLUG BACK   
OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

7. Unit Agreement Name

Name of Operator  
TOMSCO Energy

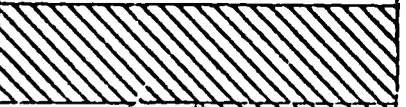
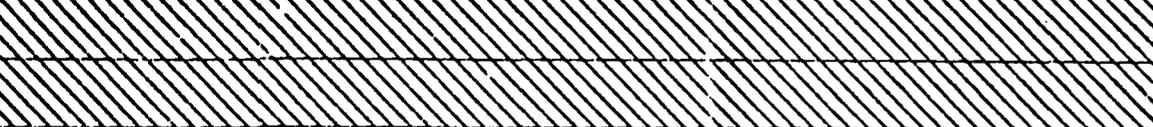
8. Farm or Lease Name  
Lara Michelle

Address of Operator  
P.O. Box 664 Artesia, New Mexico 88210

9. Well No.  
2

Location of Well  
UNIT LETTER K LOCATED 1980 FEET FROM THE South LINE  
2270 FEET FROM THE West LINE OF SEC. 34 TWP. 17S RGE. 28E NMPM

10. Field and Pool, or Wildcat  
Artesia Q G SA



12. County  
Eddy

19. Proposed Depth 3300 ft.	19A. Formation San Andres	20. Rotary or C.T. Rotary
Elevations (Show whether DF, KT, etc.) Ground Level 3660.1	21A. Kind & Status Plug. Bond Single	21B. Drilling Contractor Artesia Fishing Tool
		22. Approx. Date Work will start 12-1-85

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	24#	465'	Circulate	Surface
7 7/8"	4 1/2"	10.5#	3300'	Circulate	Surface

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 6-26-86  
UNLESS DRILLING UNDERWAY

PLEASE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.  
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed by Thomas K. Savage Title Operator Date 11-14-85  
(This space for State Use)

APPROVED BY Mike Williams TITLE Oil & Gas Inspector DATE NOV 26 1985

CONDITIONS OF APPROVAL, IF ANY:

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

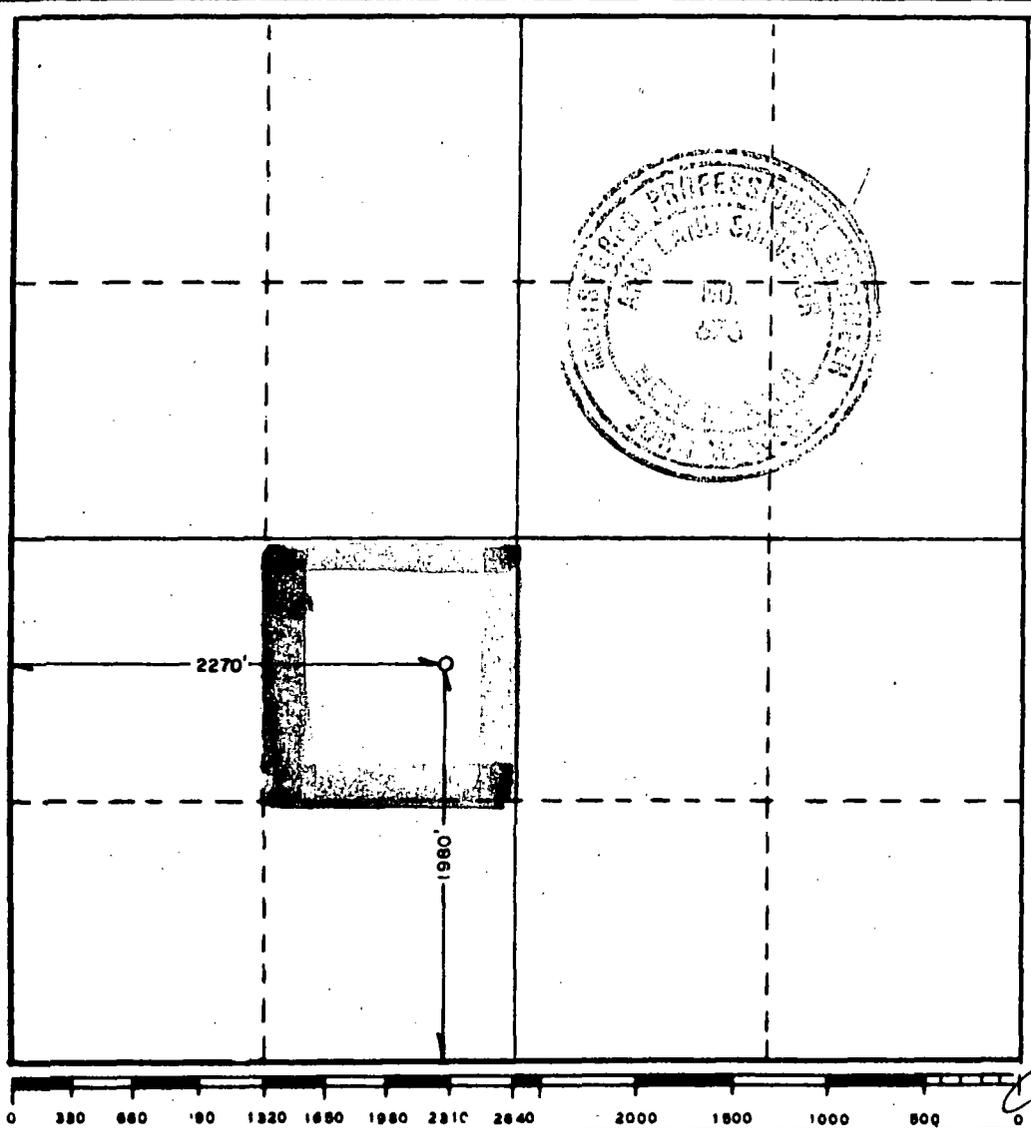
Operator <b>TOMSCO ENERGY</b>			Lease <b>LARA MICHELLE</b>			Well No. <b>2</b>
Unit Letter <b>K</b>	Section <b>34</b>	Township <b>17 SOUTH</b>	Range <b>28 EAST</b>	County <b>EDDY</b>		
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>2270</b> feet from the <b>WEST</b> line						
Ground Level Elev. <b>3660.1'</b>	Producing Formation		Pool		Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name  
*Thomas K. Swagg*

Position  
**OPERATOR**

Company  
**TOMSCO ENERGY**

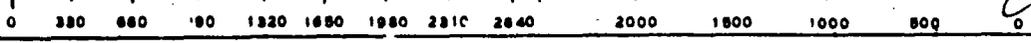
Date  
**NOV. 15, 1985**

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 2, 1985**

Registered Professional Engineer and/or Land Surveyor  
*John W. West*

Certificate No. **JOHN W. WEST, 676**  
**RONALD J. EIDSON, 3239**



*Thomas K. Scroggin*

*TOMSCO Energy*

*P. O. Box 664*

*Artesia, New Mexico 88210*

*(505) 746-6346*

*(505) 748-2118*

January 31, 1986

Arco Oil and Gas Company  
P.O. Box 1610  
Midland, Texas 79702

To Whom It May Concern:

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico. I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

Very Truly Yours,



Thomas K. Scroggin

TKS:dc

cc: New Mexico Oil Conservation Division

**Thomas K. Scroggin**  
**TOMSCO Energy**  
P. O. Box 664  
Artesia, New Mexico 88210  
(505) 746-6346  
(505) 748-2118

January 31, 1986

C.O. Fulton  
P.O. Box 1121  
Artesia, New Mexico 88210

**To Whom It May Concern:**

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

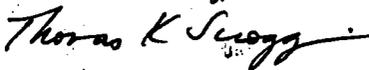
As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico, I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

Very Truly Yours,



Thomas K. Scroggin

TKS:dc

cc: New Mexico Oil Conservation Division

*Thomas K. Scroggin*  
**TOMSCO Energy**  
P. O. Box 664  
Artesia, New Mexico 88210  
(505) 746-6346  
(505) 748-2118

January 31, 1986

Marbob Energy Corporation  
P. O. Drawer 217  
Artesia, New Mexico 88210

**To Whom It May Concern:**

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

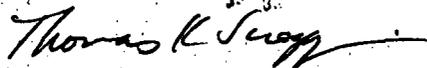
As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico, I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

Very Truly Yours,



Thomas K. Scroggin

TKS:dc

cc: New Mexico Oil Conservation Division

*Thomas K. Scroggin*  
**TOMSCO Energy**  
P. O. Box 664  
Artesia, New Mexico 88210  
(505) 746-6346  
(505) 748-2118

January 31, 1986

Mrs. Donald Leahy  
555 Chalette Drive  
Beverly Hills, California 90210

To Whom It May Concern:

In accordance with the special rules and regulations applying to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

As direct or diagonal offset owners in the Artesia Q, G, SA pool of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  in S.34 T17S R28E, Eddy County, New Mexico, I hereby notify you of the need for two wells in this 40 acre proration unit to efficiently drain this portion of the reservoir.

The Carper Levers #4 well is producing from the Grayburg interval with perforations from 2176'-2215' and a total depth of 2236 feet.

The Lara Michelle #2 well, completed December 16, 1985 is producing from the San Andres interval with perforations from 2602'-2894' and a total depth of 3300 feet.

Both wells are on the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and in the Artesia Q, G, SA pool, but it was necessary to drill and complete the Lara Michelle #2 well to efficiently drain the pool because the Carper Levers #4 could not drain the San Andres interval.

Very Truly Yours,



Thomas K. Scroggin

TKS:dc

cc: New Mexico Oil Conservation Division