



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

September 6, 1995

D. J. Simmons Company, Ltd.
c/o On Site Technologies, Ltd.
P. O. Box 2606
Farmington, New Mexico 87499

Attention: Robert L. Crabb

Administrative Order DD-117

Dear Mr. Crabb:

Reference is made to your application on behalf of the operator D. J. Simmons Company, Ltd. dated July 31, 1995 for authorization to recomplete its existing Simmons "E" Well No. 1 (API No. 30-045-07912) by side tracking off of the vertical wellbore and directionally drill to a pre-determined bottom-hole location in order to further develop the Blanco-Mesaverde Pool underlying its existing 297.31-acre gas spacing and proration unit ("GPU") comprising Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 26, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(D) and (E) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) The Simmons "E" Well No. 1, located at a standard gas well location 790 feet from the North line and 1550 feet from the East line (Lot 2/Unit B) of said Section 26, was originally drilled and completed as an initial Blanco-Mesaverde well in 1952;
- (3) By Order No. R-8170, as amended, the Division promulgated the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*", which includes provisions for 320-acre gas spacing and proration units and well location requirements whereby the initial well drilled

on a GPU shall be located be no closer than 790 feet to the outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary and the infill well drilled on an existing GPU shall be in the quarter section not containing a Mesaverde gas well and shall be located with respect to the restrictions as previously described;

- (4) The infill well for the subject GPU is the Simmons "E" Well No. 1-A (API No. 30-045-23583), located at a standard gas well location 1685 feet from the South line and 1470 feet from the East line (Lot 10/Unit J) of said Section 26.
- (5) The applicant/operator proposes to kick-off from vertical at a depth of approximately 3,800 feet in a southwesterly direction and drill in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 830 feet;
- (6) The applicable drilling window or "producing area" for said wellbore should include that area within the NE/4 equivalent of said Section 26 that is no closer than 790 feet to the quarter section line; and,
- (7) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The operator, D. J. Simmons Company, Ltd., is hereby authorized to recomplete its existing Simmons "E" Well No. 1 (API No. 30-045-07912), located at a standard gas well location 790 feet from the North line and 1550 feet from the East line (Lot 2/Unit B) of Section 26, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, by side tracking off of the vertical wellbore at a depth of approximately 3,800 feet in a southwesterly direction and drill in such a manner as to bottom back in the Blanco-Mesaverde Pool, within the NE/4 equivalent of said Section 26 such that the bottomhole location is no closer than 790 feet to the quarter section line;

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) This well shall remain in the existing 297.31-acre gas spacing and proration unit comprising the W/2 equivalent of said Section 26.

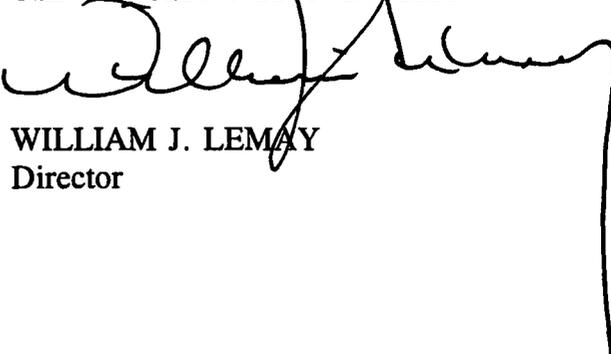
(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F and Order No. R-8170, as amended.

(5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(6) 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 the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Case 11,274

DD-SIMM. 2

Received 8/11/95

Supp. 8/21/95

Released 9/6/95

September 6, 1995

D. J. Simmons Company, Ltd.
c/o **On Site Technologies, Ltd.**
P. O. Box 2606
Farmington, New Mexico 87499

Attention: Robert L. Crabb

Administrative Order DD- 117

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- (2) The Simmons "E" Well No. 1, located at a standard gas well location 790 feet from the North line and 1550 feet from the East line (Lot 2/Unit B) of said Section 26, was originally drilled and completed as an initial Blanco-Mesaverde well in 1952;
- (3) By Order No. R-8170, as amended, the Division promulgated the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*", which includes provisions for 320-acre gas spacing and proration units and well location requirements whereby the initial well drilled on a GPU shall be located be no closer than 790 feet to the outer boundary of the quarter section on which the well is located and not closer than 130 feet to any

quarter-quarter section line or subdivision inner boundary and the infill well drilled on an existing GPU shall be in the quarter section not containing a Mesaverde gas well and shall be located with respect to the restrictions as previously described;

- (4) The infill well for the subject GPU is the Simmons "E" Well No. 1-A (API No. 30-045-23583), located at a standard gas well location 1685 feet from the South line and 1470 feet from the East line (Lot 10/Unit J) of said Section 26.
- (5) The applicant/operator proposes to kick-off from vertical at a depth of approximately 3,800 feet in a southwesterly direction and drill in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 830 feet;
- (6) The applicable drilling window or "producing area" for said wellbore should include that area within the NE/4 equivalent of said Section 26 that is no closer than 790 feet to the quarter section line; and,
- (7) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The operator, D. J. Simmons Company, Ltd., is hereby authorized to recomplete its existing Simmons "E" Well No. 1 (API No. 30-045-07912), located at a standard gas well location 790 feet from the North line and 1550 feet from the East line (Lot 2/Unit B) of Section 26, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, by side tracking off of the vertical wellbore at a depth of approximately 3,800 feet in a southwesterly direction and drill in such a manner as to bottom back in the Blanco-Mesaverde Pool, within the NE/4 equivalent of said Section 26 such that the bottomhole location is no closer than 790 feet to the quarter section line;

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Case 11,274

OFF: (505) 325-8786



LAB: (505) 325-5667

September 5, 1995

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
P.O. Box 6429
Santa Fe, New Mexico 87505-6429



RE: Administrative Application for Directional Drilling Pursuant to General Rule 111
L.V. Hamner "A" Well No. 1 (Unit M) of Section 21
Simmons "E" Well No. 2 (Unit M) of Section 23
Simmons "S" Well No. 1 (Unit A) of Section 25 and
Simmons "E" Well No. 1 (Unit B) of Section 26;
all in Township 29 North, Range 9 West, NMPM, Blanco Mesaverde Pool,
San Juan County, New Mexico

Dear Mr. Stogner:

Please find attached, copies of the four maps denoting all off-setting units for the above mentioned wells. After reviewing and checking the areas that you requested, plus some additional ones, it was found that all off-setters remain to be Amoco and Meridian which have been notified.

All proration units, including the Simmons units, are stand ups.

I will be leaving for vacation after tomorrow. Could you please call me after receiving this fax to let me know if this is sufficient, as I need to complete this before I leave.

Thanks for your help.

Sincerely,

Robert L. Crabb
On Site Technologies, Ltd.
Agent for D.J. Simmons Company, Ltd.

Facsimile Cover Sheet

To: MICHAEL STOGNER
Company: NMOCD
Phone: 505-827-8185
Fax: 505-827-8177

From: ROBERT CRABB
Company: ON SITE TECHNOLOGIES, LTD.
Phone: 505-325-8788
Fax: 505-327-1498

Date: 09-05-95

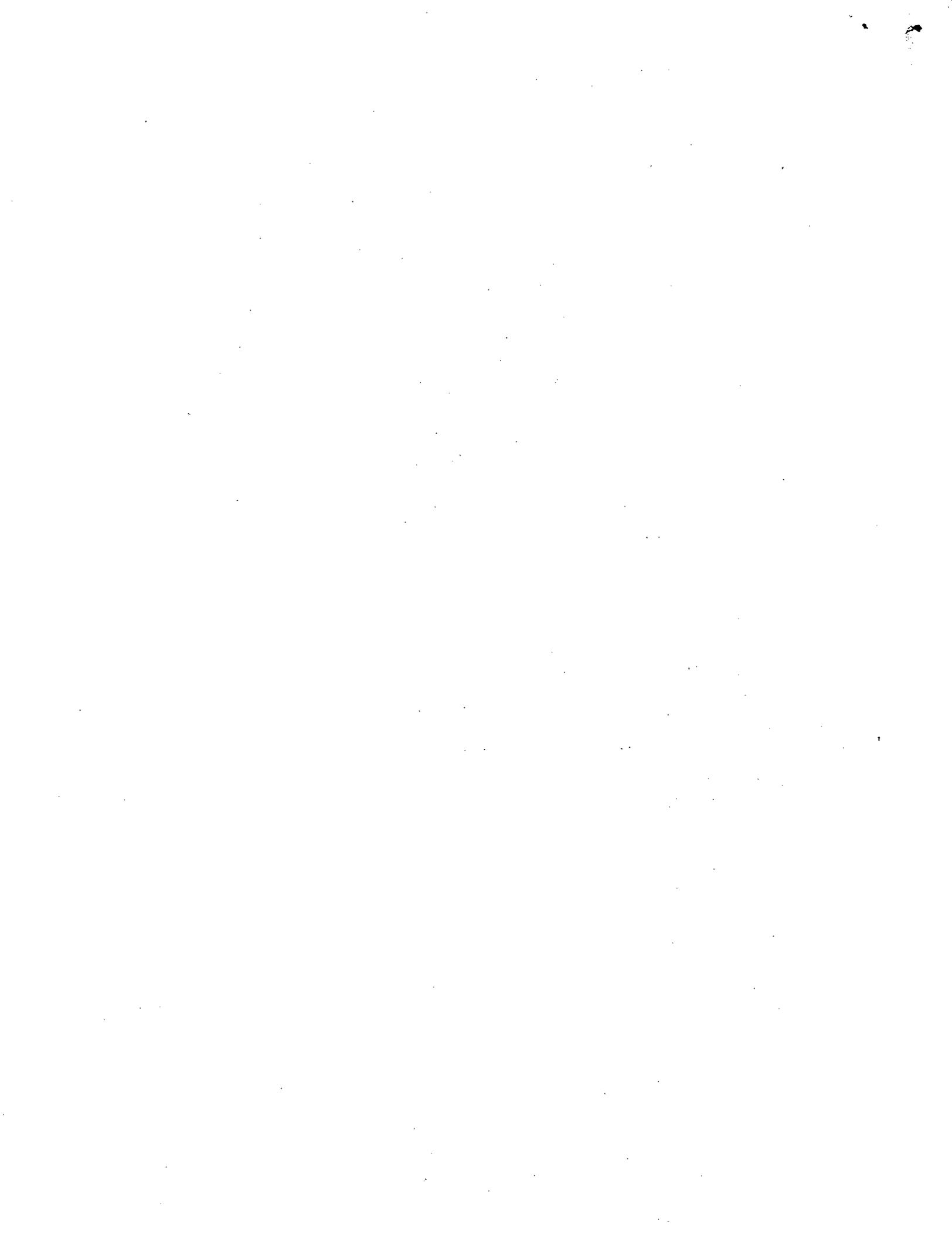
**Pages including this
cover page:** 6

Comments:

THANKS SO MUCH FOR YOUR ASSISTANCE. I WILL BE IN THE OFFICE THE REST OF THE DAY IF YOU SHOULD NEED ME. ALL ORIGINALS ARE IN THE U.S. MAIL.



ROBERT L. CRABB
ON SITE TECHNOLOGIES, LTD.
AGENT FOR D.J. GIMMONG COMPANY, LTD.



OFF: (505) 325-8786



LAB: (505) 325-5667

September 5, 1995

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
P.O. Box 6429
Santa Fe, New Mexico 87505-6429

RE: Administrative Application for Directional Drilling Pursuant to General Rule 111
L.V. Hamner "A" Well No. 1 (Unit M) of Section 21
Simmons "E" Well No. 2 (Unit M) of Section 23
Simmons "S" Well No. 1 (Unit A) of Section 25 and
Simmons "E" Well No. 1 (Unit B) of Section 26;
all in Township 29 North, Range 9 West, NMPM, Blanco Mesaverde Pool,
San Juan County, New Mexico

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Thanks for your help.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Crabb".

Robert L. Crabb
On Site Technologies, Ltd.
Agent for D.J. Simmons Company, Ltd.

P. O. BOX 2606 • FARMINGTON, NM 87499

- TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT -

TRANSACTION REPORT

P.01

SEP-05-95 TUE 12:29 PM

DATE START SENDER RX TIME PAGES TYPE NOTE

SEP-05 12:22 PM 505 327 1496 5'55" 6 RECEIVE COM. E-7

Facsimile Cover Sheet

To: MICHAEL STOGNER
Company: NMOCD
Phone: 505-827-8185
Fax: 505-827-8177

From: ROBERT CRABB
Company: ON SITE TECHNOLOGIES, LTD.
Phone: 505-325-8786
Fax: 505-327-1496

Date: 09-05-95

**Pages including this
cover page: 6**

Comments:

THANKS SO MUCH FOR YOUR ASSISTANCE. I WILL BE IN THE OFFICE THE REST OF THE DAY IF YOU SHOULD NEED ME. ALL ORIGINALS ARE IN THE U.S. MAIL.



ROBERT L. CRABB
ON SITE TECHNOLOGIES, LTD.
AGENT FOR D.J. SIMMONS COMPANY, LTD.



OFF: (505) 325-8786

LAB: (505) 325-5667

September 5, 1995

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
P.O. Box 6429
Santa Fe, New Mexico 87505-6429

RE: Administrative Application for Directional Drilling Pursuant to General Rule 111
L.V. Hamner "A" Well No. 1 (Unit M) of Section 21
Simmons "E" Well No. 2 (Unit M) of Section 23
Simmons "S" Well No. 1 (Unit A) of Section 25 and
Simmons "E" Well No. 1 (Unit B) of Section 26;
all in Township 29 North, Range 9 West, NMPM, Blanco Mesaverde Pool,
San Juan County, New Mexico

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Robert L. Crabb
On Site Technologies, Ltd.
Agent for D.J. Simmons Company, Ltd.

P. O. BOX 2606 • FARMINGTON, NM 87499

- TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT -

OFF: (505) 325-8786



LAB: (505) 325-5667

August 30, 1995

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
P.O. Box 6429
Santa Fe, New Mexico 87505-6429

RE: Administrative Application for Directional Drilling Pursuant to General Rule 111:
L. V. Hamner "A" Well No. 1 (Unit M) of Section 21;
Simmons "E" Well No. 2 (Unit M) of Section 23;
Simmons "S" Well No. 1 (Unit A) of Section 25; and,
Simmons "E" Well No. 1 (Unit B) of Section 26;
all in Township 29 North, Range 9 West, NMPM, Blanco Mesaverde Pool,
San Juan County, New Mexico.

Dear Mr. Stogner:

I am in receipt of your letter dated August 23, 1995 in which you requested ownership maps showing off-setting drilling units to each of the four above mentioned projects and a "type log section" for each. I have enclosed three copies of same for each of the four locations. The off-setting producers are shown within a one mile radius of each project. Any Mesaverde locations that are not labeled are D.J. Simmons locations.

Please contact me if I can be of any further assistance.

Sincerely,

Robert L. Crabb
On Site Technologies, Ltd.
Agent for D.J. Simmons Company, Ltd.

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington

OIL CONSERVATION DIVISION

August 23, 1995

D. J. Simmons Company, Ltd.
c/o On Site Technologies, Ltd.
P. O. Box 2606
Farmington, New Mexico 87499

Attention: Robert L. Crabb

**RE: Administrative Application for Directional Drilling Pursuant to General Rule 111:
L. V. Hamner "A" Well No. 1 (Unit M) of Section 21;
Simmons "E" Well No. 2 (Unit M) of Section 23;
Simmons "S" Well No. 1 (Unit A) of Section 25; and,
Simmons "E" Well No. 1 (Unit B) of Section 26;
all in Township 29 North, Range 9 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.**

Dear Mr. Crabb:

All four applications dated July 31, 1995 were forwarded to this office for review since all four proposed directionals are to be in an "intentional direction", and by definition such filings fall under the provisions of Division General Rule 111.D, which requires review and approval from the Division Director here in Santa Fe.

Upon my initial review of said applications, please submit an ownership map that shows all off-setting drilling units to each proposed "project area" in the Blanco-Mesaverde Pool and their associated operator. Also required is a "type log section" [see Rule 111.D(2)(e)]. Once this information is provided I can then process these filings. Thank you for your cooperation in this matter.

Should you have any additional questions or comments, please contact me at (505) 827-8185.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

08/23/95 09:37:52
OGOMES -EMGU

API Well No : 30 45 23583 Eff Date : 12-01-1979 WC Status : A
Pool Idn : 72319 BLANCO-MESAVERDE (G)
OGRID Idn : 5578 D J SIMMONS CO 7
Prop Idn : 10172 SIMMONS E

Well No : 001A
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 10	26	29N	09W	FTG 999 F S	FTG 999 F E	P
Lot Identifier:							
Dedicated Acre:	297.31						
Lease Type	: F						
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O)	:						

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

Sec : 26 Twp : 29N Rng : 09W Section Type : NORMAL

4 35.97 Federal owned A	3 36.08 Federal owned	2 36.16 Federal owned A A A	11 36.28 Federal owned
5 36.60 Federal owned A	6 36.68 Federal owned	7 36.79 Federal owned	8 36.90 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

72.95

73.18

Sec : 26 Twp : 29N Rng : 09W Section Type : NORMAL

12 37.24 Federal owned A A	11 37.33 Federal owned	10 37.44 Federal owned A	9 37.54 Federal owned
13 37.87 Federal owned	14 37.96 Federal owned A	15 38.06 Federal owned A	16 38.14 Federal owned

PF01 HELP
 PF07 BKWD

PF02
 PF08 FWD

PF03 EXIT
 PF09 PRINT

PF04 GoTo
 PF10 SDIV

PF05
 PF11

PF06
 PF12

1
 75.50
 72.95

 148.45

1
 75.68
 73.18

 148.86
 148.45

 297.31

OFF: (505) 325-8786



LAB: (505) 325-5667

July 31, 1995

Mr. Frank T. Chavez, District Supervisor
State of New Mexico Oil Conservation Division
Aztec District Office
1000 Rio Brazos Road
Aztec, NM 87410

RECEIVED
AUG - 1 1995
OIL CON. DIV.
DIST. 3

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL TO INTENTIONALLY
DEVIATE A WELL FROM VERTICAL**

Dear Mr. Chavez:

On behalf of D. J. Simmons Company, Ltd., I do hereby submit this letter of request to intentionally deviate the Simmons E-1 from the vertical by sidetracking. Said well is located in Section 26, T-29-N, R-9-W, San Juan County, New Mexico. The surface hole location is 790' FNL & 1550' FEL. The bottomhole location will be 1390.47' FNL & 1827.2' FEL.

The purpose of the sidetracking is improve the drainage of the unit (see engineering notes attached and Exhibits attached). The bottom hole location is orthodox and within the drilling window for the Blanco Mesa Verde pool.

Your assistance granting administrative approval will be appreciated.

Yours truly,

Robert L. Crabb
On Site Technologies, Ltd.
Agent for D. J. Simmons Company, Ltd.

APPROVAL IS GRANTED FOR THE ABOVE REQUEST

SIGNATURE

TYPED OR PRINTED NAME

TITLE

DATE

P. O. BOX 2606 • FARMINGTON, NM 87499

- TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT -

District I
P.O. Box 1980, Hobbs, NM 88241
District II
P.O. Drawer DD, Artesia, NM 88211
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
P.O. Box 2088, Santa Fe, NM 87504

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number		2. Pool Code 72319		3. Pool Name BLANCO MESA VERDE	
4. Property Code		5. Property Name BUREAU OF LAND MANAGEMENT			6. Well Number E-1
7. OGRID No.		8. Operator Name J.D. SIMMONS COMPANY, LTD.			9. Elevation

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
B	26	29 North	9 West		790	North	1550	East	San Juan

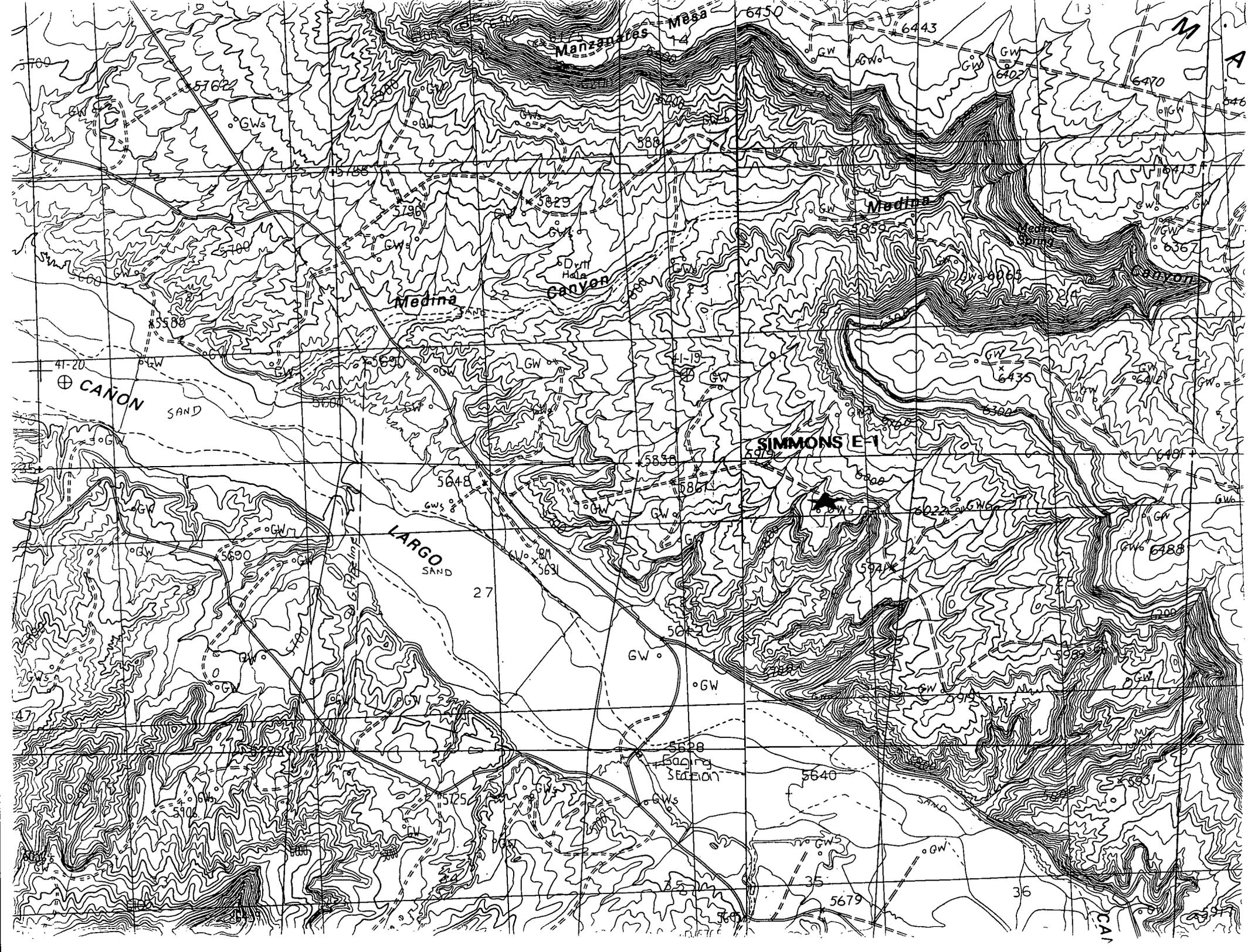
11. Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	29 North	9 West		1390.47	North	1827.2	East	San Juan

12. Dedicated Acres 320	13. Joint or Infill	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.	SURFACE LOCATION			17. OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Robert L. Craabb Printed Name Agent for D.J. Simmons Company, Ltd. Title Date July 31, 1995
	BOTTOM HOLE LOCATION			
RECEIVED AUG - 1 1995 OIL CON. DIV. DIST. 3				
18. 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 belief. Date of Survey Signature and Seal of Professional Surveyer Certificate Number				



ENGINEERING NOTES

DISCUSSION

The Simmons E-1, is a Mesa Verde open hole completion drilled by D. J. Simmons Company in 1952. The well is located at 790' FNL x 1550' FEL, Section 26, T29N, R9W, San Juan County New Mexico. Diagram 1 details the wellbore geometry of the well. Of primary interest, note that 7", 23 ppf, casing was set to 3960' (bore hole diameter 8 3/4"). The casing was cemented with 300 sks. Calculations indicate that the maximum top of the cement in the 7" casing by 8 3/4" hole annulus is 1664 ft, assuming no shrinkage or lost returns. In all likelihood, the cement top is much deeper. Usually, current day primary cement job calculations utilize a 50% excess factor to cover lost returns and shrinkage. Below the casing the Mesa Verde was drilled with a 6 1/4" hole to 4848', and completed by 1952 open hole methods. The top of the Ojo Alamo, a known water producing zone is 1330 ft, well above the possible top of the cement in this well bore.

In 1990, D. J. Simmons company drilled the A. B. Geren No. 5, on the same well pad as the Simmons E-1. The A. B. Geren No. 5 is a Fruitland Coal well located at 872' FNL x 1490' FEL, Section 26. The distance between the center lines of the two well bores is 101.64 ft, assuming no down hole deviation in either well. 4 1/2", 10.5 ppf casing was run and cemented at 2449'. The Fruitland Coal sections were perforated from 2178 - 85, 2286 - 2300, 2310 - 15, and 2361 - 76 at 4 jsf. The coals were fractured with 55,000 lbs of sand and 71,400 gals of gelled water.

The A. B. Geren No. 5 produced significant amounts of water. Efforts to "de-water" the coal section, by compression and pumping, were not successful. Production records from offset coal wells indicate that "de-watering" should have been successful. In June of 1992, D. J. Simmons Company, ran a CBL log and tested the producing coal sections to attempt to determine the zones of water entry in the well. The top set of perforations 2178 -2185, were squeezed with 515 sks of cement. The bottom perforations 2361 - 2376, were treated with 500 gals of 15% HCL. Pump and rods were re-ran and the well was returned to production. Produced water volumes did not diminish.

By reviewing the operational data, D. J. Simmons Company engineers, and On Site Technologies consulting engineers have determined that it is probable that the original fracture treatment performed in the coal sections of the A. B. Geren No. 5, created a fracture that intersected the well bore of the Simmons E-1, and connected the uncemented Ojo Alamo zone to the open perforations in the A. B. Geren No. 5. This possibility is supported by the unabated water production in the A. B. Geren No. 5 when compared to the water production of offset coal wells. Workover and squeeze operations on the A. B. Geren No. 5 have proven to be unsuccessful in shutting off the water.

To correct the situation, D. J. Simmons Company proposes to workover the Simmons E-1 well. It is desirable to prepare the E-1 for a Mesa Verde side track designed to penetrate the producing Mesa Verde intervals at some distance from the original open hole completion. During the course of the side track preparation, secondary squeeze cementing operations would be conducted, insuring that the existing 7" casing is cemented to the surface. Special efforts would be made to squeeze off the Ojo Alamo, and any other potential water production zones. These secondary cementing operations should produce a two-fold advantage in preparing the E-1 for sidetrack, and squeezing-off the water producing sections that the fracture treatment of the A. B. Geren No. 5 probably intersected.

After secondary cementing operations are completed in the E-1, the A. B. Geren No. 5 will be retested to determine the success of the water shut off. If this is not successful, plugging and abandonment procedures for the A. B. Geren No. 5 will be prepared. If the operations are successful, the A. B. Geren No. 5 will be returned to production.



22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS

Simmons E-1

Blanco Mesa Verde Sidetrack
Directional Drilling Plan
Engineering Calculations

On Site Technologies Ltd.
R. Griffin
7/21/95

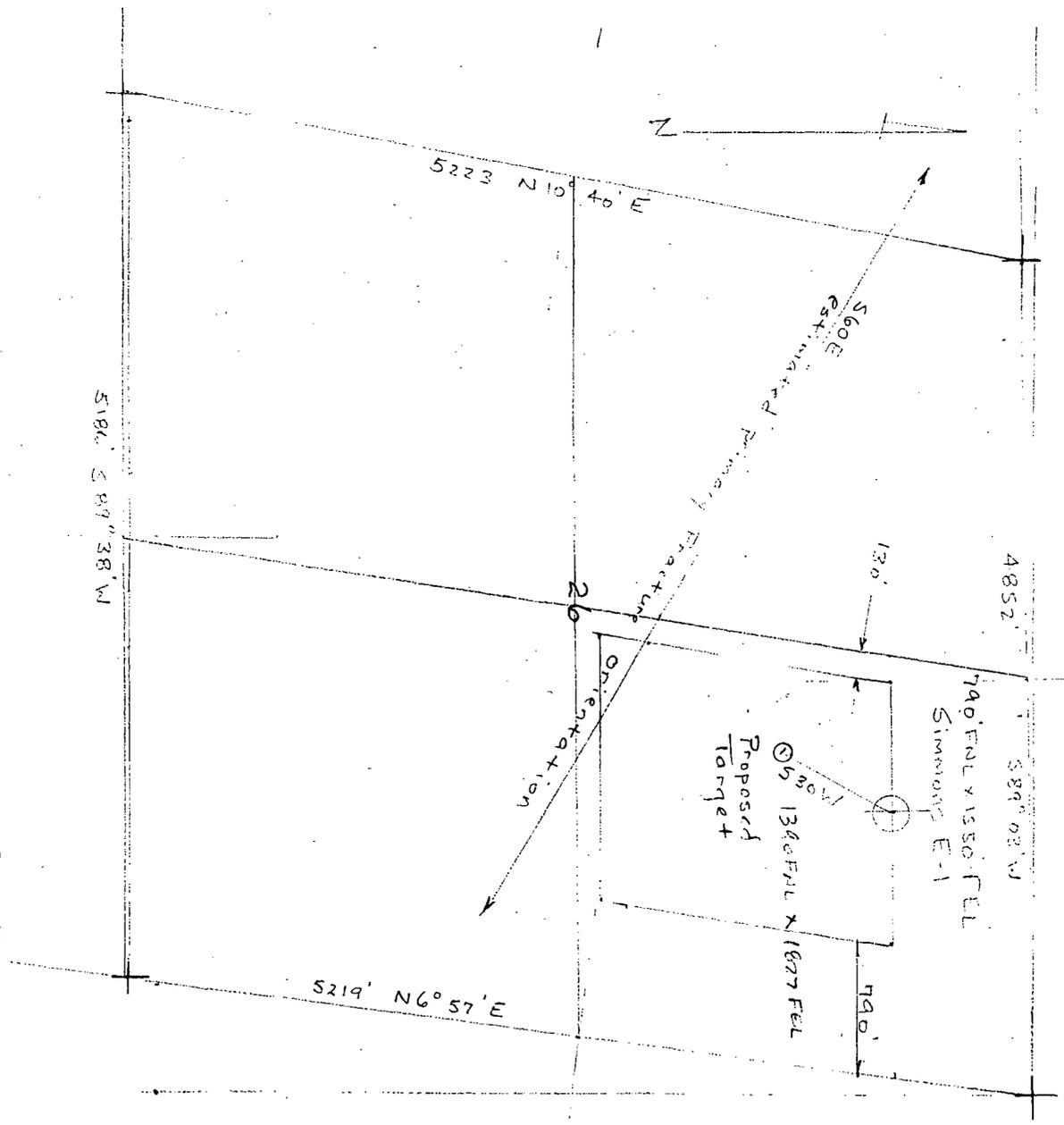


22-141 50 SHEETS

22-142 100 SHEETS

22-144 200 SHEETS

SECTION 26 T29N RAW
San Juan County, NM



Data: Hopkins Map Services
BLM Survey

R. Gifford
On Site Technologies Ltd



7/7/95

1/7

Simmons E-1
Blanco MV Sidetrack

Operations Outline

1. Plug back open hole to 3800'. 160' inside 7" csg set @ 3960'.
2. Repair 7" x 8 3/4" annulus by squeeze cementing. Cement to surface.
3. Cut Window in 7" csg 3700' - 3850'.
4. Directionally drill 6 1/2" hole to target
 - a. KOP = 3800'
 - b. build @ 10°/100' to 44° @ 4240' M.D. & 4198' TVD
 - c. Target location - bottom of Point Lookout 608.66' South and 351.41' West of Surface Locn
 Legal coordinates BHL:
 1390.47 FNL x 1827.2 FEL
5. Log. Run 4 1/2" csg to surface. Cement TD to 3600' inside 7" csg.
6. Perf 1/2" Frac Mesa Verde sands.

Note - Irregular Section



22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS

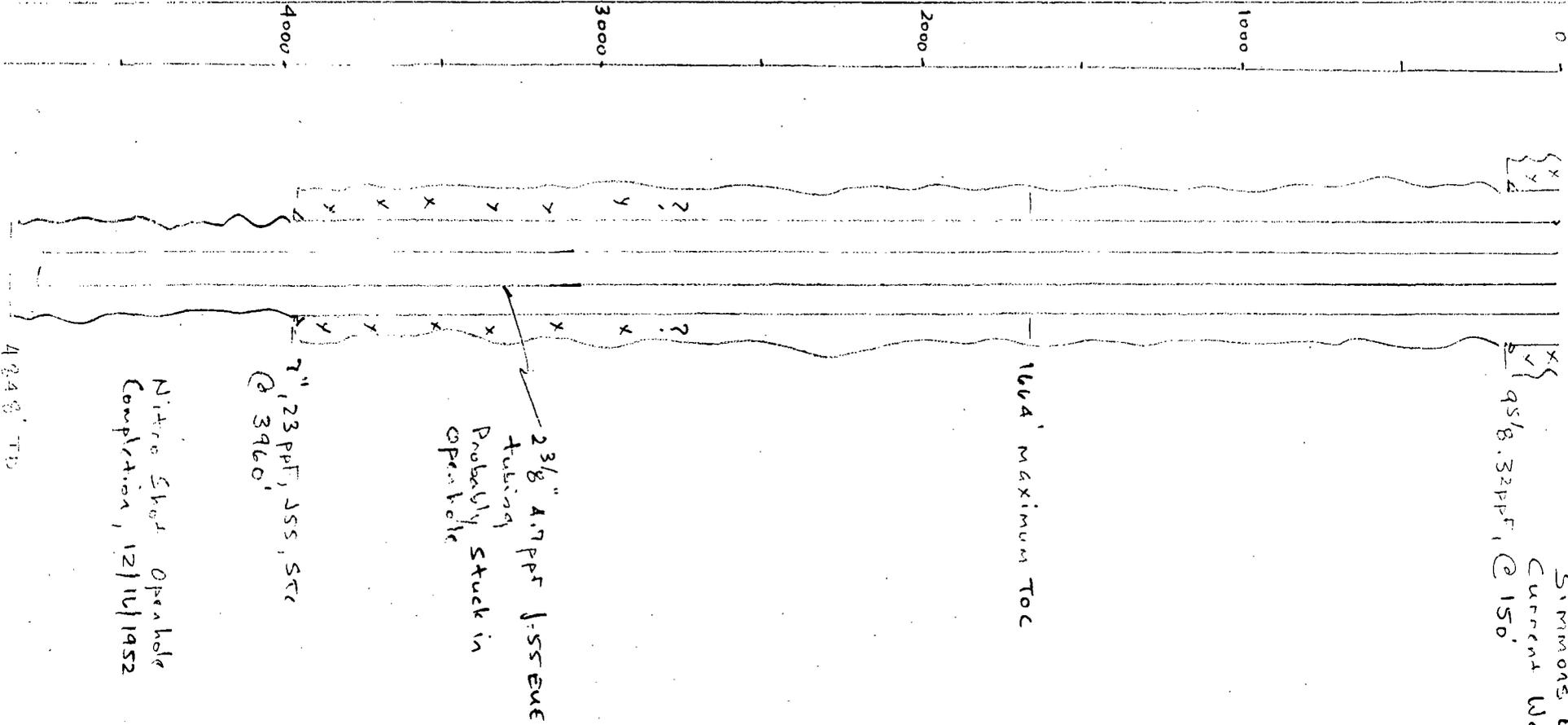


22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS

7/21/85

Simmons E-1
 Current Wellbore Schematic

R. GILFILLAN
 Oil Site Technologies Ltd



Fruitland 2178
 P.C. 2364
 2455

Lewis
 3485 Chacra
 3510

Gilfillan 4040
 A150

4595
 4760

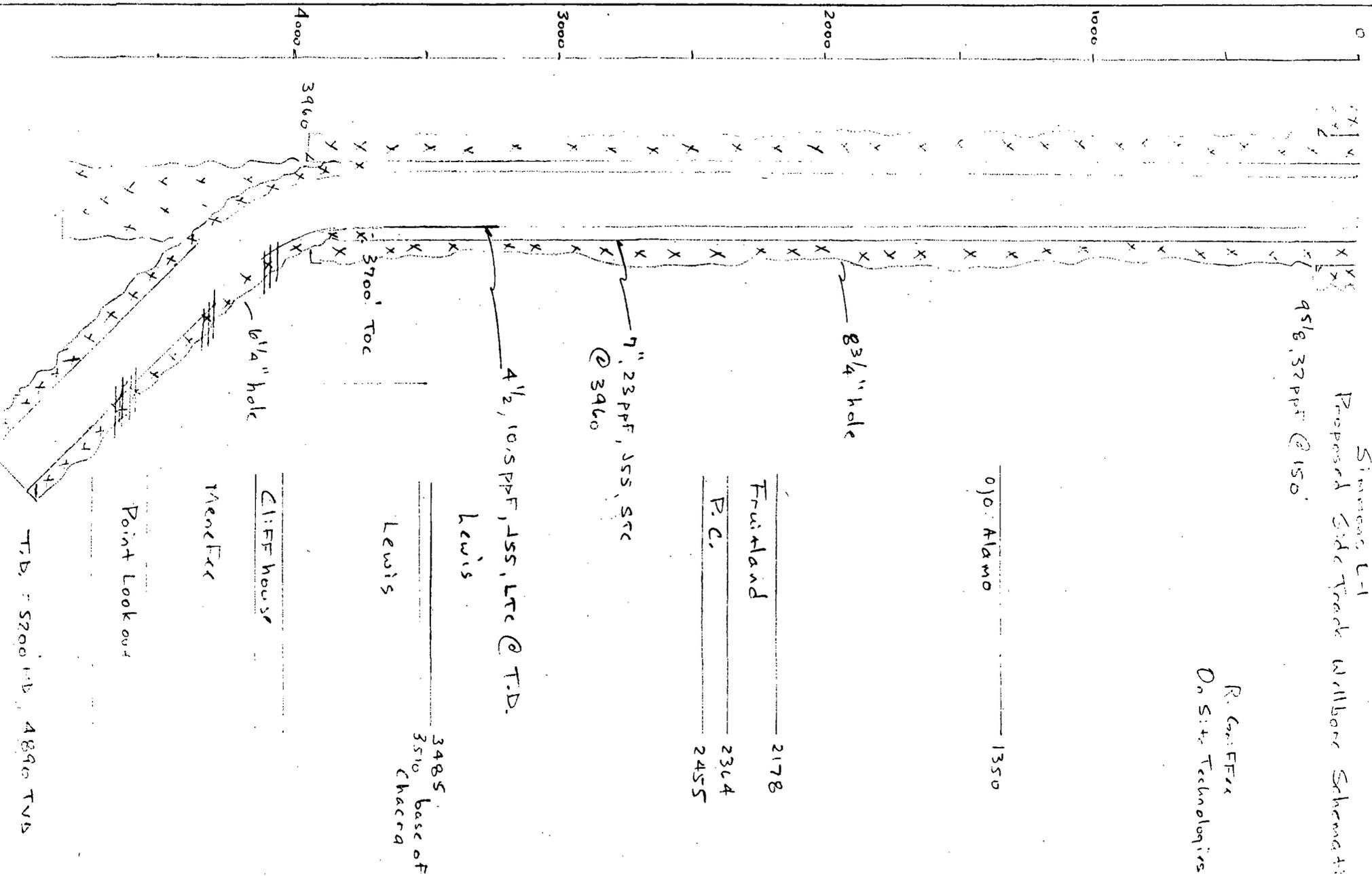


22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS

7/12/92

Simmons L-1
 Proposed Side Track Wallborn Schematic

R. GONFER
 Dr Site Technologies Ltd



090 Alamo 1350

Fruitland 2178
 P.C. 2364
 2455

Lewis 3485
 base of
 3510
 Chacra

CLIFF house
 MendExx
 Point Look out
 T.B. = 5200 WD, 4890 TWS

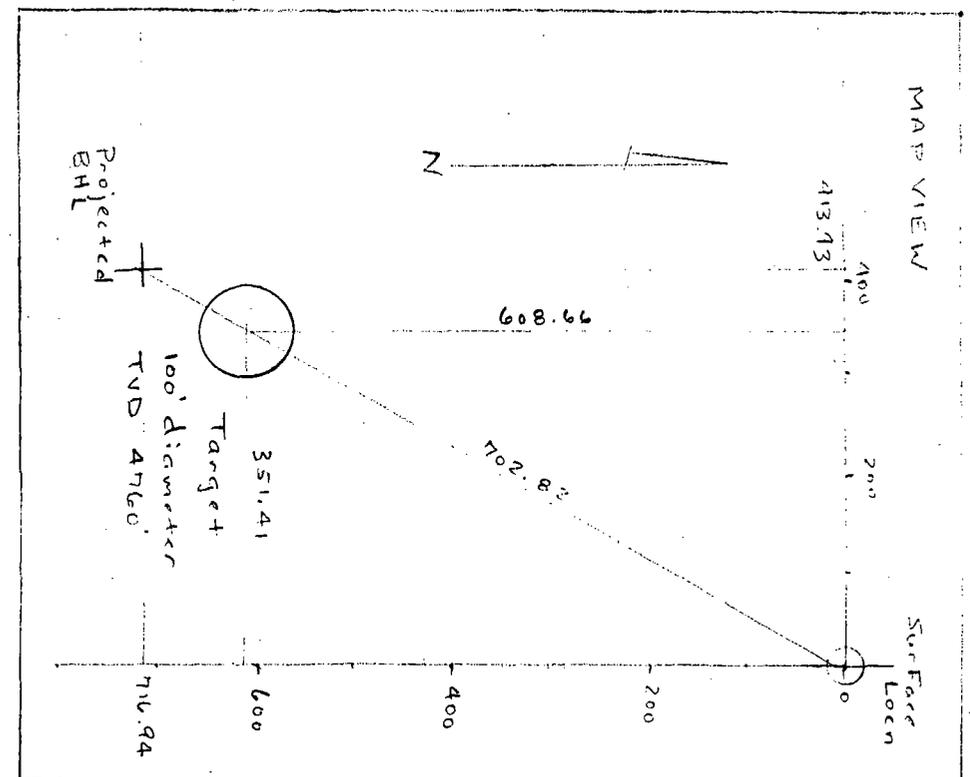


22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS

Simmons E-1 Directional Plan

11/21/95

5/1



R. GRIFFIN
 On Site Technologies Ltd

Lewis

3485 Chacra
 3510

Lewis Shale

Window 3700
 3850
 3800' KOP

Cliff House 4040'
 4150'

Max angle 44°

Plane Face

Point Lookout

4545'
 4160'



702.83
 500

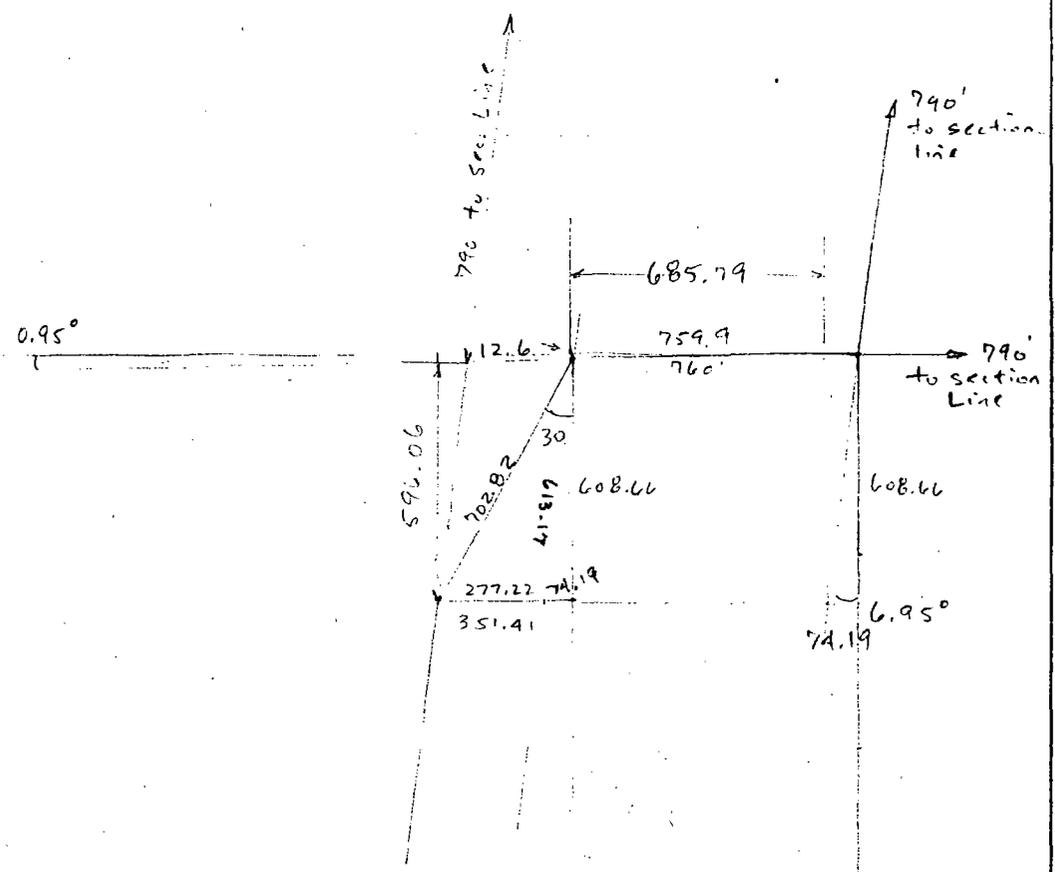
Simmons E-1

Build rate 10 deg/100 ft

Measured Delta Depth	Inclination Course	avg (degrees)	Inclination	Direction	Delta TVD	Delta Departure	Total TVD	Total Departure	South Delta	West Delta	South Coor	West Coor
Original Vertical Section												
0	0											
3800	3800	0	0	S30W	0.00	0.00	3800.00	0.00	0.00	0.00	0.00	0.00
Kick Off Point:		3800										
Build Section												
3800		0	0	S30W	0.00	0.00	3800.00	0.00	0.00	0.00		
3900	100	10	5	S30W	99.62	8.72	3899.62	8.72	7.55	4.36	7.55	4.36
4000	100	20	15	S30W	96.59	25.88	3996.21	34.60	22.41	12.94	29.96	17.30
4100	100	30	25	S30W	90.63	42.26	4086.84	76.86	36.60	21.13	66.56	38.43
4200	100	40	35	S30W	81.92	57.36	4168.76	134.22	49.67	28.68	116.24	67.11
4240	40	44	42	S30W	29.73	26.77	4198.48	160.98	23.18	13.38	139.41	80.49
Hold Point:		4240										
Hold Section												
4300	60	44	44	S30W	43.16	41.68	4241.64	202.66	36.10	20.84	175.51	101.33
4400	100	44	44	S30W	71.93	69.47	4313.58	272.13	60.16	34.73	235.67	136.06
4500	100	44	44	S30W	71.93	69.47	4385.51	341.59	60.16	34.73	295.83	170.80
4600	100	44	44	S30W	71.93	69.47	4457.45	411.06	60.16	34.73	355.99	205.53
4700	100	44	44	S30W	71.93	69.47	4529.38	480.53	60.16	34.73	416.15	240.26
4800	100	44	44	S30W	71.93	69.47	4601.31	549.99	60.16	34.73	476.31	275.00
4900	100	44	44	S30W	71.93	69.47	4673.25	619.46	60.16	34.73	536.47	309.73
5000	100	44	44	S30W	71.93	69.47	4745.18	688.92	60.16	34.73	596.62	344.46
5020	20	44	44	S30W	14.39	13.89	4759.57	702.82	12.03	6.95	608.66	351.41
5100	80	44	44	S30W	57.55	55.57	4817.12	758.39	48.13	27.79	656.78	379.19
5200	100	44	44	S30W	71.93	69.47	4889.05	827.85	60.16	34.73	716.94	413.93

Calculations

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS



$6^{\circ}57'' = 6.95^{\circ}$
 $5000 \div \cos 6.95 = 5037.01$
 $5037.01 \times \sin 6.95 = 609.49$
 $57'' = .95^{\circ}$
 $5000 \div \cos .95 = 5000.69$
 $5000.69 \times \sin .95 = 82.91$
 $760 \cos .95 = 759.90$
 $759.9 \sin .95 = 12.6$
 $608.66 \div \cos 6.95 = 613.17$
 $613.17 \times \sin 6.95 = 74.19$
 $74.19 \div \cos .95 = 74.21$
 $74.21 \times \sin .95 = 1.23$

$608.66 \div \cos 6.95 = 613.17'$
 $613.17 \times \sin 6.95 = 74.19$

$596.06 \div \cos 6.95 = 600.47$

$600.47 + 790 = 1390.47 \text{ FNL}$

$790 + 685.79 + 351.41 = 1827.2 \text{ FEL}$

5000
609.49

Mr. Van Goebel
Meridian Oil & Gas, Inc.
P.O. Box 42489
Farmington, NM 87499

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL TO INTENTIONALLY
DEVIATE A WELL FROM VERTICAL**

Dear Mr. Goebel:

On behalf of D J. Simmons Company, Ltd., On Site Technologies, Ltd. is applying for administrative approval to sidetrack for the four following well locations:

HAMNER A-1, SECTION 21, T-29-N, R-9-W
SIMMONS E-1, SECTION 26, T-29-N, R-9-W
SIMMONS E-2, SECTION 23, T-29-N, R-9-W
SIMMONS S-1, SECTION 25, T-29-N, R-9-W

These four locations were completed in the early 1950's as open hole completions. It is our belief that by sidetracking with modern technological methods, we can obtain improved drainage of the unit while remaining within the drilling window.

If you, as an offset operator, have no objections to this proposed action, please sign the attached waivers and return one copy of the signed document to the NMOCD in Aztec and the original to On Site Technologies, Ltd. I have enclosed self addressed envelopes for your convenience.

If you have any questions, regarding this application, please contact me.

Thank you for your assistance.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert L. Crabb", written in a cursive style.

Robert L. Crabb
Agent for D J. Simmons Company, Ltd.

enclosures

cc: D.J. Simmons Company, Ltd.
NMOCD



Mr. Pete Mueller
Amoco, Inc.
P.O. Box 800
Denver, CO 80701

RE: REQUEST FOR ADMINISTRATIVE APPROVAL TO INTENTIONALLY
DEVIATE A WELL FROM VERTICAL

Dear Mr. Mueller:

On behalf of D J. Simmons Company, Ltd., On Site Technologies, Ltd. is applying for administrative approval to sidetrack for the four following well locations:

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SIMMONS E-1, SECTION 26, T-29-N, R-9-W
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SIMMONS S-1, SECTION 25, T-29-N, R-9-W

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Thank you for your assistance.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert L. Crabb", written over a large, stylized, circular flourish.

Robert L. Crabb
Agent for D J. Simmons Company, Ltd.

enclosures
cc: D.J. Simmons Company, Ltd.
NMOCD

OFF: (505) 325-8786



LAB: (505) 325-5667

July 31, 1995

Mr. Frank T. Chavez, District Supervisor
State of New Mexico Oil Conservation Division
Aztec District Office
1000 Rio Brazos Road
Aztec, NM 87410

RECEIVED
AUG - 1 1995
OIL CON. DIV.
DIST. 3

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL TO INTENTIONALLY
DEVIATE A WELL FROM VERTICAL**

Dear Mr. Chavez:

On behalf of D. J. Simmons Company, Ltd., I do hereby submit this letter of request to intentionally deviate the Simmons E-1 from the vertical by sidetracking. Said well is located in Section 26, T-29-N, R-9-W, San Juan County, New Mexico. The surface hole location is 790' FNL & 1550' FEL. The bottomhole location will be 1390.47' FNL & 1827.2' FEL.

The purpose of the sidetracking is improve the drainage of the unit (see engineering notes attached and Exhibits attached). The bottom hole location is orthodox and within the drilling window for the Blanco Mesa Verde pool.

Your assistance granting administrative approval will be appreciated.

Yours truly,

Robert L. Crabb
On Site Technologies, Ltd.
Agent for D. J. Simmons Company, Ltd.

APPROVAL IS GRANTED FOR THE ABOVE REQUEST

SIGNATURE

TYPED OR PRINTED NAME

TITLE

DATE

P. O. BOX 2606 • FARMINGTON, NM 87499

- TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT -

District I
P.O. Box 1980, Hobbs, NM 88241

District II
P.O. Drawer DD, Artesia, NM 88211

District III
1000 Rio Brazos Rd, Aztec, NM 87410

District IV
P.O. Box 2088, Santa Fe, NM 87504

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number		2. Pool Code 72319		3. Pool Name BLANCO MESA VERDE	
4. Property Code		5. Property Name BUREAU OF LAND MANAGEMENT			6. Well Number E-1
7. OGRID No.		8. Operator Name J.D. SIMMONS COMPANY, LTD.			9. Elevation

10. Surface Location

UL or lot no. B	Section 26	Township 29 North	Range 9 West	Lot Idn	Feet from the 790	North/South line North	Feet from the 1550	East/West line East	County San Juan
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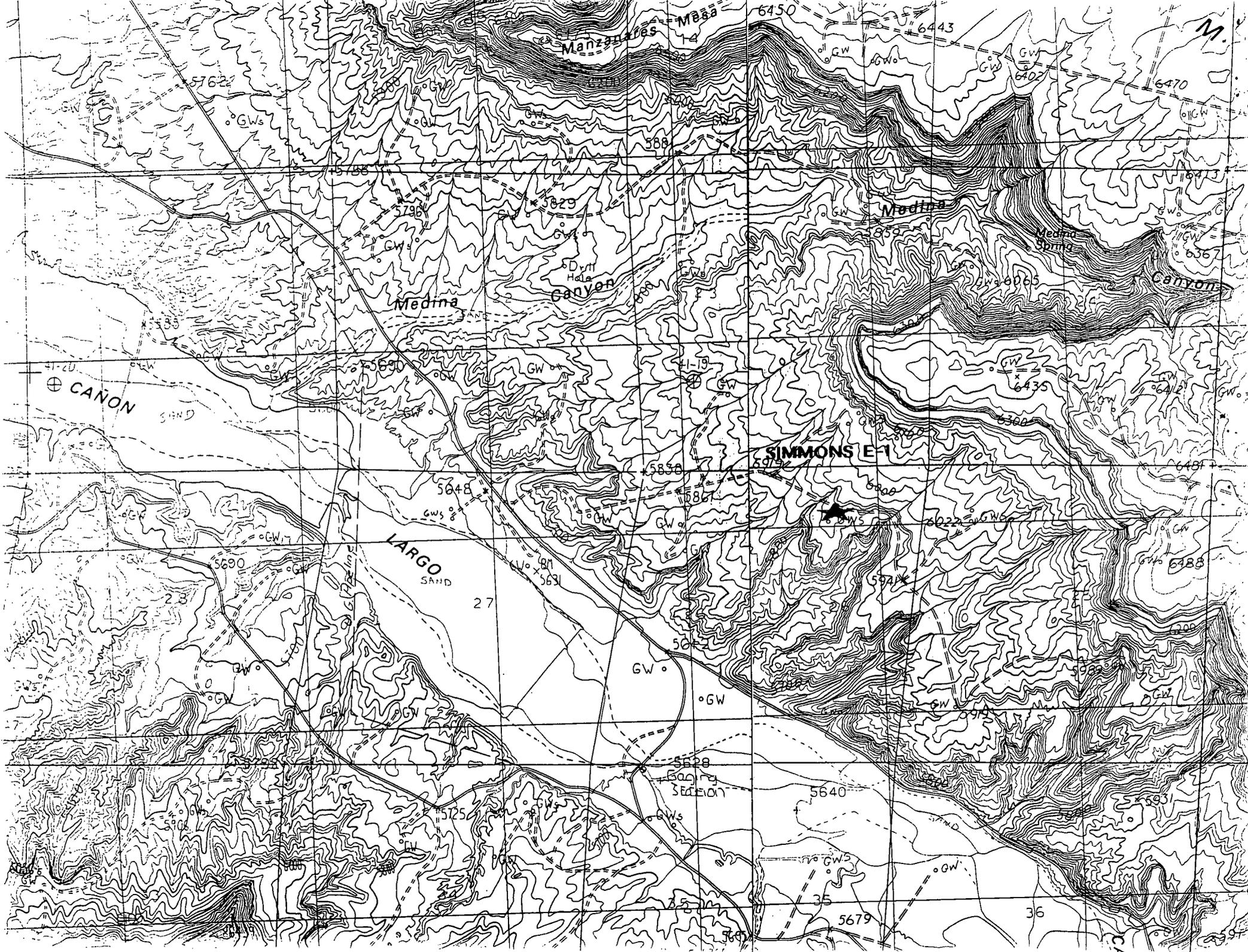
11. Bottom Hole Location If Different From Surface

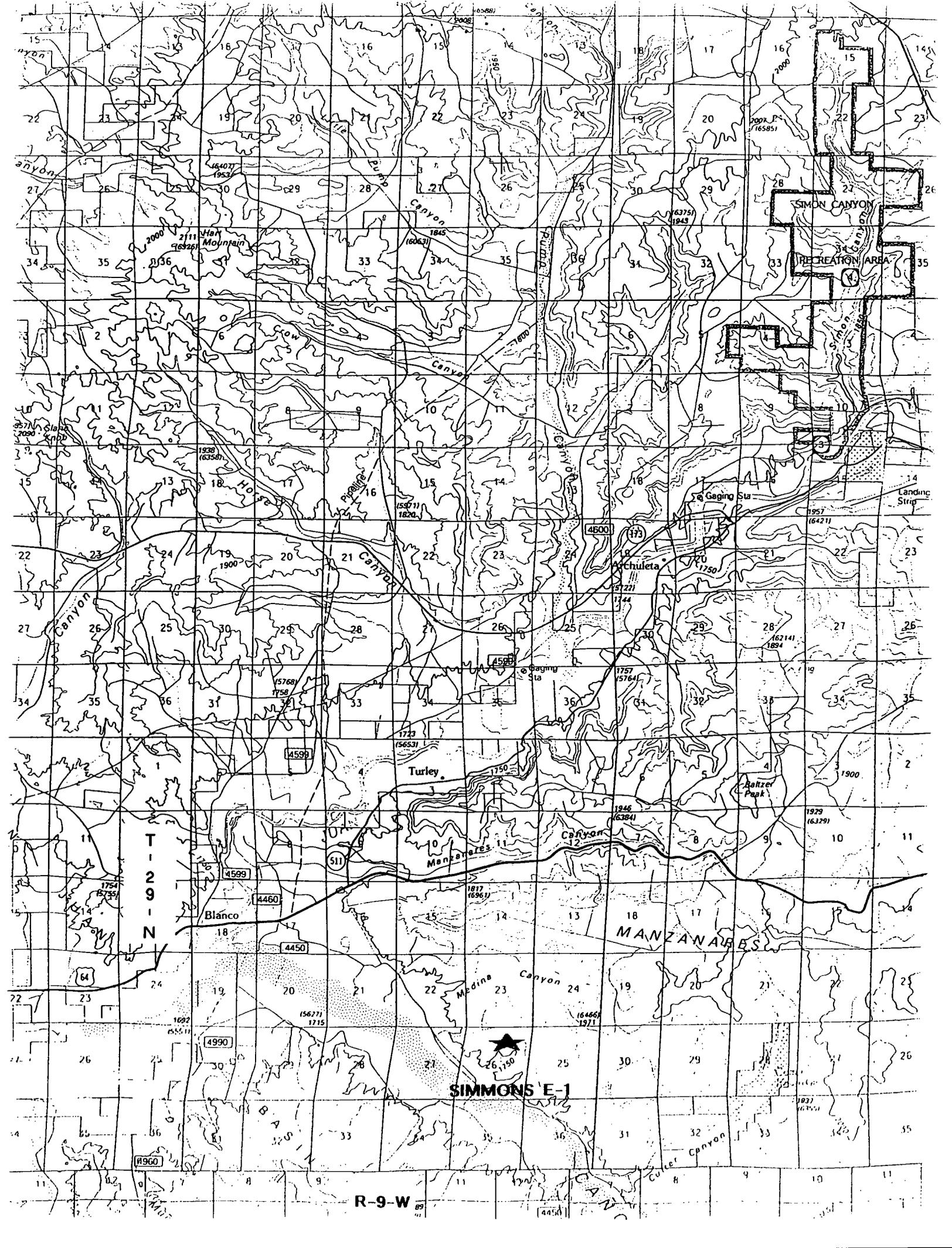
UL or lot no. G	Section 26	Township 29 North	Range 9 West	Lot Idn	Feet from the 1390.47	North/South line North	Feet from the 1827.2	East/West line East	County San Juan
--------------------	---------------	----------------------	-----------------	---------	--------------------------	---------------------------	-------------------------	------------------------	--------------------

12. Dedicated Acres 320	13. Joint or Infill	14. Consolidation Code	15. Order No.
----------------------------	---------------------	------------------------	---------------

**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.	SURFACE LOCATION		17. OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Robert I. Craabb Printed Name Agent for D.J. Simmons Company, Ltd. Title Date <u>July 31, 1995</u>
	BOTTOM HOLE LOCATION		
RECEIVED AUG - 1 1995			18. 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 belief. Date of Survey Signature and Seal of Professional Surveyor Certificate Number
OIL CON. DIV. DIST. 3			





SIMMONS E-1

R-9-W

ENGINEERING NOTES

DISCUSSION

The Simmons E-1, is a Mesa Verde open hole completion drilled by D. J. Simmons Company in 1952. The well is located at 790' FNL x 1550' FEL, Section 26, T29N, R9W, San Juan County New Mexico. Diagram 1 details the wellbore geometry of the well. Of primary interest, note that 7", 23 ppf, casing was set to 3960' (bore hole diameter 8 3/4"). The casing was cemented with 300 sks. Calculations indicate that the maximum top of the cement in the 7" casing by 8 3/4" hole annulus is 1664 ft, assuming no shrinkage or lost returns. In all likelihood, the cement top is much deeper. Usually, current day primary cement job calculations utilize a 50% excess factor to cover lost returns and shrinkage. Below the casing the Mesa Verde was drilled with a 6 1/4" hole to 4848', and completed by 1952 open hole methods. The top of the Ojo Alamo, a known water producing zone is 1330 ft, well above the possible top of the cement in this well bore.

In 1990, D. J. Simmons company drilled the A. B. Geren No. 5, on the same well pad as the Simmons E-1. The A. B. Geren No. 5 is a Fruitland Coal well located at 872' FNL x 1490' FEL, Section 26. The distance between the center lines of the two well bores is 101.64 ft, assuming no down hole deviation in either well. 4 1/2", 10.5 ppf casing was run and cemented at 2449'. The Fruitland Coal sections were perforated from 2178 - 85, 2286 - 2300, 2310 - 15, and 2361 - 76 at 4 jspf. The coals were fractured with 55,000 lbs of sand and 71,400 gals of gelled water.

The A. B. Geren No. 5 produced significant amounts of water. Efforts to "de-water" the coal section, by compression and pumping, were not successful. Production records from offset coal wells indicate that "de-watering" should have been successful. In June of 1992, D. J. Simmons Company, ran a CBL log and tested the producing coal sections to attempt to determine the zones of water entry in the well. The top set of perforations 2178 -2185, were squeezed with 515 sks of cement. The bottom perforations 2361 - 2376, were treated with 500 gals of 15% HCL. Pump and rods were re-ran and the well was returned to production. Produced water volumes did not diminish.

By reviewing the operational data, D. J. Simmons Company engineers, and On Site Technologies consulting engineers have determined that it is probable that the original fracture treatment performed in the coal sections of the A. B. Geren No. 5, created a fracture that intersected the well bore of the Simmons E-1, and connected the uncemented Ojo Alamo zone to the open perforations in the A. B. Geren No. 5. This possibility is supported by the unabated water production in the A. B. Geren No. 5 when compared to the water production of offset coal wells. Workover and squeeze operations on the A. B. Geren No. 5 have proven to be unsuccessful in shutting off the water.

To correct the situation, D. J. Simmons Company proposes to workover the Simmons E-1 well. It is desirable to prepare the E-1 for a Mesa Verde side track designed to penetrate the producing Mesa Verde intervals at some distance from the original open hole completion. During the course of the side track preparation, secondary squeeze cementing operations would be conducted, insuring that the existing 7" casing is cemented to the surface. Special efforts would be made to squeeze off the Ojo Alamo, and any other potential water production zones. These secondary cementing operations should produce a two-fold advantage in preparing the E-1 for sidetrack, and squeezing off the water producing sections that the fracture treatment of the A. B. Geren No. 5 probably intersected.

After secondary cementing operations are completed in the E-1, the A. B. Geren No. 5 will be retested to determine the success of the water shut off. If this is not successful, plugging and abandonment procedures for the A. B. Geren No. 5 will be prepared. If the operations are successful, the A. B. Geren No. 5 will be returned to production.



22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS

Simmons E-1

Blanco Mesa Verde Sidetrack
Directional Drilling Plan
Engineering Calculations

On Site Technologies Ltd.
R. Griffin
7/21/95

Simons L-1
Blanco MV Sidewalk

Operations Outline

1. Plug back open hole to 3800'. 160' inside 7" csg set @ 3460'.
2. Repair 7" x 8 3/4" annulus by squeeze cementing.
Cement to Surface.
3. Cut Window in 7" csg 3700 - 3850'.
4. Directionally drill 6 1/2" hole to target
 - a. KOP = 3800'
 - b. Build @ 10°/100' to 44° @ 4240' M.D. § 4198' TVD
 - c. Target Location - bottom of Point Lookout
608.66' South and 351.41' West of Surface Locn
Legal coordinates BHL:
1340.47 FNL x 1827.2 FEL
5. Log. Run "4 1/2" csg to surface. Cement TD to 3600' inside 7" csg.
6. Perf § Frac Mesa Verde sands.

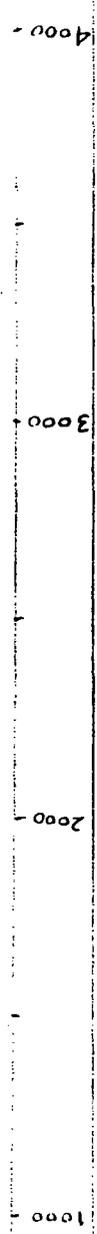
Note - Irregular Section



22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS



22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS



Nitro STA Operator
 Contrition, 12/16/1952

7" 23 PPT, JSS, STC
 @ 3960'

2 3/8" 1.7 PPT J-SS EUC
 tubing
 probably stuck in
 operator

1664 Maximum TOC

Simmons E-1
 Current Wellbore Schematic
 @ 150' 2 3/8" 3.2 PPT

R. G. FEAR
 On Site Technologies Ltd

1330 Ojo Alamo

2178 Frontland

2364 P.C.
 2455

Lewis

3485 Chorro
 3510

Lewis

4040 Guff House
 4150

Mudstone

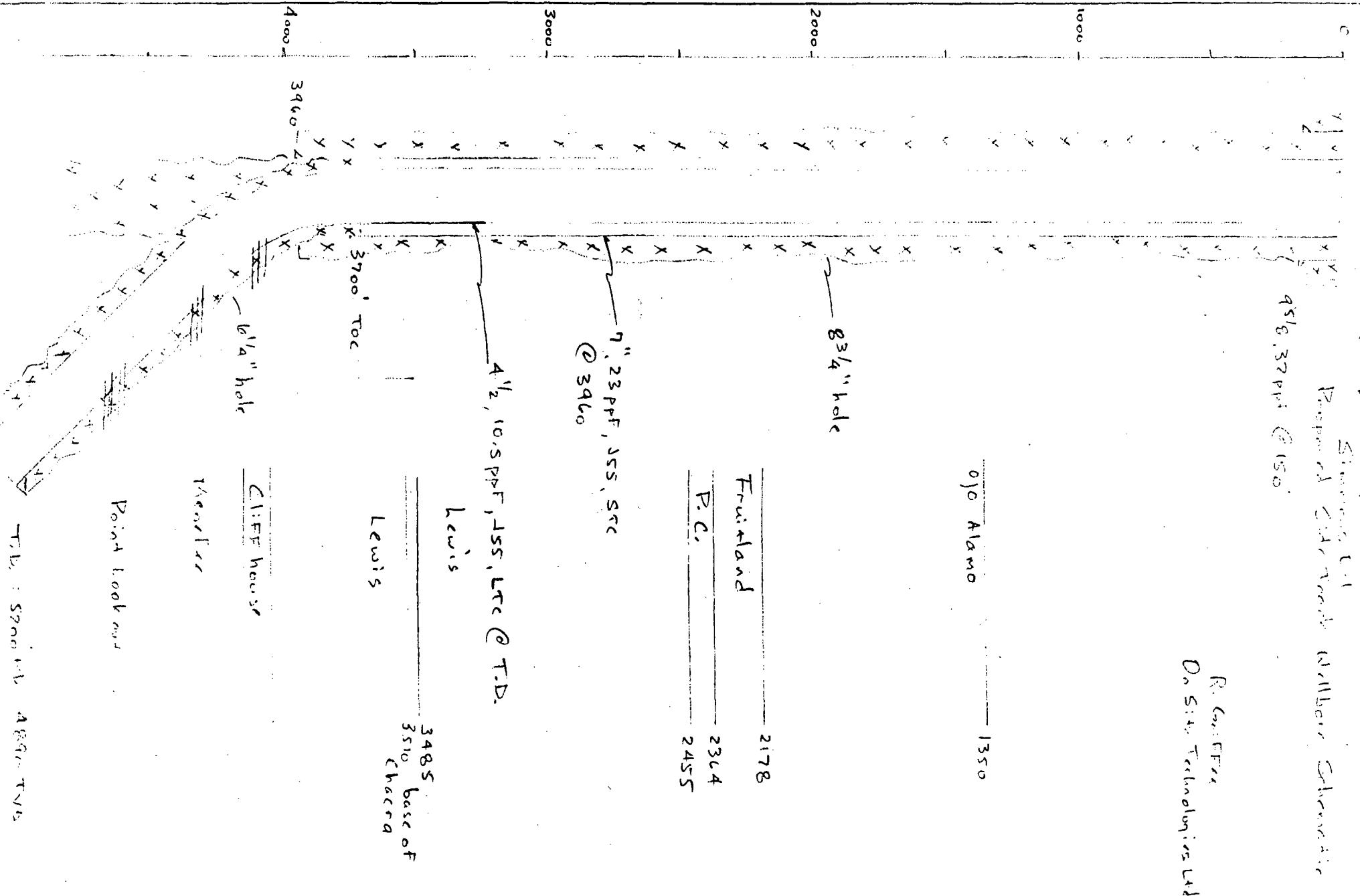
4595

4760

Mudstone



22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS



Simonson Ltd
 Proposed S.A.R. Road William Schramatic
 95' @ 150'

R. GONZALEZ
 On Site Technology Ltd

ojo Alamo 1350

Fruitland 2178

P.C. 2364
 2455

8 3/4" hole
 7" 23 PPF, JSS, SRC @ 3960
 4 1/2" 10.5 PPF, JSS, LTC @ T.D.

Lewis
 Lewis
 3485
 base of
 Chacra

CLIFF house

Markers

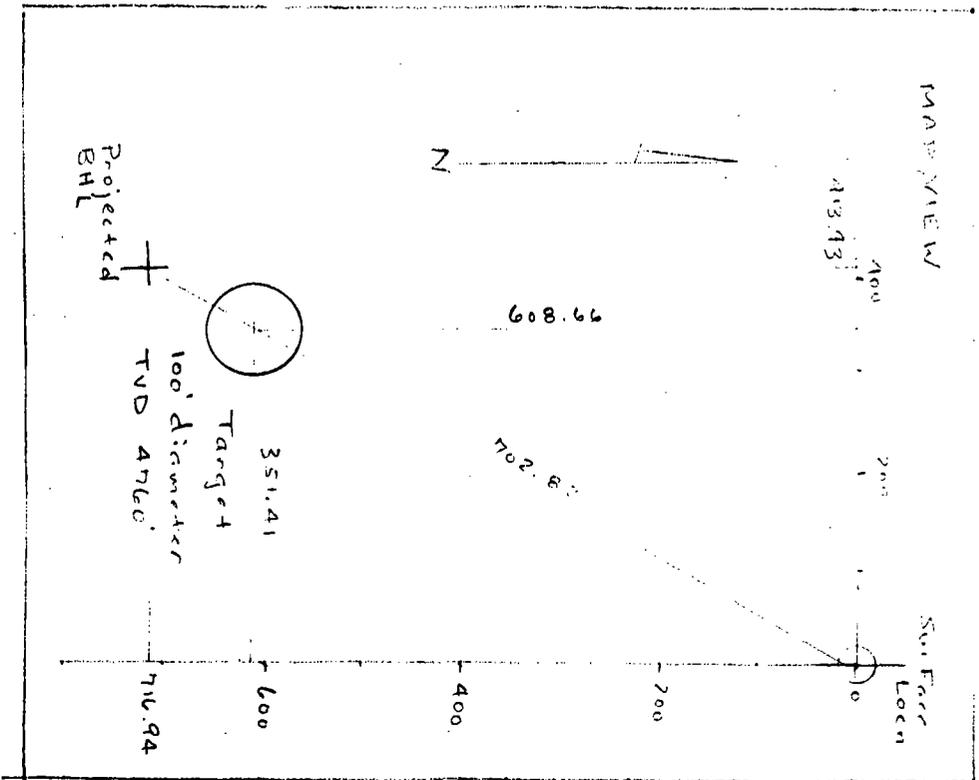
Point Lookout

T.B. 5700' to 4850' T.V.

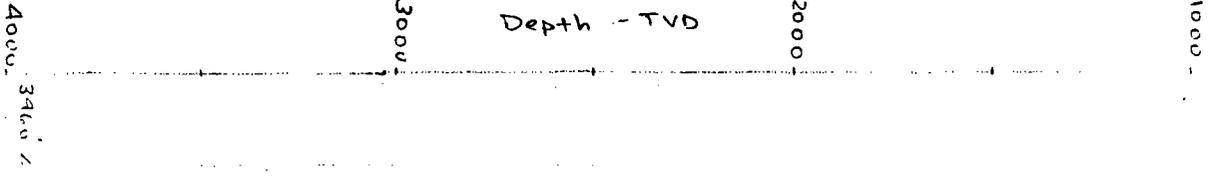


22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS

Simmons E-1 Directional Drilling



Depth - TVD



Lewis

Lewis Stair

Window

3800' KOP

MAX angle 44'

Cliff House

Blender

Point Labrum

R. GRIFFIN
 On Site Technologies Ltd

3485 Chacra
 3510

4040'
 4150'

500

600

700

800

900

Simmons E-1

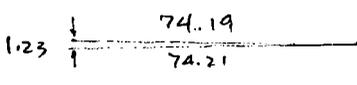
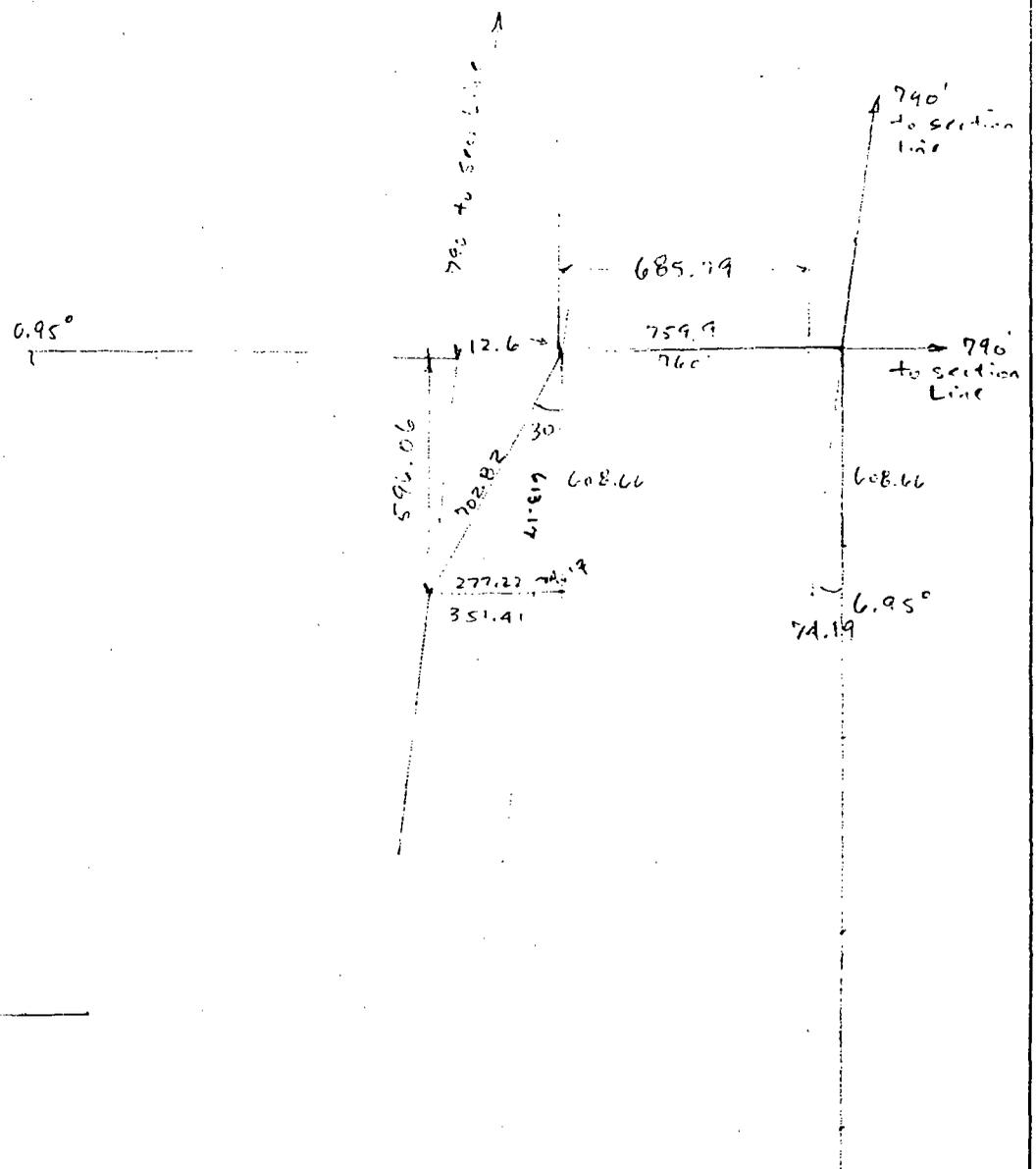
Build rate 10 deg/100 ft

Measured Delta Depth	Inclination Course	avg (degrees)	Direction	Delta TVD	Delta Departure	Total TVD	Total Departure	South Delta	West Delta	South Coor	West Coor
Original Vertical Section											
0	0										
3800	3800	0	0 S30W	0.00	0.00	3800.00	0.00	0.00	0.00	0.00	0.00
Kick Off Point:		3800									
Build Section											
3800		0	0 S30W	0.00	0.00	3800.00	0.00	0.00	0.00		
3900	100	10	5 S30W	99.62	8.72	3899.62	8.72	7.55	4.36	7.55	4.36
4000	100	20	15 S30W	96.59	25.88	3996.21	34.60	22.41	12.94	29.96	17.30
4100	100	30	25 S30W	90.63	42.26	4086.84	76.86	36.60	21.13	66.56	38.43
4200	100	40	35 S30W	81.92	57.36	4168.76	134.22	49.67	28.68	116.24	67.11
4240	40	44	42 S30W	29.73	26.77	4198.48	160.98	23.18	13.38	139.41	80.49
Hold Point:		4240									
Hold Section											
4300	60	44	44 S30W	43.16	41.68	4241.64	202.66	36.10	20.84	175.51	101.33
4400	100	44	44 S30W	71.93	69.47	4313.58	272.13	60.16	34.73	235.67	136.06
4500	100	44	44 S30W	71.93	69.47	4385.51	341.59	60.16	34.73	295.83	170.80
4600	100	44	44 S30W	71.93	69.47	4457.45	411.06	60.16	34.73	355.99	205.53
4700	100	44	44 S30W	71.93	69.47	4529.38	480.53	60.16	34.73	416.15	240.26
4800	100	44	44 S30W	71.93	69.47	4601.31	549.99	60.16	34.73	476.31	275.00
4900	100	44	44 S30W	71.93	69.47	4673.25	619.46	60.16	34.73	536.47	309.73
5000	100	44	44 S30W	71.93	69.47	4745.18	688.92	60.16	34.73	596.62	344.46
5020	20	44	44 S30W	14.39	13.89	4759.57	702.82	12.03	6.95	608.66	351.41
5100	80	44	44 S30W	57.55	55.57	4817.12	758.39	48.13	27.79	656.78	379.19
5200	100	44	44 S30W	71.93	69.47	4889.05	827.85	60.16	34.73	716.94	413.93



Calculations

22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS

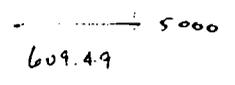
$6^{\circ}57' = 6.95^{\circ}$
 $5000 \div \cos 6.95 = 5037.01$
 $5037.01 \times \sin 6.95 = 609.49$
 $57' = .95^{\circ}$
 $5000 \div \cos .95 = 5000.69$
 $5000.69 \times \sin .95 = 82.91$
 $760 \cos .95 = 759.90$
 $759.9 \sin .95 = 12.6$
 $608.66 \div \cos 6.95 = 613.17$
 $613.17 \times \sin 6.95 = 74.19$
 $74.19 \div \cos .95 = 74.21$
 $74.21 \times \sin .95 = 1.23$

$608.66 \div \cos 6.95 = 613.17$
 $613.17 \times \sin 6.95 = 74.19$

$596.06 \div \cos 6.95 = 600.47$

$600.47 + 790 = 1390.47 \text{ FNL}$

$790 + 685.79 + 351.41 = 1827.2 \text{ FEL}$



Mr. Van Goebel
Meridian Oil & Gas, Inc.
P.O. Box 42489
Farmington, NM 87499

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL TO INTENTIONALLY
DEVIATE A WELL FROM VERTICAL**

Dear Mr. Goebel:

On behalf of D J. Simmons Company, Ltd., On Site Technologies, Ltd. is applying for administrative approval to sidetrack for the four following well locations:

HAMNER A-1, SECTION 21, T-29-N, R-9-W
SIMMONS E-1, SECTION 26, T-29-N, R-9-W
SIMMONS E-2, SECTION 23, T-29-N, R-9-W
SIMMONS S-1, SECTION 25, T-29-N, R-9-W

These four locations were completed in the early 1950's as open hole completions. It is our belief that by sidetracking with modern technological methods, we can obtain improved drainage of the unit while remaining within the drilling window.

If you, as an offset operator, have no objections to this proposed action, please sign the attached waivers and return one copy of the signed document to the NMOCD in Aztec and the original to On Site Technologies, Ltd. I have enclosed self addressed envelopes for your convenience.

If you have any questions, regarding this application, please contact me.

Thank you for your assistance.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert L. Crabb". The signature is fluid and cursive, with a large, sweeping initial "R".

Robert L. Crabb
Agent for D J. Simmons Company, Ltd.

enclosures

cc: D.J. Simmons Company, Ltd
NMOCD

Mr. Pete Mueller
Amoco, Inc.
P.O. Box 800
Denver, CO 80701

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL TO INTENTIONALLY
DEVIATE A WELL FROM VERTICAL**

Dear Mr. Mueller:

On behalf of D J. Simmons Company, Ltd., On Site Technologies, Ltd. is applying for administrative approval to sidetrack for the four following well locations:

- HAMNER A-1, SECTION 21, T-29-N, R-9-W
- SIMMONS E-1, SECTION 26, T-29-N, R-9-W
- SIMMONS E-2, SECTION 23, T-29-N, R-9-W
- SIMMONS S-1, SECTION 25, T-29-N, R-9-W

These four locations were completed in the early 1950's as open hole completions. It is our belief that by sidetracking with modern technological methods, we can obtain improved drainage of the unit while remaining within the drilling window.

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Thank you for your assistance.

Yours truly,



Robert L. Crabb
Agent for D J. Simmons Company, Ltd.

enclosures
cc: D J. Simmons Company, Ltd.
NMOCD

