

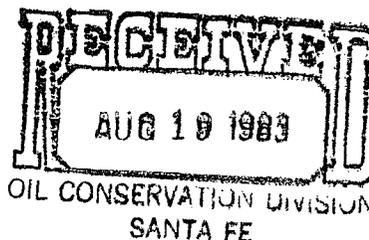
AL KLAAR
VICE-PRESIDENT
ENGINEERING

*NSL 1733
East Grama Ridge
Atoka and/or Morrow
Rule 104 F
9-8-83*

MINERALS, INC.

P. O. Box 1320 PHONE 505 393-2153
HOBBS, NEW MEXICO 88240

August 18, 1983



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Administrative
Approval, Unorthodox Location,
Gov't. "A" #2
E/2 of Sec. 10, T-22-S, R-34-E
Lea County, New Mexico

Attention: Mr. Joe D. Ramey

Gentlemen:

Minerals, Inc. hereby makes application for administrative approval of an unorthodox gas well location under the provision stipulated in Statewide Rule 104(F). The following is presented in support thereof:

1. Minerals, Inc. seeks approval of unorthodox gas well location for its Government "A" #2 Well, which is proposed to be drilled 990'FNL and 660'FEL of Section 10, Township 22 South, Range 34 East in Lea County, New Mexico.
2. The subject well is proposed to test the Grama Ridge East, Atoka, and Morrow Gas Formations.
3. Minerals, Inc. proposes to dedicate the east half of Section 10 to the subject well to form a uniform 320 acre proration unit.
4. The necessity of the subject location is due to geologic conditions which are interpreted to exist in the area. In addition, a shallow dry hole exists at the nearest legal location (1980'FNL and 660'FEL).
5. In support of this application, the following exhibits are attached:
 - a. Exhibit No. 1 is a plat depicting the ownership of all leases and wells completed, offsetting the subject lease.
 - b. Exhibit No. 2 is a certified Form C-102, showing the surveyed well location and proposed spacing.
 - c. Exhibit No. 3 is a list of all the operators of proration or spacing units offsetting the subject well.

- d. Exhibit No. 4 is a Geologic Structure Map of the subject area contoured on top of the Morrow Clastics Formation.
 - e. Exhibit No. 5a is a stratigraphic cross-section from north to south through the subject lease and Exhibit No. 5b is a stratigraphic cross-section from east to west through the subject lease.
 - f. Exhibit No. 6 is a discussion of the geologic conditions supporting the proposed location.
6. Minerals, Inc. as Applicant, certifies that, as of the date of this application, notification of the same was forwarded by certified mail to each offset operator listed in Exhibit No. 3. Therefore, the Applicant respectfully requests that action be taken on this application, if no objection is entered by an offset operator within 20 days of receipt, as stipulated in Rule 104(F), paragraph IV.

If there are any questions concerning this matter, please contact Don Matthews (505/393-2153) in our Hobbs office.

Very truly yours,

MINERALS, INC.



Al Klaar

AK/DRM:nvz

Attachments

xc: Donald L. Garey

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Minerals File No. MI.08.78.83

OIL CONSERVATION DIVISION
DISTRICT I

RECEIVED
AUG 26 1983
OIL CONSERVATION DIVISION
SANTA FE

NSL-
1733

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

DATE August 22, 1983

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed HSP _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

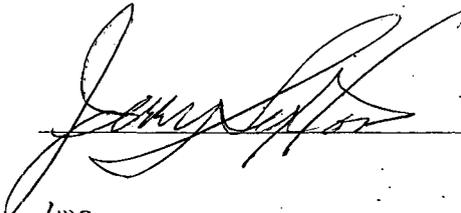
I have examined the application for the:

Minerals Inc. Government "A" No. 2- 10-22-34
Operator Lease and Well No. Unit, S - T - R

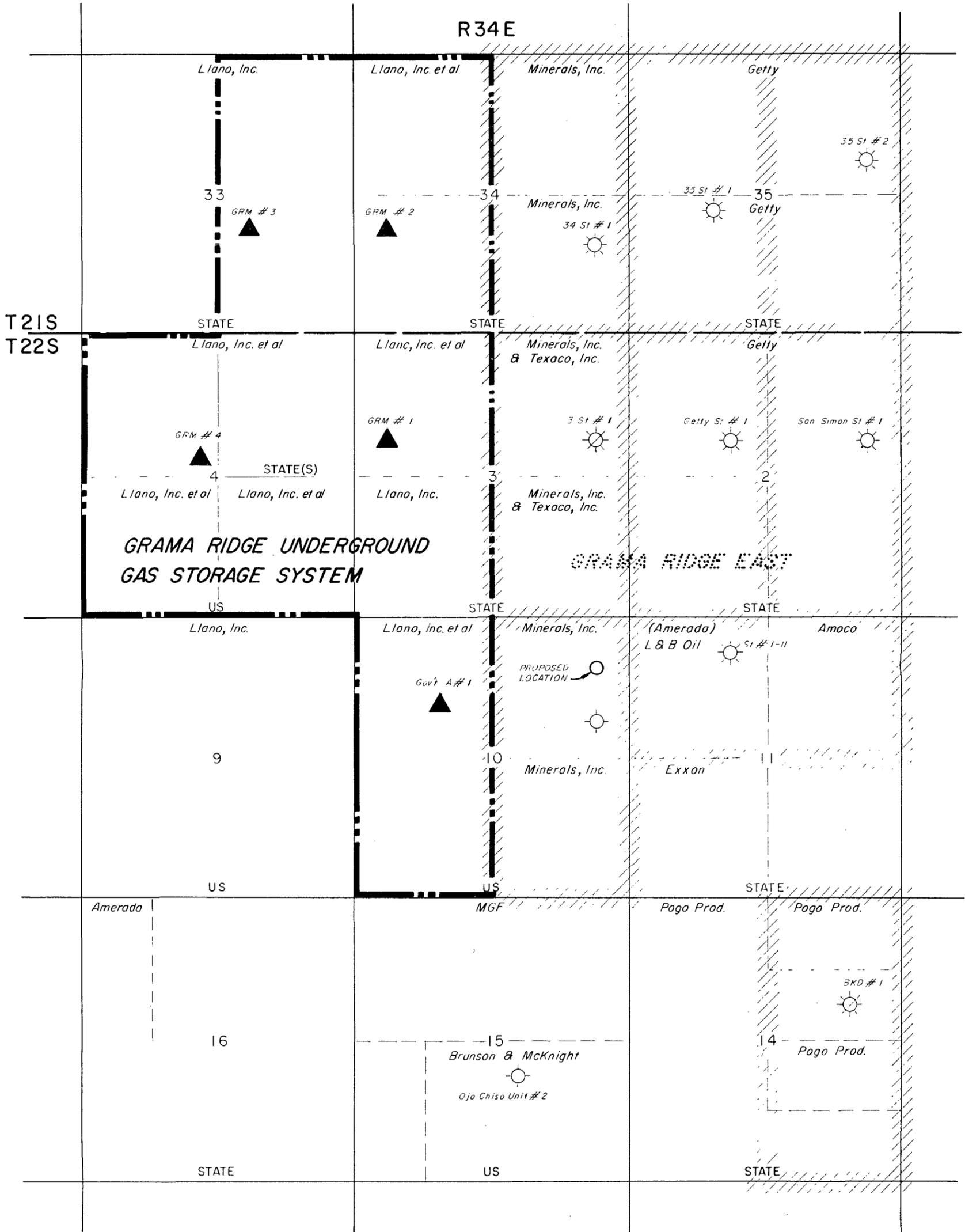
and my recommendations are as follows:

O.K.-----J.S.

Yours very truly,



/mc



////// DENOTES PRORATION UNIT

MINERALS, INC.
GRAMA RIDGE BASE MAP
LEA COUNTY, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION
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.

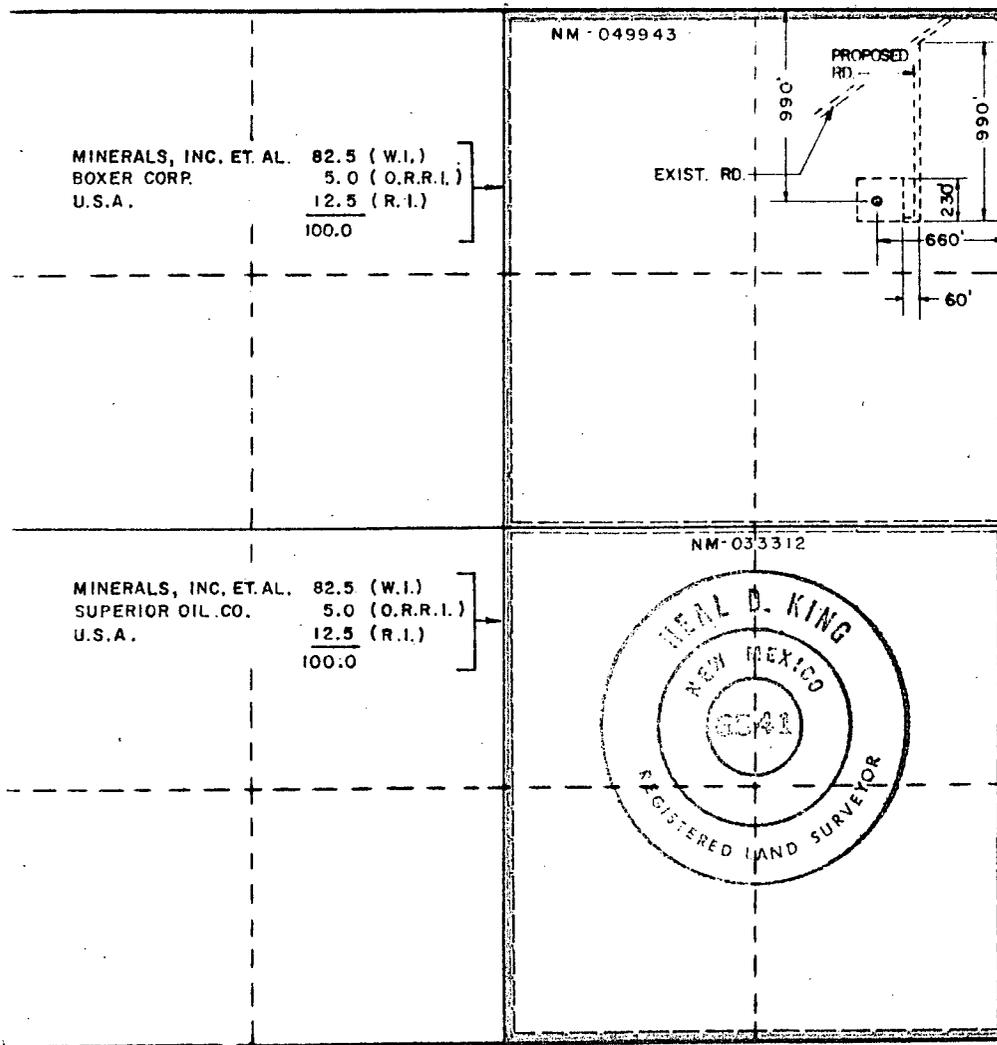
Operator Minerals, Inc.		Lease Government "A"			Well No. 2
Section Letter A	Section 10	Township 22 South	Range 34 East	County Lea	
Actual Footage Location of Well: 990 feet from the North line and 660 feet from the East line					
Ground Level Elev. 3575.0	Producing Formation Morrow	Pool East Grama Ridge	Dedicated Acreage: 320 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 Communitization Agreement SW-357

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.

Al Klaar

Name	Al Klaar
Position	Vice President
Company	Minerals, Inc.
Date	August 17, 1983

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	June 22, 1983
Registered Professional Engineer and/or Land Surveyor	<i>Neal D. King</i> R.L.S.
Certificate No.	6541

EXHIBIT #3

Offset Operators

Exxon Company, U. S. A.
Box 1600, Exxon Bldg.
Midland, TX 79701

Getty Oil Co.
Box 730
Hobbs, NM 88240

L & B Oil Co.
2600 S. Gessner, Suite 220
Houston, TX 77063

Llano, Inc.
P. O. Box 1320
Hobbs, NM 88240

MGF Oil Corporation
Box 360
Midland, TX 79702

Pogo Producing Co.
Box 10340
Midland, TX 79702

Texaco, Inc.
Box 728
Hobbs, NM 88240

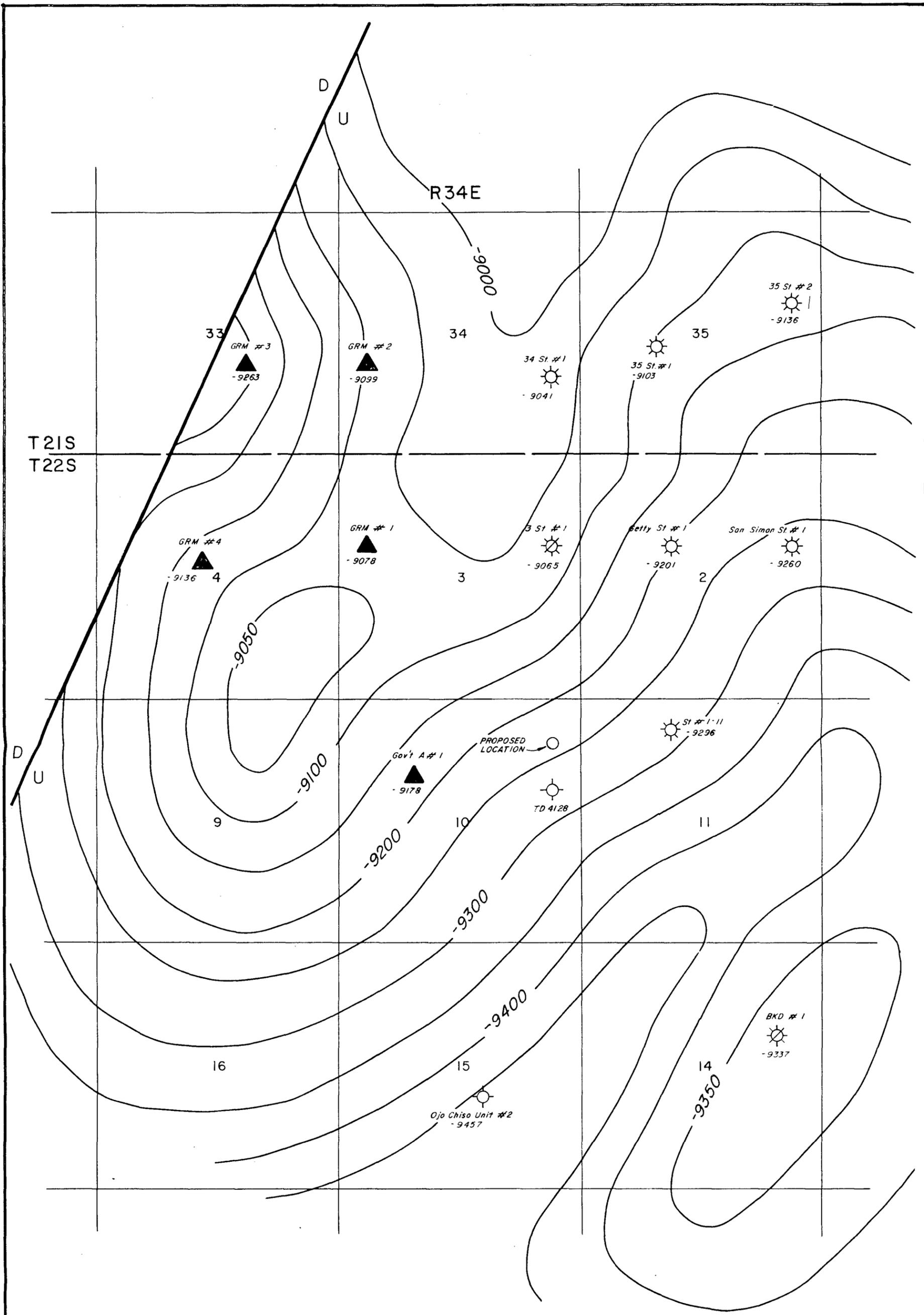


EXHIBIT N^o 4

MINERALS, INC.
 STRUCTURAL CONTOURS ON TOP OF
 MORROW CLASTICS
 C. I. = 50'
 GRAMA RIDGE AREA
 LEA COUNTY, NEW MEXICO

EXHIBIT #6

Geologic Conditions

The proposed location of the Government "A" No. 2 in the E/2 of Section 10 will become part of the East Grama Ridge Morrow Field. Immediately to the west and northwest of this location, Llano, Inc. operates the five wells in the Grama Ridge Morrow Field, which have been unitized into an underground gas storage system. This underground gas storage system has been in operation for the past ten years. Separation of the Grama Ridge Morrow Field from the East Grama Ridge Morrow Field has been established by Llano, Inc., Minerals, Inc., and other offset operators through bottomhole pressure analysis of the Morrow interval.

A drilling location at 990'FNL and 660'FEL of Section 10, T-22-S, R-34-E is requested. As illustrated in other exhibits attached, a shallow, plugged and abandoned well is located at the northeasternmost legal location for the E/2 of Section 10. Based on completion attempts to the south and to the east and northeast of the proposed location, it is apparent that the Morrow sands either produce water down dip or tend to shale out and lose porosity down dip. Several wells in the immediate area have found productive Morrow sands above the Morrow Clastics Marker. In each of those instances, these sands were structurally equivalent or higher than anticipated at the proposed location.

This proposed location (990'FNL and 660'FEL) has the best chance of encountering producible gas reserves above and below the Morrow Clastics Marker.