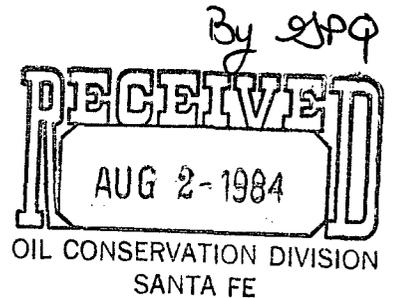


STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION  
OF FLORIDA EXPLORATION COMPANY  
FOR AN UNORTHODOX WELL LOCATION  
EDDY COUNTY, NEW MEXICO

CASE NO.

*NSL-1859*  
*RULE 104FI*  
*Release Aug. 22/1984*

APPLICATION

FEDERAL LEASE

Florida Exploration Company, 3151 South Vaughn Way, Suite 200, Aurora, Colorado 80014, hereby makes application for administrative approval by the Director of the Division of an unorthodox gas well location and in support thereof shows:

1. That applicant, Florida Exploration Company, for topographic reasons, seeks approval of an unorthodox gas well location for its Chama Federal Com No. 1 to be drilled 780 feet from the North line and 1350 feet from the East line of Section 11, Township 22 South, Range 24 East, N.M.P.M., to test the upper and lower Penn (Cisco-Canyon) formation or 8900 feet, McKittrick Hills (Uhd.) <sup>gas Pool</sup> Eddy County, New Mexico.

2. That applicant proposes to dedicate the North half of Section 11, Township 22 South, Range 24 East to said well.

3. That the location staked for this well was selected in conjunction with BLM representatives, experienced registered surveyors and dirt contractors as an alternative to an orthodox location and as near to the center of the Northeast quarter of said Section 11 as is topographically practical. Slopes in the area of an orthodox location in the Northeast quarter are in the 20 degree to 30 degree range which would require considerable

amounts of cut and fill for an access road and a drill pad. This alternative location is situated on a small plateau which should significantly reduce surface disturbance and the need for extensive rehabilitation.

4. That a plat showing the topographic conditions as set forth hereinabove is attached as Exhibit A.

5. A plat showing the proration or spacing units offsetting the unit for the unorthodox location and all wells completed thereon is attached hereto as Exhibit B. A well location and acreage dedication plat is attached as Exhibit C.

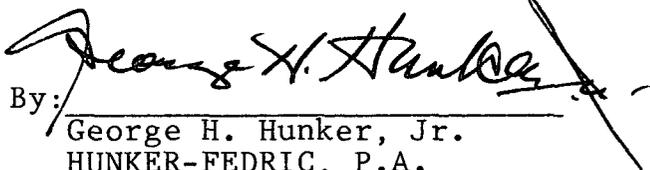
6. Copies of this Application are being mailed by Certified Mail to all of the owners of oil and gas leases covering proration units offsetting the North half of Section 11. A list of the names and addresses of such owners to whom notice is being mailed as of the date of this Application is attached as Exhibit D.

7. That the approval of the subject application will afford applicant an opportunity to produce its just and equitable share of the gas and oil in the McKittrick Hills (Und.) Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

Applicant requests that this Application be processed immediately as to form and content and that unless an earlier approval is permitted under Division Rules, that this Application for an unorthodox gas well location be approved within 20 days after the Director has received the application.

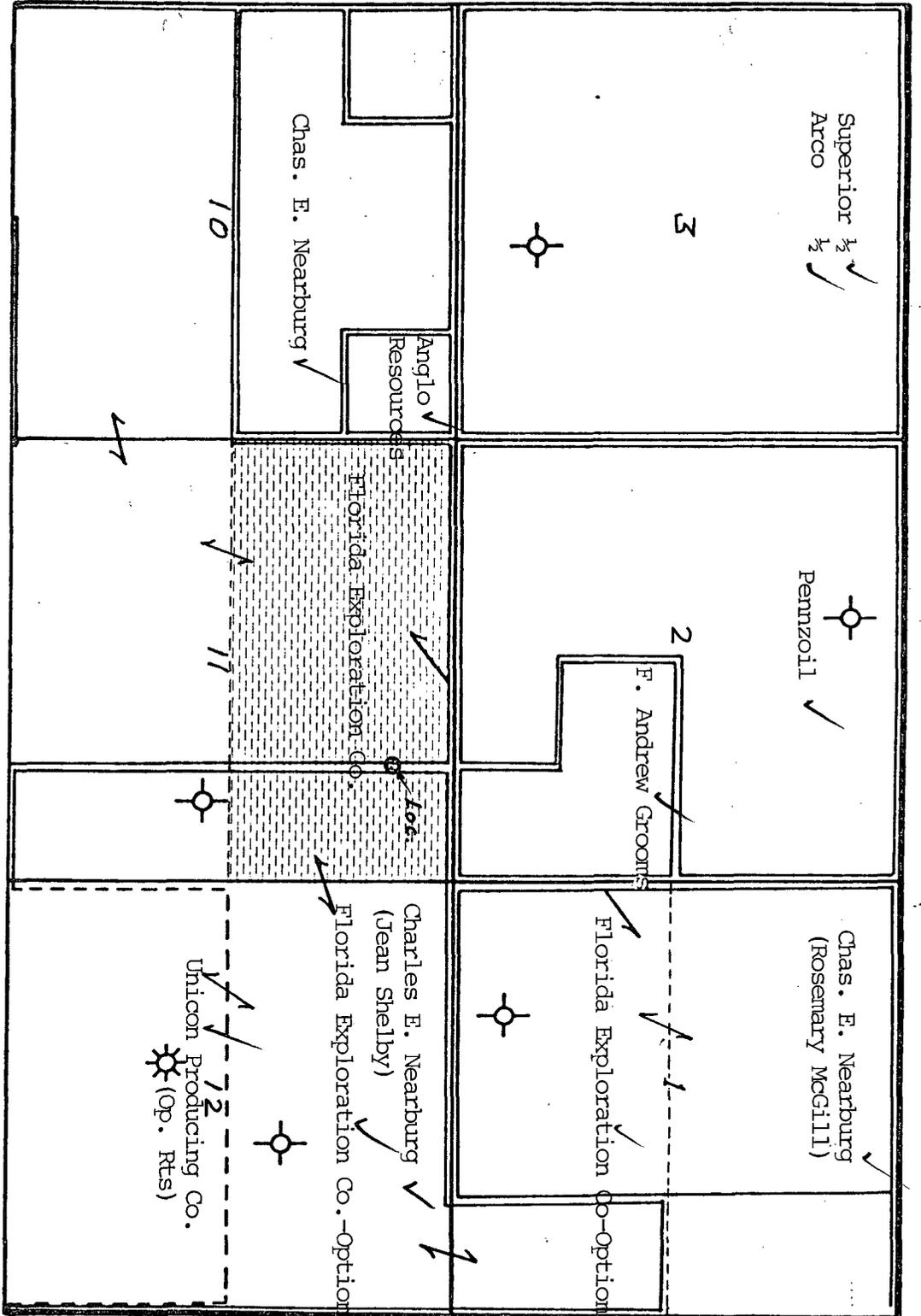
DATED at Roswell, New Mexico this 31<sup>st</sup> day of July,  
1984.

Respectfully submitted,  
FLORIDA EXPLORATION CO.

By:   
George H. Hunker, Jr.  
HUNKER-FEDRIC, P.A.  
Attorneys for Applicant  
P.O. Box 1837  
Roswell, New Mexico 88202



R. 24 E.



T  
22  
S.

Chama - Federal No. 11-1

780' FNL - 1350' FEL

Section 11, Twp. 22 S, Rge 24 E.

Eddy Co. New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

Exhibit C

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

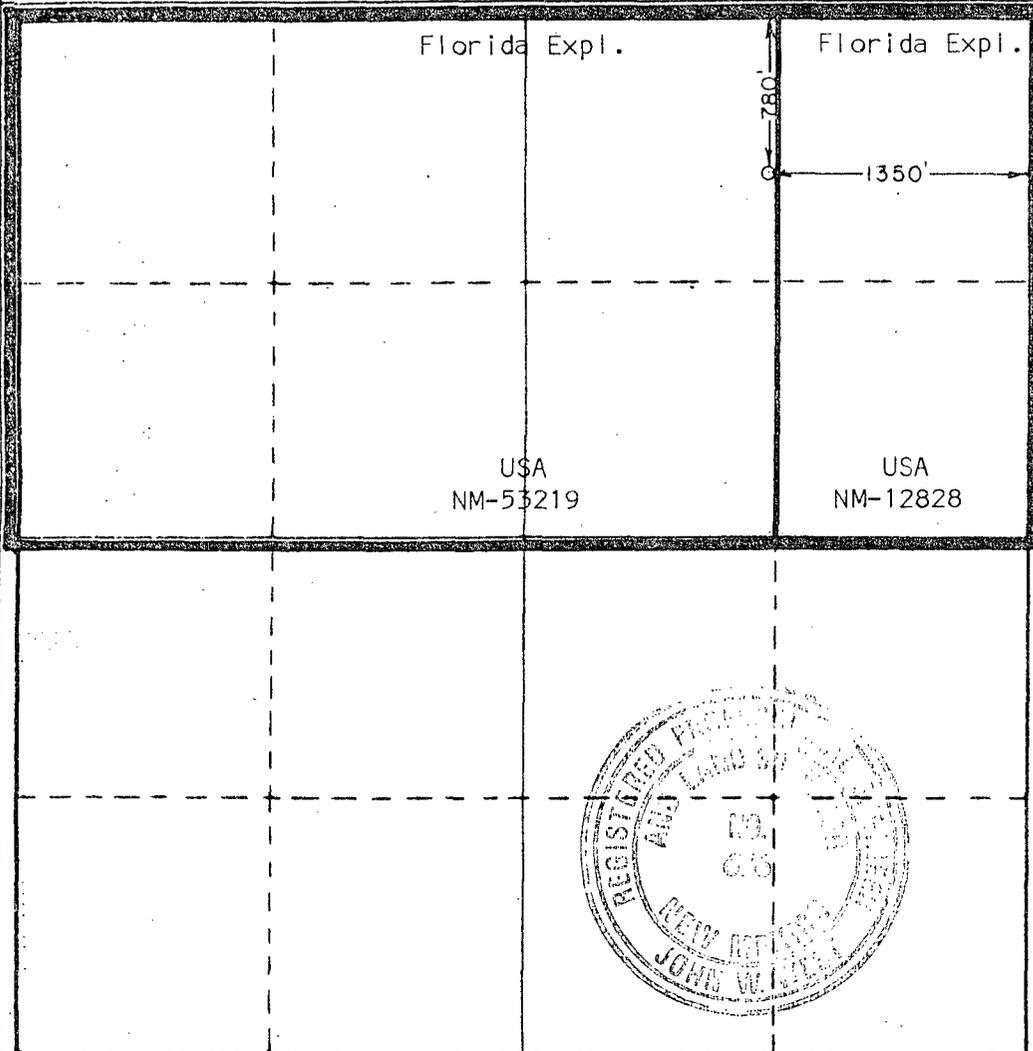
Operator <b>FLORIDA EXPLORATION CO.</b>		Lease <b>CHAMA FED COM</b>		Well No. <b>1</b>
Unit Letter <b>B</b>	Section <b>11</b>	Township <b>22S</b>	Range <b>24E</b>	County <b>EDDY</b>
Actual Footage Location of Well: <b>780</b> feet from the <b>NORTH</b> line and <b>1350</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>4095'</b>	Producing Formation <b>Upper &amp; Lower Penn</b>	Pool <b>McKittrick Hills (Und.)</b>	Dedicated Acreage: <b>320</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 Common working interest.  
 Communitization Agreement is being processed.

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.



<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>James A. Knauf</i>	
Name	James A. Knauf
Position	Agent
Company	FLORIDA EXPLORATION CO.
Date	July 20, 1984
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	7/17/84
Registered Professional Engineer and/or Land Surveyor	<i>John W. West</i>
Certificate No.	JOHN W. WEST, 676
	RONALD J. EIDSON, 3239



Exhibit D

Owners of Proration Units offsetting N/2 of Section 11, Township  
22 South, Range 24 East:

1. F. Andrew Grooms ✓  
105 West Third Street  
P.O. Box 908  
Roswell, New Mexico 88201
2. Unicon Producing Company ✓  
c/o Florida Exploration Company  
3151 South Vaughn Way, Suite 200  
Aurora, Colorado 80014
3. Charles E. Nearburg ✓  
Chama Petroleum Company  
5447 Glen Lakes Drive  
P.O. Box 31405  
Dallas, Texas 75231
4. Pennzoil Company ✓  
P.O. Box 1828  
Midland, Texas 79701
5. The Superior Oil Company ✓  
P.O. Box 1900  
Midland, Texas 79701
6. Arco Oil and Gas Company ✓  
P.O. Box 1610  
Midland, Texas 79701
7. Anglo Resources, Incorporated ✓  
800 North Marienfeld  
Midland, Texas 79701

LAW OFFICES OF  
HUNKER-FEDRIC, P. A.  
SUITE 210, HINKLE BUILDING  
POST OFFICE BOX 1837  
ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

TELEPHONE 622-2700  
AREA CODE 505

August 17, 1894

Mr. Joe D. Ramey, Director  
Oil Conservation Division  
State Land Office Building  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Florida Exploration Co.  
Unorthodox Location  
Chama Petroleum Co.  
No. 1 Federal Com"  
T-22-S, R-24-E  
Section 11: N/2  
980' from the North line  
1350' from the East line  
Eddy County, New Mexico

Dear Mr. Ramey:

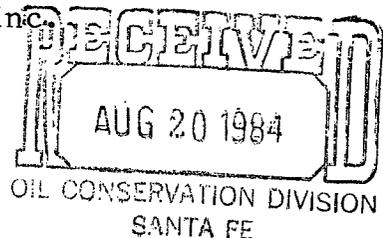
In connection with Florida Exploration Company's application for administrative approval of an unorthodox location (above described) we would make the following supplemental showing:

1. A waiver of objections has been received from Charles E. Nearburg. Nearburg farmed out a drill site tract to Florida. Nearburg is the owner of offsetting tracts embracing N/2 Section 12; all Section 1 except lot 1 and the SE/4NE/4; the NW/4NE/4, NE/4NW/4, S/2N/2, and the S/2 of Section 10; and all of Section 11. Under the Farmout Florida has the option to drill the N/2 of Section 12 and the S/2 of Section 1.

2. A waiver has been obtained from F. A. Andrew Grooms, the owner of the E/2SE/4 and NW/4SE/4, Section 2, Township 22 South, Range 24 East.

3. A waiver has been received from Pennzoil Company, the owner of N/2, SW/4, and SW/4SE/4 of Section 2, Township 22 South, Range 24 East.

4. A waiver has been obtained from Rosewood Resources (P.O.C.), Inc., the owner of the NE/4NE/4 of Section 10, Township 22 South, Range 24 East. Rosewood Resources has acquired all interest in this 40 acre tract from Anglo Resources, Inc.



Mr. Joe D. Ramey  
August 17, 1984  
Page 2

4. The S/2 of Section 12 is owned by Florida and Unicon and a waiver has been obtained from Unicon.

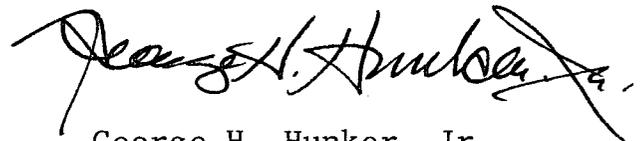
5. As to the Superior - Arco tract in the E/2 of Section 3, Township 22 South, Range 24 East (a touching parcel), the Superior Oil Company advises us that the United States of America Oil and Gas Lease NM0673 terminated in February of 1984. This has been verified in the local office of the BLM. Arco has nevertheless consented to the unorthodox location sought by Florida. Superior felt that it would be meaningless for them to consent.

As evidence of Florida's compliance of the rules, copies of all of the original waivers are enclosed for the file of the Division.

Thank you for the prompt approval of Florida's application.

Sincerely yours,

HUNKER-FEDRIC, P.A.

A handwritten signature in cursive script, appearing to read "George H. Hunker, Jr.", written in dark ink.

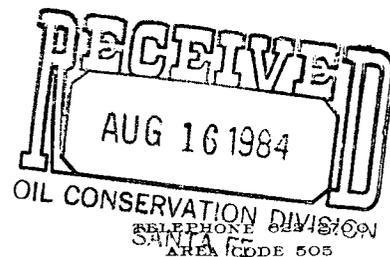
George H. Hunker, Jr.

GHH/sm  
Enc.

xc: R. J. Leuenberger  
Florida Exploration Company

LAW OFFICES OF  
HUNKER-FEDRIC, P. A.  
SUITE 210, HINKLE BUILDING  
POST OFFICE BOX 1837  
ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC



August 14, 1894

District Office  
New Mexico Oil Conservation Division  
P.O. Drawer DD  
Artesia, New Mexico 88210

Re: Florida Exploration Co.  
"Chama Petroleum Co.  
No. 1 Federal Com"  
T-22-S, R-24-E  
Section 11: N/2  
980' from the North line  
1350' from the East line  
Eddy County, New Mexico

Gentlemen:

Florida has filed an application for administrative approval of the above described well location and consents have been obtained from all of the Operators owning interests surrounding the proration unit to be dedicated to the well. Copies of waivers executed by F. Andrew Grooms, Pennzoil Company, Arco Oil and Gas Company, Charles E. Nearburg and Unicon Producing Company are enclosed herewith together with a copy of the application which we filed with the Director for administrative approval. We have not received the waiver from Rosewood Resources, the owner of the NE/4NE/4 of Section 10, but it is being mailed today. Please also be advised that after the application for approval was prepared we learned that the lease purportedly owned by The Superior Oil Company and Arco had, in fact, expired. This lease covered the E/2 of Section 3, Township 22 South, Range 24 East. Arco, nevertheless, consented to the unorthodox location which we are seeking on behalf of Florida.

If you have any questions regarding this matter, please do not hesitate to call on us. We will check to see whether or not you have received the consent from Rosewood.

Sincerely yours,

HUNKER-FEDRIC, P.A.

A handwritten signature in cursive script that reads "George H. Hunker, Jr.".

George H. Hunker, Jr.

GHH/sm  
Enc.

xc: R.J. Leuenberger  
✓xc: Joe D. Ramey, Secretary-Director  
New Mexico Oil Conservation Division

LAW OFFICES OF

**HUNKER-FEDRIC, P.A.**

210 HINKLE BUILDING  
POST OFFICE BOX 1837

ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

TELEPHONE 622-2700  
AREA CODE 505

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

July 31, 1984

Mr. F. Andrew Grooms  
P.O. Box 908  
Roswell, New Mexico 88202

Re: Florida Exploration Co.  
Chama Petroleum Co.  
No. 1 Federal Com  
T-22-S,R-24-E Sec 11:N/2  
780' FNL, 1350' FEL  
Eddy County, New Mexico

Gentlemen:

Florida Exploration Company is filing an application for approval of an unorthodox well location (for topographic reasons) for a gas well on the above described tract which is being communitized. You are an owner of a lease or leases covering a proration or spacing unit offsetting the area to be dedicated to the unorthodox well. A copy of Florida's application is enclosed herewith for your examination. This letter is your notice of Florida's application.

If you find from an examination of the application that you have no objection to the Director of the Oil Conservation Division granting the application, please sign a copy of this letter returning the same to us so that we may file it as your waiver.

Sincerely yours,

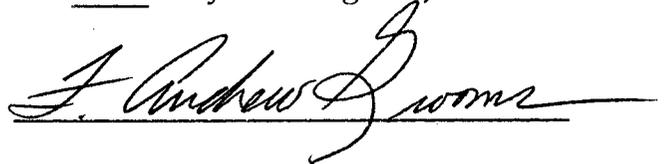
HUNKER-FEDRIC, P.A.



George H. Hunker, Jr.  
Attorneys for Florida  
Exploration Company

The undersigned offers no objections to the granting of the unorthodox location described above.

DATED at Roswell, New Mexico, this 1<sup>st</sup> day of August, 1984.



GHH/sm  
Enc.

xc: Florida Exploration Company  
Attention: Mr. R. J. Leuenberger

LAW OFFICES OF

**HUNKER-FEDRIC, P.A.**

210 HINKLE BUILDING

POST OFFICE BOX 1837

ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

TELEPHONE 622-2700  
AREA CODE 505

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

July 31, 1984

AUG 01 1984

Pennzoil Company  
P.O. Box 1828  
Midland, Texas 79701

Re: Florida Exploration Co.  
Chama Petroleum Co.  
No. 1 Federal Com  
T-22-S,R-24-E Sec 11:N/2  
780' FNL, 1350' FEL  
Eddy County, New Mexico

Gentlemen:

Florida Exploration Company is filing an application for approval of an unorthodox well location (for topographic reasons) for a gas well on the above described tract which is being communitized. You are an owner of a lease or leases covering a proration or spacing unit offsetting the area to be dedicated to the unorthodox well. A copy of Florida's application is enclosed herewith for your examination. This letter is your notice of Florida's application.

If you find from an examination of the application that you have no objection to the Director of the Oil Conservation Division granting the application, please sign a copy of this letter returning the same to us so that we may file it as your waiver.

Sincerely yours,

HUNKER-FEDRIC, P.A.



George H. Huncker, Jr.  
Attorneys for Florida  
Exploration Company

The undersigned offers no objections to the granting of the unorthodox location described above.

DATED at Midland, Texas, this 1<sup>ST</sup> day of August, 1984.



GHH/sm  
Enc.

xc: Florida Exploration Company  
Attention: Mr. R. J. Leuenberger

LAW OFFICES OF

**HUNKER-FEDRIC, P.A.**

210 HINKLE BUILDING  
POST OFFICE BOX 1837

ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

TELEPHONE 622-2700  
AREA CODE 505

*DD*

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

July 31, 1984

Arco Oil and Gas Company  
P.O. Box 1610  
Midland, Texas 79701

Re: Florida Exploration Co.  
Chama Petroleum Co.  
No. 1 Federal Com  
T-22-S, R-24-E Sec 11:N/2  
780' FNL, 1350' FEL  
Eddy County, New Mexico

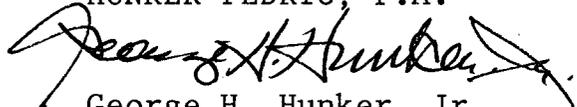
Gentlemen:

Florida Exploration Company is filing an application for approval of an unorthodox well location (for topographic reasons) for a gas well on the above described tract which is being communitized. You are an owner of a lease or leases covering a proration or spacing unit offsetting the area to be dedicated to the unorthodox well. A copy of Florida's application is enclosed herewith for your examination. This letter is your notice of Florida's application.

If you find from an examination of the application that you have no objection to the Director of the Oil Conservation Division granting the application, please sign a copy of this letter returning the same to us so that we may file it as your waiver.

Sincerely yours,

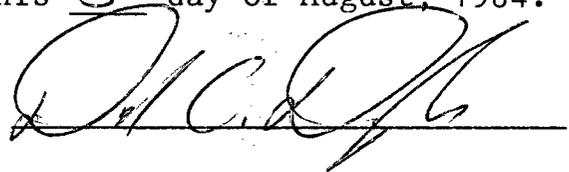
HUNKER-FEDRIC, P.A.



George H. Hunker, Jr.  
Attorneys for Florida  
Exploration Company

The undersigned offers no objections to the granting of the unorthodox location described above.

DATED at Midland, Tx, this 3 day of August, 1984.



GHH/sm

Enc.

xc: Florida Exploration Company  
Attention: Mr. R. J. Leuenberger

ARCO Oil and Gas Company  
Post Office Box 1610  
Midland, Texas 79702

8-6-84

RECEIVED AUG 06 1984

LAW OFFICES OF

**HUNKER-FEDRIC, P.A.**

210 HINKLE BUILDING

POST OFFICE BOX 1837

ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

TELEPHONE 622-2700  
AREA CODE 505

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

July 31, 1984

Mr. Charles E. Nearburg  
Chama Petroleum Company  
P.O. Box 31405  
Dallas, Texas 75231

Re: Florida Exploration Co.  
Chama Petroleum Co.  
No. 1 Federal Com  
T-22-S, R-24-E Sec 11:N/2  
780' FNL, 1350' FEL  
Eddy County, New Mexico

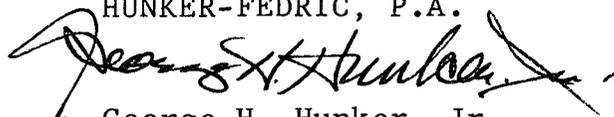
Gentlemen:

Florida Exploration Company is filing an application for approval of an unorthodox well location (for topographic reasons) for a gas well on the above described tract which is being communitized. You are an owner of a lease or leases covering a proration or spacing unit offsetting the area to be dedicated to the unorthodox well. A copy of Florida's application is enclosed herewith for your examination. This letter is your notice of Florida's application.

If you find from an examination of the application that you have no objection to the Director of the Oil Conservation Division granting the application, please sign a copy of this letter returning the same to us so that we may file it as your waiver.

Sincerely yours,

HUNKER-FEDRIC, P.A.



George H. Hunker, Jr.  
Attorneys for Florida  
Exploration Company

The undersigned offers no objections to the granting of the unorthodox location described above.

DATED at Dallas, TX, this 6 day of August, 1984.



GHH/sm  
Enc.

xc: Florida Exploration Company  
Attention: Mr. R. J. Leuenberger

LAW OFFICES OF

**HUNKER-FEDRIC, P.A.**

210 HINKLE BUILDING  
POST OFFICE BOX 1837

ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

TELEPHONE 622-2700  
AREA CODE 505

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

July 31, 1984

Unicon Producing Company  
c/o Florida Exploration Company  
3151 South Vaughn Way, Suite 200  
Aurora, Colorado 80014

Re: Florida Exploration Co.  
Chama Petroleum Co.  
No. 1 Federal Com  
T-22-S, R-24-E Sec 11:N/2  
780' FNL, 1350' FEL  
Eddy County, New Mexico

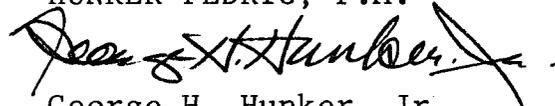
Gentlemen:

Florida Exploration Company is filing an application for approval of an unorthodox well location (for topographic reasons) for a gas well on the above described tract which is being communitized. You are an owner of a lease or leases covering a proration or spacing unit offsetting the area to be dedicated to the unorthodox well. A copy of Florida's application is enclosed herewith for your examination. This letter is your notice of Florida's application.

If you find from an examination of the application that you have no objection to the Director of the Oil Conservation Division granting the application, please sign a copy of this letter returning the same to us so that we may file it as your waiver.

Sincerely yours,

HUNKER-FEDRIC, P.A.



George H. Hunker, Jr.  
Attorneys for Florida  
Exploration Company

The undersigned offers no objections to the granting of the unorthodox location described above.

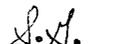
DATED at Northstar, Texas, this 7<sup>th</sup> day of August, 1984.

UNICON PRODUCING COMPANY, By  
EXPLORATION FINANCE COMPANY

By 

T. P. MCCONN, PRESIDENT

APPROVED

  
Legal Dept.

GHH/sm  
Enc.

xc: Florida Exploration Company  
Attention: Mr. R. J. Leuenberger

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

LAW OFFICES OF  
**HUNKER-FEDRIC, P.A.**  
210 HINKLE BUILDING  
POST OFFICE BOX 1837  
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-2760  
AREA CODE 505

HAND DELIVERED

August 14, 1984

Rosewood Resources (POC), Inc.  
Suite 100, ClayDesta Tower (LB/33)  
#10 Desta Drive  
Midland, Texas 79705

RE: Florida Exploration Co.  
Chama Petroleum Co. #1 Federal Com.  
T-22-S, R-24-E, Sec. 11: N/2  
780' FNL, 1350' FEL  
Eddy County, New Mexico

Gentlemen:

Florida Exploration Company is filing an application for approval of an unorthodox well location (for topographic reasons) for a gas well on the above described tract which is being communitized. You are an owner of a lease or leases covering a proration or spacing unit offsetting the area to be dedicated to the unorthodox well. A copy of Florida's application is enclosed herewith for your examination. This letter is your notice of Florida's application.

If you find from an examination of the application that you have no objection to the Director of the Oil Conservation Division granting the application, please sign a copy of this letter returning the same to us so that we may file it as your waiver.

Sincerely yours,

HUNKER-FEDRIC, P.A.

*George H. Hunker, Jr.*  
George H. Hunker, Jr.  
Attorneys for Florida  
Exploration Company

The undersigned offers no objections to the granting of the unorthodox location described above.

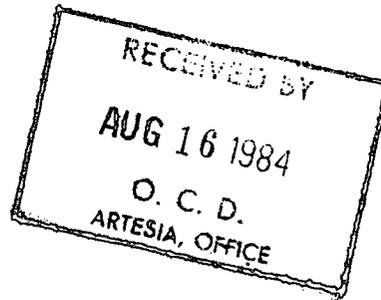
DATED at Dallas, Texas, this 14 day of August, 1984.

ROSEWOOD RESOURCEE (POC), INC.

*William H. Rieniets*  
William H. Rieniets  
Exploration Manager  
MidContinent Division

**Chama Petroleum Company**

Exploration and Production  
P.O. Box 31405  
5447 Glen Lakes Drive  
Dallas, Texas 75231  
214-739-1778



August 14, 1984

SEND FEDERAL EXPRESS

New Mexico Oil Conservation Commission  
324 West Main Street  
Artesia, New Mexico 88210

Attn: Mr. Les Clements

Dear Mr. Clements:

Enclosed please find a waiver of Florida Exploration Company's unorthodox location in the N/2 Section 11-22S-24E.

If you have any questions please call Mr. George H. Hunker, Jr. in Roswell, New Mexico at 505/622-2700.

Yours truly,

A handwritten signature in cursive script that reads "Mark K. Nearburg".

Mark K. Nearburg  
Landman

MKN/b

Enclosure

cc: Mr. George H. Hunker



LAW OFFICES OF

**HUNKER-FEDRIC, P.A.**

210 HINKLE BUILDING

POST OFFICE BOX 1037

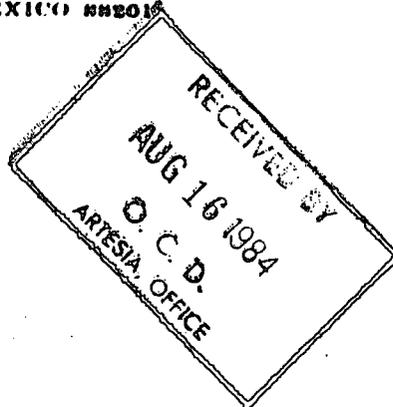
ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DORIS M. FEDRIC

TELEPHONE 422-2222  
AREA CODE 505

HAND DELIVERED

August 14, 1984



Rosewood Resources (POC), Inc.  
Suite 100, ClayDesta Tower (LB/33)  
#10 Desta Drive  
Midland, Texas 79705

RE: Florida Exploration Co.  
Chama Petroleum Co. #1 Federal Com.  
T-22-S, R-24-E, Sec. 11: N/2  
780' FNL, 1350' FEL  
Eddy County, New Mexico

Gentlemen:

Florida Exploration Company is filing an application for approval of an unorthodox well location (for topographic reasons) for a gas well on the above described tract which is being communitized. You are an owner of a lease or leases covering a proration or spacing unit offsetting the area to be dedicated to the unorthodox well. A copy of Florida's application is enclosed herewith for your examination. This letter is your notice of Florida's application.

If you find from an examination of the application that you have no objection to the Director of the Oil Conservation Division granting the application, please sign a copy of this letter returning the same to us so that we may file it as your waiver.

Sincerely yours,

HUNKER-FEDRIC, P.A.

*George H. Hunker, Jr.*

George H. Hunker, Jr.  
Attorneys for Florida  
Exploration Company

The undersigned offers no objections to the granting of the unorthodox location described above.

DATED at Dallas, Texas, this 14 day of August, 1984.

ROSEWOOD RESOURCEE (POC), INC.

*William H. Rieniets*

William H. Rieniets  
Exploration Manager  
MidContinent Division

OIL CONSERVATION DIVISION  
RECEIVED

'92 AUG 20 PM 8 08

ENRON  
Oil & Gas Company

NSL-1859

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 24, 1992

Meridian Oil, Inc.  
P. O. Box 51810  
Midland, Texas 79710  
Attn: Land Department

Jeanne Fields Shelby  
5535 Yale, Suite 200  
Dallas, Texas 75206

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 S. 4th Street  
Artesia, NM 88210  
Attn: Land Department

Nearburg Exploration Company  
1 Petroleum Center, Bldg 8, Suite 100  
3300 North "A" Street  
Midland, Texas 79705  
Attn: Joe Fitzgerald

In Re: Chama Federal Com. No. 1 located 780' FNL & 350' FEL  
Section 11, T22S, R24E, Eddy County, New Mexico.

Gentlemen:

Enron Oil & Gas Company has applied to the New Mexico Oil Conservation Division in Santa Fe, New Mexico to plug back to the Cisco formation the above-named well as per attached application and location plat. If you, as offset operator to this lease, have no objection to this special permit, please sign in the space provided below, and return to my attention in the enclosed envelope.

Your early attention is appreciated.

Very truly yours

ENRON OIL & GAS COMPANY

*Betty Gildon*

Betty Gildon  
Regulatory Analyst

DATE: 8-12 92 COMPANY: \_\_\_\_\_ BY: Jeanne Fields Shelby

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STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

August 13, 1992

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Enron Oil & Gas Company  
P.O. Box 2267  
Midland, Texas 79702

Attention: Betty Gildon

*RE: AMENDED  
Administrative Order NSL-1859*

Dear Ms. Gildon:

Reference is made to your application dated June 24, 1992 to amend Division Administrative Order NSL-1859, dated August 22, 1984, which order authorized the Chama Federal Com. Well No. 1 to be drilled at an unorthodox gas well location 780 feet from the North line and 1350 feet from the East line (Unit B) of Section 11, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico, on a 320-acre gas spacing and proration unit comprising the N/2 of said Section 11 for the McKittrick Hills (Und.) Gas Pool. Subsequent to the issuance of said order this well was completed in the McKittrick Hills Morrow Gas Pool. It is our understanding at this time Enron, as successor operator to Florida Exploration Company, wishes to plug off the Morrow completion and recomplete up-hole in the Cisco formation.

In reviewing your application, the original request, the well file and Division Order NSL-1859 it was found that the original order was somewhat vague about the authorized producing intervals covered by the order. The Division finds now at this time that said Order NSL-1859 should be amended to properly reflect the original operator's request and Enron's request to recomplete in the Cisco horizon.

Enron Oil & Gas Company

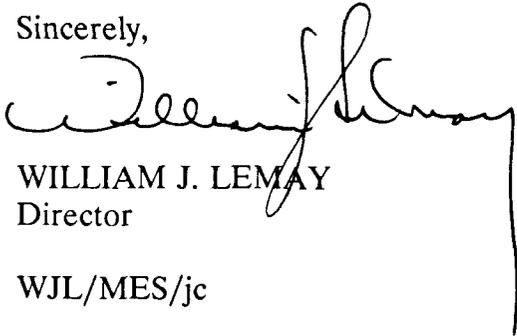
August 13, 1992

Page 2

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Division Administrative Order NSL-1859 is hereby amended to include all formations of Pennsylvanian age within its scope of approval.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. Lemay". The signature is written in black ink and is positioned above the typed name and title.

WILLIAM J. LEMAY  
Director

WJL/MES/jc

cc:   OCD - Artesia  
      U.S. BLM - Carlsbad

**ENRON**  
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 24, 1992

OIL CONSERVATION DIVISION  
RECEIVED

'92 JUL 6 AM 9 31

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

Attn: Mike Stogner

In Re: Chama Federal Com., Well No. 1  
780' FNL & 1350' FEL  
Section 11, T22S, R24E  
Eddy County, New Mexico

Dear Mr. Stogner:

Please find enclosed three (3) copies of Form 3160-3 and plat which has been submitted to the Bureau of Land Management in Carlsbad, New Mexico to plug back the above-named well from the Morrow to the Cisco formation. Also enclosed is a map showing the location of all offset operators all of which have been notified of this request for non-standard location via certified mail.

This well will not be produced from the Cisco formation until approval has been received for the unorthodox location from your office.

Very truly yours,

ENRON OIL & GAS COMPANY



Betty Gildon  
Regulatory Analyst

bg

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**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

SENT VIA CERTIFIED MAIL

June 24, 1992

P 355 206 105  
Meridian Oil, Inc.  
P. O. Box 51810  
Midland, Texas 79710  
Attn: Land Department

P 355 206 107  
Yates Petroleum Corporatin  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 S. 4th Street  
Artesia, NM 88210  
Attn: Land Department

P 355 206 106  
Jeanne Fields Shelby  
5535 Yale, Suite 200  
Dallas, Texas 75206

P 355 206 108  
Nearburg Exploration Company  
1 Petroleum Center, Bldg 8, Suite 100  
3300 North "A" Street  
Midland, Texas 79705  
Attn: Joe Fitzgerald

In Re: Chama Federal Com. No. 1 located 780' FNL & 350' FEL  
Section 11, T22S, R24E, Eddy County, New Mexico.

Gentlemen:

Enron Oil & Gas Company has applied to the New Mexico Oil Conservation Division in Santa Fe, New Mexico to plug back to the Cisco formation the above-named well as per attached application and location plat. If you, as offset operator to this lease, have no objection to this special permit, please sign in the space provided below, and return to my attention in the enclosed envelope.

Your early attention is appreciated.

Very truly yours

ENRON OIL & GAS COMPANY



Betty Gildon  
Regulatory Analyst

DATE: \_\_\_\_\_ COMPANY: \_\_\_\_\_ BY: \_\_\_\_\_

enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.  
NM 53219

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Chama Federal Com

9. WELL NO.  
1

10. FIELD AND POOL, OR WILDCAT  
McKittrick Hills Cisco

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA  
Sec. 11, T22S, R24E

12. COUNTY OR PARISH | 13. STATE  
Eddy | NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
DRILL  DEEPEN  PLUG BACK

b. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
Enron Oil & Gas Company

3. ADDRESS OF OPERATOR  
P. O. Box 2267, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface  
780' FNL & 1350' FEL  
At proposed prod. zone  
780' FNL & 1350' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 780  
(Also to nearest drlg. unit line, if any) 30

16. NO. OF ACRES IN LEASE 320

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None

19. PROPOSED DEPTH 8104'

20. ROTARY OR CABLE TOOLS -

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
4095' GR

22. APPROX. DATE WORK WILL START\*  
Started 6-19-92.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4	8-5/8	24	1410	770 sx Circulated
7-7/8	4-1/2	11.6	10750	657 sx
	2-3/8 tbg		10140	

See attached workover procedure

THIS WELL WILL NOT BE PRODUCED IN THE CISCO FORMATION UNTIL APPROVAL FOR NON-STANDARD LOCATION.  
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Betty Gildon TITLE Betty Gildon, Regulatory Analyst DATE 6/30/92  
Hal Crabb 915/686-3723

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

ENRON OIL & GAS COMPANY  
Chama Federal Com. No. 1  
780' FNL & 350' FEL  
Section 11, T22S, R24E  
Eddy County, New Mexico

1. Blow tubing & annulus down; load hole with 2% KCl water w/surfactant.
2. MIRUPU; ND tree, install BOP; unseat packer at 10,242' & POH w/packer & tubing.
3. Set CIBP at 10,110' by wireline & cap with 35' of cement with dump bailer (as per conversation with Adam Salameh with BLM in Carlsbad on 6/3/92).
4. Load hole w/2% KCl water w/surfactant.
5. Press up on casing to 1500 psig; run CBL-CCL-GR from 10,000' to top of cement at +/- 7720', over minimum footage.
6. Evaluate CBL; if bond is OK, proceed to next step; if there is poor or no bond, remedially cement 4-1/2" casing.
7. RU perforators, 5000 psi lubricator w/pack-off.
8. Set CIBP at 8780' +/- by wireline; pressure test CIBP by press up on 4-1/2" casing to 1500 psig.
9. RIH w/squeeze gun & perforate interval 8148'-8152' w/4 SPF, 22.5 deg phasing; depth is taken from Schlumberger open hole CNL-FDC log run 10/29/84.
10. RIH w/packer, SN & tubing; set packer at 8120' +/-; open bypass and spot 250 gallons 15% acid to bottom of tubing.
11. Put acid away at low rate & pressure; anticipated rate & pressure 1/2 to 1 BPM at 1000 psi.
12. Swab well on & evaluate zone.
13. Unseat packer at 8120'; POH w/packer & tubing.
14. RU Schlumberger, full lubricator, pack-off.
15. Set RBP at 8132' by wireline; pressure test RBP by pressuring up on 4-1/2" casing to 1500 psig.
16. RIH w/3-3/8" casing gun & perforate, 4 SPF, interval 8104'-8114'; depth is taken from Schlumberger open hole CNL-FDC log run 10/29/84.
17. RIH w/retrieving head, packer, SN and tubing; set packer at 8075' +/-; open bypass & spot 250 gallons 15% acid to bottom of tubing.
18. Put acid away at low rate & pressure; anticipated rate & pressure 1/2 to 1 BPM at 500 psi.
19. Swab well in and evaluate zone.



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.

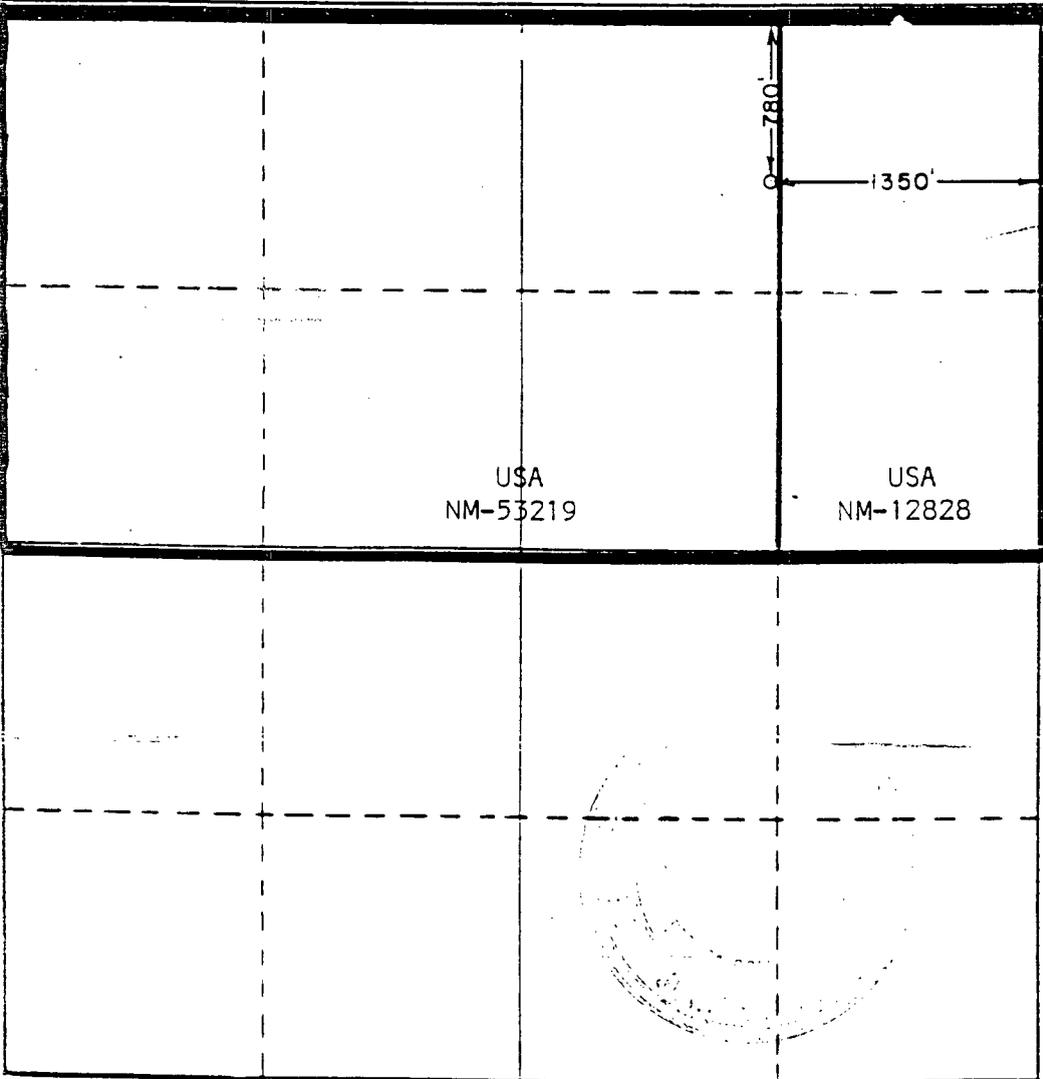
Operator Enron Oil & Gas Company		Lease CHAMA FED COM		Well No. 1	
Tract Letter B	Section 11	Township 22S	Range 24E	County EDDY	
Actual Footage Location of Well: 780 feet from the NORTH line and 1350 feet from the EAST line					
Ground Level Elev. 4095'	Producing Formation Cisco	Pool McKittrick Hills	Dedicated Acreage: 320 N/2 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 Common working interest.  
Communitization

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.



<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Betty Gildon</i>	
Name	Betty Gildon
Position	Regulatory Analyst
Company	Enron Oil & Gas Company
Date	6/24/92
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	7/17/84
Registered Professional Engineer and/or Land Surveyor	
<i>John W. West</i>	
Certificate No. JOHN W. WEST, 676	

OIL CONSERVATION DIVISION  
RECEIVED

'92 AUG 4 AM 8 51

# ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 24, 1992

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

Attn: Mike Stogner

In Re: Chama Federal Com., Well No. 1  
780' FNL & 350' FEL  
Section 11, T22S, R24E  
Eddy County, New Mexico

Dear Mr. Stogner:

Please find enclosed three (3) copies of Form 3160-3 and plat which has been submitted to the Bureau of Land Management in Carlsbad, New Mexico to plug back the above-named well from the Morrow to the Cisco formation. Also enclosed is a map showing the location of all offset operators all of which have been notified of this request for non-standard location via certified mail.

This well will not be produced from the Cisco formation until approval has been received for the unorthodox location from your office.

Very truly yours,

ENRON OIL & GAS COMPANY

Betty Gildon  
Regulatory Analyst

bg

7/29/92

enclosures

Nike,

Enclosed are the only 2 Waiver letters received for the above-named well. ~~They~~ Part of the Enron Group of Energy Companies

Can you check on this one, also?  
Thanks,  
Betty

**ENRON**  
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600



June 24, 1992

**MERIDIAN OIL**

Meridian Oil, Inc.  
P. O. Box 51810  
Midland, Texas 79710  
Attn: Land Department

Jeanne Fields Shelby  
5535 Yale, Suite 200  
Dallas, Texas 75206

JUL 06 1992  
MIDLAND, TEXAS  
JOINT INTEREST DEPT.

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 S. 4th Street  
Artesia, NM 88210  
Attn: Land Department

Nearburg Exploration Company  
1 Petroleum Center, Bldg 8, Suite 100  
3300 North "A" Street  
Midland, Texas 79705  
Attn: Joe Fitzgerald

In Re: Chama Federal Com. No. 1 located 780' FNL & 350' FEL  
Section 11, T22S, R24E, Eddy County, New Mexico.

Gentlemen:

Enron Oil & Gas Company has applied to the New Mexico Oil Conservation Division in Santa Fe, New Mexico to plug back to the Cisco formation the above-named well as per attached application and location plat. If you, as offset operator to this lease, have no objection to this special permit, please sign in the space provided below, and return to my attention in the enclosed envelope.

Your early attention is appreciated.

Very truly yours

ENRON OIL & GAS COMPANY



Betty Gildorf  
Regulatory Analyst

DATE: 7/13/92 COMPANY: Meridian Oil Inc. BY: Carrie Malik

enclosures

RECEIVED  
JUL 07 1992  
RESERVE OIL

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

July 9, 1992

Enron Oil & Gas Company  
P. O. Box 2267  
Midland, Texas 79702

Attention: Ms. Betty Gildon

Re: Chama Federal Com. #1  
780' FNL & 350' FEL  
Sec. 11, T22S-R24E  
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation hereby waives objection to your plugging back to the Cisco formation in the captioned well. This waiver is subject to Enron's granting like waiver should Yates Petroleum Corporation wish to drill a similar location in this area.

Should you require anything further, please do not hesitate to contact me.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read 'Randy G. Patterson', written over a horizontal line.

Randy G. Patterson  
Land Manager

RGP/mw

Enclosure





County Eddy Pool McKittick Hills - Upper Pennsylvanian Gas

TOWNSHIP 22 South

Range 24 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: 5/2 Sec 12 (R-5204, 5-1-76)

