

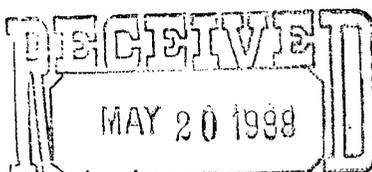
Release Date: June 8, 1988

SMK



Primary Fuels, Inc.

(A Subsidiary of Houston Industries Incorporated)



May 16, 1988

Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico 87504-2088  
Attn: Mr. David Catanack

USL-27536  
RUC-104F(1)  
Wildcat Delaware Pool  
40 Acre  
SW1/4 NE1/4  
Sec. 19

RE: Unorthodox location  
Primary Fuels, Inc - Amoco 19 Federal No. 3Y  
1831' FNL & 2577' FEL, Section 19, T22S, R26E  
Eddy County, New Mexico

Gentlemen:

Primary Fuels respectfully request that the referenced unorthodox location be approved administratively. The well will be a Delaware Sand oil completion requiring a forty acre proration unit. Primary Fuels holds all property offsetting the assigned acreage except the forty acres to the north. This property is held by Exxon. A copy of the certified letter notifying them of this application is enclosed.

Because of topographic considerations, the BLM required well No. 3 to be placed 1780' FNL and 2573' FEL, which is an unorthodox location. The 13-3/8" surface casing was set at 596' and cemented with 650 sacks without difficulty. After drilling out of the 13-3/8" casing, returns were lost and the hole was dry drilled with fresh water to 2190'.

Fifty joints of 8-5/8" 24 lb./ft casing were then run to 2190' and cemented with 525 sacks. While the cement was being pumped, the pressure increased to 1950 psig and 25 feet of casing were forced out of the hole. The top of the cement was determined by a bond log to be at 1430 feet. Holes were perforated in the casing from 1364' - 1366' and a cement retainer was set at 1340'. While cement was being pumped behind the 8-5/8" casing the pressure increased to 1400 psig then fell to 900 psig with circulation between the 4-1/2" drill pipe and the 8-5/8" casing. Attempts to pull the drill pipe out of the hole were unsuccessful.

Free point surveys indicated that the drill pipe was free down to 1124' and the 8-5/8" casing to 629'. The tubulars were recovered at those depths and side track operations were began.

On March 22, 1988, side track operations were abandoned because of junk in the hole. Under the supervision of the Bureau of Land Management well No. 3 was plugged and abandoned and the rig was skidded 51 feet south and 4 feet west of the No. 3 location.

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May 16, 1988

Well No. 3Y has subsequently been drilled to 11,350' then plugged back to 2362' for completion in the Delaware Sand. Since the well will not infringe upon the correlative rights of any other oil operator or royalty owner in this formation it is requested that the unorthodox location be approved.

Attached for your information is a topographic map of the area, a lease ownership map, and a certified plat of the 3Y location. If any other information is required, please advise our District office in Midland, Texas.

Yours very truly,



K.W. Harbin  
Vice President

Attachments

JBS/slc







**Primary Fuels, Inc.**  
(A Subsidiary of Houston Industries Incorporated)

May 16, 1988

Exxon Corporation  
Southwest/Rocky Mountain Division  
P. O. Box 1600  
Midland, Texas 79702-1600  
Attn: Bill Duncan, Regulatory affairs

Re: Unorthodox location  
Primary Fuels, Inc. - Amoco 19 Federal No. 3Y  
8131' FNL & 2577' FEL, Sec. 19, T22S, R26E  
Eddy County, New Mexico

Gentlemen:

Primary Fuels is requesting administrative approval of the referenced unorthodox location. The well will be completed in the Delaware formation and the assigned acreage will be the SW/4 of the NE/4 of section 19.

Well no. 3, which was required to be placed at an unorthodox location by the Bureau of Land Management, was junked and abandoned on March 22, 1988. The rig was skidded 51 feet south and 4 feet west and the 3Y subsequently drilled.

At this location, well no. 3Y is too near the interior quarter section line. Primary Fuels holds the lease on the property immediately to the west and all other adjoining acreage except the 40 acres to the north. It is our understanding the Exxon has the lease on this property.

It is our belief that the referenced well will not infringe upon your correlative rights. It is, therefore, requested that Exxon execute the enclosed waiver. A self addressed stamped envelope is enclosed for your convenience in returning one copy to this office.

Yours very truly,

K. W. Harbin  
Vice President

JBS/drp

Enclosure

May 13, 1988

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501  
Attn: Director of Energy and Minerals Division

Re: Unorthodox location  
Primary Fuels, Inc. - Amoco 19 Federal No. 3Y  
1831' FNL & 2577' FEL, Sec. 19, T22S, R26E  
Eddy County, New Mexico

Gentlemen:

Exxon has been advised that Primary Fuels, Inc. is requesting administrative approval of the referenced unorthodox location. This is to advise that Exxon has no objections to approval of the application.

Yours very truly,

Exxon Corporation

By: \_\_\_\_\_

Date: \_\_\_\_\_

JBS/drp

**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 corner boundaries of the Section.

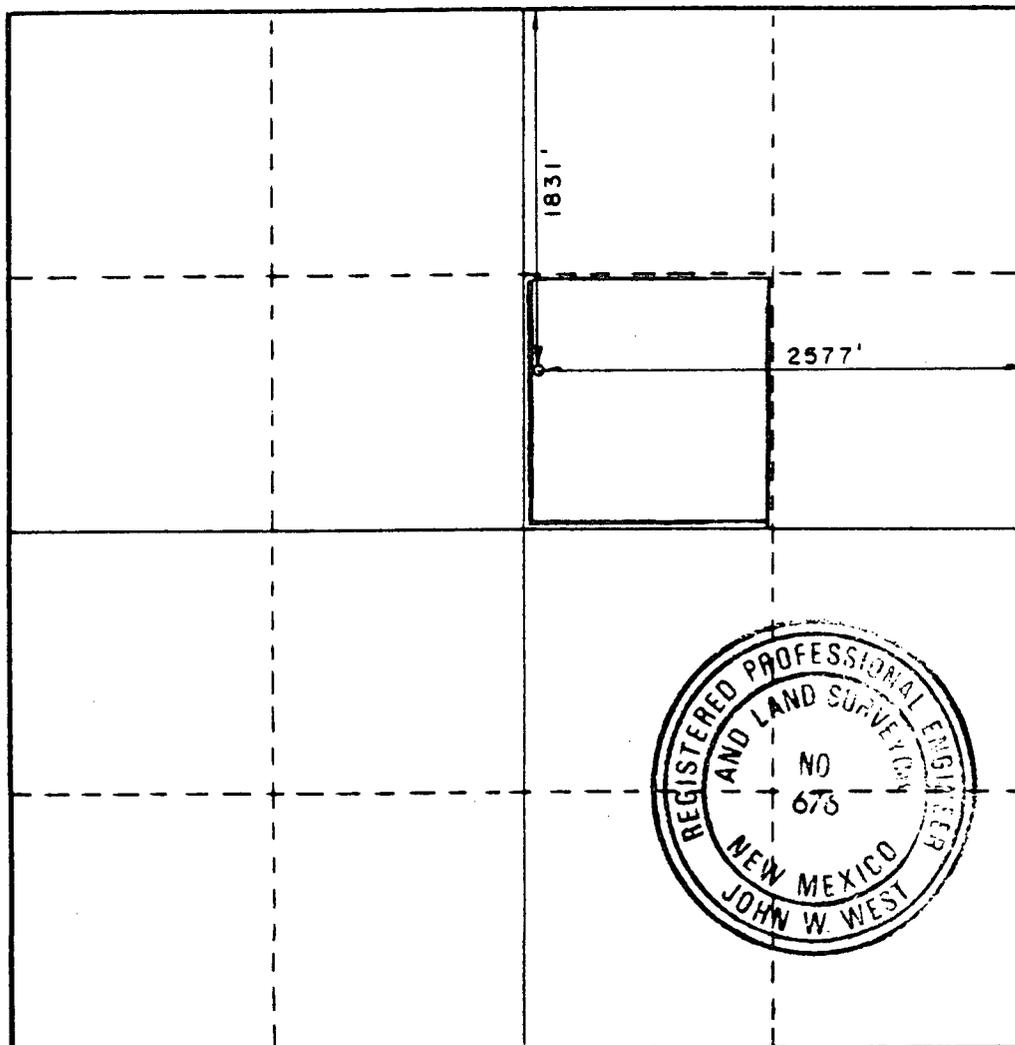
Operator <b>Primary Fuels, Inc.</b>			Lease <b>PFI Amoco 19 Federal</b>		Well No. <b>3Y</b>
Unit Letter <b>G</b>	Section <b>19</b>	Township <b>22 South</b>	Range <b>26 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>1831</b> feet from the <b>North</b> line and <b>2577</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3385.3</b>	Producing Formation		Pool	Dedicated Acreage:  Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes     No    If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

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

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

*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.*

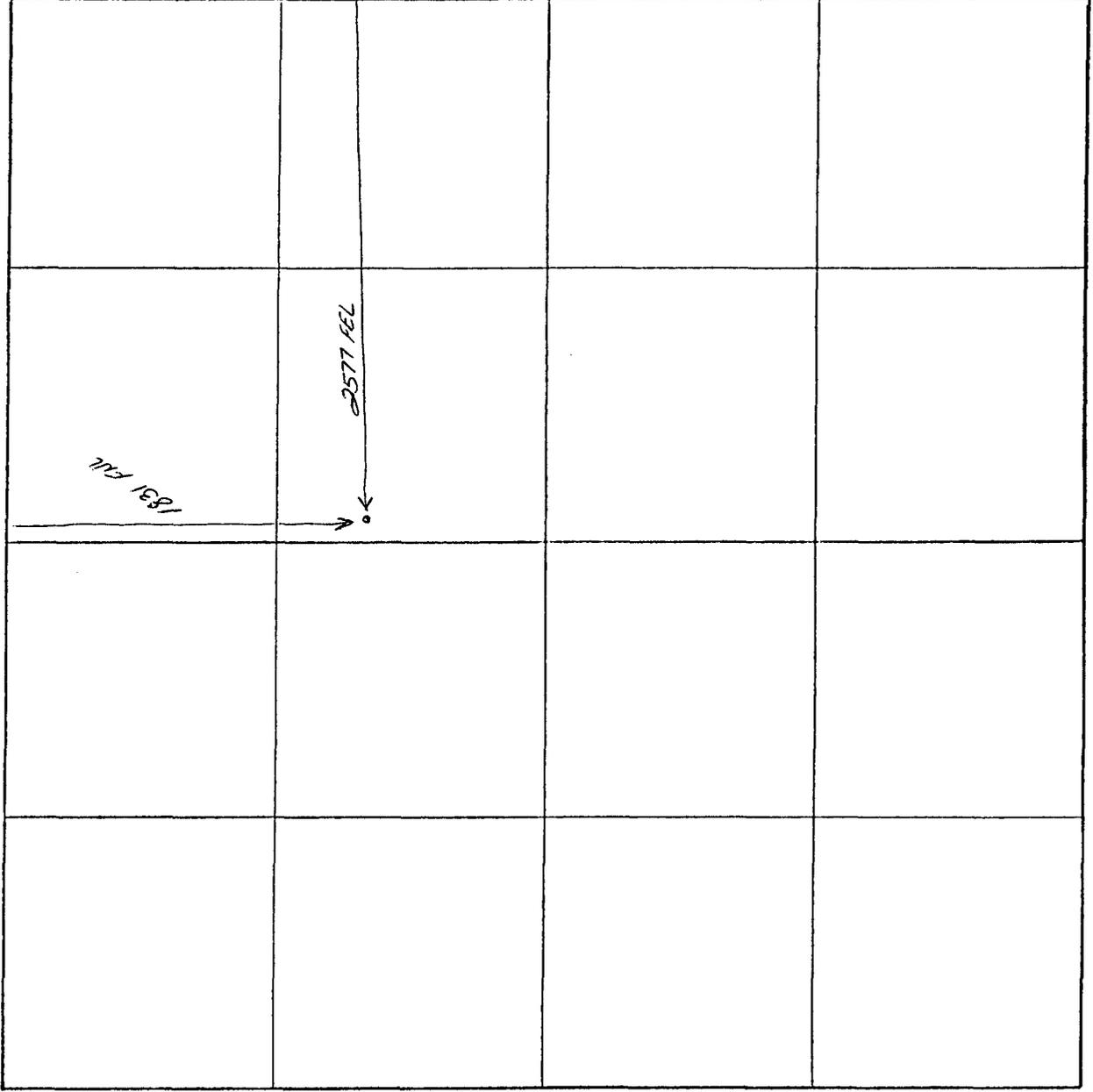
Date Surveyed

**March 21, 1988**

Registered Professional Engineer  
and/or Land Surveyor

*[Signature]*  
Certificate No. **JOHN W. WEST,** 676

**RONALD J. EIDSON,** 3239



SECTION \_\_\_\_\_ TOWNSHIP \_\_\_\_\_ RANGE \_\_\_\_\_