

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

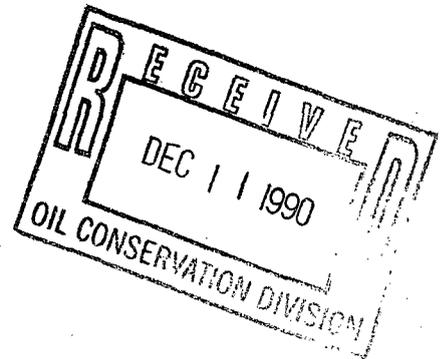
SANTA FE, NEW MEXICO 87504-2265

December 10, 1990

New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Michael E. Stogner

Re: Avon Energy Corporation
Administrative Application for
Unorthodox Well Location in a
Leasehold Waterflood Project,
Turner "B" Federal Well No. 89



Dear Mr. Stogner:

On behalf of Avon Energy Corporation, successor to Socorro Petroleum Company, as operator of the Turner "B" leasehold waterflood project previously approved by Division Order R-3528 (copy enclosed) we request administrative approval of the following unorthodox well location:

Turner "B" Federal Well No. 89
Unit C, Section 29, T17S, R31E
Eddy County, New Mexico
Location: 30 feet FNL and 1350 feet FWL

The Turner "B" leasehold waterflood project is currently being developed with infill wells using a 20-acre well density. The subject well is one of those wells and is proposed for the interior of the unit and is not competitive with offsetting wells outside the unit.

We have enclosed a copy of a plat showing the boundary of the waterflood. Also enclosed is a copy of the Form C-101 and C-102.

New Mexico Oil Conservation Division
December 10, 1990
Page 2

The operator believes that the infill development using the 20-acre density will improve waterflood seep efficiency and will increase secondary oil recovery.

Because the well is not located within 330 feet to any other boundary, we believe no notification to offsetting operators is required.

Avon proposes to commence the well as soon as possible and would appreciate your assistance in processing this request. Please call me if you need any further information or have any questions.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosures

cc: Mr. T. M. Hatfield
BHI Energy Corporation
1153 Dairy Ashford, Suite 803
Houston, Texas 77079



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 IN-FILL WELL SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 AVON ENERGY CORPORATION
 Ph. 915-683-5449

3. ADDRESS OF OPERATOR
 415 W. Wall, Ste. 1810
 Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 (Unit C) 30' FNL 1350' FWL Sec. 29-17S-31E
 At proposed prod. zone
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5.1 air miles east of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1350'

16. NO. OF ACRES IN LEASE 1786.15

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 823'±

19. PROPOSED DEPTH 3500'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3634' GL

22. APPROX. DATE WORK WILL START* As Soon As Possible

5. LEASE DESIGNATION AND SERIAL NO.
 LC 029395-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Turner "B"

9. WELL NO.
 89

10. FIELD AND POOL, OR WILDCAT
 Grayburg-Jackson

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 29-17S-31E

12. COUNTY OR PARISH 13. STATE
 Eddy N.M.

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"	24.0# J-55	600'±	300 sx Class C (Circulate)
7-7/8"	5-1/2"	15.5# K-55	3500'±	200 sx Class C + 600 sx Lite

Propose to drill to about 3500' and complete as an in-fill non-standard Grayburg producer. State approval of the unorthodox location is pending. Set 5-1/2" production casing to TD, cemented with sufficient cement to isolate all porosity zones. Selectively perforate favorable Grayburg zones.

Run 2-7/8" tubing to perforations and treat formation with 15% HCL. Sand-frac formation and test to tanks.

See attached Drilling data and Surface Use Plan.

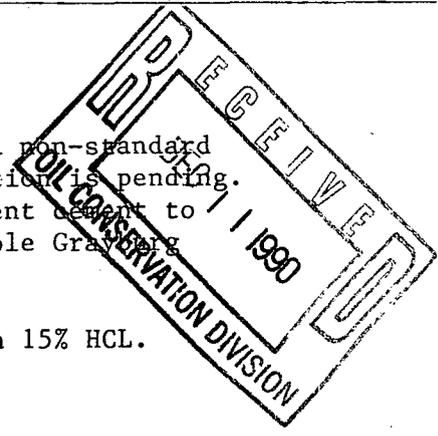
The surface grazing lessee has been advised of the proposed operation.

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 Jerry W. Long TITLE Permit Agent DATE November 16, 1990
 (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

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

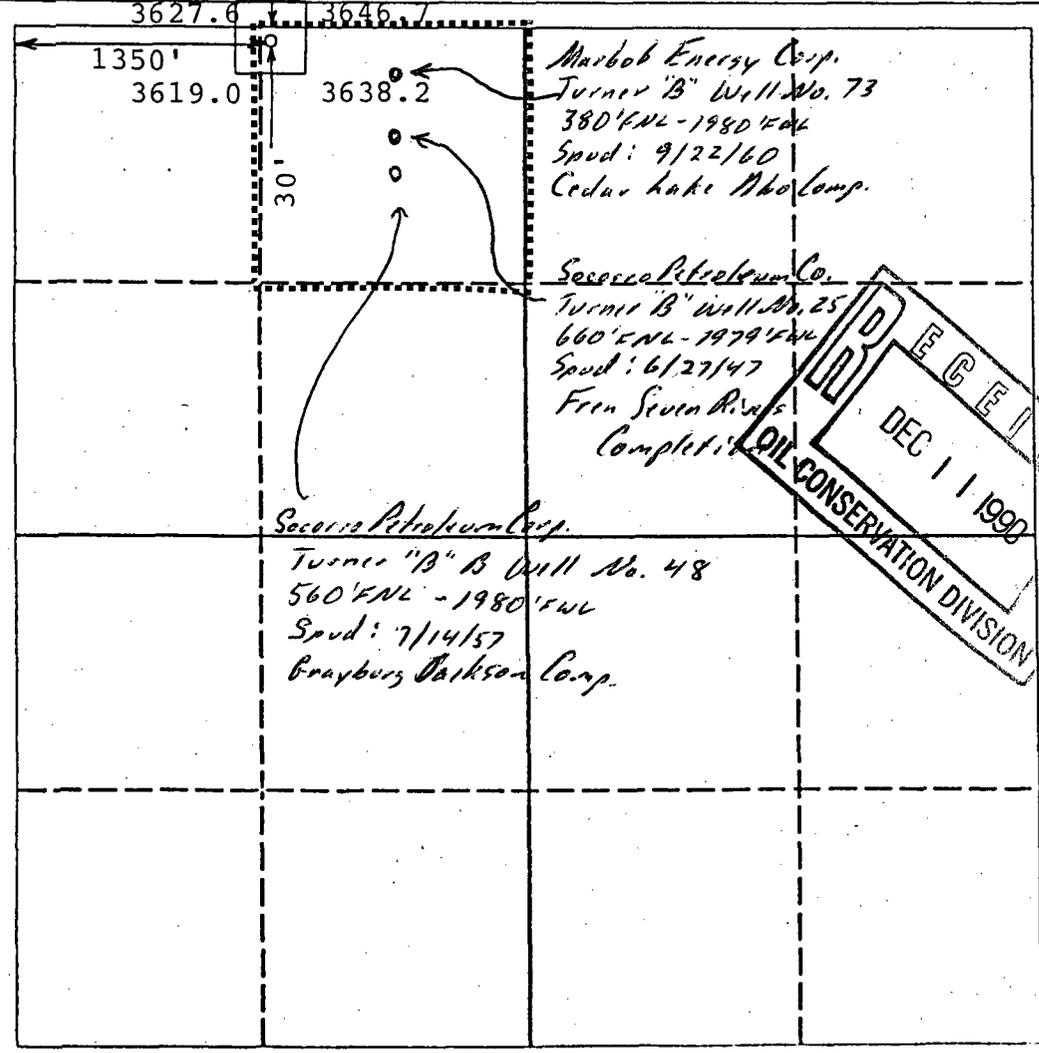
DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator Avon Energy Corporation		Lease Turner "B" Federal		Well No. 89
Unit Letter C	Section 29	Township 17 South	Range 31 East	County Eddy
Actual Footage Location of Well: 30 feet from the North line and 1350 feet from the West line				
Ground level Elev. 3634	Producing Formation Grayburg	Pool Grayburg-Jackson	Dedicated Acreage: 40 Acres	

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

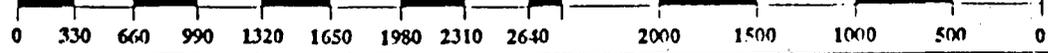


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jerry W. Long*
 Printed Name: **JERRY W. LONG**
 Position: **Permit Agent**
 Company: **AVON ENERGY CORPORATION**
 Date: **November 16, 1990**

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 knowledge and belief.

Date Surveyed: **November 15, 1990**
 Signature & Seal of Professional Surveyor: *PRR Patton*
 Certificate No. **8172**



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3885
Order No. R-3528

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A WATERFLOOD EXPANSION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

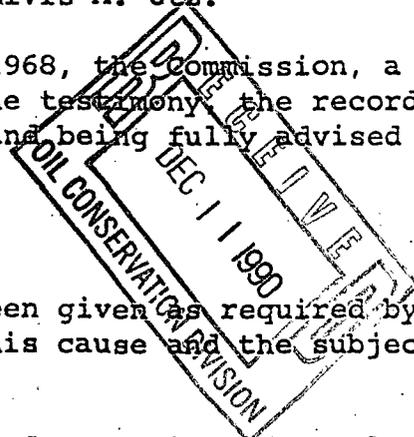
BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of October, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, seeks permission to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through 12 additional injection wells in Sections 20, 29, and 30, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed expansion of the Turner "B" Grayburg-Jackson Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.



(5) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, is hereby authorized to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through the following-described wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

LEASE	WELL NO.	UNIT	SECTION
Turner "B" SP	44	N	20
Turner "B" SP	46	P	20
Turner "B" SP	47	B	29
Turner "B" SP	50	D	29
Turner "B" SP	54	F	29
Turner "B" SP	55	H	29
Turner "B" SP	61	J	29
Turner "B" SP	64	L	29
Turner "B" SP	66	N	29
Turner "B" SP	68	P	29
Turner "B" SP	56	J	30
Turner "B" SP	76	P	30

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265

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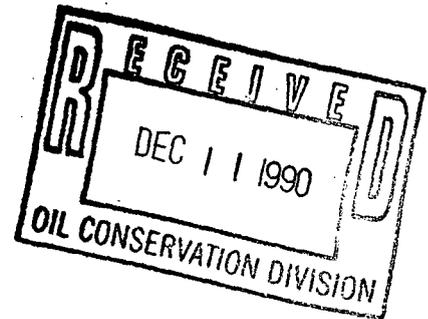
SANTA FE, NEW MEXICO 87504-2265

December 10, 1990

New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Michael E. Stogner

Re: Avon Energy Corporation
Administrative Application for
Unorthodox Well Location in a
Leasehold Waterflood Project,
Turner "B" Federal Well No. 90



Dear Mr. Stogner:

On behalf of Avon Energy Corporation, successor to Socorro Petroleum Company, as operator of the Turner "B" leasehold waterflood project previously approved by Division Order R-3528 (copy enclosed) we request administrative approval of the following unorthodox well location:

Turner "B" Federal Well No. 90
Unit C, Section 29, T17S, R31E
Eddy County, New Mexico
Location: 75 feet FNL and 2610 feet FWL

The Turner "B" leasehold waterflood project is currently being developed with infill wells using a 20-acre well density. The subject well is one of those wells and is proposed for the interior of the unit and is not competitive with offsetting wells outside the unit.

We have enclosed a copy of a plat showing the boundary of the waterflood. Also enclosed is a copy of the Form C-101 and C-102.

New Mexico Oil Conservation Division
December 10, 1990
Page 2

The operator believes that the infill development using the 20-acre density will improve waterflood seep efficiency and will increase secondary oil recovery.

Because the well is not located within 330 feet to any other boundary, we believe no notification to offsetting operators is required.

Avon proposes to commence the well as soon as possible and would appreciate your assistance in processing this request. Please call me if you need any further information or have any questions.

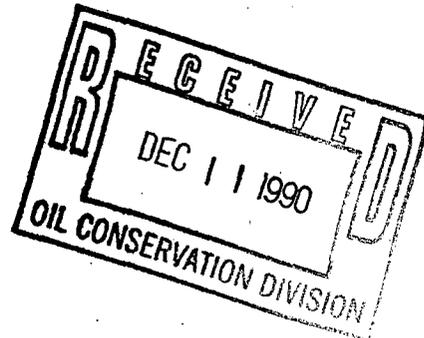
Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosures

cc: Mr. T. M. Hatfield
BHI Energy Corporation
1153 Dairy Ashford, Suite 803
Houston, Texas 77079



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 IN-FILL WELL SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 AVON ENERGY CORPORATION Ph. 915-683-5449

3. ADDRESS OF OPERATOR
 415 W. Wall, Ste. 1810
 Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 (Unit C) 75'FNL 2610'FWL Sec. 29-17S-31E
 At proposed prod. zone
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5.3 air miles east of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 2610'

16. NO. OF ACRES IN LEASE 1786.15

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 800'±

19. PROPOSED DEPTH 3500'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3689' GL

22. APPROX. DATE WORK WILL START*
 As Soon As Possible

5. LEASE DESIGNATION AND SERIAL NO.
 LC 029395-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Turner "B"

9. WELL NO.
 90

10. FIELD AND POOL, OR WILDCAT
 Grayburg-Jackson

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 29-17S-31E

12. COUNTY OR PARISH 13. STATE
 Eddy N.M.

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"	24.0# J-55	600'±	300 sx Class C (Circulate)
7-7/8"	5-1/2"	15.5# K-55	3500'±	200 sx Class C + 600 sx Lite

Propose to drill to about 3500' and complete as an in-fill non-standard Grayburg producer. State approval of the unorthodox location is pending. Set 5-1/2" production casing to TD, cemented with sufficient cement to isolate all porosity zones. Selectively perforate favorable Grayburg zones.

Run 2-7/8" tubing to perforations and treat formation with 15% HCl. Sand-frac formation and test to tanks.

See attached Drilling data and Surface Use Plan.

The surface grazing lessee has been advised of the proposed operation.

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.

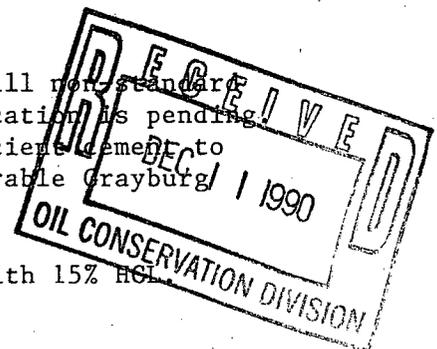
24. SIGNED Jerry W. Long TITLE Permit Agent DATE November 26, 1990
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

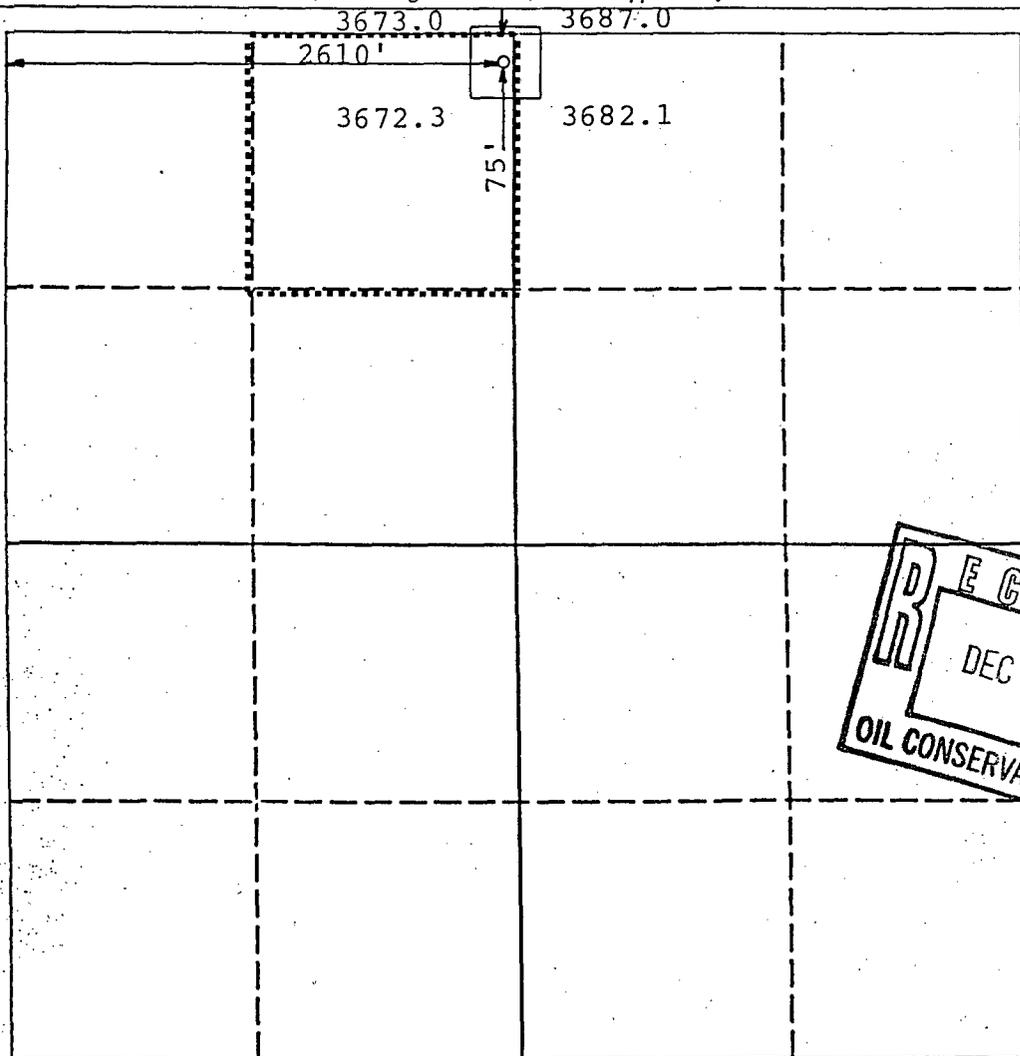
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Avon Energy Corporation			Lease Turner "B" Federal		Well No. 90
Unit Letter C	Section 29	Township 17 South	Range 31 East	County Eddy	
Actual Footage Location of Well: 75 feet from the North line and 2610 feet from the West line					
Ground level Elev. 3689	Producing Formation Grayburg		Pool Grayburg-Jackson		Dedicated Acreage: 40 Acres

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



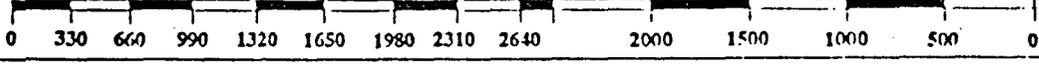
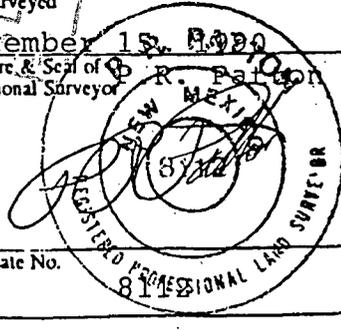
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jerry W. Long*
 Printed Name: **JERRY W. LONG**
 Position: **Permit Agent**
 Company: **AVON ENERGY CORPORATION**
 Date: **November 26, 1990**

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 knowledge and belief.

Date Surveyed: **November 15, 1990**
 Signature & Seal of *R. Patton*
 Professional Surveyor

Certificate No. _____



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3885
Order No. R-3528

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A WATERFLOOD EXPANSION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of October, 1968, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

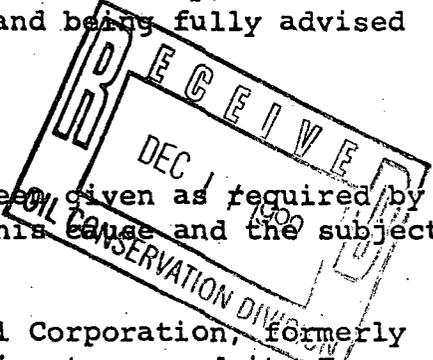
FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Sinclair Oil Corporation, formerly
Sinclair Oil & Gas Company, seeks permission to expand its Turner
"B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson
Pool by the injection of water into the Premier Sand of the
Grayburg formation through 12 additional injection wells in Sec-
tions 20, 29, and 30, Township 17 South, Range 31 East, NMPM,
Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced
state of depletion and should properly be classified as "stripper"
wells.

(4) That the proposed expansion of the Turner "B" Grayburg-
Jackson Waterflood Project should result in the recovery of
otherwise unrecoverable oil, thereby preventing waste.



(5) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, is hereby authorized to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through the following-described wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

LEASE	WELL NO.	UNIT	SECTION
Turner "B" SP	44	N	20
Turner "B" SP	46	P	20
Turner "B" SP	47	B	29
Turner "B" SP	50	D	29
Turner "B" SP	54	F	29
Turner "B" SP	55	H	29
Turner "B" SP	61	J	29
Turner "B" SP	64	L	29
Turner "B" SP	66	N	29
Turner "B" SP	68	P	29
Turner "B" SP	56	J	30
Turner "B" SP	76	P	30

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

