



'91 APR 23 AM 10 05

JERRY W. LONG

CONSULTANT

April 22, 1991

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

Re: Application for Unorthodox Oil Well Location  
SPENCE ENERGY COMPANY  
No.4 Kellahin 14 State  
SE/4 SE/4 Sec.14-9S-32E  
Lea County, New Mexico

Gentlemen:

You are respectfully requested to grant Administrative approval for a non-standard location for the referenced South Flying M - Bough oil well in accordance with Rule 104 F.

This well was drilled 980'FSL and 330'FEL of Sec.14, T.9S., R.32E. at a standard oil well location for the proposed Abo test. A drill-stem test indicated the Abo zone to be non-commercial. The well was subsequently deepened to total depth of 8964' in the Pennsylvanian. The well was completed in the Bough formation, 8876' to 8882', where it appears to be a commercial producer. An orthodox location for a well producing from the Bough formation should have been located within 150' of the center of the SW/4 SE/4 of Sec.14. Enclosed is a copy of C-101, Lease Map, Completion Report and Amended Acreage Dedication Plat for the well.

The 80 acre spacing unit for this well is currently dedicated to the No.2 Kellahin State well, which is located 330'FSL and 700'FEL, Sec.14, T.,9S., R.32E. The No.2 Kellahin State is depleted in the Bough formation and has been plugged back to the San Andres formation, where it is presently temporarily abandoned.

Approval of this application would afford the applicant the opportunity to produce its just and equitable share of the oil from this pool.

A copy of this Application and a request for waiver of objection has been furnished, by Certified Mail, to off-set mineral owners, as follows:

W/2 SW/4 Sec.13-9S-32E: (Public Lease NM 56545)

Lessee - Sunburst Exploration, Inc.  
c/o Richard W. Reese  
P.O. Box 1000  
Roswell, New Mexico 88201

Operator - Manzano Oil Corp.  
P.O. Box 571  
Roswell, New Mexico 88201

N/2 NW/4 Sec.23-9S-32E: (Fee Lease)  
Mineral Owners-

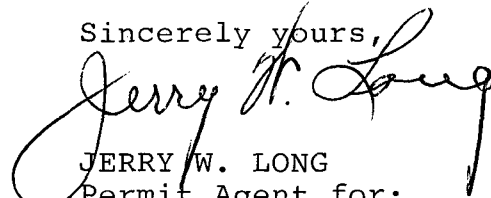
Lucille Martin Cooper  
Jacqueline Cooper Ingle and husband, Stuart C. Ingle  
Virginia Cooper Clemmons and husband, John F. Clemmons  
c/o John F. Clemmons  
P.O. Box 14  
Kenna, New Mexico 88122

Marquette S. Davis  
Paul Davis  
Ethel Davis  
Thomas Davis  
Thomas E. Davis, Jr.  
c/o Thomas E. Davis, Jr.  
South Star Route, Box 45  
Elida, New Mexico 88116

Warren Oil and Gas Company  
c/o Raymond L. Hoffman  
7 South Elm Street  
Three Oaks, Michigan 49128

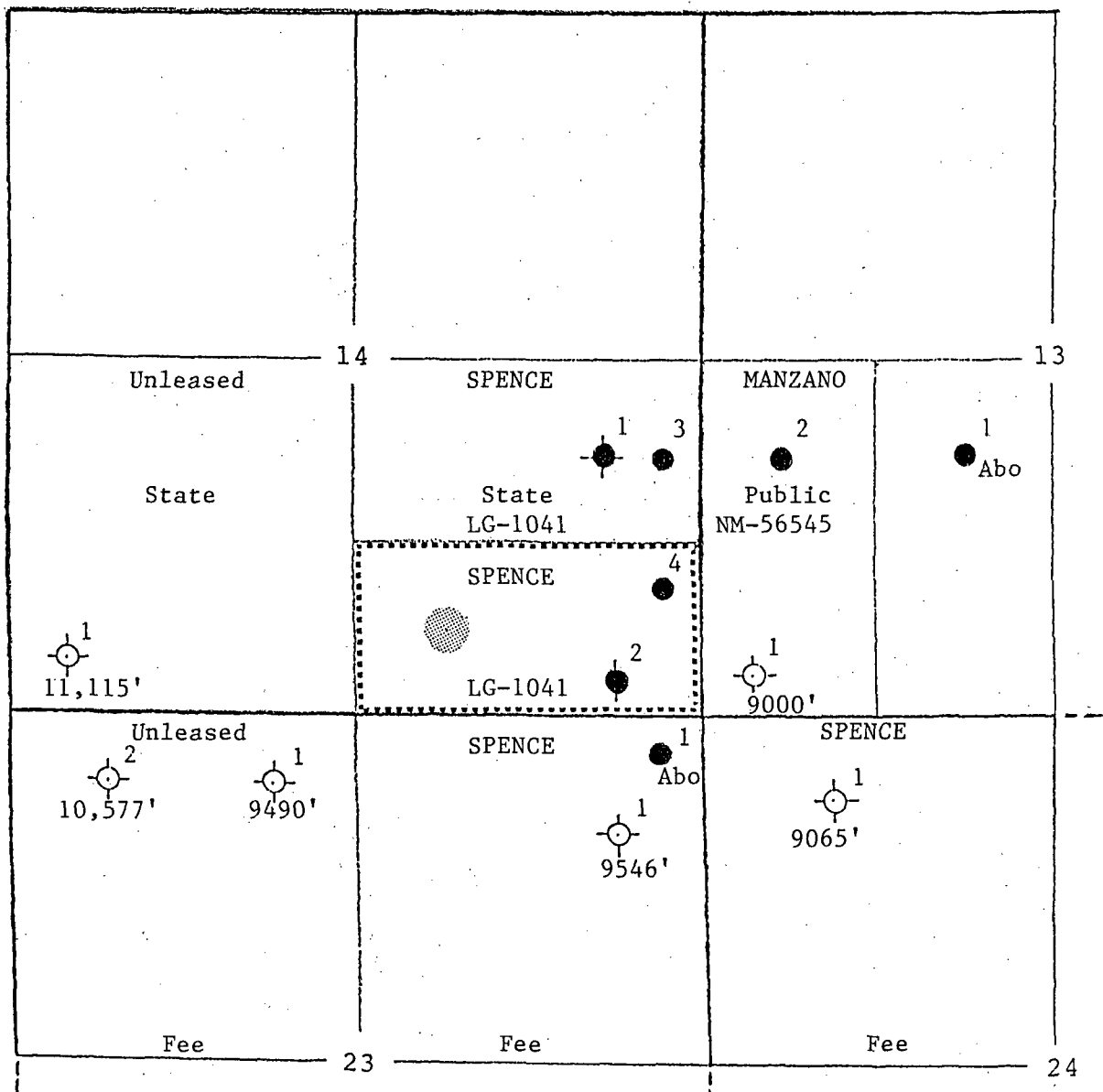
Spence Energy Company is the operator of all remaining off-set drilling units, except the SW/4 Sec.14, T.9S., R.32E., which is unleased State land. Please expedite your approval of this request in order to permit early assignment of allowable.

Sincerely yours,

  
JERRY W. LONG  
Permit Agent for:  
SPENCE ENERGY COMPANY

SPENCE ENERGY COMPANY  
No.4 Kellahin 14 State  
980'FSL 330'FEL, Sec.14-9S-32E  
Lea County, N.M.

APPLICATION FOR UNORTHODOX LOCATION



OWNERSHIP MAP

- ..... Dedicated Acreage  
● Orthodox Location



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

BRUCE KING  
GOVERNOR

April 18, 1991

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

Spence Energy Company  
381 Two Energy Square  
4849 Greenville Avenue  
Dallas, TX 75206

Re: Kellahin "14" State #4-P  
Section 14, T9S, R32E  
Completion in South Flying M Bough Pool

Gentlemen:

A "marginal allowable" has been assigned to the above-referenced well for 60 days pending approval of your unorthodox location. Your application should be submitted immediately and if for some reason you are unable to get approval within 60 days you will be expected to shut the well in.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I

ed

cc: Jerry W. Long  
2709 Resolana Drive  
Roswell, NM 88201

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
LG-1041	

6. TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

7. TYPE OF COMPLETION

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

8. Name of Operator

SPENCE ENERGY COMPANY Ph.214-739-0027

9. Address of Operator

381 Two Energy Square, 4849 Greenville Ave.  
Dallas, Texas 75206

10. Location of Well

UNIT LETTER P LOCATED 980' FEET FROM THE South LINE AND 330' FEET FROM

THE East LINE OF SEC. 14 TWP. 9S RGE. 32E NMPM

15. Date Spudded 1-7-91 16. Date T.D. Reached 2-9-91 17. Date Compl. (Ready to Prod.) 3-31-91 18. Elevations (DF, RKB, RT, GR, etc.) 4336.4 GR 19. Elev. Casinghead --

20. Total Depth 8950' 21. Plug Back T.D. 8907' 22. If Multiple Compl., How Many NA 23. Intervals Drilled By Rotary Tools 0-8950' Cable Tools --

24. Producing Interval(s), of this completion - Top, Bottom, Name

8876' - 8882' Bough

25. Was Directional Survey Made

No

26. Type Electric and Other Logs Run

DLL, GR Density - Neutron

27. Was Well Cored

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24# H-40	1690'	11"	600 sx	Circulated
4-1/2"	17# N-80	8950'	7-7/8"	400 sx	None
				TC 7620'	

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
None					2-3/8"	8904'	None

30. PERFORATION RECORD (Interval, size and number)

Casing gun shots, 8876'-8882', 2 shots/ft.

31. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>8876' - 8882'</u>	<u>3000 Gal 15% spearhead acid</u>

32. PRODUCTION

Date First Production <u>3-31/91</u>		Production Method (Flowing, gas lift, pumping - Size and type pump) <u>Pumping @ 7 SPM with 228 Pump Unit</u>				Well Status (Prod. or Shut-in) <u>Producing</u>	
Date of Test <u>3-31-91</u>	Hours Tested <u>24</u>	Choke Size <u>NA</u>	Prod'n. For Test Period <u>30</u>	Oil - Bbl. <u>30</u>	Gas - MCF <u>10</u>	Water - Bbl. <u>20</u>	Gas - Oil Ratio <u>333</u>
Flow Tubing Press. <u>0</u>	Casing Pressure <u>30#</u>	Calculated 24-Hour Rate <u>30</u>	Oil - Bbl. <u>30</u>	Gas - MCF <u>10</u>	Water - Bbl. <u>20</u>	Oil Gravity - API (Corr.) <u>42°</u>	

33. Disposition of Gas (Sold, used for fuel, vented, etc.)

Gas Vented

Test Witnessed By

Scott Bodzion

34. List of Attachments

C-102, C-104, C-116

Inclination Report and well logs

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

Jerry W. Long

TITLE

Agent

DATE April 16, 1991

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

## Southeastern New Mexico

## Northwestern New Mexico

T. Anhy Rustler 1692'	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
T. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates 2242'	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres 3515'	T. Simpson	T. Gallup	T. Ignacio Qtzite
T. Glorieta 4907'	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinbry	T. Gr. Wash	T. Morrison	T.
T. Tubb 6360'	T. Granite	T. Todillo	T.
T. Drinkard	T. Delaware Sand	T. Entrada	T.
T. Abo 7224'	T. Bone Springs	T. Wingate	T.
T. Wolfcamp	T. Bough B 8876'	T. Chinle	T.
T. Penn.	T. Bough C 8898'	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn. "A"	T.

## OIL OR GAS SANDS OR ZONES

No. 1, from Oil 8876' to 8882'	No. 4, from
No. 2, from to	No. 5, from to
No. 3, from to	No. 6, from to

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to	feet
No. 2, from to	feet
No. 3, from to	feet
No. 4, from to	feet

## FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1692'		Redbeds	4907'	7224'		Sandstone, Shale & Limestone
1692'	2242'		Anhydrite, Salt & Shale	7224'	8950'		Shale, Dolomite, Limestone
2242'	3515'		Limestone & Anhydrite				
3515'	4907'		Dolomite & Anhydrite				
DST	#1	3275'	- 3573', Rec 60' DM, No Show				

# 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 SPENCE ENERGY CO.			Lease KELLAHIN 14		Well No. 4
Unit Letter P	Section 14	Township 9 SOUTH	Range 32 EAST	County LEA	
Actual Footage Location of Well: 330 feet from the EAST line and 980 feet from the SOUTH line					
Ground level Elev. 4336.4		Producing Formation Bough		Pool South Flying M - Bough	Dedicated Acreage: 80 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

REVISED ACREAGE DEDICATION			
* APPROVAL OF UNORTHODOX LOCATION PENDING			

### 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

SPENCE ENERGY COMPANY

Date

April 16, 1991

### 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

Signature & Seal of  
Professional Surveyor

*John W. West*  
Certificate No. JOHN W. WEST, 676  
RONALD J. EIDSON, 3239

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
LG-1041	
7. Unit Agreement Name	
NA	
8. Farm or Lease Name	
Kellahin 14 State	
9. Well No.	
4	
10. Field and Pool, or Wildcat	
South Flying M-Abo	
12. County	
Lea	
19. Proposed Depth	19A. Formation
9000'±	Abo
20. Rotary or C.T.	
Rotary	
21. Elevations (show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond
4336.4 GL	\$50,000 Blanket
21B. Drilling Contractor	22. Approx. Date Work will start
Norton Drilling	December 15, 1990

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	
b. Type of Well	
DRILL <input checked="" type="checkbox"/>	DEEPEN <input type="checkbox"/>
OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>
OTHER <input type="checkbox"/>	
SINGLE ZONE <input checked="" type="checkbox"/>	
MULTIPLE ZONE <input type="checkbox"/>	
2. Name of Operator	
SPENCE ENERGY COMPANY	
381 Two Energy Square	
Ph. 214-739-0027	
3. Address of Operator	
4849 Greenville Ave.	
Dallas, Texas 75206	
4. Location of Well	
UNIT LETTER P LOCATED 980' FEET FROM THE South LINE	
AND 330' FEET FROM THE East LINE OF SEC. 14 TWP. 9S REC. 32E NMPM	
5. Proposed Depth	
9000'±	
6. Formation	
Abo	
7. Rotary or C.T.	
Rotary	
8. Elevations (show whether DF, RT, etc.)	
4336.4 GL	
9. Kind & Status Plug. Bond	
\$50,000 Blanket	
10. Drilling Contractor	
Norton Drilling	
11. Approx. Date Work will start	
December 15, 1990	

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	48# H-40	400'±	425 sx	Circulate
11"	8-5/8"	24# H-40	1700'±	800 sx	Circulate
7-7/8"	5-1/2"	17# N-80	9000'±	250 sx	7000'

Propose to drill to 9000'± to test Abo and intermediate formations.

Series 900 Double-ram 5000#WP BOP will be installed after 8-5/8" casing has been cemented.

5-1/2" casing will be perforated opposite favorable zones. Completion will include running 2-7/8" tubing, stimulating and testing to tanks.

An agreement has been consummated with the fee surface owner to provide damages for surface disturbance.

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, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Jerry W. Long Title Permit Agent Date December 12, 1990  
(This space for State Use)

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

CONDITIONS OF APPROVAL, IF ANY:



# OIL CONSERVATION DIVISION

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

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

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P.O. Drawer DD, Artesia, NM 88210

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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 SPENCE ENERGY CO.			Lease KELLAHIN 14 State		Well No. 4
Unit Letter P	Section 14	Township 9 SOUTH	Range 32 EAST	County LEA	

Actual Footage Location of Well:

330 feet from the EAST line and 980 feet from the SOUTH line			
Ground level Elev. 4336.4	Producing Formation Abo	Pool South Flying M - Abo	Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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).  
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### OPERATOR CERTIFICATION

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

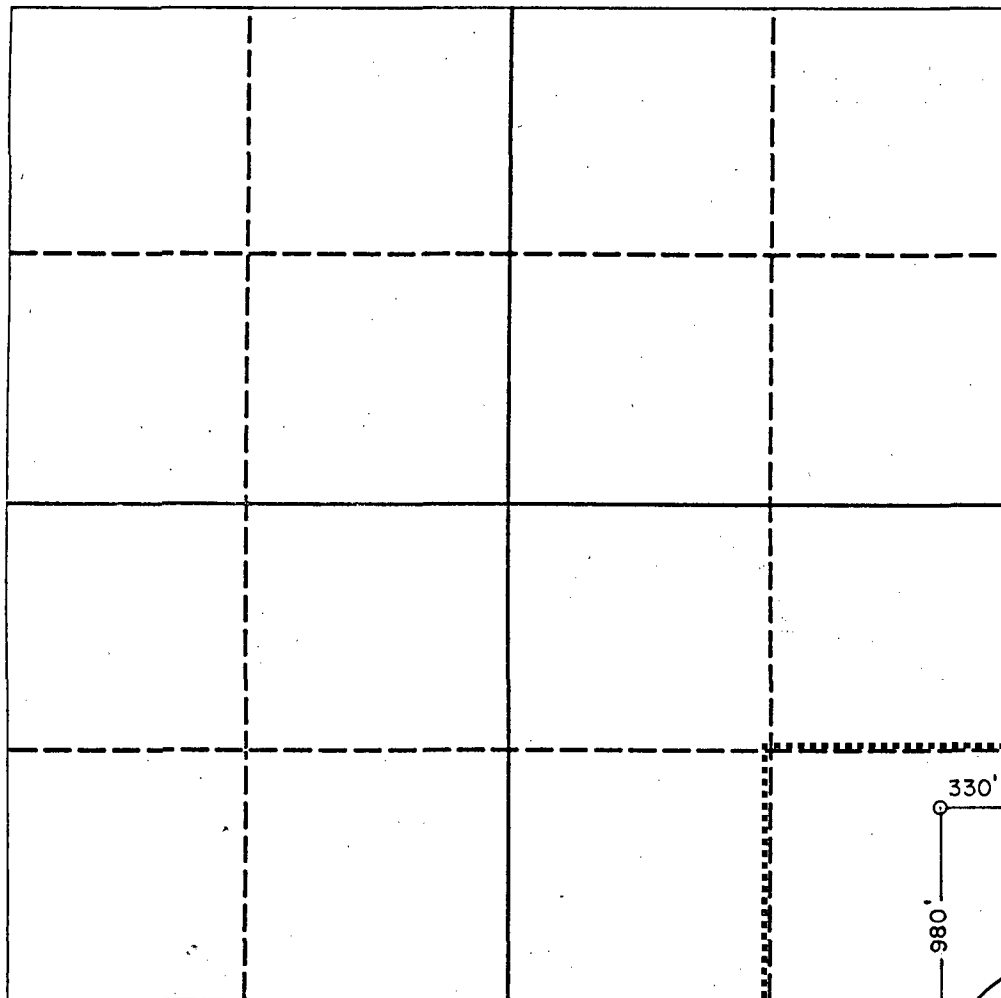
Signature <i>Jerry W. Long</i>
Printed Name JERRY W. LONG
Position Permit Agent
Company SPENCE ENERGY COMPANY
Date December 12, 1990

### 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 12-10-90
Signature & Seal of Professional Surveyor <i>John W. West</i>

Certificate No. JOHN W. WEST, 676  
RONALD J. EIDSON, 3239



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

COUNTY LeaPOOL South Flying "M" - PennsylvanianTOWNSHIP 9 SouthRANGE 32 East

NMFM

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

Ext:  $\frac{SE}{4}$  Sec 24 (R-3355, 11-1-68) -  $\frac{NE}{4}$  Sec 25 (R-3530, 11-1-68)

$\frac{NW}{4}$  Sec 25 (R-3818, 9-1-69) -  $\frac{SW}{4}$  Sec 24 (R-3853, 11-1-69)

Ext:  $\frac{SE}{4}$  Sec 14,  $\frac{E}{2}$  Sec 23 (R-4861, 11-1-74)

Redesignated "South Flying "M" - Bough" (R-4969, 4-1-75)