

MELZER EXPLORATION COMPANY, INC.

1155 TWO FIRST CITY CENTER

P. O. BOX 2083

MIDLAND, TEXAS 79702-2083

OIL CONSERVATION DIVISION
RECEIVED

L. S. MELZER

OFF. (915) 682-1627

L. STEPHEN MELZER

OFF. (915) 682-7664

January 20, 1992

H. SCOTT DAVIS
OFF. (915) 682-7664

Mr. Michael Stogner
State Of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Melzer Exploration Company
Amerada Wise #2-E
660' FWL and 2080' FNL,
Section 14, T20S-R38E
3250' Gas Test
House Yates/7 Rivers Field
Lea County, New Mexico

Dear Mr. Stogner;

By this letter Melzer Exploration Company makes application for approval of a non-standard location for the captioned well. You may recall from our telephone conversation of January 3, 1992 that Melzer Exploration Company elected to drill the referenced well 100' south of our failed # 1 Amerada Wise re-entry. The #1 Amerada Wise re-entry was plugged and abandoned according to NMOCC specifications after discovering that contrary to the plugging reports the previous operator had shot off the 8 5/8" casing +428' below the surface making any attempt to utilize the existing casing and wellbore futile.

On December 26, 1991 this office filed a request for permission to drill the #2 Amerada Wise as a 100' south offset to the #1 Amerada Wise. The drilling permit was issued with the provision that we file and have approved a non-standard location exception.

Melzer Exploration Company's logic for skidding 100' south and staying on the same drilling location/pad is four fold 1) we minimize damage to the surface estate, 2) we avoid the possibility of drilling into the old wellbore, 3) we eliminate additional and costly location construction and 4) we remain in approximately the same geological position as the #1 Amerada Wise.

In addition to the aforementioned this location does not

represent a reservoir drainage threat to any offset operator. Seay Exploration, the only offset producer has waived objection to the location as had Leonard Resource Management holder of non-producing oil and gas leases abutting our proration unit.

Pursuant to this request for approval of the captioned non-standard location enclosed for your review please find:

- 1) Waivers of objection from offset operator
- 2) Location plat
- 3) Ownership map
- 4) Approved Drilling Permits (#1 & #2E Amerada Wise)
- 5) Plugging Report #1 Amerada Wise

Should you require additional information prior to approving this request please advise and we will endeavor to provide same. Thank you for your assistance.

Sincerely,



H. Scott Davis

January 9, 1992

Melzer Exploration Company
P.O. Box 2083
Midland, Texas 79702

LETTER OF WAIVER

Re: Melzer Exploration Company
AmeradaWise #2-E
2080' FNL, 660' FWL, Sec. 14,
T20S, R38E, Lea Co., N.M.

Dear Sir,

The undersigned is an offset operator to the captioned. By this letter the undersigned hereto waives all objection to Melzer Exploration Company drilling and completing the captioned well at the below described "unorthodox location":

Melzer Exploration Company Amerada Wise #2-E to be drilled 2080' from the north line and 660' from the west line of Section 14, Township 20 South, Range 38 East, Lea County, New Mexico.

Seay Exploration, Inc.
Operator

John G Seay 1/17/92
By Date

John G Seay Owner
Print Name and Title

January 9, 1992

Melzer Exploration Company
P.O. Box 2083
Midland, Texas 79702

LETTER OF WAIVER

Re: Melzer Exploration Company
AmeradaWise #2-E
2080' FNL, 660' FWL, Sec. 14,
T20S, R38E, Lea Co., N.M.

Dear Sir,

The undersigned is an offset operator to the captioned. By this letter the undersigned hereto waives all objection to Melzer Exploration Company drilling and completing the captioned well at the below described "unorthodox location":

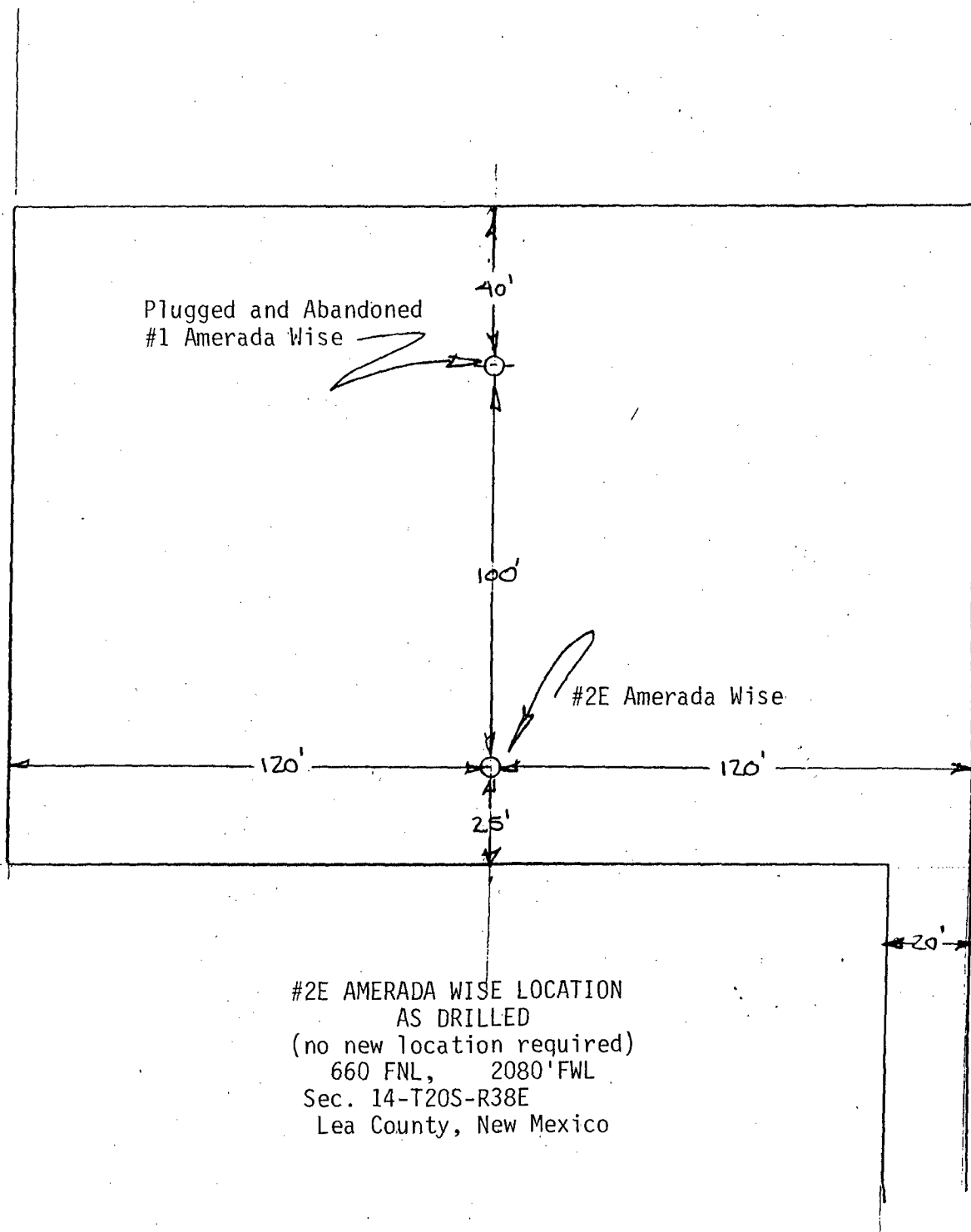
Melzer Exploration Company Amerada Wise #2-E to be drilled 2080' from the north line and 660' from the west line of Section 14, Township 20 South, Range 38 East, Lea County, New Mexico.

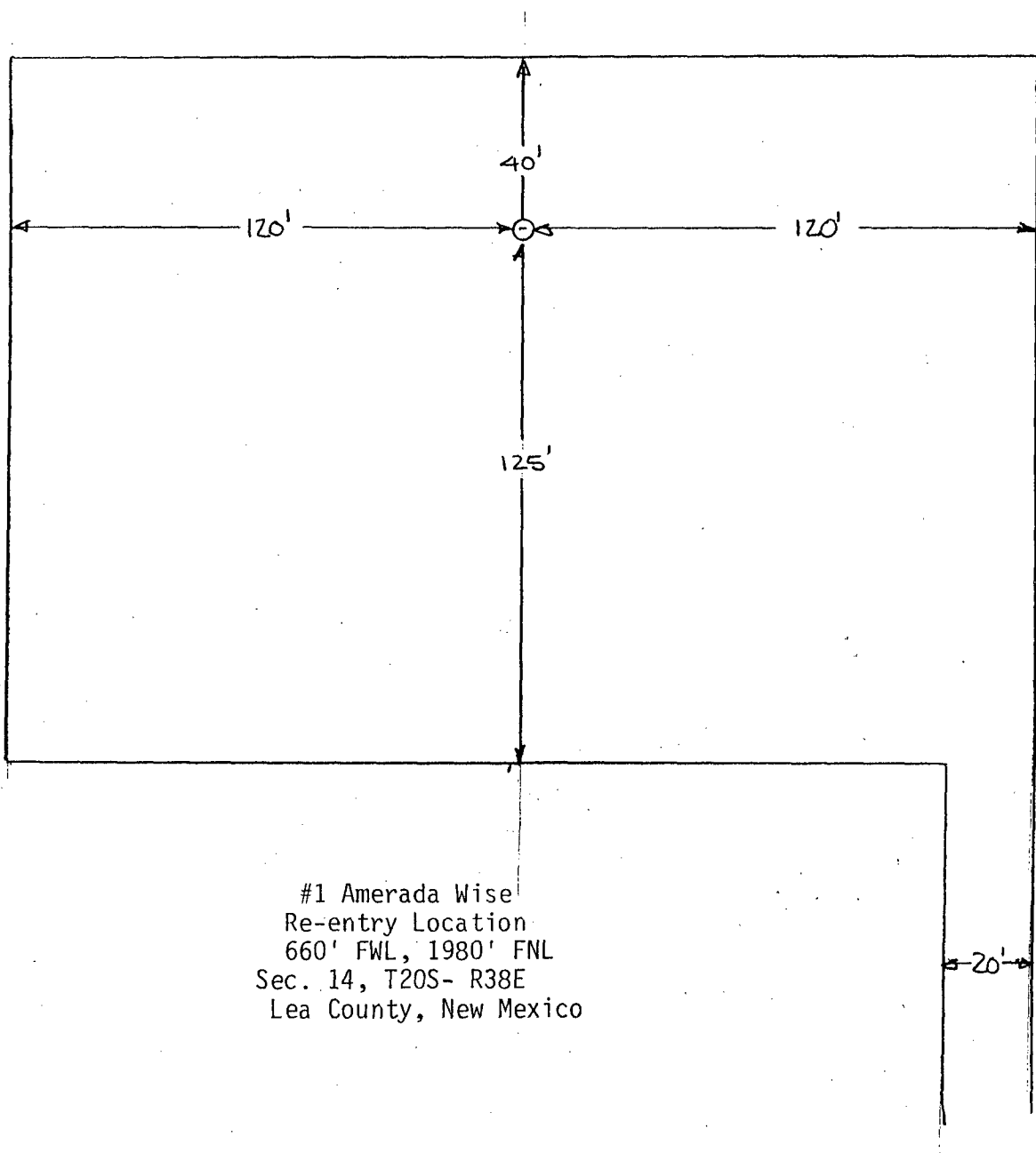
LEONARD RESOURCE
INVESTMENT CORPORATION
Operator

By

Date

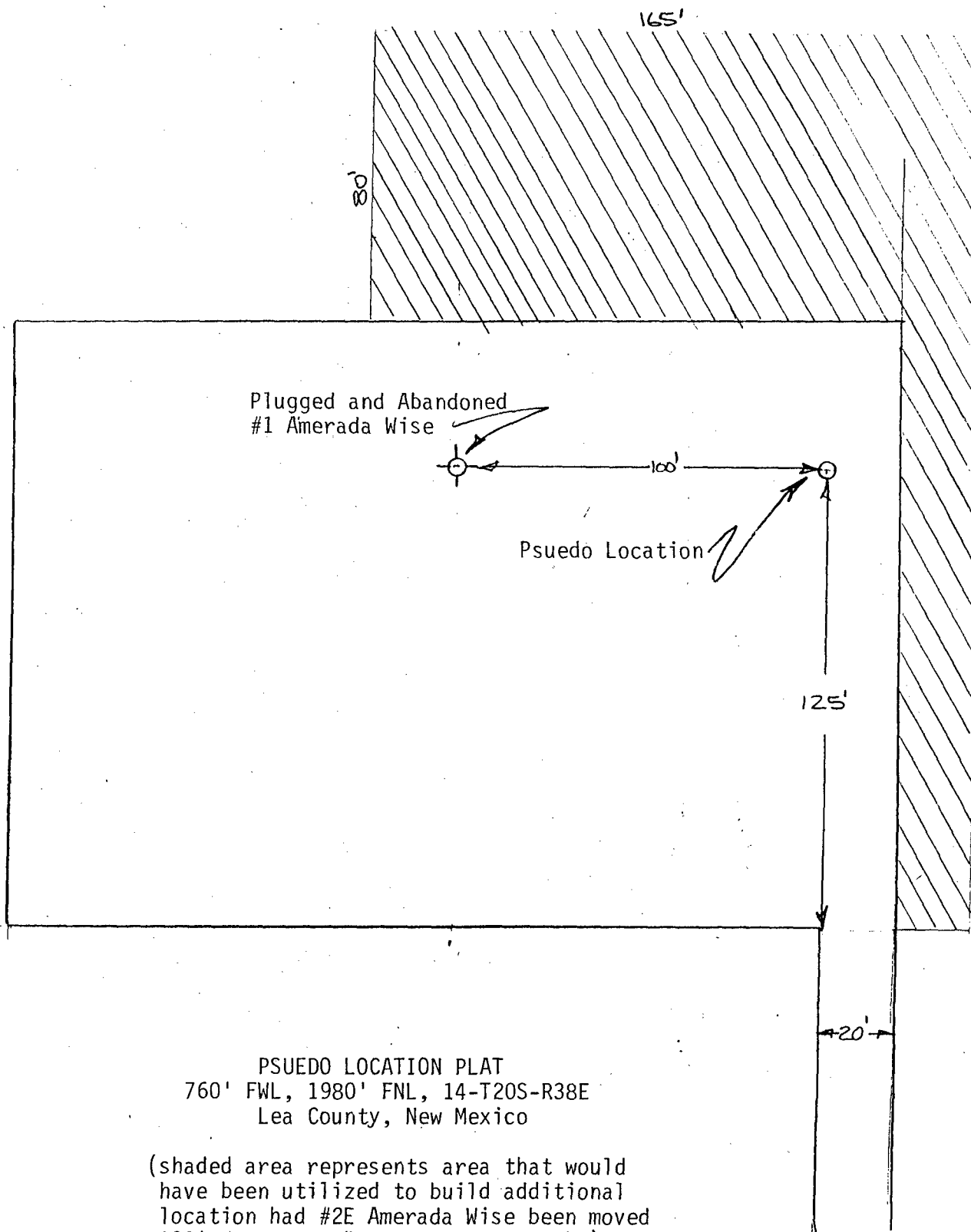
DAVID M. LEONARD, PRESIDENT
Print Name and Title





#1 Amerada Wise
Re-entry Location
660' FWL, 1980' FNL
Sec. 14, T20S- R38E
Lea County, New Mexico

Scale 1"=40'





NORTHEAST
SHELL UNIT

OWNERSHIP MAP
MELZER EXPLORATION COMPANY
AMERADA WISE LEASE
NW/4 Sec. 14-T20S-R38E
1" = 2640'

R38E

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
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

API NO. (assigned by OCD on New Wells)

30-025-D7775

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☐

RE-ENTER ☒

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. Name of Operator
Exploration
Melzer Operating Company

8. Well No.

1

3. Address of Operator
P. O. Box 2083, Midland, TX 79702

9. Pool name or Wildcat
House Yates/7 River

4. Well Location
Unit Letter E : 1980 Feet From The North Line and 660 Feet From The West Line

Section

14

Township

20S

Range

38E

NMPM

Lea

County

10. Proposed Depth

4500

11. Formation

Yates/7 Rivers

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

360' GL

14. Kind & Status Plug. Bond

Cash Bond-To Be Filled See Below

15. Drilling Contractor

See Below

16. Approx. Date Work will start

Nov. 11, 1991

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE

12-3/4"

SIZE OF CASING

8-5/8"

WEIGHT PER FOOT

32#

SETTING DEPTH

4500'

SACKS OF CEMENT

2500

EST. TOP

Surf.

Re-enter Ralph Lowe #1 Amerada Wise. # 1 Amerada Wise was plugged by Ralph Low in 1955 w/ a 15 sack plug @ surf, a 75 sack plug @ 4450' (numerous other plugs set below 4500').

1.) Drill out surf plug w/ pulling unit & reverse circulating unit. Wash down to top of plug @ 4450' circulate hole clean and test 8-5/8" csg.

2.) If casing tests log hole and perf Yates/7 Rivers, stimulate and complete.

2a.) If casing will not test, locate hole, log and perf, spot sand across perms, run & cement 4-1/2" csg to $\pm 2900'$, circulate out sand, stimulate & complete.

8" 900 Dbl. manual blow-out preventer.

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.

SIGNATURE

TITLE Agent

DATE 11/5/91

TYPE OR PRINT NAME

H. Scott Davis

TELEPHONE NO. 915-682-7664

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
But Unless Drilling Underway.

WORKOVER

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

OIL CONSERVATION DIVISION

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

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

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

WELL API NO.	30-025-07775
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	-----
7. Lease Name or Unit Agreement Name	Amerada Wise
8. Well No.	1
9. Pool name or Wildcat	Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator Melzer Exploration Company
3. Address of Operator P.O. Box 2083, Midland, Texas 70702	4. Well Location Unit Letter <u>E</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>14</u> Township <u>20S</u> Range <u>38E</u> NMPM <u>Lea</u> County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3604 GL	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 1) Attempted re-entry of Amerada Wise #1 unsuccessful. 8 5/8" casing had been shot off at \pm 438' and pulled.
- 2) Propose to set cement plugs 50' below 13 3/8" casing and 50' in casing and to set a 10 sack plug at the surface.
- 3) Date of proposed plugging and abandonment 12/12/91.

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

SIGNATURE H. Scott Davis TITLE Agent DATE 12/11/91
TYPE OR PRINT NAME H. Scott Davis TELEPHONE NO. 915-682-7664

(This space for State Use)

ORIGINAL FORWARDED BY JERRY SEXTON
P.O. BOX 1000000000

DEC 27 1991

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

WELL API NO.	30-025-07775
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	-----

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name Amerada Wise
2. Name of Operator Melzer Exploration Company	8. Well No. 1
3. Address of Operator P.O. Box 2083, Midland, Texas 79702	9. Pool name or Wildcat wildcat
4. Well Location Unit Letter E : 1980 Feet From The North Line and 660 Feet From The West Line Section 14 Township 20S Range 38E NMMPM Lea County	

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3604 GL

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

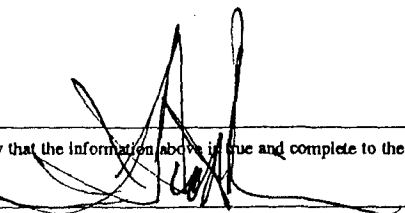
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☒
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

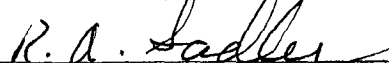
12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 1) 12/12/91 set 75 sack cement plug from 414' to 314' (13 3/8" csg. @ 364').
- 2) 12/12/91 set 10 sack plug at surface.
- 3) 12/13/91 installed dryhole marker.
- 4) 12/13/91 cleaned location.

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

SIGNATURE  TITLE Agent DATE 12/23/91
TYPE OR PRINT NAME H. Scott Davis TELEPHONE NO. 915-682-7664

(This space for State Use)

APPROVED BY  TITLE OIL & GAS INSPECTOR DATE DEC 30 1991

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease -- 6 copies
Fee Lease -- 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
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

API NO. (assigned by OCD on New Wells)

30-025-31498

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

NA

7. Lease Name or Unit Agreement Name

Amerada Wise

8. Well No.

2

9. Pool name or Wildcat

Southwest Wildcat House Y-5R gas

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. Name of Operator

Melzer Exploration Company

3. Address of Operator

P.O. Box 2083, Midland, Texas 79702

4. Well Location

Unit Letter E : 2080 Feet From The North Line and 660 Feet From The West Line

Section

14

Township

20S

Range

38E

NMPM

Lea

County

10. Proposed Depth

3250'

11. Formation

Seven Rivers

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3604 GL

14. Kind & Status Plug. Bond

cash-1 well

15. Drilling Contractor

Rod - Ric Corp.

16. Approx. Date Work will start

01/09/92

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	23#	300'	190	surf.
7 7/8"	4 1/2"	9.5#	3250'	800	surf.

Drilling rig is equipped with:

Shaffer Blow Out Preventer - 11"/3000 LWS Double
80 gal. 3000 psi 4 valve
Air and Electric Powered

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.

SIGNATURE

TITLE

Agent

DATE 12/26/91

TYPE OR PRINT NAME

H. Scott Davis

TELEPHONE NO 915-682-7664

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

Approved for drilling only--
well cannot be produced as a gas well until NSL
has been approved.

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

JAN 07 '92

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 1988, 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 Melzer Exploration Company			Lease Amerada Wise		Well No. 2
Unit Letter E	Section 14	Township 20 South	Range 38 East	County Lea	

Actual Footage Location of Well:

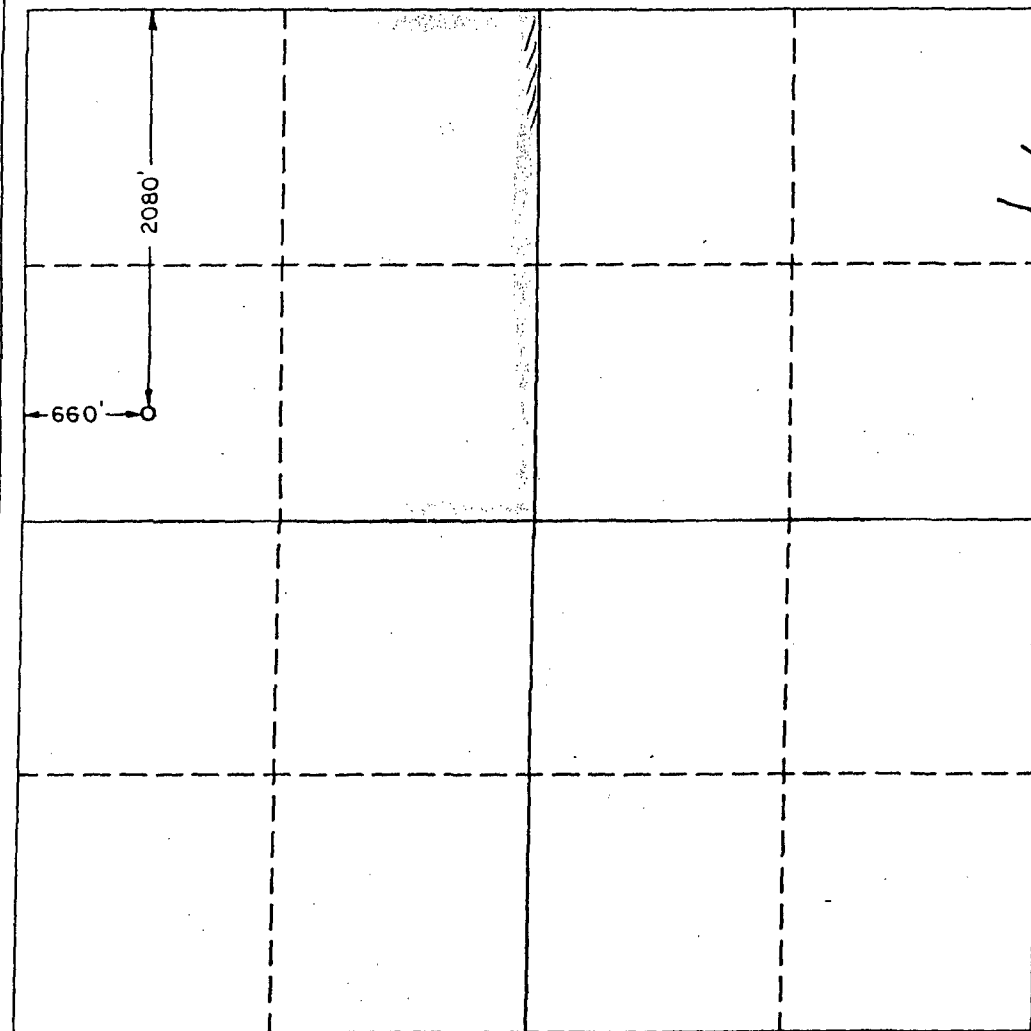
2080 feet from the North line and 660 feet from the West line			
Ground Level Elev. 3604.2'	Producing Formation Yates/7 Rivers	Pool Southwest House Y SR gas Wildcat	Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communization, unitization, force-pooling, etc.?

☒ Yes ☐ No If answer is "yes" type of consolidation Communization

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

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



OPERATOR CERTIFICATION

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

Signature

Printed Name

H. Scott Davis

Position

Agent

Company

Melzer Exploration Co.

Date

1-2-92

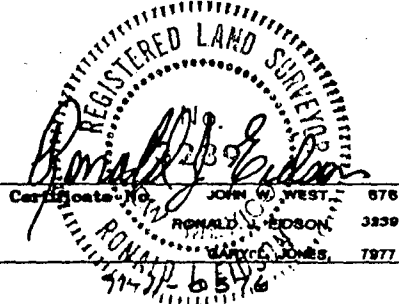
SURVEYOR CERTIFICATION

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

December 27, 1991

Signature & Seal of
Professional Surveyor



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