

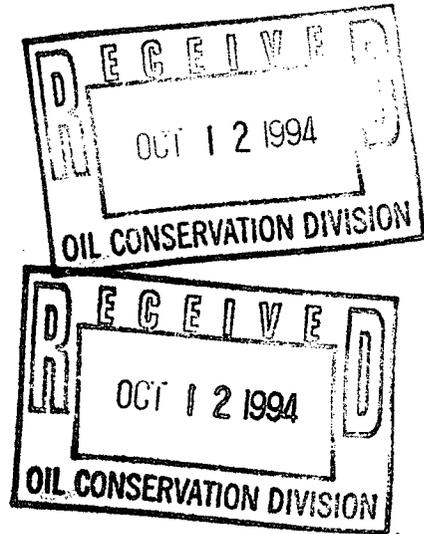
**VIA FEDERAL EXPRESS**

October 11, 1994

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501



RE: Administrative Order NSL-3254  
Apache "24" Federal Well No. 1  
Unit P, Sec. 24, T22S, R30E  
Eddy County, New Mexico



Dear Mr. Stogner:

Reference is made to Administrative Order NSL-3254, whereby Mitchell drilled the subject well at a location 330' FEL and 1200' FSL of Section 24 to test the Morrow formation.

Mitchell is now requesting that Order NSL-3254 be amended to cover all of the zones included in the Pennsylvanian formation in order to recomplete the Apache "24" Federal No. 1 well. To aid in processing this request, I have enclosed a plat which reflects all offset operators and a Service List setting forth their mailing addresses.

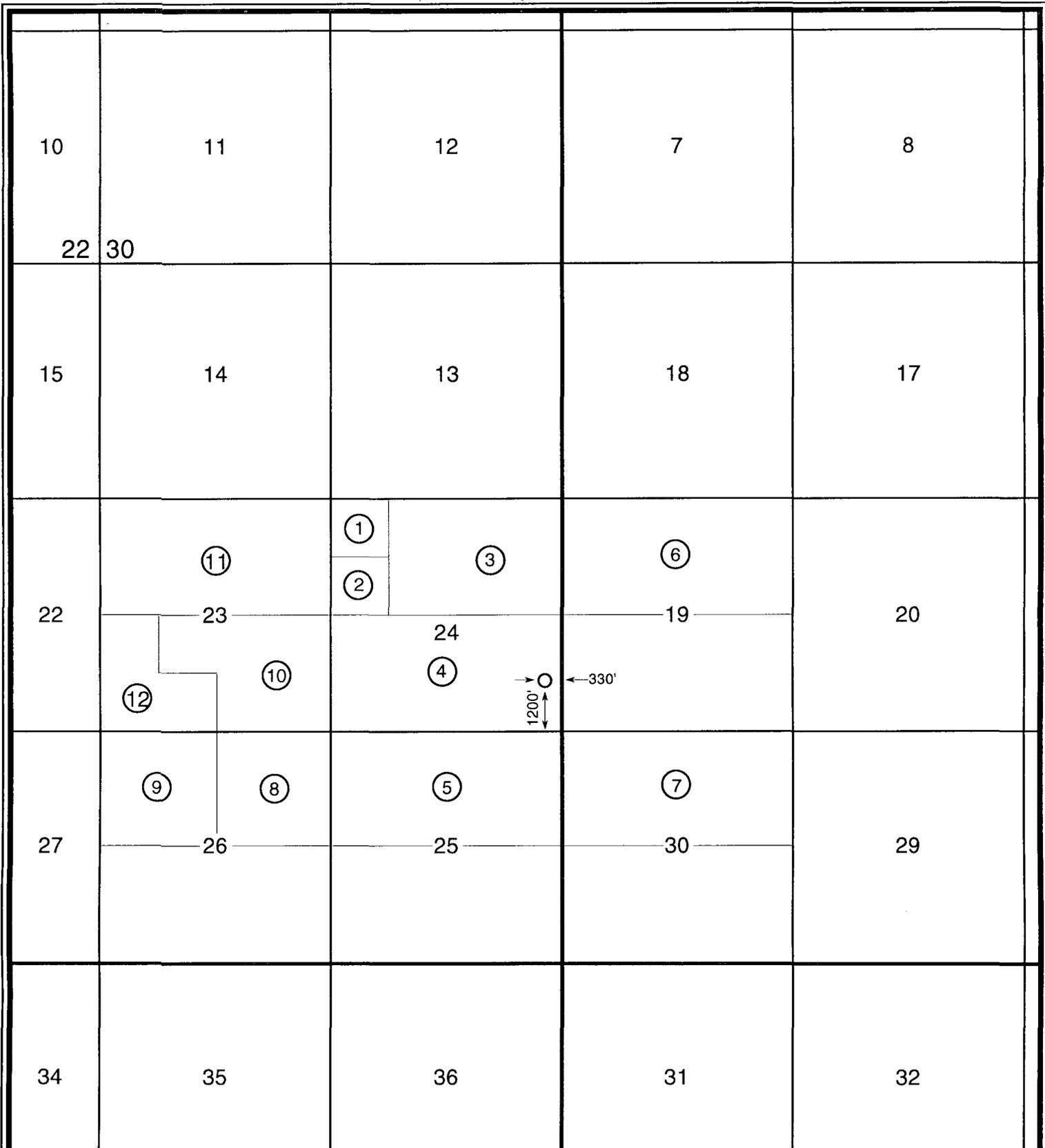
Should you require any additional information or if I can be of any further help, kindly advise.

Very truly yours,

MITCHELL ENERGY CORPORATION

George Mullen  
Regulatory Affairs Specialist

GM:mw  
nmocd.gm



**LEGEND**

Plat Tracts

- |            |                             |
|------------|-----------------------------|
| 1,8,10,11  | Arco Oil & Gas Company      |
| 2,3,4,5    | Mitchell Energy Corporation |
| 6,7        | Department of Energy (WIPP) |
| 9,10,11,12 | Perry R. Bass, Inc. et al   |



**Mitchell Energy Corporation**  
 P.O. BOX 4000 • THE WOODLANDS, TEXAS 77387-4000

Offset Operators for Unorthodox Well Location  
 Apache "24" Federal Well No. 1  
 Sec. 24, T22S, R30E  
 Eddy County, New Mexico

DATE: 10-10-94

SCALE: 1"=3000'

**SERVICE LIST**  
**Application of Mitchell Energy Corporation**  
**for Unorthodox Well Location**  
**Apache "24" Federal Well No. 1**  
**Eddy County, New Mexico**

**Plat Tracts 1, 8, 10, & 11**

*Certified Mail - RRR No. P 225 375 481*  
ARCO Oil & Gas Company  
P.O. Box 1610  
Midland, Texas 79702

*Certified Mail - RRR No. P 225 375 482*  
Green London, Individ.,  
Georgia Lou London Bergsten,  
Trustee of the Margaret S. London Test. Trust  
2303 Inez Drive NE  
Albuquerque, New Mexico 87101

**Plat Tracts 6 & 7**

*Certified Mail - RRR No. P 225 375 483*  
Department of Energy  
Waste Isolation Pilot Project  
P.O. Box 2078  
Carlsbad, New Mexico 88221

**Plat Tracts 9, 10, 11 & 12**

*Certified Mail - RRR No. P 225 375 484*  
Perry R. Bass, Inc., Lee M. Bass, Inc.  
Sid R. Bass, Inc., Thruline, Inc. & Keystone, Inc.  
Bass Enterprises Production Co.  
Attn: J. Wayne Bailey  
201 Main Street  
Fort Worth, Texas 76102-3105

*I hereby certify that a copy of Mitchell's Request for an Unorthodox Well Location for the Apache "24" Federal Well No. 1 was sent Certified Mail to the above parties on October 11, 1994.*

  
\_\_\_\_\_  
George Mullen

October 11, 1994  
nmocd.gm

October 6, 1994

United States Department of the Interior  
Bureau of Land Management  
620 East Greene St.  
Carlsbad, NM 88220

Re: Apache "24" Federal Well No. 1  
Eddy County, New Mexico

Gentlemen:

Enclosed you will find an original and five (5) copies of Form 3160-5, Sundry Notices and Reports on Wells, for the subject well.

Should you require additional information or if I can be of any further help, kindly advise.

Very truly yours,

MITCHELL ENERGY CORPORATION

Original Signed By  
**GEORGE MULLEN**

George Mullen  
Regulatory Affairs Specialist

GM:mw  
3160-5.GM

Enc.

bcc: Ed Earles - Midland  
Pat Noyes - MND-4N  
Susan Norman - OB3-240  
Carol Osborne - MND-3N  
Central Records - MND-2N

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-89051
2. Name of Operator Mitchell Energy Corporation	6. If Indian, Allottee or Tribe Name NA
3. Address and Telephone No. P. O. Box 4000, The Woodlands, Texas 77387-4000	7. If Unit or CA, Agreement Designation NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1200' FSL & 330' FEL Section 24, T22S, R30E	8. Well Name and No. Apache "24" Federal #1
	9. API Well No. 30-015-27587
	10. Field and Pool, or Exploratory Area Los Medanos (Atoka Bank)
	11. County or Parish, State Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Propose to POOH w/tbg. RIH w/CIBP on WL & set @ 13,980'. RIH w/tbg & pkr to 12,900'. Perforate Atoka Bank from 13,074-83' & acidize zone.

14. I hereby certify that the foregoing is true and correct  
Signed Janice Blount Title Production Engineer Date 10/5/94

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



STATE OF NEW MEXICO

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE



ANITA LOCKWOOD  
CABINET SECRETARY

MATTHEW BACA  
DEPUTY SECRETARY

**BRUCE KING**  
GOVERNOR

June 16, 1994

Mitchell Energy Corp  
P.O. Box 4000  
The Woodlands, TX 77387-4000

Re: **Well Placed In Pool**

Gentlemen:

As the result of Division Order R-10124 the following described well has been placed in the pool shown below. This change in nomenclature has been made in our files. Please change your records to reflect the proper pool name. All subsequent reports must show this nomenclature until further notice.

**Los Medanos-Morrow Gas Pool  
Apache 24 Federal No.1  
Unit P, Section 24, Township 22 South, Range 30 East, NMPM  
Pool Code: 80560**

Transporters are advised, by copy of this letter, to change their records to reflect the pool name as established by this order, effective June 1, 1994.

Sincerely,

*Mark Ashley*  
Mark Ashley  
District Geologist

ORIG: CENTRAL RECORDS MND2N  
XC: ED EARLES MIDLAND  
CAROL OSBORNE MND3N  
SUSAN NORMAN O'B3

cc: Pride Pipeline  
El Paso Natural Gas Co  
Santa Fe  
Mae  
Well file  
BLM



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Done 6-9-93  
Xc: Larry Cunningham  
Jack Stanley  
George Tallos  
Jerry Taylor  
Mark Whitney  
Central Records - m 102  
New Mexico  
DRUG FREE  
BY THE STATE OF NEW MEXICO

BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

May 28, 1993

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

Mitchell Energy Corporation  
Attention: Mark N. Stephenson  
P.O. Box 4000  
The Woodlands, Texas 77387-4000

*Administrative Order NSL-3254*

Dear Mr. Stephenson:

Reference is made to your application dated April 27, 1993 for a non-standard gas well location to be drilled 1200 feet from the South line and 330 feet from the East line (Unit P) of Section 24, Township 22 South, Range 30 East, NMPM, to test the Devonian and Morrow formations, Eddy County, New Mexico. The S/2 of said Section 24 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either zone.

It is our understanding the proposed Apache "24" Federal Well No. 1 is within the Oil/Potash "R-111-P" Area, and is therefore subject to all applicable restrictions and rules therein. Further, it is our understanding the U. S. Bureau of Land Management, being the authorizing agency for permitting oil and gas wells on Federal lands, recommended the subject location to minimize or alleviate any potential undue waste of potash.

By the authority granted me under the provisions of Division General Rule 104.F(1) the above-described unorthodox gas well location in is hereby approved.

Sincerely,

William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia  
US Bureau of Land Management - Carlsbad

RECEIVED

JUN 07 1993

PRODUCTION  
REGULATORY AFFAIRS



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

New Mexico State Office  
1474 Rodeo Rd.  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115



IN REPLY REFER TO:

3160 (067)  
NMNM-89051

JUL 9 1993

✓ CERTIFIED--RETURN RECEIPT REQUESTED  
P 217 223 633

Mitchell Energy Corporation  
Attention: George Mullen  
P. O. Box 4000  
The Woodlands, TX 77387-4000

RE: Apache "24" Federal Well No. 1  
NMNM-89051  
1200' FSL & 330' FEL, Sec. 24, T22S, R30E  
Eddy County, New Mexico

Dear Mr. Mullen:

On April 22, 1993, Mitchell Energy Corporation filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from the ore zones that potash resources should not be impacted.

If you need any additional information, please contact Tony Herrell in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

*Katmy Eaton*  
for Monte G. Jordan  
Acting State Director

1 Enclosure

RECEIVED

JUL 16 1993

PRODUCTION  
REGULATORY AFFAIRS



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

New Mexico State Office  
1474 Rodeo Rd.  
P.O. Box 27115  
Santa Fe, New Mexico 87502-7115

IN REPLY REFER TO:  
3160(067)  
NM-89051

CERTIFIED--RETURN RECEIPT REQUESTED  
P 864 875 387

Mitchell Energy Corporation  
Attention: George Mullen  
P. O. Box 4000  
The Woodlands, TX 77387-4000

RE: Apache "24" Federal Well No. 1  
NM-89051  
990' FSL & 660' FEL, Sec. 24, T22S, R30E  
Eddy County, New Mexico

MAR 5 1993  
RECEIVED

MAR 11 1993

PRODUCTION  
REGULATORY AFFAIRS

Dear Mr. Mullen:

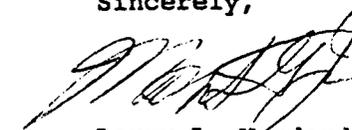
On December 3, 1992, this office received an Application for Permit to Drill (APD) for the above referenced well location. This location falls within the designated Secretary's Potash Area as defined in the 1986 Secretary's Order.

Considerable time has been spent evaluating the physical characteristics of the ore body and the feasibility of economically mining potash in the subject area. The Third, Fourth, Eighth and Tenth ore zones are the important potassium bearing formations in this area which meet the leasing criteria of 4 feet of 10 percent  $K_2O$  as sylvite or 4 feet of 4 percent  $K_2O$  as langbeinite. This combined with a mineralogical evaluation of the ore zone leads us to conclude that the Fourth ore zone constitutes a "Potash Enclave". Therefore, the drilling of this well may result in undue waste of potash.

In accordance with the 1986 Secretary's Order, the APD can not be approved at the present location. Your copies of the APD are enclosed. In the original denial of this well, the Bureau of Land Management (BLM) described an area available for drilling wells to the base of the Delaware formation 1,750 feet to the east. This APD location is located only 1,320 feet to the east of the original location and is for a well deeper than the base of the Delaware Formation. However, through further analysis, an alternate location may be available for deep gas wells from within the area described as follows: 0 feet to 330 feet FEL between 330 feet and 1250 feet FSL of Section 24. A vertical or directional well can be drilled from within this area which can bottom at the original target. Once a well has been drilled, it will be established as a drill island with a radius of 150 feet from the well bore. Future wells can be drilled from this drill island for the production of oil and gas.

This decision was given serious consideration by the BLM, regrettably, it may have an adverse impact to your company. Therefore, and in accordance with 43 CFR 3165.4, you may appeal this decision to the Interior Board of Land Appeals according to the procedures outlined on the enclosed Form 1842-1. Please contact Tony Herrell at (505) 887-6544, if you have any further questions.

Sincerely,

  
for Larry L. Woodard  
State Director

2 Enclosures

October 12, 1994

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501



RE: Administrative Order NSL-3254  
Apache "24" Federal Well No. 1  
Unit P, Sec. 24, T22S, R30E  
Eddy County, New Mexico

Dear Mr. Stogner:

Enclosed for your review and file you will find a "*corrected*" Service List which sets forth the Offset Operators located around the subject well. Please include this list in the packet sent to you on October 11, 1994, wherein Mitchell requested Order NSL-3254 be amended.

Thank you in advance for your prompt attention to this matter and if I can be of any further help, kindly advise.

Very truly yours,

MITCHELL ENERGY CORPORATION

A handwritten signature in cursive script that reads "George Mullen".

George Mullen  
Regulatory Affairs Specialist

GM:mw  
nmocd.gm

cc: Parties on Service List

**SERVICE LIST**  
**Application of Mitchell Energy Corporation**  
**for Unorthodox Well Location**  
**Apache "24" Federal Well No. 1**  
**Eddy County, New Mexico**

**Plat Tracts 1, 8, 10, & 11**

*Certified Mail - RRR No. P 225 375 481*  
ARCO Oil & Gas Company  
P.O. Box 1610  
Midland, Texas 79702

**Plat Tracts 6 & 7**

*Certified Mail - RRR No. P 225 375 483*  
Department of Energy  
Waste Isolation Pilot Project  
P.O. Box 2078  
Carlsbad, New Mexico 88221

**Plat Tracts 9, 10, 11 & 12**

*Certified Mail - RRR No. P 225 375 484*  
Perry R. Bass, Inc., Lee M. Bass, Inc.  
Sid R. Bass, Inc., Thruline, Inc. & Keystone, Inc.  
Bass Enterprises Production Co.  
Attn: J. Wayne Bailey  
201 Main Street  
Fort Worth, Texas 76102-3105

*I hereby certify that a copy of Mitchell's Request for an Unorthodox Well Location for the Apache "24" Federal Well No. 1 was sent Certified Mail to the above parties on October 11, 1994.*

  
\_\_\_\_\_  
George Mullen

October 12, 1994 (*Corrected*)  
nmocd.gm

October 25, 1994

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501



RE: Administrative Order NSL-3254  
Apache "24" Federal Well No. 1  
Unit P, Sec. 24, T22S, R30E  
Eddy County, New Mexico

Dear Mr. Stogner:

Enclosed for your review and file you will find a copy of the signed certified cards whereby the offset operators were notified of Mitchell's intention to amend the above captioned order.

If I can be of any further help, kindly advise.

Very truly yours,

MITCHELL ENERGY CORPORATION

A handwritten signature in cursive script that reads "George Mullen". The signature is written in black ink and is positioned above the printed name.

George Mullen  
Regulatory Affairs Specialist

GM:mw  
AP24FD1.gm

**SENDER:**

Complete items 1 and/or 2 for additional services.  
 Complete items 3 and 4a & b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

3 Article Addressed to:  
**ARCO Oil & Gas Company**  
 P.O. Box 1610  
 Midland, TX 79702

4a Article Number:  
**P 225 375 481**

4b Service Type:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7 Date of Delivery:  
**OCT 13 1994**

8 Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

**DOMESTIC RETURN RECEIPT**

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

Certified Cards for  
 Unorthodox Well Location  
 Apache "24" Federal No. 1  
 Administrative Order NSL-  
 3254  
 Eddy County, New Mexico

**Is your RETURN ADDRESS completed on the reverse side?**

**SENDER:**

Complete items 1 and/or 2 for additional services.  
 Complete items 3 and 4a & b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

3 Article Addressed to:  
**Bass Enterprises Production Co.**  
 Attn: J. Wayne Bailey  
 201 Main Street  
 Ft. Worth, TX 76102-3105

4a Article Number:  
**P 225 375 484**

4b Service Type:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7 Date of Delivery:  
**OCT 13 1994**

8 Addressee's Address (Only if requested and fee is paid)

6 Signature (Agent)

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

**DOMESTIC RETURN RECEIPT**

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

**Is your RETURN ADDRESS completed on the reverse side?**

**SENDER:**

Complete items 1 and/or 2 for additional services.  
 Complete items 3 and 4a & b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

3 Article Addressed to:  
**Department of Energy**  
**Waste Isolation Pilot Project**  
 PO Box 2078  
 Carlsbad, NM 88221

4a Article Number:  
**P 225 375 483**

4b Service Type:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7 Date of Delivery:  
**10-14-94**

8 Addressee's Address (Only if requested and fee is paid)

5 Signature (Addresser)

6 Signature (Agent)

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

**DOMESTIC RETURN RECEIPT**

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530



Department of Energy  
Albuquerque Operations Office  
Waste Isolation Pilot Plant Project Office  
P. O. Box 3090  
Carlsbad, New Mexico 88221

NSL-3254

MAY 26 1993

Mr. Ernest Szabo  
State Land Office  
P. O. Box 1148  
Santa Fe, NM 87405

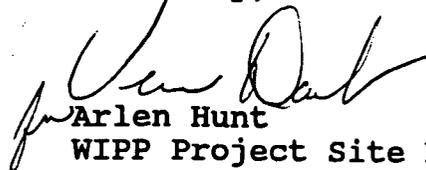
Dear Mr. Szabo:

On May 3, 1993, this office received a copy of a letter dated April 27, 1993, from Mitchell Energy Corporation to Mike Stogner, New Mexico Oil Conservation Division, requesting administrative approval of an unorthodox location for a Mitchell Energy Corporation well located within Section 24, Township 22 South, Range 30 East, Eddy County, New Mexico. The proposed location of this well does not encroach upon the Waste Isolation Pilot Plant (WIPP) 16 section land withdrawal area. However, the Department of Energy (DOE) is concerned that due to the close proximity of this well to the WIPP withdrawn lands, a minor horizontal displacement of the drill hole could encroach upon the withdrawn lands.

To protect the integrity of the WIPP withdrawn lands, the Bureau of Land Management (BLM) is being requested to stipulate that Mitchell Energy Corporation submit a set of daily drilling logs or suite of drilling logs to verify that the horizontal displacement of the drill hole towards the withdrawal area does not exceed the enclosed specifications. If these values are exceeded, a trespass condition will exist and the driller will be required to stop all drilling and plug and seal the area of trespass, in accordance with the applicable regulations, prior to proceeding with the well.

In the event that a public hearing should be held concerning this well, it is requested that the DOE be notified. If you have any questions regarding this memorandum, please call Patty Barattisallani of my staff at (505) 887-8117.

Sincerely,

  
Arlen Hunt  
WIPP Project Site Manager

Enclosure