

MERIT ENERGY COMPANY

12222 Merit Drive, Suite 1500
Dallas, Texas 75251
(214) 701-8377
(214) 960-1252 Fax

OIL CONSERVATION DIV
RECEIVED

'95 APR 13 PM 8

March 24, 1995

Division Director
Oil Conservation Commission
Box 2088
Santa Fe, NM 87501

Re: Unorthodox Location
Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
Lea County, NM

#46 - 2640' FSL - 1320' FEL
#45 - 1220' FSL - 1320' FEL
#35 - 2362' FNL - 2488' FEL

Dear Sir:

By copy of this letter, Merit Energy Company is hereby requesting administrative approval for exception to well location requirements. Attached please find a copy of our application to drill the for the above captioned wells located in Lea County, New Mexico. The unorthodox location is needed to commence an infill drilling program in the Langlie Mattix Queen Unit and Humphrey Queen Unit. This additional development will allow Merit to complete a more efficient production and injection pattern and increase the ultimate primary and secondary recovery from the unit.

Attached is a plat showing the proposed locations and lease ownership in the general area. Notification letters were sent to the offset operators as of March 24, 1995, by certified mail return receipt requested. As we receive proof of notification, they will be forward to you.

If you have any questions or require additional information, please contact me at (214) 701-8377.

Sincerely,



Sheryl J. Carruth
Regulatory Manager

SJC:s

Attachments

OFFSET OPERATORS

HUMPHREY QUEEN UNIT
and
LANGLIE MATTIX QUEEN UNIT

Betwell Oil & Gas Company
P. O. Box 2577
Hialeah, FL 33012

Southwest Royalties
407 N. Big Spring, Suite 300
Midland, TX 79702

Lewis B. Burleson
P. O. Box 2479
Midland, TX 79702-2479

Meridian Oil Inc.
21 Desta Drive
Midland, TX 79705

Robert L. Parker
8 East Third St.
Tulsa, OK 74103

Amerada Hess Corp.
Box 2040
Tulsa, OK 74102

Westbrook Oil Crop.
810 W. Broadway
Box 2264
Hobbs, NM 88240

Shell Western E & P
Box 576
Houston, TX 77001

R B Operating Co.
2412 N. Grandview
Suite 201
Odessa, TX 79761

Texaco Expl. & Prod.
Box 730
Hobbs, NM 88241-0730

Exxon Co USA
Box 2180
Houston, TX 77252-2180

Tahoe Energy Inc.
3909 W. Industrial
Midland, TX 79703

Citation Oil & Gas
8223 Willow Place South
Suite 250
Houston, TX 77070

Joe Melton Drlg.
P. O. Box 4203
Midland, TX 79704-4203

Conoco Inc.
3817 NW Expwy, Suite 400
Oklahoma City, OK 73018

J F G Enterprises
701 E. Main
Box 100
Artesia, NM 88211-0100

Chance Properties
Box 755
Hobbs, NM 88241

Amoco
Box 3092
Houston, TX 77253

Penroc Oil Corp.
Box 5970
Hobbs, NM 88241

Chevron USA Inc.
6400 S. Fiddler's Green Circle
Englewood, CO 80111

B C & D Operating
P. O. Box 5926
Hobbs, NM 88241

J. Cecil Rhodes
500 W. Texas
Suite 1190
Midland, TX 79701

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810 Western United Life
P. O. Box 590
Midland, TX 79702-0590

Lanexco Inc.
Box 2730
Midland, TX 79702

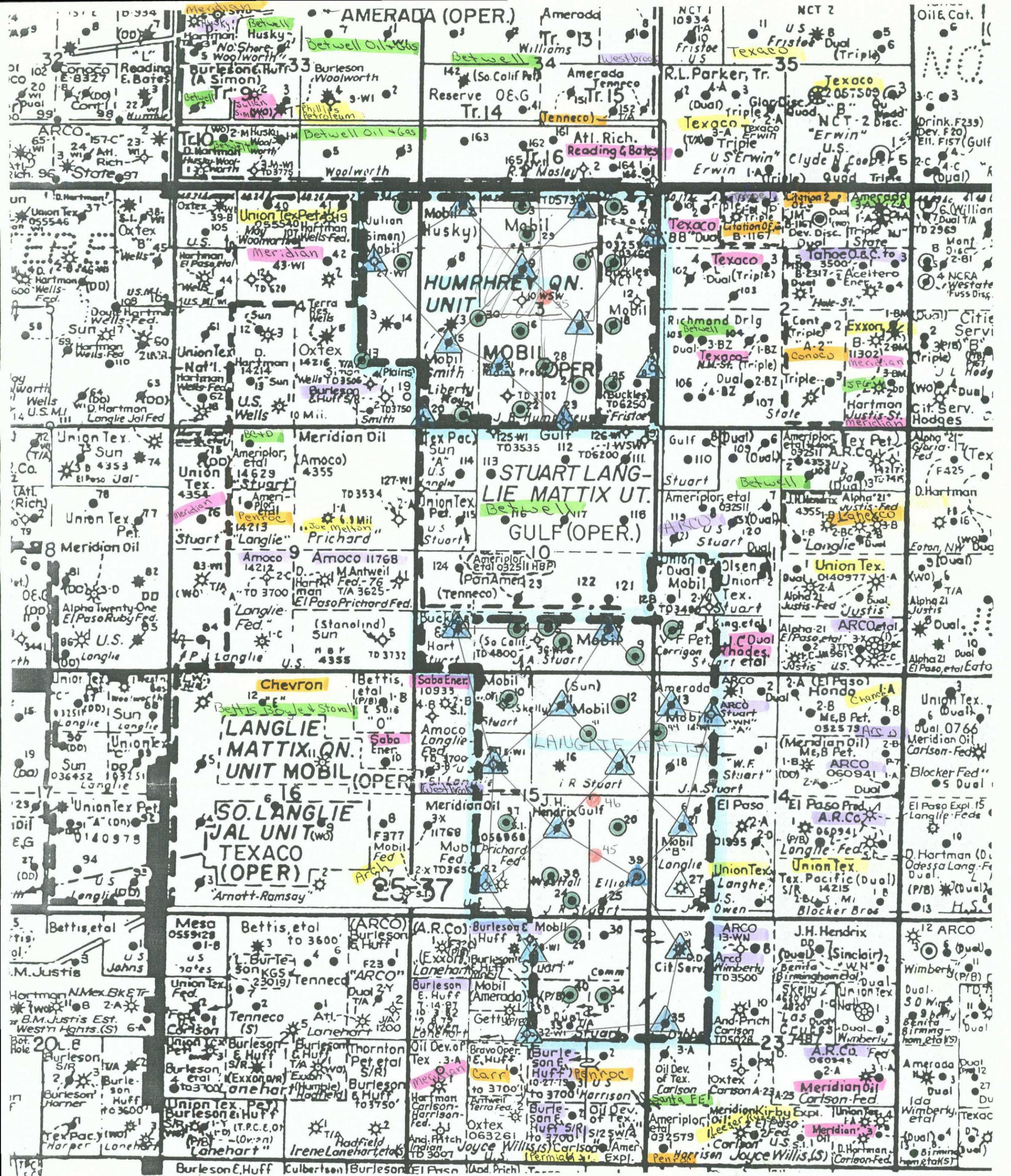
Bettis Boyle & Stovall
505 5th Street
P. O. Box 1240
Graham, TX 76450-1240

Arch Petroleum Inc.
777 Taylor St.
Suite 11A
Fort Worth, TX 76102

Saba Energy Inc.
2112 Hurd Dr.
Irving, TX 75038

Santa Fe Energy
500 W. Illionois
Midland, TX 79701

Carr Well Service Inc.
Box 69090
Odessa, TX 79767



Merit Energy Company
 Humphrey Queen
 and
 Langlie Mattix Unit

- ▲ Injector
- Producer
- Proposed Drill well

1" = 2000'

MERIT ENERGY COMPANY

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March 23, 1995

Betwell Oil & Gas Company
P. O. Box 2577
Hialeah, FL 33012

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
Lea County, NM

Gentlemen:

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March 24, 1995

Southwest Royalties
407 N. Big Spring, Suite 300
Midland, TX 79702

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
Lea County, NM

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12222 Merit Drive, Suite 1500
Dallas, Texas 75251
(214) 701-8377
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March 24, 1995

Lewis B. Burlison
P. O. Box 2479
Midland, TX 79702-2479

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
Lea County, NM

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Dallas, Texas 75251
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March 24, 1995

Meridian Oil Inc.
21 Desta Drive
Midland, TX 79705

Re: Langlie Mattix Queen Unit
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Humphrey Queen Unit
Well No. 35
Lea County, NM

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March 24, 1995

Robert L. Parker
8 East Third St.
Tulsa, OK 74103

Re: Langlie Mattix Queen Unit
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Humphrey Queen Unit
Well No. 35
Lea County, NM

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March 24, 1995

Amerada Hess Corp.
Box 2040
Tulsa, OK 74102

Re: Langlie Mattix Queen Unit
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Humphrey Queen Unit
Well No. 35
Lea County, NM

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12222 Merit Drive, Suite 1500
Dallas, Texas 75251
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March 24, 1995

Westbrook Oil Corp.
810 W. Broadway
Box 2264
Hobbs, NM 88240

Re: Langlie Mattix Queen Unit
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Humphrey Queen Unit
Well No. 35
Lea County, NM

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Shell Western E & P
Box 576
Houston, TX 77001

Re: Langlie Mattix Queen Unit
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Well No. 35
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R B Operating Co.
2412 N. Grandview
Suite 201
Odessa, TX 79761

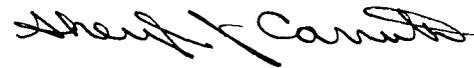
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March 24, 1995

Texaco Expl. & Prod.
Box 730
Hobbs, NM 88241-0730

Re: Langlie Mattix Queen Unit
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Well No. 35
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March 24, 1995

Exxon Co. USA
Box 2180
Houston, TX 77252-2180

Re: Langlie Mattix Queen Unit
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Well No. 35
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March 24, 1995

Tahoe Energy Inc.
3909 W. Industrial
Midland, TX 79703

Re: Langlie Mattix Queen Unit
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Citation Oil & Gas
8223 Willow Place South
Suite 250
Houston, TX 77070

Re: Langlie Mattix Queen Unit
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March 24, 1995

Joe Melton Drilling
P. O. Box 4203
Midland, TX 79704-4203

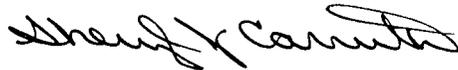
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March 24, 1995

Conoco Inc.
3817 NW Expwy., Suite 400
Oklahoma City, OK 73018

Re: Langlie Mattix Queen Unit
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Well No. 35
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March 24, 1995

J F G Enterprises
701 E. Main
Box 100
Artesia, NM 88211-0100

Re: Langlie Mattix Queen Unit
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Well No. 35
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March 24, 1995

Chance Properties
Box 755
Hobbs, NM 88241

Re: Langlie Mattix Queen Unit
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Amoco
Box 3092
Houston, TX 77253

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12222 Merit Drive, Suite 1500
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March 24, 1995

Penroc Oil Corp.
Box 5970
Hobbs, NM 88241

Re: Langlie Mattix Queen Unit
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March 24, 1995

Chevron USA Inc.
6400 S. Fiddler's Green Circle
Englewood, CO 80111

Re: Langlie Mattix Queen Unit
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BC & D Operating
P. O. Box 5926
Hobbs, NM 88241

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March 24, 1995

J. Cecil Rhodes
500 W. Texas
Suite 1190
Midland, TX 79701

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Permian Resources Inc.
810 Western United Life
P. O. Box 590
Midland, TX 79702-0590

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Lanexco Inc.
Box 2730
Midland, TX 79702

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Bettis Boyle & Stovall
505 5th Street
P. O. Box 1240
Graham, TX 76450-1240

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Arch Petroleum Inc.
777 Taylor St.
Suite 11A
Fort Worth, TX 76102

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Saba Energy Inc.
2112 Hurd Dr.
Irving, TX 75038

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Santa Fe Energy
500 W. Illinois
Midland, TX 79701

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This letter hereby serves as notice to you of our application. If you have any questions, please contact me at (214) 701-8377.

Sincerely,



Sheryl J. Carruth
Regulatory Manager

SJC:s

Attachment

MERIT ENERGY COMPANY

12222 Merit Drive, Suite 1500
Dallas, Texas 75251
(214) 701-8377
(214) 960-1252 Fax

March 24, 1995

Carr Well Service Inc.
Box 69090
Odessa, TX 79767

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
Lea County, NM

Gentlemen:

Attached please find a copy of Merit Energy Company's application for permit to drill the above captioned wells. Due to the fact that these wells are located in an unorthodox location in respect to the well location rules set by the Conservation Commission, we are seeking administrative approval.

This letter hereby serves as notice to you of our application. If you have any questions, please contact me at (214) 701-8377.

Sincerely,



Sheryl J. Carruth
Regulatory Manager

SJC:s

Attachment

Good

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Aztec, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C
Revised February 10,
Instructions on
Submit to Appropriate District C
State Lease - 6 C
Fee Lease - 5 C

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Merit Energy Company P.O. Drawer NN Jal, NM 88252		OGRID Number
		API Number 30-0
Property Code	Property Name Humphrey Queens Unit Lease	Well No. 35

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	3	25	37		2362	North	2488	East	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	3	25	37		2362	North	2488	East	Lea

Proposed Pool 1 Penrose Queens	Proposed Pool 2
-----------------------------------	-----------------

Work Type Code N	Well Type Code O	Cable/ Rotary R	Lease Type Code P	Ground Level Elev 3136'
Multiple No	Proposed Depth 3,700	Formation Penrose Queen	Contractor Nabors	Spud Date ASAP

Proposed Casing and Cement Program

Well Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TC
12 1/4	8 5/8	24	1050	550sx Class A	Surface
7 7/8	5.5	15.5	3700	700sx Class C	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new production zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Merit Energy Company proposes to drill and test the 7-Rivers Queens formation. Approx 1050' surface casing will be set & circulated to surface. Approx 3700' production casing will be ran & cemented to surface, perforated & stimulated as need for production.

Mud Program FW to 1050', cut Brine to 3700'.

BOPE Program: BOPE will be installed at the offset and tested daily for operational conditions.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Russell Whitel</i>	Approved by:		
Printed name: Russell Whitel	Title:		
Title: Production Supt	Approval Date:	Expiration Date:	
Date: 3-13-95	Phone: 505-395-2123	Conditions of Approval: Attached <input type="checkbox"/>	

MERIT ENERGY COMPANY

Humphrey Queens #35
2362 FNL - 2488 FEL
Unit G, Section 3-T25S-R37E
Lea County, New Mexico

1. The estimated top of geologic markers are as follows:

Base Red Beds	1000'
Top Salt	1090'
Yates	2820'
7-Rivers	2900'
Queen	3300'
Penrose	3450'

2. The estimated depth at which anticipated water, oil and gas are expected to be encountered:

Water	Surface to 500'
Oil and Gas	Yates @ 2820' to Bottom Penrose 3700'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 3000#. BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B & B-1.

4. Auxiliary Equipment and proposed Casing Program:

A. Auxiliary Equipment: Kelly Cock, pit level indicators, flow sensor equipment, and a sub with full opening valve to fit drill pipe and collars will be available on rig floor in open position at all times for use when Kelly is not in use.

B. Casing and Cementing Program:

Hole Size: 11"	Total Depth: 1050'	Casing Size: 8 5/8"
Setting Depth: 650'	Mud Weight: 8.8 ppg	

Casing Design:

O.D.	Weight	Grade	Thread	Coupling	Interval	Length
8 5/8"	24#	J-55	8R	ST & C	0-1050'	1050'

Minimum Casing Design Factors:

Collapse 1370, Burst 2950, Tensile Strength 3.81

Cement Program:

Lead Slurry: 550 sacks-Class A with 2% CaCl₂
1/4 lb per sack Cellophane Flake

Expected Linear Fill: True Hole Volume-1089 feet

Slurry Properties: Weight-12.8 ppg Yield-1.98 cu.ft./sack

Hole Size: 7 7/8" Total Depth: 3700' Casing Size: 5 1/2" Setting Depth: 3700' Mud Weight: 8.7 ppg

Casing Design:

O.D.	Weight	Grade	Thread	Coupling	Interval	Length
5 1/2	15.5#	J-55	8R	LT & C	0-3700'	3700'

Minimum Casing Design Factors:

Collapse 40.40, Burst 48.10, Tensile Strength 2.17

Cement Program:

Lead Slurry: 900 sacks Class "C" with .2% Calcium Chloride, 1/4# per sx Cello-Flake

Calculated Linear Fill: True Hole Volume-3785.8.

Slurry Properties: Weight-15.6 ppg Yeild-1.18 cu.ft./sack

5. Mud Program and Auxiliary Equipment: From 0 to 1050' (Minimum).

Mud Weight: 8.6 ppg, Viscosity: 32 sec./1000 cc, Water Loss: N C cc, Mud Type:FW Gel/LCM. Mud will be checked hourly by mud engineer. Sufficient quantities of mud will be kept on location to maintain minimum properties.

From 1050' to 3700' (Minimum Properties).

Mud Weight: 10.2 ppg, Viscosity: 34-40 sec./1000cc, Water Loss: N/C cc. Mud Type: Brine, use salt water gel for hole sweeps. Mud will be checked hourly by mud engineer. Sufficient quantities of mud will be kept on location to maintain minimum properties.

6. Testing, Logging and Coring Program: Samples: Every 10' from surface casing to TD. DST's: Any tests will be based on the recommendations of the wellsite Geologist as warranted by drilling breaks and shows. Coring: None Anticipate Logging: CNL-FCD from TD to casing, with GR-CNL up to Yates @ 2820'.

7. Abnormal Conditions, Bottom Hole Pressure and Potential Hazards:

Anticipated BHP:

From: 0' to 1050' Anticipated Max. BHP: -0- PSI

From: 1050' to 3700' Anticipated Max. BHP: 1000 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: Possible lost circulation 1050' to 3700'.

H2S Zones Anticipated: Yates 2820' 7-Rivers 2900', Queens 3300', Penrose 3450'

Maximum Bottom Hole Temperature: 104 degrees Fahrenheit

8. Anticipated starting date: As soon as possible after approval with the drilling time being approximately 10 days and the completion time being another 12 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Merit Energy Company
Humphrey Queens #35
2362 FNL - 2488 FEL
Unit G, Section 3-T25S-R37E
Lea County, New Mexico

This plan is submitted with a Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of BLM map showing the well and roads in the vicinity for the proposed location. The proposed well site is located approximately 3 miles east of Jal, New Mexico and the access route to the location is indicated in Blue and Red on Exhibit A.

2. DIRECTIONS:

Go east of Jal, New Mexico on Highway 128 towards Andrews, Texas approximately 3 miles. Turn left(north) onto blacktop. Go north for 1/2 mile to lease road. Turn left(west) and go approximately 1/2 mile. Turn north approximately 2 1/2 miles on new road access on your right(east) then 600 feet to new well site.

3. PLANNED ACCESS ROAD:

A. The proposed new access will be approximately 600 feet in length from the point of origin to the Southwest edge of the drilling pad the road will lie in a easternly direction.

B. The new road will be 12 feet in width (driving surface) and will be adequately drained to control run-off and soil erosion.

C. The new road will be bladed with a drainage on one side. One traffic turnout will be built.

D. The route to location is visible.

4. LOCATION OF EXISTING WELL:

A. There is no drilling activity within a one-mile radius of the well site.

B. Exhibit F shows existing wells within a one-mile radius of the proposed wellsite.

5. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. There are production facilities on this lease at the present time.

B. In the event that the well is productive the necessary production facilities will be installed to go to existing facilities. If the well is productive oil or gas, electric line will be ran to provide the necessary power. No power will be required if the well is productive gas.

6. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with a fresh and brine water system. The water will be obtained from commercial sources and will be hauled to the location over the existing and proposed roads shown in Exhibit A.

7. SOURCE OF CONSTRUCTION MATERIALS:

Road & location will be built with material Becky Jo Doom pit off of old El Paso plant #2 road.

8. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cutting will be disposed of in the reserve pits.

B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.

C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.

D. Oil produced during operations will be stored in tanks until sold.

E. Current laws and regulations pertaining to the disposal of human waste will be complied with. Sanitary Port-O-Pottys will be provided during drilling operations, cleaned, sanitized, and/or replaced as necessary.

F. Trash, waste paper, garbage and junk will be contained to prevent scattering by the wind. Containment will be obtained by using covered trash bins. Then, hauled off to approved landfill in Lea County, New Mexico.

G. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

9. WELL SITE LAYOUTS:

A. Exhibit C shows the relative location and dimensions of well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.

B. The reserve pits will be plastic lined.

C. A 200' x 200' area has been staked and flagged.

10. PLANS FOR RESTORATION:

A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned and all trash and junk to leave well site in as aesthetically a condition as possible.

B. Unguarded pits, if any, containing fluid will be fenced until they have dried and been levelled.

C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the surface land owner will be complied with and will be accomplished as expedient as possible. All pits will be filled level within 90 days after abandonment.

11. SURFACE OWNERSHIP:

Private surface: owned by Becky Jo Doom.

12. OTHER INFORMATION:

The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval:
Completions and Production:

B. Through Drilling Operations,

Russell Whited, Prod Supt
Merit Energy Company
118 West Nebraska
Jal, New Mexico 88252
(505) 395-2173

Russell Whited, Prod Supt
Merit Energy Company
118 West Nebraska
Jal, New Mexico 88252
(505) 395-2173

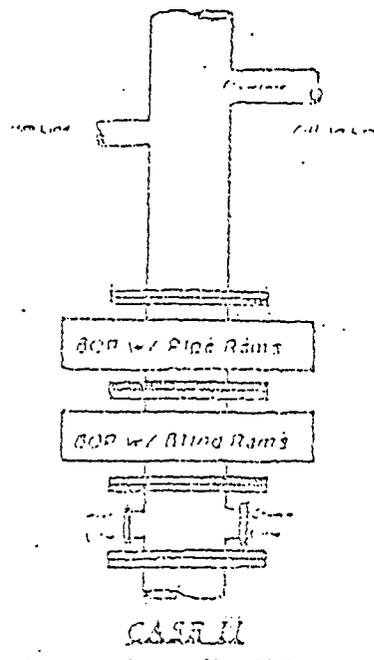
14. CLARIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Merit Energy Company and its terms and conditions under which it is approved. This statement is subject to the provisions of U.S.C. 1001 for the filing of a false statement.

3-7-95
Date

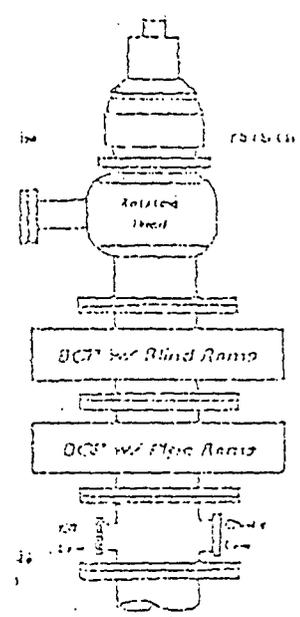
Russell Whited
Russell Whited
West District,
Production Superintendent

Exhibit B

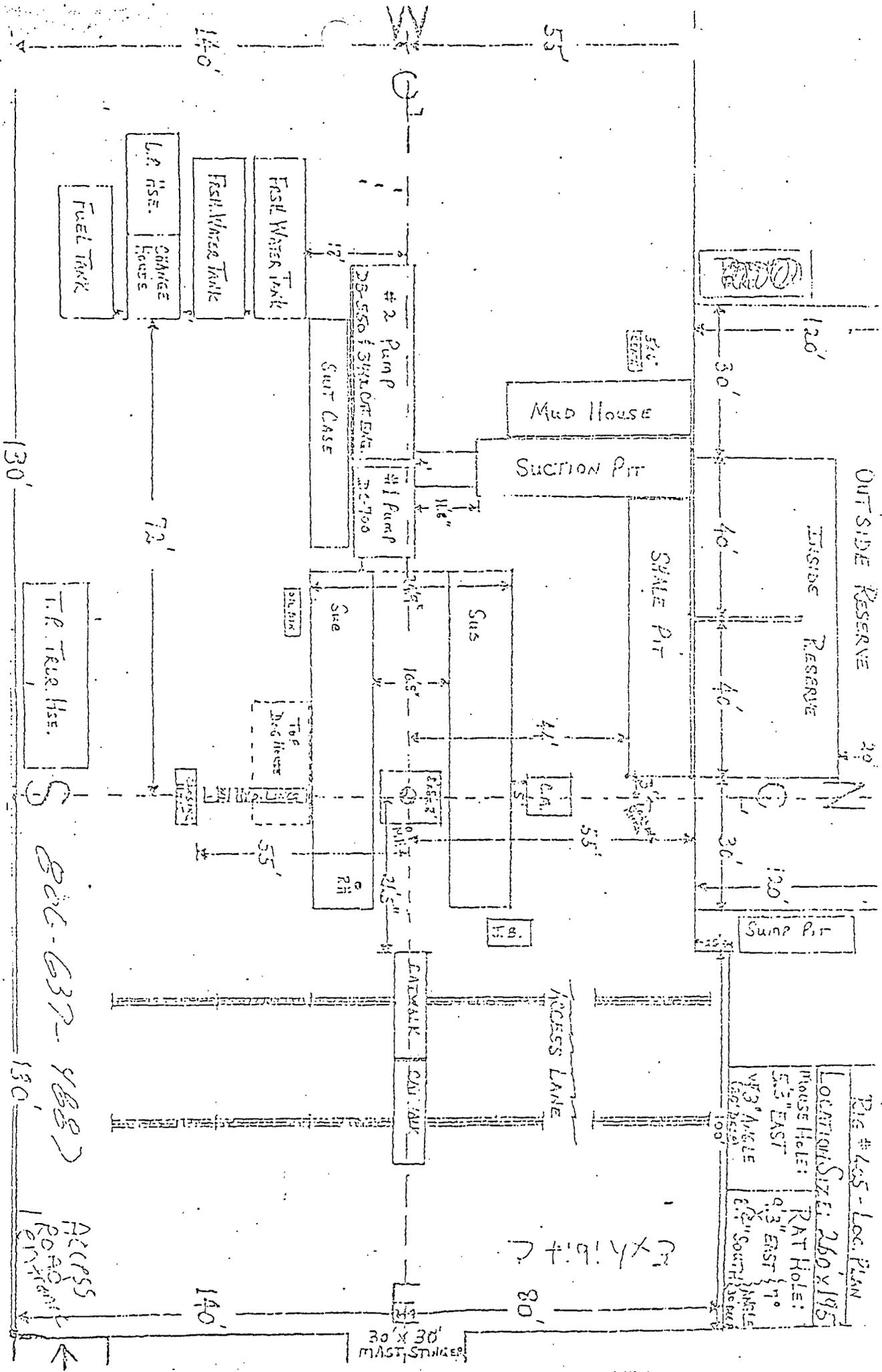


3000 lbs

Exhibit B-1



3000 lbs



Big # 405 - Loc. PLAN
 LOCATION SIZE: 260' x 195'
 HOUSE HOLE: 5'3" EAST
 RAT HOLE: 9'3" EAST } 7'
 WF 3' ANGLE } ANGLE
 (E.G. 25' SOUTH) } 100'

2' x 1.6' + 2'

30' x 30' MAST STINGER

816-637-4882

ACCESS ROAD ONLY

140'

55'

130'

72'

130'

140'

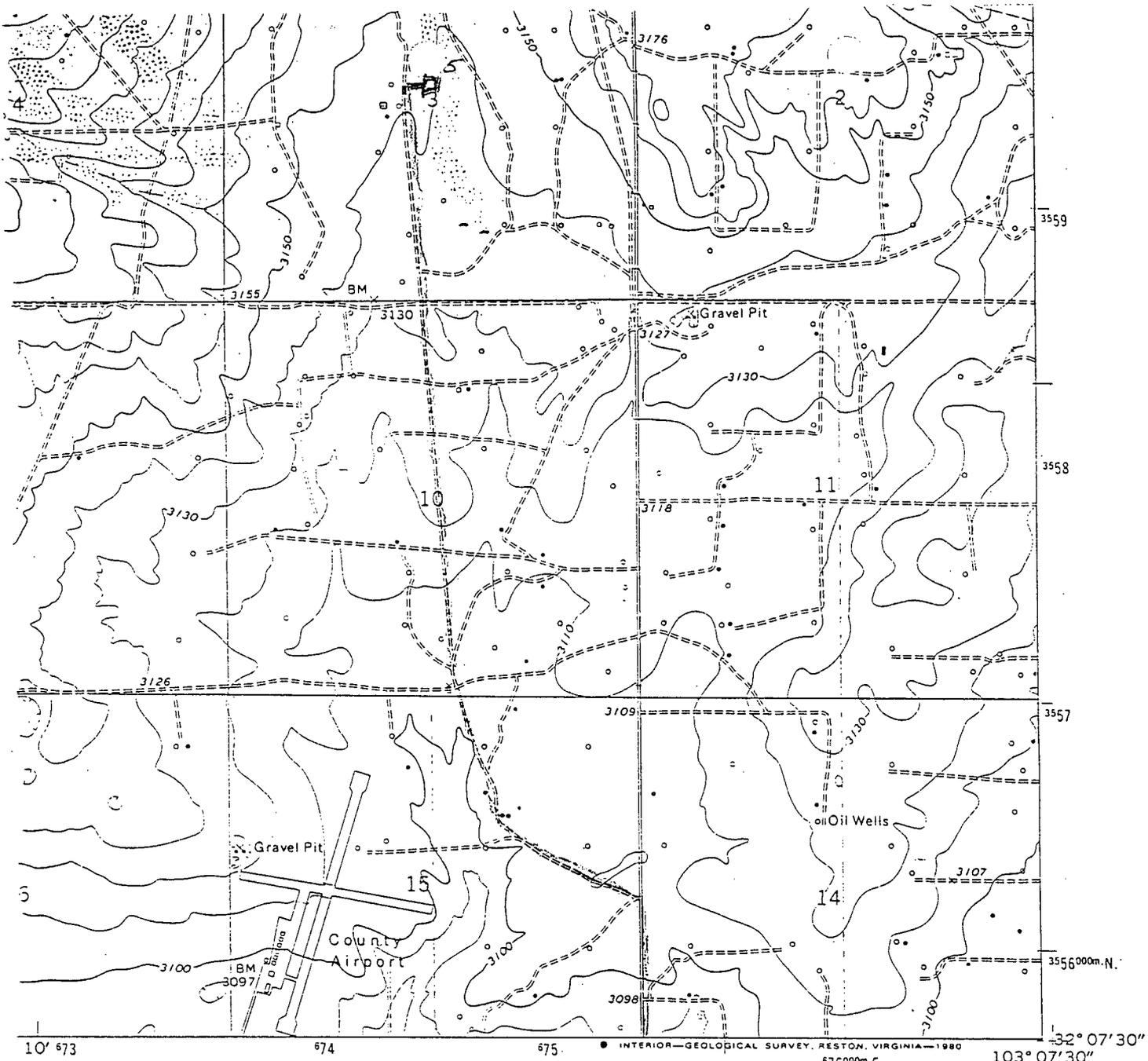
80'

100'

100'

100'

100'



ROAD CLASSIFICATION

Primary highway, all weather, hard surface ————— Light-duty road, all weather, improved surface —————

Unimproved road, fair or dry weather -----

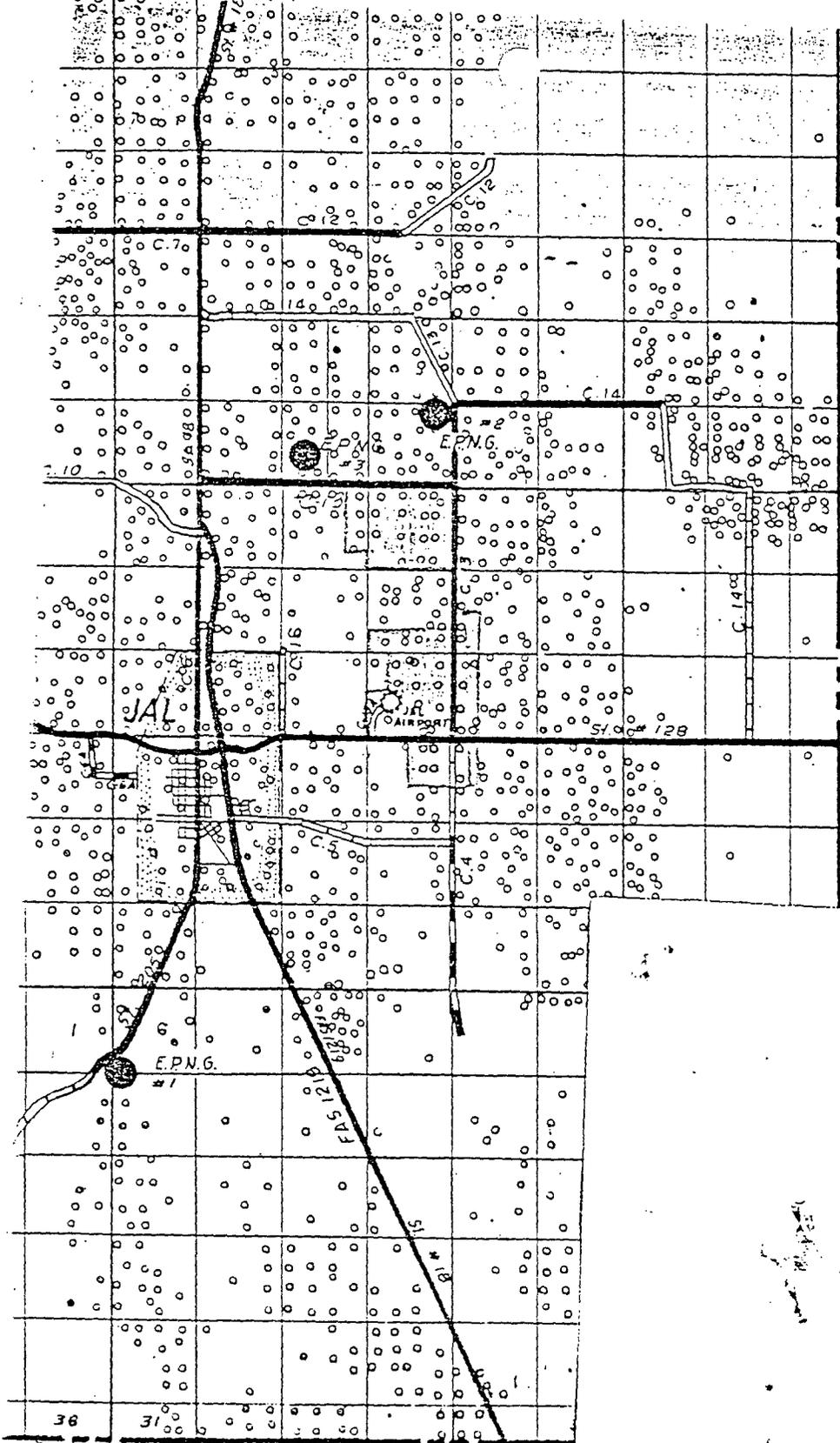
○ State Route



JAL NW, N. MEX.
N3207.5—W10307.5/7.5

1969
PHOTOREVISED 1979
DMA 5348 II NW—SERIES V881

(JAL SE)
5348 II SE



T. 245.

T. 255.

R37E.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>7-Rivers Queens</i>
Property Code	Property Name HUMPHREY QUEENS	Well Number 35
OGRID No.	Operator Name MERIT ENERGY COMPANY	Elevation 3136'

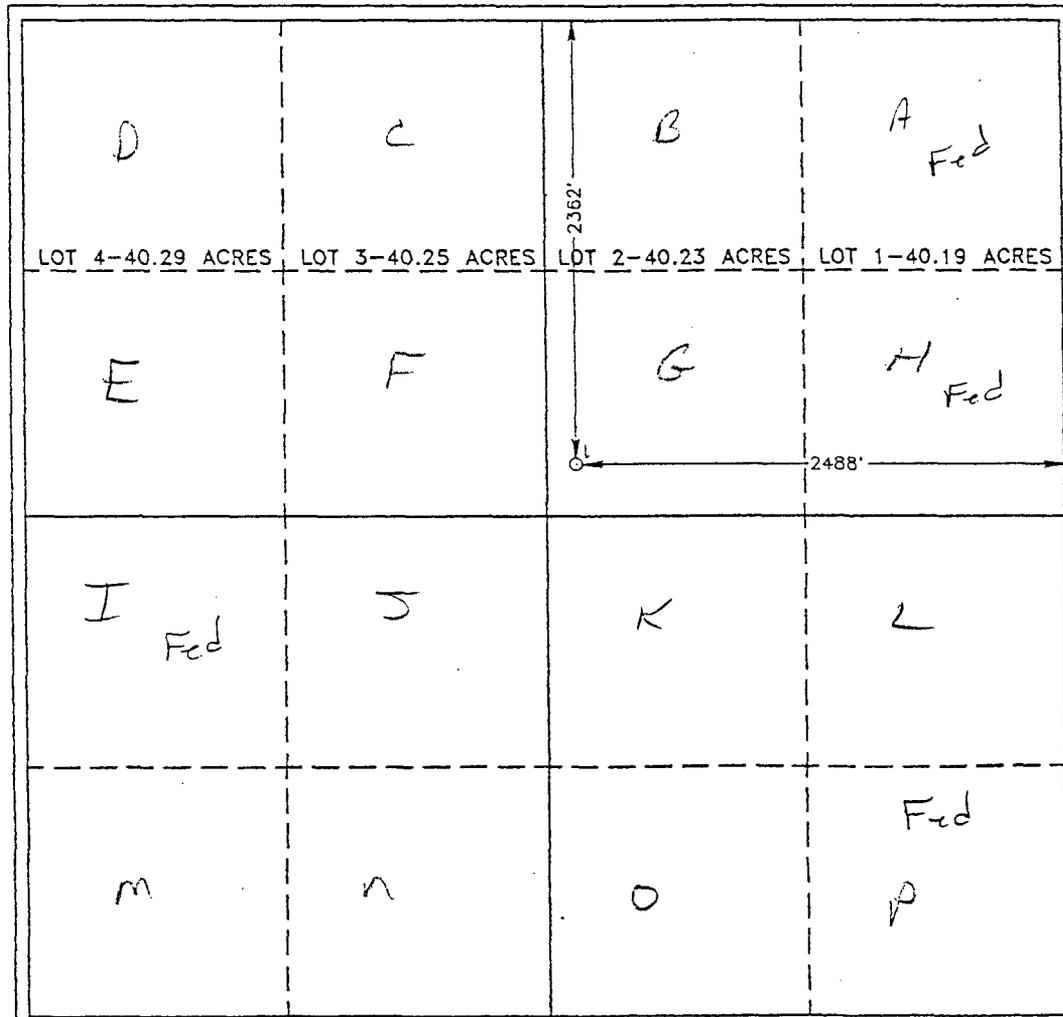
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	3	25 S	37 E		2362	NORTH	2488	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT 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.

Russell Whited
Signature

Russell Whited
Printed Name

Operation's Supt
Title

3-7-95
Date

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 belief.

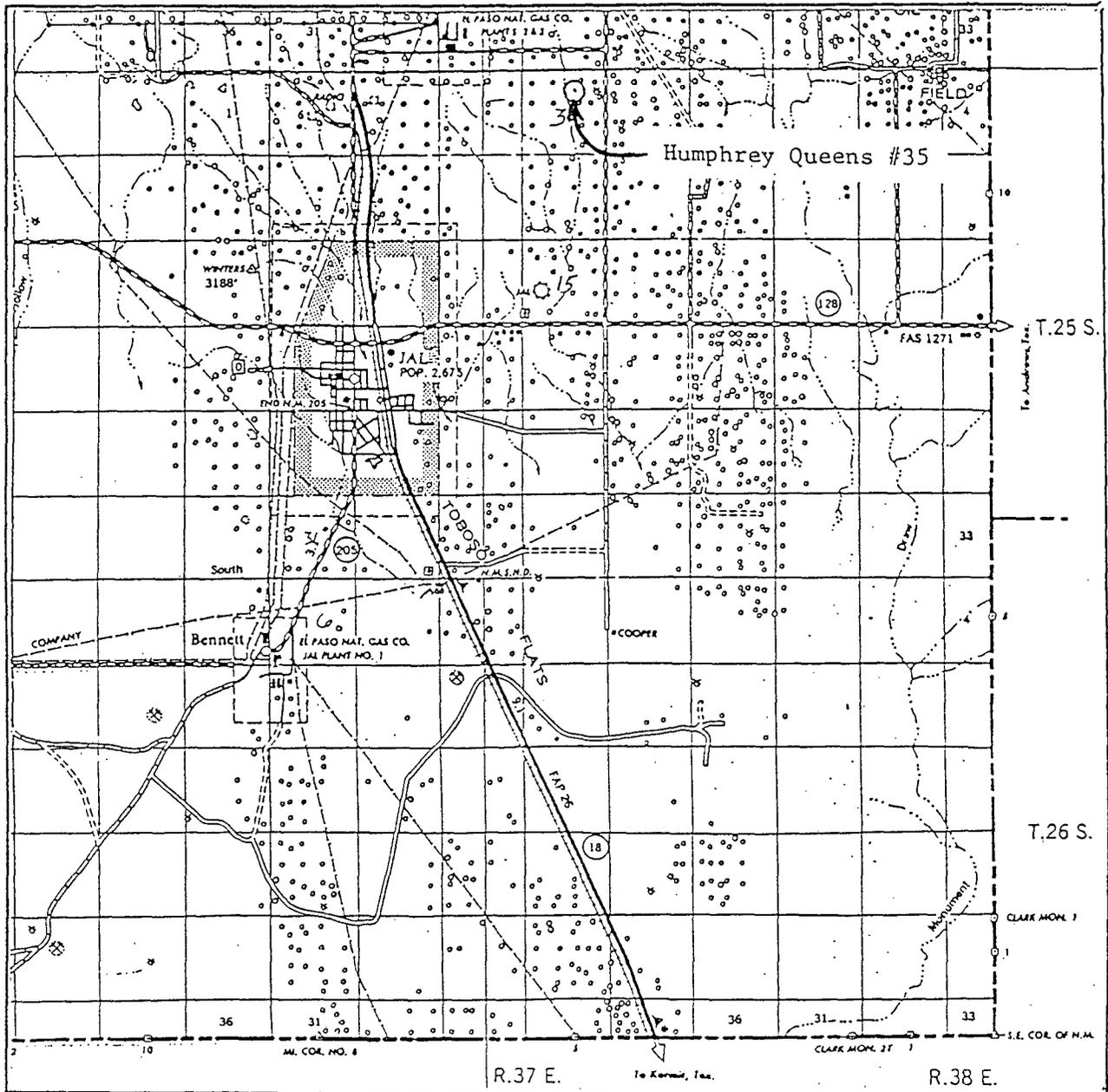
JANUARY 16, 1995

Date Surveyed No. _____
Signature & Seal of Professional Surveyor

Ronald J. Eidson
W.O. No. 23-95-0046 SCN

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

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 3 TWP. 25 S RGE. 37 E

SURVEY N.M.P.M.

COUNTY Lea STATE NM

DESCRIPTION 2362' ENL & 2488' FEL

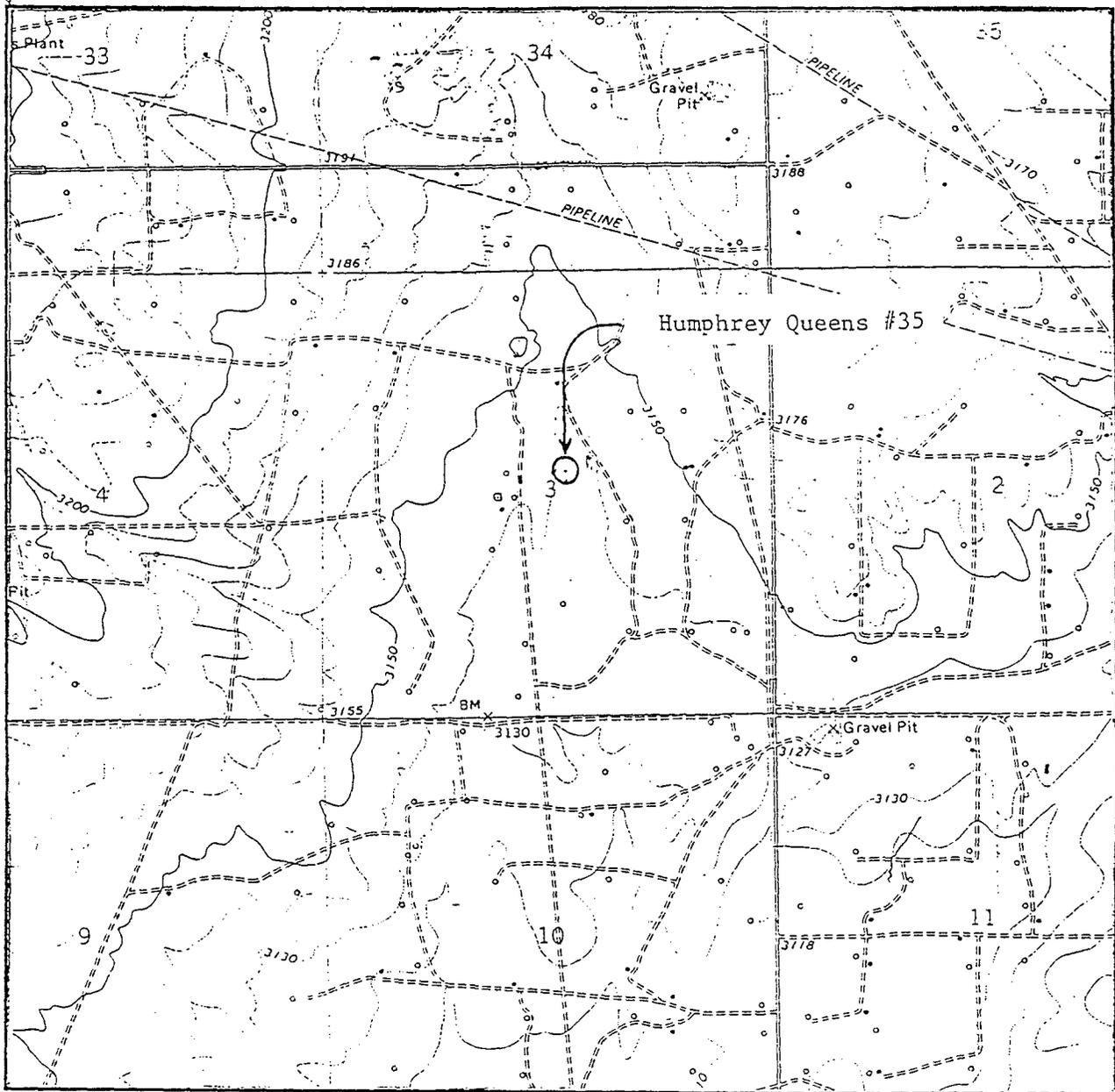
ELEVATION 3136'

OPERATOR Merit Energy Co.

LEASE Humphrey Queens #35

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117**

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

SEC. 3 TWP. 25 S RGE 37 E

SURVEY N.M.P.M.

COUNTY Lea STATE NM

DESCRIPTION 2362' FNL & 2488' FEL

ELEVATION 3136'

OPERATOR Merit Energy CO.

LEASE Humphrey Queens #35

U.S.G.S. TOPOGRAPHIC MAP

Jal NW

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117**



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 4, 1995

*Merit Energy Company
12,222 Merit Drive - Suite 1500
Dallas, Texas 75251*

Attention: Sheryl J. Carruth

*RE: Application for Unorthodox Oil Well Locations
Langlie Mattix Queen Unit Well Nos. 45 and 46
Section 15, Township 25 South, Range 37 East, NMPM, Lea
County, New Mexico.*

Dear Ms. Carruth:

Your application dated March 24, 1995 for the two referenced infill wells are being returned at this time. Division General Rule 104.F(1) provides for a minimum 10 foot separation off of quarter-quarter section lines for wells in a waterflood project, this is necessary for well location/description purposes. As stated in your application both wells are to be restaked, therefore correct applications can be resubmitted with the proper information.

The application for the Humphrey Queen Unit Well No. 35 will be processed accordingly.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending to the right.

*Michael E. Stogner
Chief Hearing Officer/Engineer*

MES/kv

*cc: Oil Conservation Division - Hobbs
William J. LeMay, Director - OCD, Santa Fe*

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

04/04/95 09:27:21
OGOMES -EME7

API Well No : 30 25 11424 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 37240 LANGLIE MATTIX;7 RVRS-Q-GRAYBURG
OGRID Idn : 14591 MERIT ENERGY CO
Prop Idn : 7689 HUMPHREY QUEEN UNIT

Well No : 010
GL Elevation: 99999

1650' FUEL

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: G	3	25S	37E	FTG 999 F S	FTG 999 F E	P
Lot Identifier:							
Dedicated Acre:			40.00				
Lease Type			: P				
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

(EUNICE-MONUMENT (GRAYBURG-SAN ANDRES)
(TEXACO EUNICE-MONUMENT WATERFLOOD)
POOLS - Cont'd.)

Texaco Inc. New Mexico "C" State (NCT-2) Well No. 7, Unit G,
Section 19
Texaco Inc. New Mexico "H" State (NCT-3) Well No. 18, Unit C,
Section 19
Texaco Inc. New Mexico "H" State (NCT-3) Well No. 14, Unit E,
Section 19
Texaco Inc. New Mexico "H" State (NCT-4) Well No. 21, Unit K,
Section 19
Texaco Inc. New Mexico "H" State (NCT-4) Well No. 9, Unit M,
Section 19
Gulf Oil Corporation R. A. Butler Well No. 1, Unit O, Section 19
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 3, Unit A,
Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 15, Unit G,
Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 7, Unit C,
Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 22, Unit E,
Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 16, Unit K,
Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 13, Unit M,
Section 20
Atlantic Richfield W. C. Roach Well No. 2, Unit C, Section 21
Atlantic Richfield W. C. Roach Well No. 3, Unit E, Section 21
Sun Oil Co. DX Division A. B. Reeves Well No. 3, Unit C, Section
29
Phillips Petroleum Company Mexico State Well No. 1, Unit A,
Section 30

(2) That the subject waterflood project is hereby designated the Texaco Eunice-Monument Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Texaco Eunice-Monument Unit Waterflood Project to include such additional lands and injection wells in the area of said project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) That monthly progress reports of the 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 Order No. R-3398 which previously authorized one water injection well in the subject area is hereby superseded.

(5) 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 herein above designated.

LANGLIE-MATTIX POOL
(Humphrey Queen Unit Waterflood)
Lea County, New Mexico

Order No. R-3824, Authorizing Mobil Oil Corporation to Institute a Waterflood Project in the Humphrey Queen Unit Area, Langlie-Mattix Pool, Lea County, New Mexico, September 4, 1969, as Amended by Order No. R-3824-A, March 2, 1970.

Application of Mobil Oil Corporation for a Waterflood Project and Unorthodox Injection Well Locations, Lea County, New Mexico.

CASE NO. 4204
Order No. R-3824

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of September, 1969, 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, Mobil Oil Corporation, seeks permission to institute a waterflood project in the Humphrey Queen Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen sand formation through 11 injection wells at orthodox and unorthodox locations in Sections 3 and 4, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant further seeks the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern without the necessity of showing well response.

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

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided

(LANGLIE-MATTIX (HUMPHREY QUEEN UNIT WATERFLOOD) POOL - Cont'd.)

**LANGLIE-MATTIX POOL
(Langlie-Mattix Queen Unit Waterflood)
Lea County, New Mexico**

however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection, and provided further, that said injection wells are drilled no closer than 330 feet to the outer boundary of the Humphrey Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

Order No. R-3823, Authorizing Mobil Oil Corporation to Institute a Waterflood Project in the Langlie-Mattix Queen Unit Area, Langlie-Mattix Pool, Lea County, New Mexico, September 4, 1969.

IT IS THEREFORE ORDERED:

(1) (As Amended by Order No. R-3824-A, March 2, 1970.) That the applicant, Mobil Oil Corporation, is hereby authorized to institute a waterflood project in the Humphrey Queen Unit Area, Langlie-Mattix Pool, by the injection of Water into the Queen sand formation through the following-described wells at orthodox and unorthodox locations in Township 25 South, Range 37 East, NMPM, Lea County, New Mexico:

Application of Mobil Oil Corporation for a Waterflood Project and Unorthodox Injection Well Locations, Lea County, New Mexico.

CASE NO. 4202
Order No. R-3823

Unit Well No.	Previous Well Name and Number	Unit	Section
2	Mobil-Liberty Well No. 1	D	3
4	Mobil-Humphrey "A" Well No. 1	B	3
6	Mobil-Fristoe Well No. 6	A	3
9	Mobil-Humphrey "A" Well No. 4	F	3
15	Mobil-Liberty Well No. 5	L	3
17	Mobil-Humphrey "A" Well No. 5	J	3
19	Mobil-Fristoe Well No. 7	I	3
23	Mobil-Humphrey "A" Well No. 9	O	3
20	To be drilled - 100' FSL & 5' FWL		3
7	Mobil-Smith Well No. 2	H	4
13	To be drilled - 1500' FSL & 1220' FEL		4

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of September, 1969, 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:

(2) That the subject waterflood project is hereby designated the Mobil Langlie Mattix Humphrey Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

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

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve such additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of the Humphrey Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided further, that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(2) That the applicant, Mobil Oil Corporation, seeks permission to institute a waterflood project in the Langlie Mattix Queen Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen sand formation through 17 injection wells at orthodox and unorthodox locations in Sections 10, 11, 14, 15, 22, and 23, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

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

(3) That the applicant further seeks the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern without the necessity of showing well response.

(4) That that portion of Order No. R-3426, dated June 5, 1968, which approved certain of the above wells as water injection wells is hereby superseded.

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

(5) 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.

(5) That the injection of water through a well proposed to be drilled 660 feet from the North line and 1220 feet from the West line of said Section 14 may cause waste and may violate the correlative rights of the offset operator to the east of the proposed location.

(6) That the applicant's request to drill an injection well 660 feet from the North line and 1220 feet from the West line of said Section 14 should be denied.

**HUMPHREY QUEEN UNIT
Lea County, New Mexico**

Order No. R-3828, Approving the Humphrey Queen Unit Agreement, Lea County, New Mexico, September 4, 1969.

Application of Mobil Oil Corporation for Approval of the Humphrey Queen Unit Agreement, Lea County, New Mexico.

CASE NO. 4203
Order No. R-3828

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of September, 1969, 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, Mobil Oil Corporation, seeks approval of the Humphrey Queen Unit Agreement covering 761.25 acres; more or less, of Federal and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 3: All
Section 4: E/2 NE/4 and NE/4 SE/4

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Humphrey Queen Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement

reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) 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.

**LANGLIE MATTIX QUEEN UNIT
Lea County, New Mexico**

Order No. R-3827, Approving the Langlie Mattix Queen Unit Agreement, Lea County, New Mexico, September 4, 1969.

Application of Mobil Oil Corporation for Approval of the Langlie Mattix Queen Unit Agreement, Lea County, New Mexico.

CASE NO. 4201
Order No. R-3827

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of September, 1969, 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, Mobil Oil Corporation, seeks approval of the Langlie Mattix Queen Unit Agreement covering 1040 acres, more or less, of Federal and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 10: S/2 S/2
Section 11: W/2 SW/4
Section 14: W/2 W/2