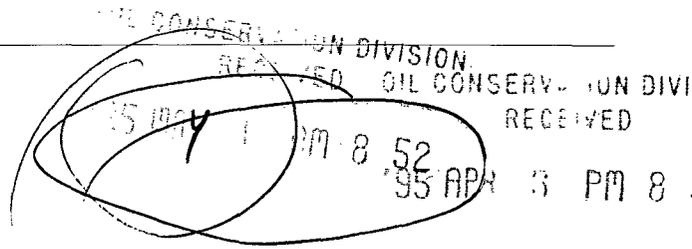


MERIT ENERGY COMPANY

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



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

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,

A handwritten signature in cursive script, appearing to read "Sheryl J. Carruth".

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
Hiialeah, 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

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

Lanexco Inc.
Box 2730
Midland, TX 79702

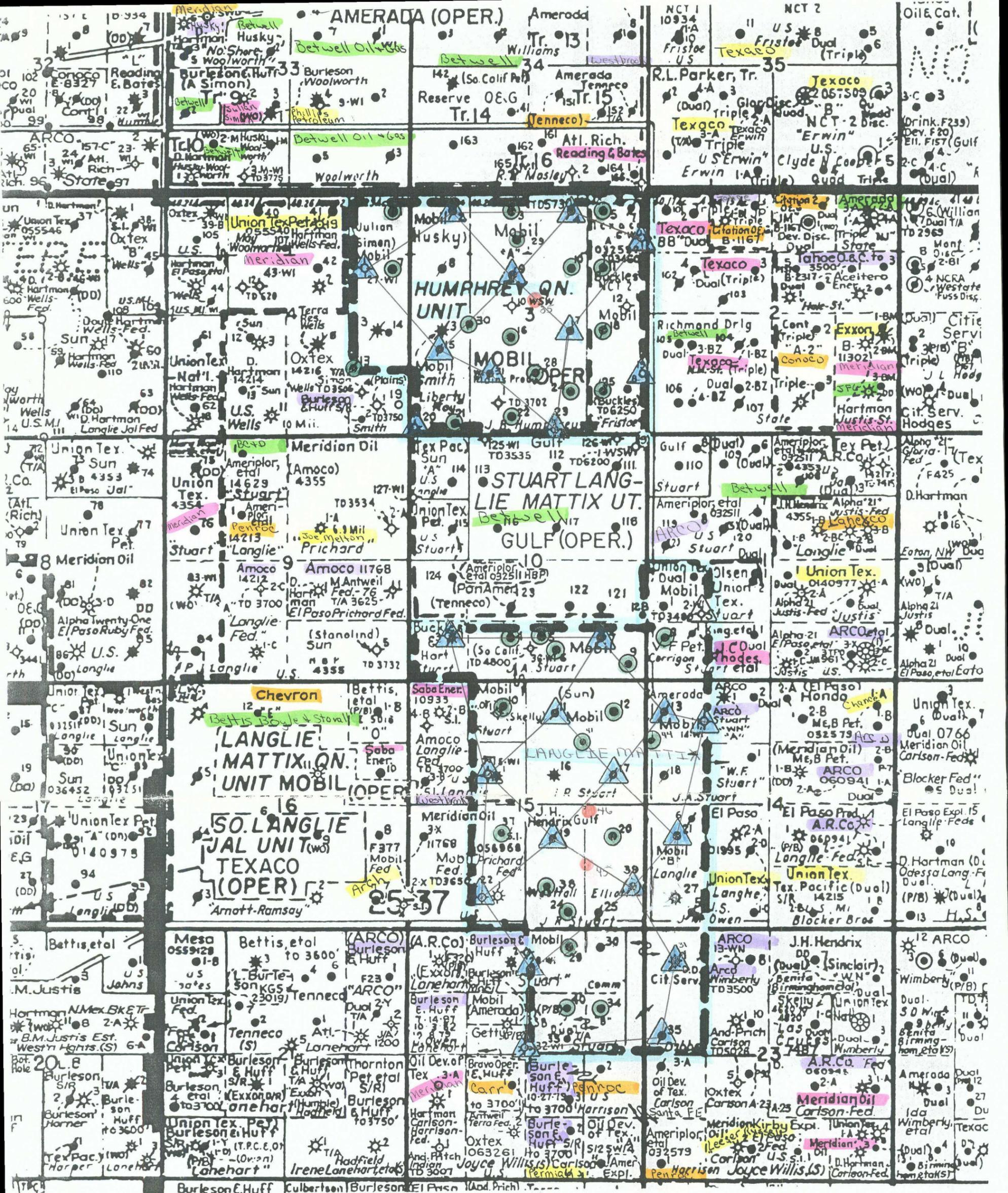
Bettis Boyle & Stovall
505 5th Street
P. O. Box 1240
Graham, TX 76450-1240

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. Illinois
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

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

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:

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

MERIT ENERGY COMPANY

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

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

Gentlemen:

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Sincerely,



Sheryl J. Carruth
Regulatory Manager

SJC:s

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MERIT ENERGY COMPANY

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

March 24, 1995

Lewis B. Burluson
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

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.

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Sincerely,



Sheryl J. Carruth
Regulatory Manager

SJC:s

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MERIT ENERGY COMPANY

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

March 24, 1995

Meridian Oil Inc.
21 Desta Drive
Midland, TX 79705

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.

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Sincerely,



Sheryl J. Carruth
Regulatory Manager

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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.

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Regulatory Manager

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

March 24, 1995

Amerada Hess Corp.
Box 2040
Tulsa, OK 74102

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.

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Regulatory Manager

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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.

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Regulatory Manager

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

March 24, 1995

Shell Western E & P
Box 576
Houston, TX 77001

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.

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Regulatory Manager

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

March 24, 1995

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

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.

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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Sheryl J. Carruth
Regulatory Manager

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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Regulatory Manager

SJC:s

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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SJC:s

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

Chance Properties
Box 755
Hobbs, NM 88241

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

Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

Amoco
Box 3092
Houston, TX 77253

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

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MERIT ENERGY COMPANY

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

March 24, 1995

Penroc Oil Corp.
Box 5970
Hobbs, NM 88241

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

Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

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MERIT ENERGY COMPANY

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

March 24, 1995

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

Re: Langlie Mattix Queen Unit
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12222 Merit Drive, Suite 1500
Dallas, Texas 75251
(214) 701-8377
(214) 960-1252 Fax

March 24, 1995

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

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
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Gentlemen:

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MERIT ENERGY COMPANY

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

March 24, 1995

Lanexco Inc.
Box 2730
Midland, TX 79702

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
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Gentlemen:

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

March 24, 1995

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

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
Humphrey Queen Unit
Well No. 35
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12222 Merit Drive, Suite 1500
Dallas, Texas 75251
(214) 701-8377
(214) 960-1252 Fax

March 24, 1995

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

Re: Langlie Mattix Queen Unit
Well No.'s 45 & 46
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MERIT ENERGY COMPANY

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

March 24, 1995

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

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

Gentlemen:

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

March 24, 1995

Santa Fe Energy
500 W. Illinois
Midland, TX 79701

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

Gentlemen:

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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

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.
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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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



4a. Article Number
P O 26 810 456

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)
John Holland

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

PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1993-352-714 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P O 26 810 445

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
3-29-95

5. Signature (Addressee)

6. Signature (Agent)
Karen Allen

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**

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P O 26 810 452

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
3/28

5. Signature (Addressee)
[Signature]

6. Signature (Agent)

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**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 434

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
3-28-95

5. Signature (Addressee)
[Signature]

6. Signature (Agent)

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**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 432

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
3-28-95

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

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**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 433

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
3-28-95

5. Signature (Addressee)
[Signature]

6. Signature (Agent)

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**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 430

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

7. Date of Delivery
3-27-95

5. Signature (Addressee)
Sandra Wiley

6. Signature (Agent)

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

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Chance Properties
Box 755
Hobbs, NM 88241

4a. Article Number
P 026 810 442

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

7. Date of Delivery
3-28-95

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

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

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 443

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

7. Date of Delivery
3-28-95

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

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

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
9026810429

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

7. Date of Delivery
MAR 27 1995

5. Signature (Addressee)

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

6. Signature (Agent)
[Signature]

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Amerada Hess Corp.
Box 2040
Tulsa, OK 74102

4a. Article Number
9026810453

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

7. Date of Delivery
MAR 27 1995

5. Signature (Addressee)

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

6. Signature (Agent)
[Signature]

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Shell Western E & P
Box 576
Houston, TX 77001

4a. Article Number
9026810451

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

7. Date of Delivery
MAR 27 1995

5. Signature (Addressee)

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

6. Signature (Agent)
[Signature]

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Carr Well Service Inc.
Box 69090
Odessa, TX 79767

4a. Article Number
2021610409

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

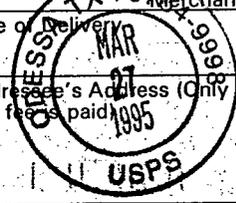
7. Date of Delivery
MAR 27 1995

5. Signature (Addressee)

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

6. Signature (Agent)

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



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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 454

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

7. Date of Delivery
MAR 27 1995

5. Signature (Addressee)

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

6. Signature (Agent)

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

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Amoco
Box 3092
Houston, TX 77253

4a. Article Number
P 026 810 441

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

7. Date of Delivery
MAR 27 1995

5. Signature (Addressee)

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

6. Signature (Agent)

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

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 449

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

7. Date of Delivery

5. Signature (Addressee) *3-29-98*

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

6. Signature (Agent)
J.W. Brown

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

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Penroc Oil Corp.
Box 5970
Hobbs, NM 88241

4a. Article Number
P 026 810 440

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

7. Date of Delivery
3-29-98

5. Signature (Addressee)

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

6. Signature (Agent)

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

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 458

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

7. Date of Delivery

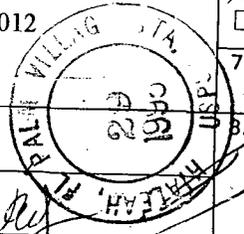
5. Signature (Addressee)

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

6. Signature (Agent)
A. Adams

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1993-352-714 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Snyder Oil Corp.
 777 Main St.
 Suite 2500
 Fort Worth, TX 76102

4a. Article Number
 Z 021610483

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

7. Date of Delivery

5. Signature (Addressee)

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

6. Signature (Agent)

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

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Lanexco Inc.
 Box 2730
 Midland, TX 79702

4a. Article Number
 P 026810431

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

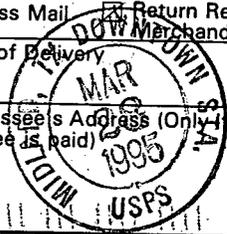
7. Date of Delivery

5. Signature (Addressee)

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

6. Signature (Agent)

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



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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Chevron USA Inc.
 6400 S. Fiddler's Green Circle
 Englewood, CO 80111

4a. Article Number
 P 026810431

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

7. Date of Delivery
 3/27/95

5. Signature (Addressee)

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

6. Signature (Agent)

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

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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Santa Fe Energy
500 W. Illinois
Midland, TX 79701

4a. Article Number

2021610491

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

3-28-95

5. Signature (Addressee)

6. Signature (Agent)

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

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

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- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

P 026 810 446

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

3-27-95

5. Signature (Addressee)

6. Signature (Agent)

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

Thank you for using Return Receipt Service.

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.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

P 026 810 447

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

3-28-95

5. Signature (Addressee)

6. Signature (Agent)

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

Thank you for using Return Receipt Service.

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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 444

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

5. Signature (Addressee)
Jean Gray

7. Date of Delivery
MAY 2 1991

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

6. Signature (Agent)

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

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 026 810 457

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

5. Signature (Addressee)

7. Date of Delivery
3-28-95

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

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Exxon Co USA
Box 2180
Houston, TX 77252-2180

4a. Article Number
P 026 810 448

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

5. Signature (Addressee)

7. Date of Delivery
MAR 27 1995

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

6. Signature (Agent)

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

Thank you for using Return Receipt Service.

Good

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, 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

Form C-10
Revised February 10, 199-
Instructions on bsc.
Submit to Appropriate District Office
State Lease - 6 Copie
Fee Lease - 5 Copie

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

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 Langlie Mattix Queens Unit Lease	Well No. 45

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	25	37		1220	South	1320	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
P	15	25	37		1220	South	1320	East	Lea

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

Work Type Code N	Well Type Code O	Cables/Rotary R	Lease Type Code P	Ground Level Elevation 3099'
Multiple No	Proposed Depth 3,700	Formation Penrose Queen	Contractor Nabors	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
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 productive 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 productio

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.

Signature: *Russell Whitel*

Printed name: *Russell Whitel*

Title: *Production Supt*

Date: *3-13-95*

Phone: *505-396-2173*

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

MERIT ENERGY COMPANY

Langlie Mattix #45
1220 FSL - 1320 FEL
Unit P, Section 15-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'
Pemrose	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 Pemrose 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 Q 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

Slurry 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 Yield-1.18 cu.ft./sack

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.

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 Anticipated Logging: CNL-FCD from TD to casing, with GR-CNL up to Yates @ 2820'.

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'.

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

Maximum Bottom Hole Temperature: 104 degrees Fahrenheit

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
Langlie Mattix #45
1220 FSL - 1320 FEL
Unit P, Section 15-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 south approximately 1000 feet on new road access on your left(west) 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 an easterly 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 on location site.

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 Johnny Mack Owen, Sr.

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

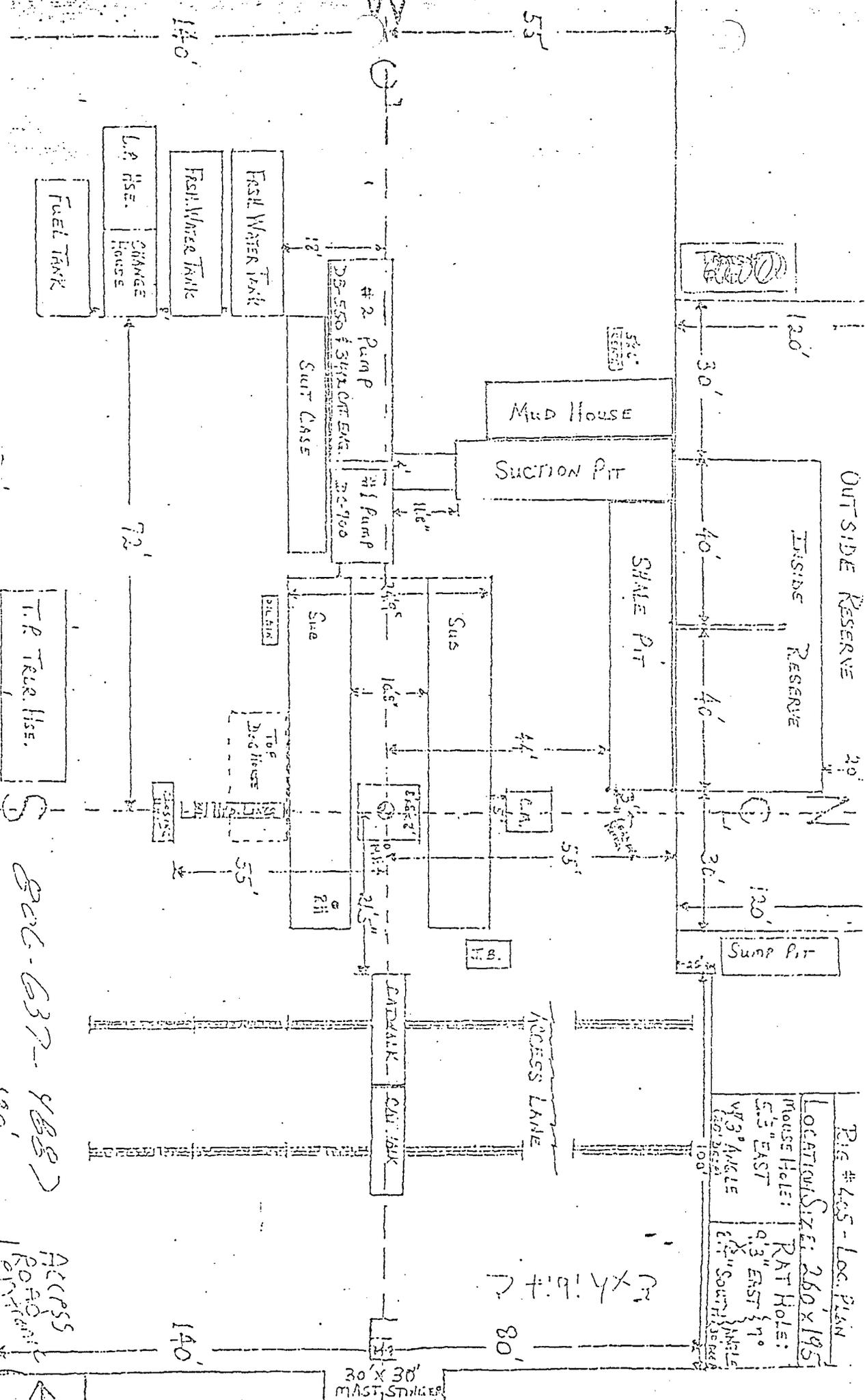
Russell Whited, Prod Supt
Merit Energy Company
118 West Nebraska
Jal, New Mexico 88252
(505) 395-2173

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

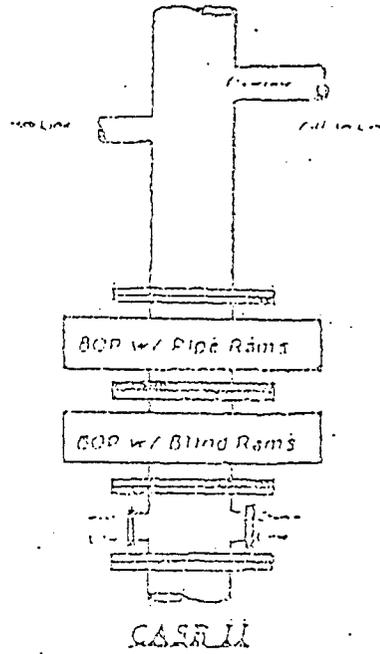
Russell Whited
Russell Whited
West District,
Production Superintendent



Rig # 405 - Loc. Plan
 LOCATION SIZE: 260 x 195
 Mouse Hole: RAT HOLE:
 5.3" EAST 9.3" EAST 11" EAST
 VP 3" ANGLE 4.5" SOUTH 1.5" WEST
 100'

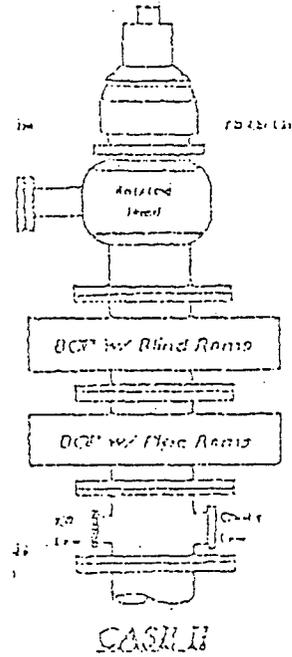
ACCESS
 ROADWAY

Exhibit B

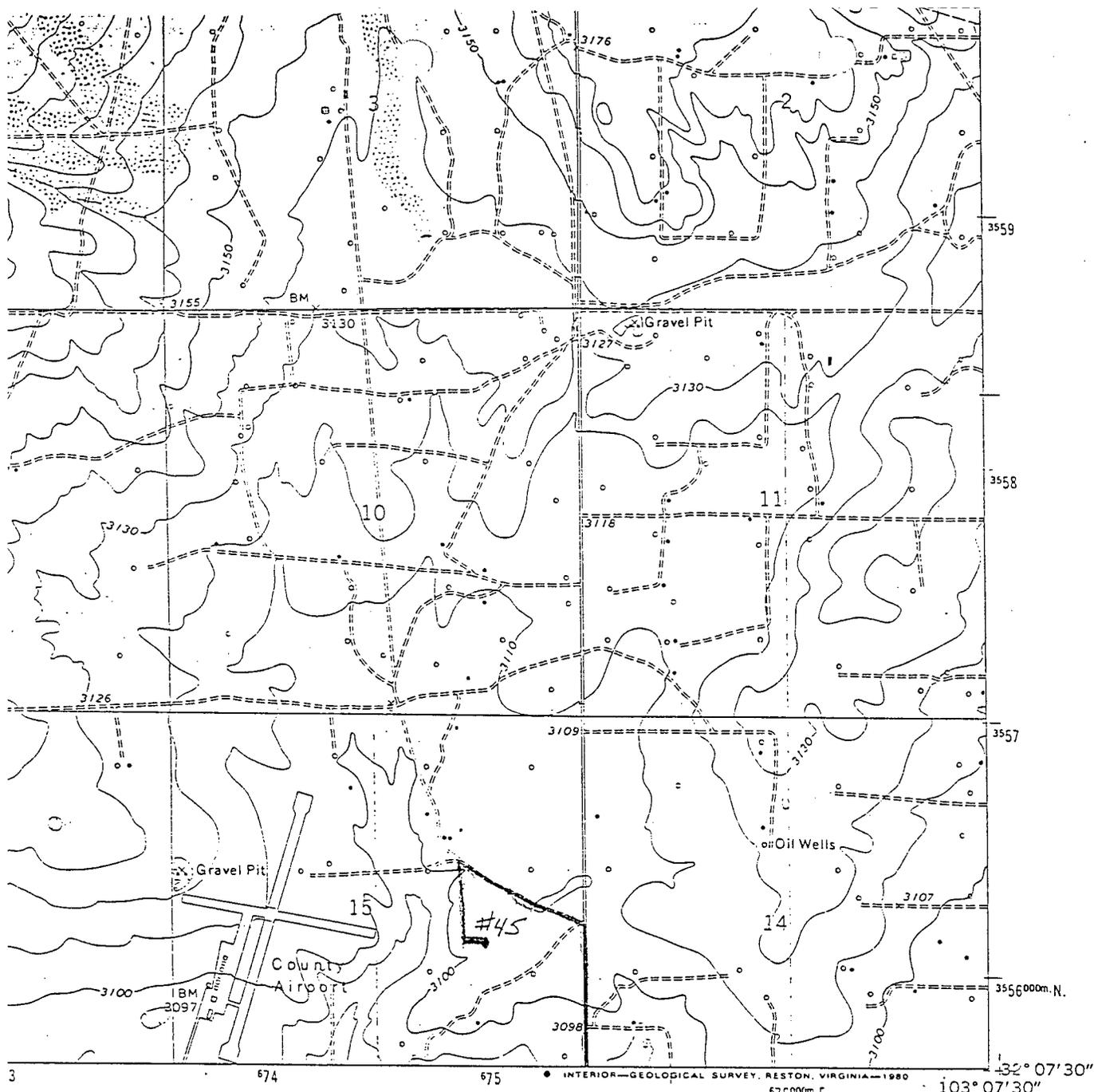


3000 lbs

Exhibit B-1



3000 lbs



ROAD CLASSIFICATION

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

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

○ State Route

JAL-SEJ
5348 II SE

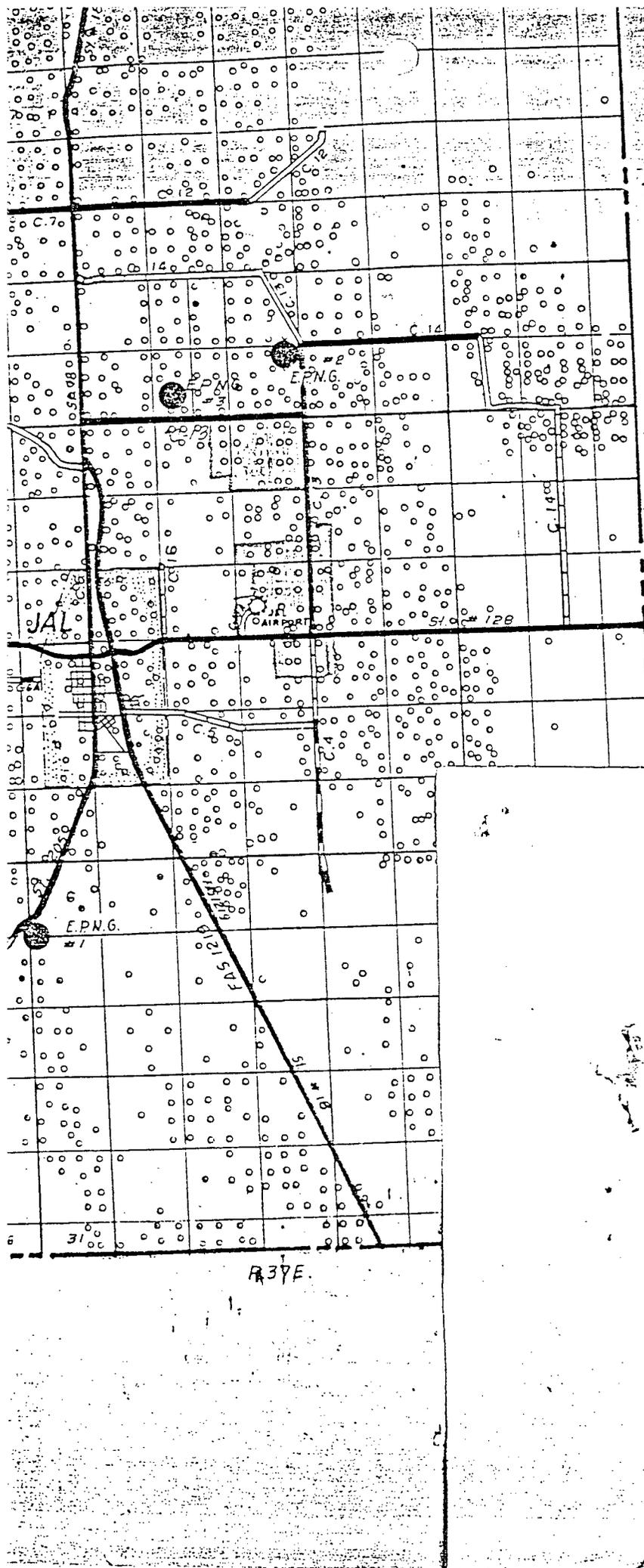


QUADRANGLE LOCATION

JAL NW, N. MEX.

N3207.5—W10307.5/7.5

1969
PHOTOREVISED 1979
DMA 5348 II NW—SERIES V881



T.245.

T.25S.

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

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	37240	Lanlgie Mattix 7 Rivers Queen
Property Code	Property Name	Well Number
007694	LANGLIE MATTIX	45
OGRID No.	Operator Name	Elevation
014591	MERIT ENERGY COMPANY	3099'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	25 S	37 E		1220	SOUTH	1300	EAST	LEA

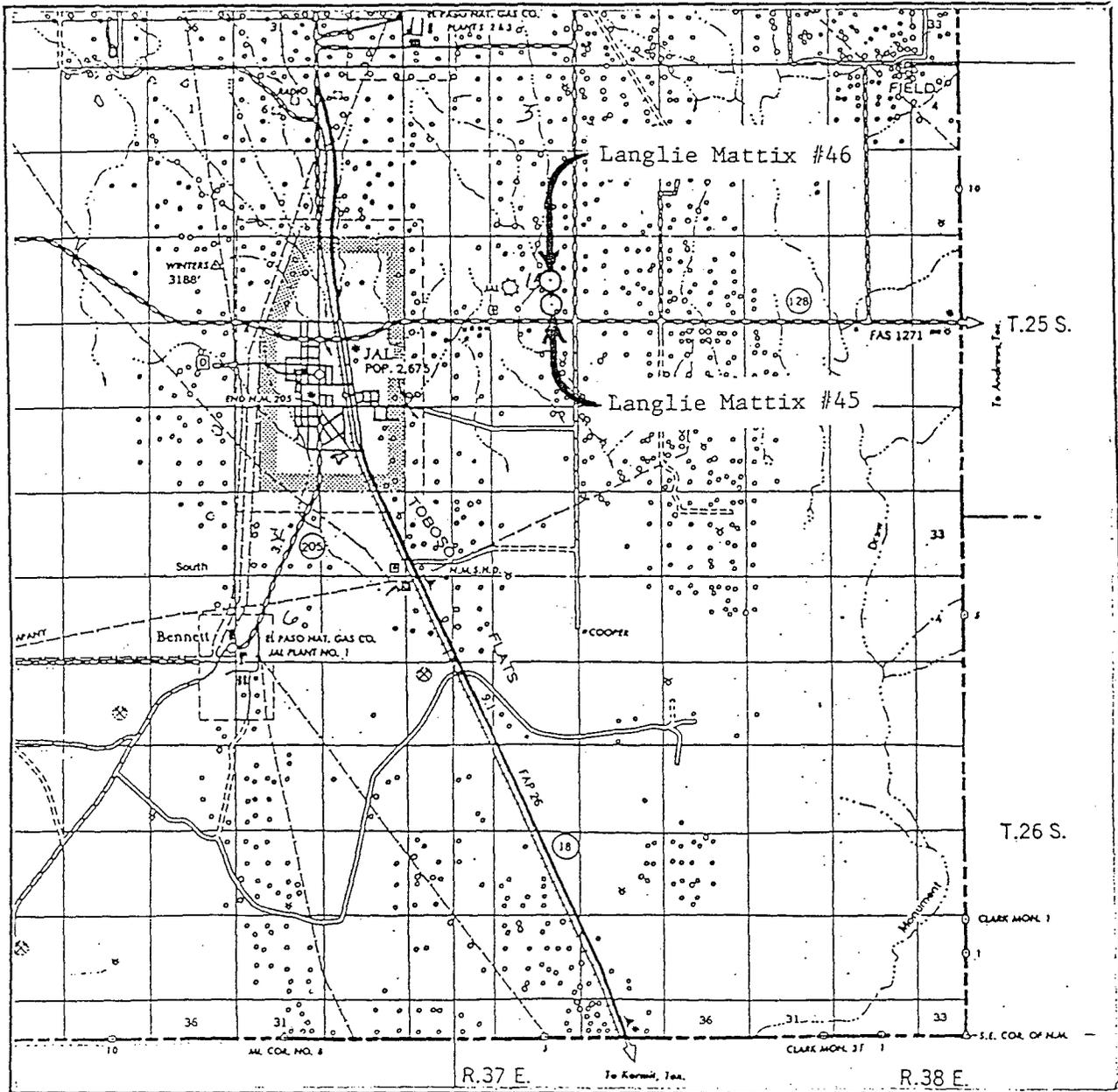
Bottom Hole Location If Different From Surface

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Sheryl J. Carruth</i> Signature</p> <p>Sheryl J. Carruth Printed Name</p> <p>Regulatory Manager Title</p> <p>4-19-95 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 06, 1995 Date Surveyed</p> <p><i>Ronald J. Eidson</i> Signature & Seal of Professional Surveyor</p> <p>W.D. Num. 95-157-0044 5JA Certificate No. 3238</p> <p>JOHN W. WEST, 676 RONALD J. EIDSON, 3239</p>

VICINITY MAP

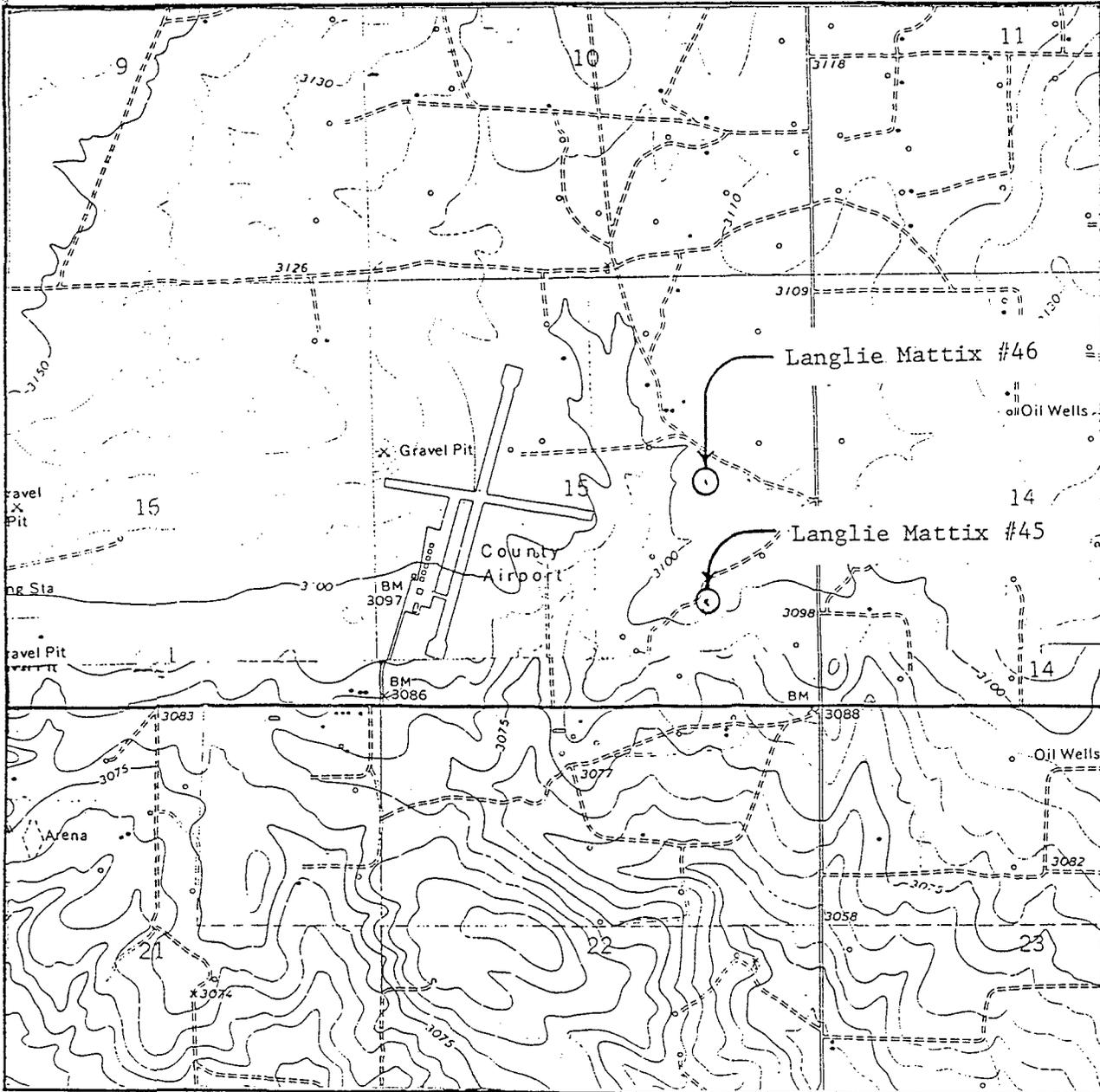


SCALE: 1" = 2 MILES

SEC. 15 TWP. 25 S RGE. 37 E
 SURVEY N.M.P.M.
 COUNTY Lea STATE NM
 DESCRIPTION _____
 ELEVATION _____
 OPERATOR Merit Energy CO.
 LEASE Langlie Mattix

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

SEC. 15 TWP. 25 S RGE. 37 E

SURVEY N.M.P.M.

COUNTY Lea STATE NM

DESCRIPTION _____

ELEVATION _____

OPERATOR Merit Energy CO.

LEASE Langlie Mattix

U.S.G.S. TOPOGRAPHIC MAP

Jal NW

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

67004

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, 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-12
 Revised February 10, 1995
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

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		GRID Number
Property Code		API Number 30-0
Property Name Langlie Mattix Queens Lease		Well No. 46

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	15	25	37		2640	South	1320	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
I	15	25	37		2640	South	1320	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 Elevation 3105'
Multiple No	Proposed Depth 3,700	Formation Penrose Queen	Contractor Nabors	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
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 productive 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.

Signature: *Russell Whited*
 Printed name: *Russell Whited*
 Title: *Production Supt*
 Date: *3-13-95*
 Phone: *505-395-2173*

OIL CONSERVATION DIVISION

Approved by: _____
 Title: _____
 Approval Date: _____ Expiration Date: _____
 Conditions of Approval:
 Attached

MERIT ENERGY COMPANY

Langlie Mattix #46
2640 FSL - 1320 FEL
Unit I, Section 15-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: 12 1/4" Total Depth: 1050' Casing Size: 8 5/8"
Setting Depth: 1050' Mud Weight: 8.8 ppg

Surface 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: 700 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 tourly by mud engineer. Sufficeint 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 tourly 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 Anticipated
Logging: CNL-FCD form 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
Langlie Mattix #46
2640' FSL - 1320' FEL
Unit I Section 15-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 south approximately 1000 feet on new road access on your left(west) 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 an easterly 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 on location site.

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 Johnny Mack Owen, Sr.

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

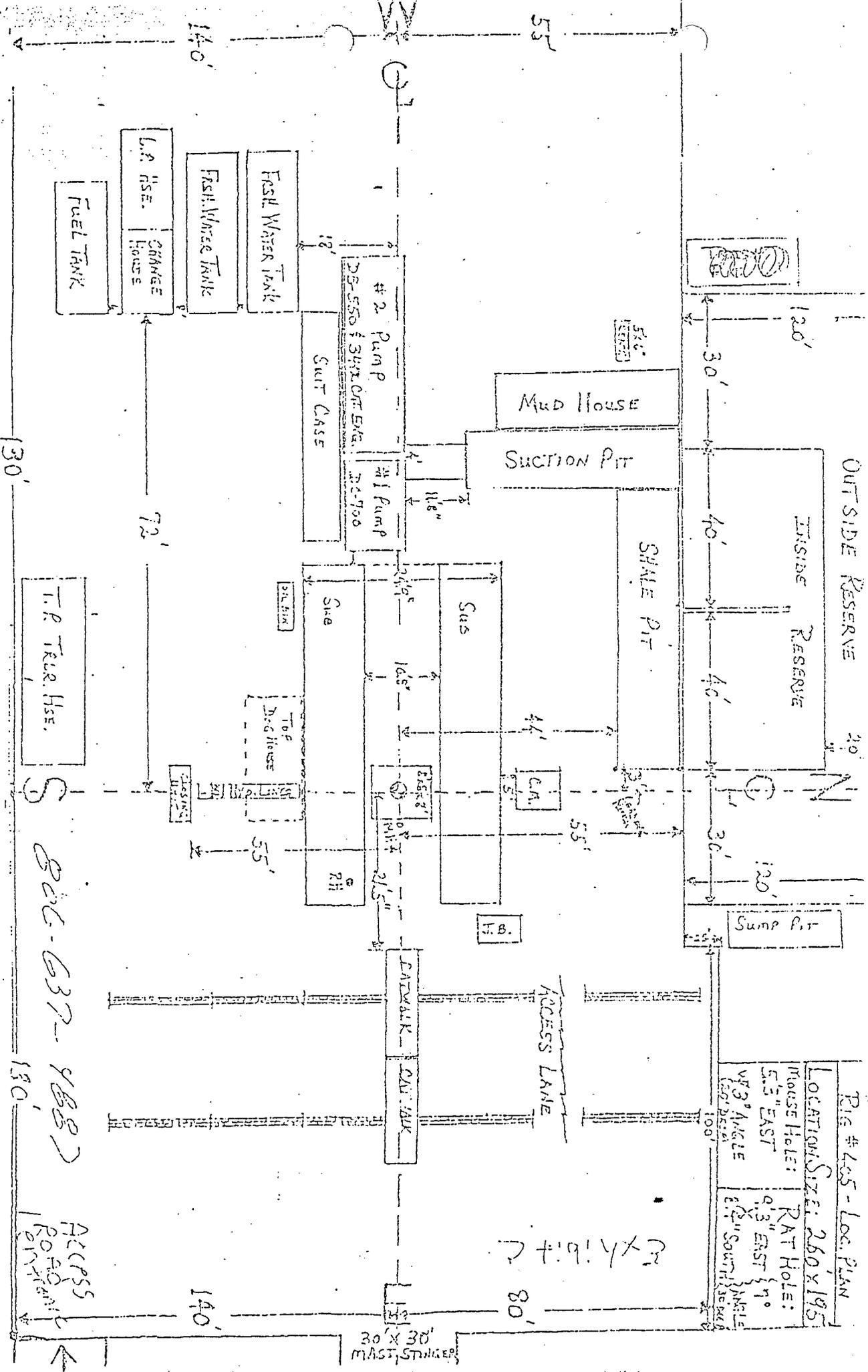
Russell Whited, Prod Supt
Merit Energy Company
118 West Nebraska
Jal, New Mexico 88252
(505) 395-2173

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



Rig # 405 - Loc. Plan

LOCATION/Size:	260 x 195
MOUSE HOLE:	RAT HOLE:
5.5" EAST	9.3" EAST
VF 3" ANGLE	5.2" SOUTH
150' DEEP	150' DEEP

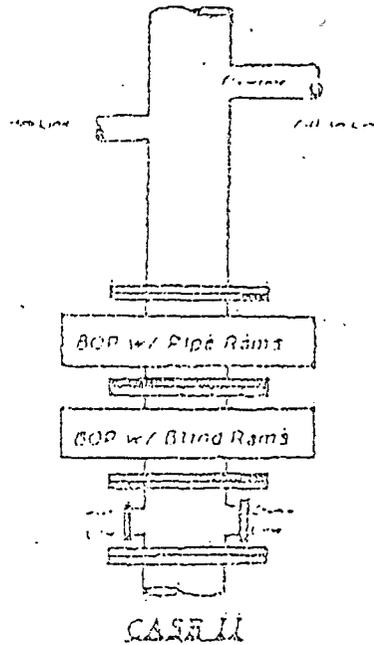
80C-637-1887

ACCESS ROAD

3' x 1/2' # 2'

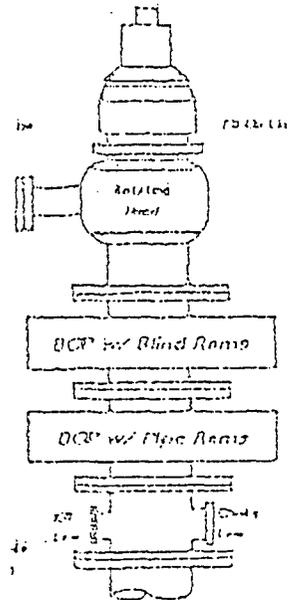
30 x 30' MAST STINGER

Exhibit B

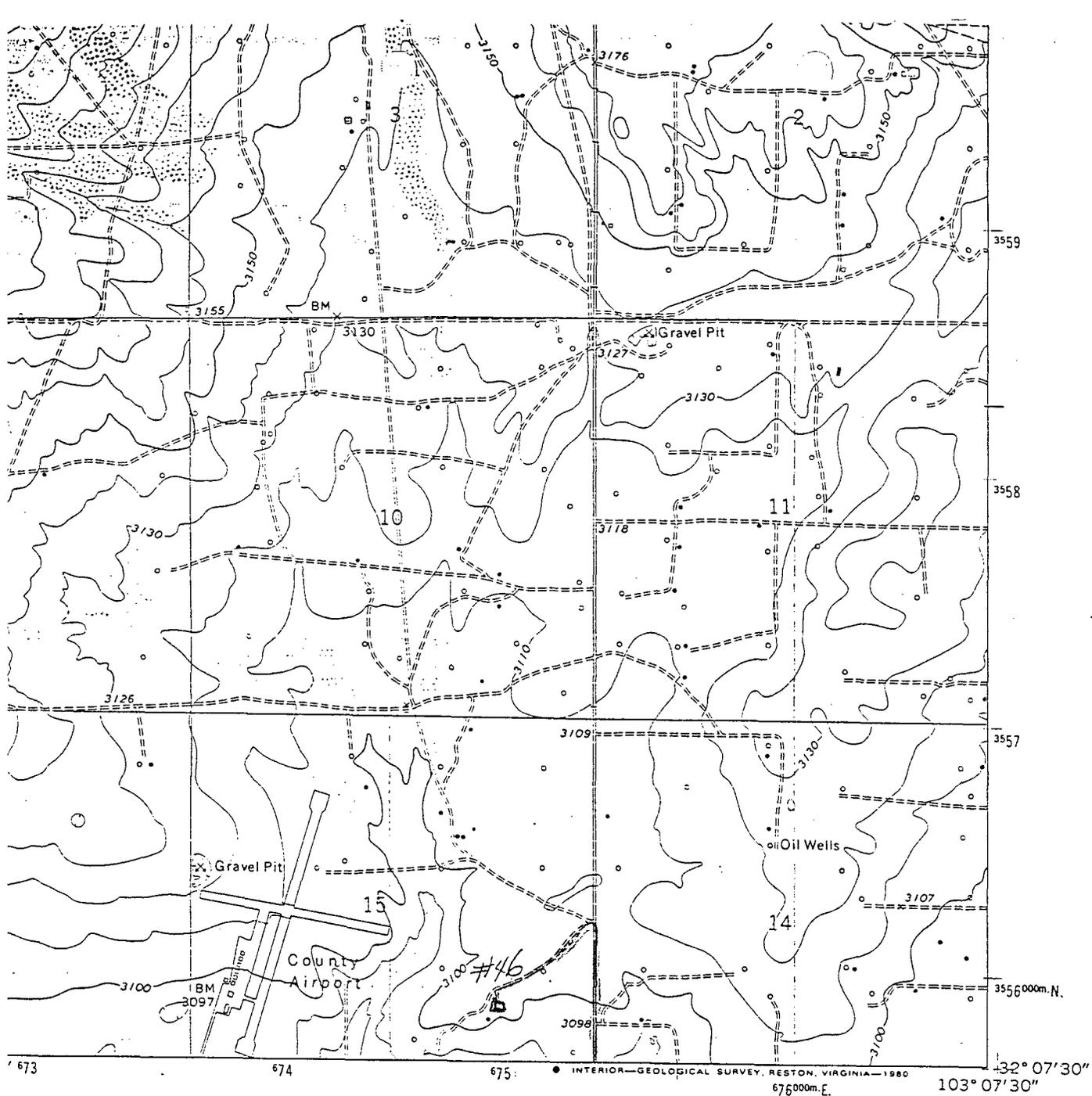


3000 lbs

Exhibit B-1



3000 lbs



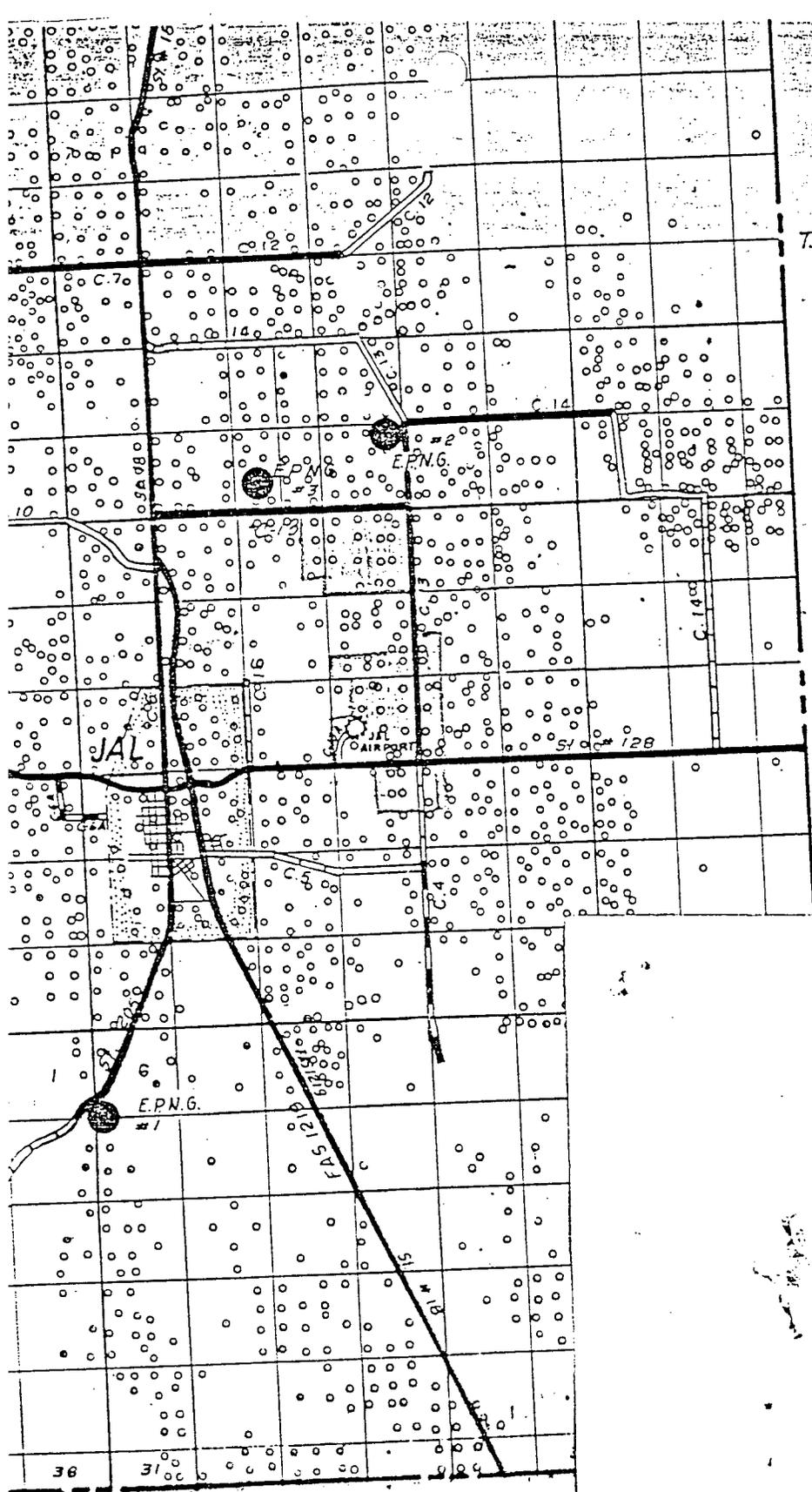
ROAD CLASSIFICATION

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. 24 S.

T. 25 S.

R. 37 E.

JAL

AIRPORT

E.P.N.G. #1

E.P.N.G. #2

E.P.N.G. #3

38

31

54 128

121 154 178 181

15 18

C. 14

C. 16

C. 17

C. 18

C. 19

C. 20

C. 21

C. 22

C. 23

C. 24

C. 25

C. 7

C. 8

C. 9

C. 10

C. 11

C. 12

C. 13

C. 14

C. 15

C. 16

C. 17

C. 18

C. 19

C. 20

C. 21

C. 22

C. 23

C. 24

C. 25

C. 26

C. 27

C. 28

C. 29

C. 30

C. 31

C. 32

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, 1984
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
Property Code	Property Name LANGLIE MATTIX	Well Number 46
OGRID No.	Operator Name MERIT ENERGY COMPANY	Elevation 3105'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	15	25 S	37 E		2620	SOUTH	1300	EAST	LEA

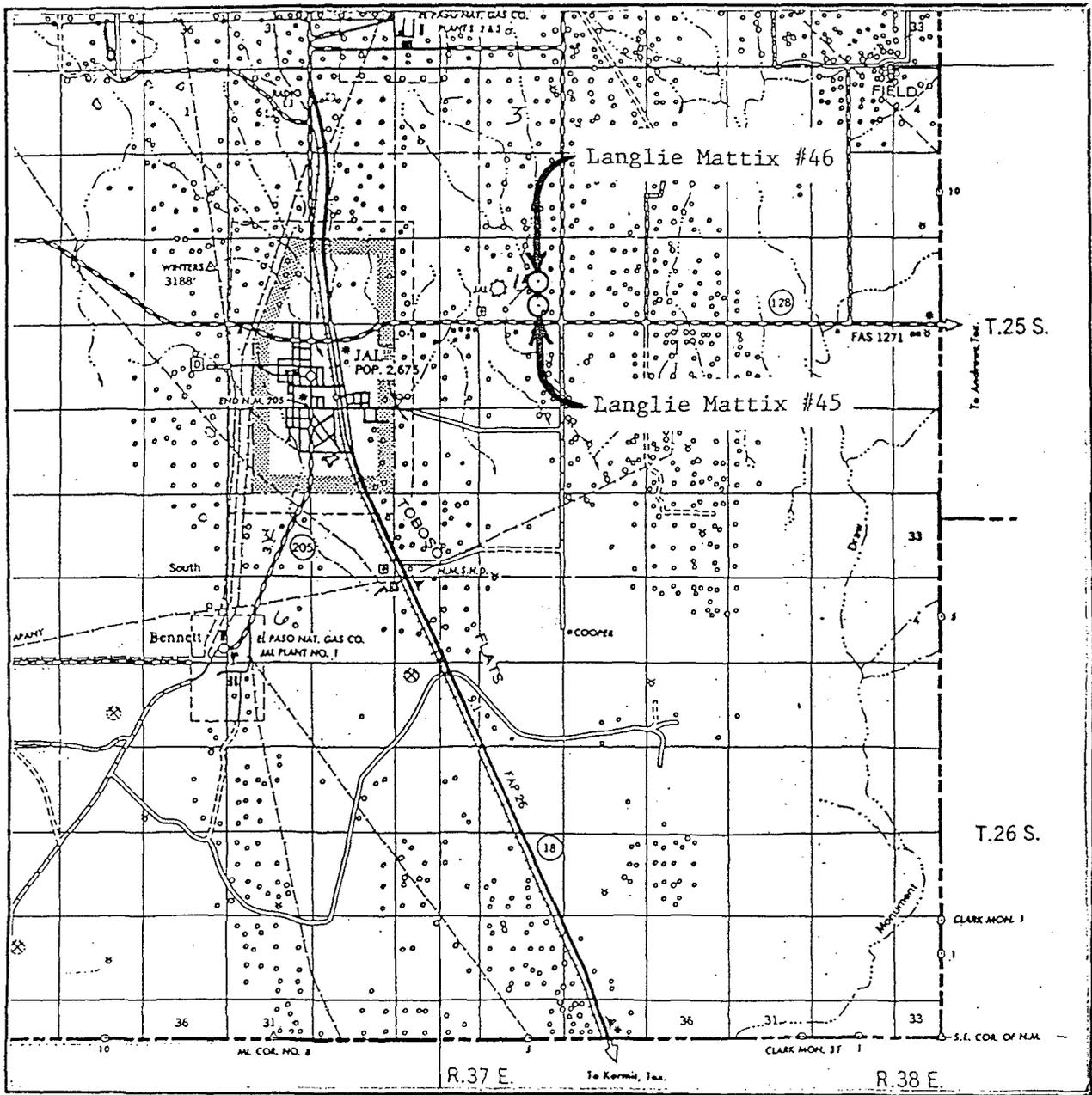
Bottom Hole Location If Different From Surface

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

	<p align="center">OPERATOR CERTIFICATION</p> <p align="center"><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p align="center"><i>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.</i></p>
	<p align="center">Date Surveyed APRIL 06 1995</p> <p align="center">Signature & Seal of Professional Surveyor</p> <p align="center"> </p> <p align="center">Num. 95-0045</p>
	<p>Certificate No. JOHN W. WEST, 676</p> <p align="right">RONALD J. EIDSON, 3239</p>

VICINITY MAP

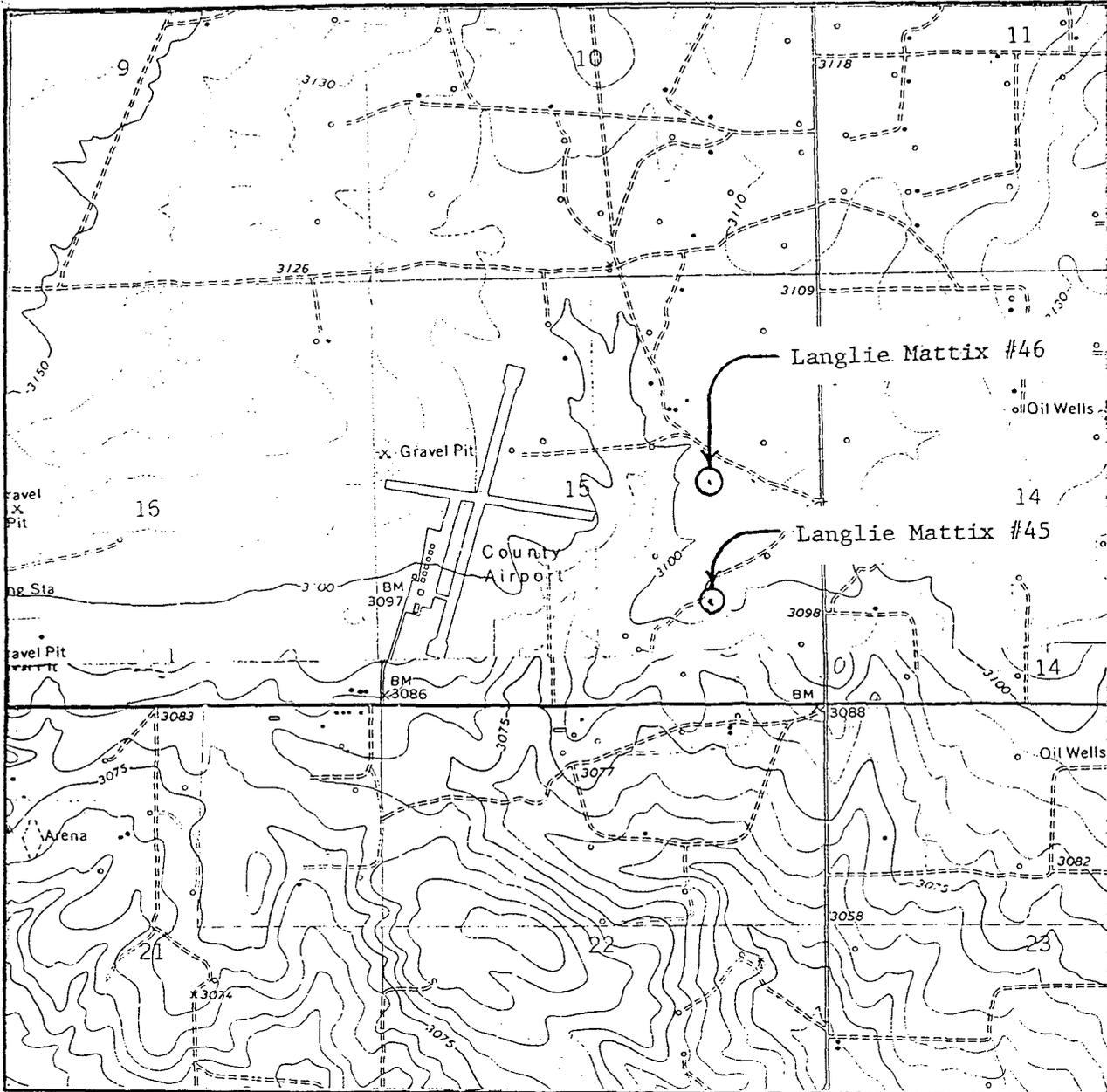


SCALE: 1" = 2 MILES

SEC. 15 TWP. 25 S RGE. 37 E
 SURVEY N.M.P.M.
 COUNTY Lea STATE NM
 DESCRIPTION _____
 ELEVATION _____
 OPERATOR Merit Energy CO.
 LEASE Langlie Mattix

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

SEC. 15 TWP. 25 S RGE. 37 E

SURVEY N.M.P.M.

COUNTY Lea STATE NM

DESCRIPTION _____

ELEVATION _____

OPERATOR Merit Energy CO.

LEASE Langlie Mattix

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,

*Michael E. Stogner
Chief Hearing Officer/Engineer*

MES/kev

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



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2000 S. RACHECO
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

Administrative Order NSL-3513

Dear Ms. Carruth:

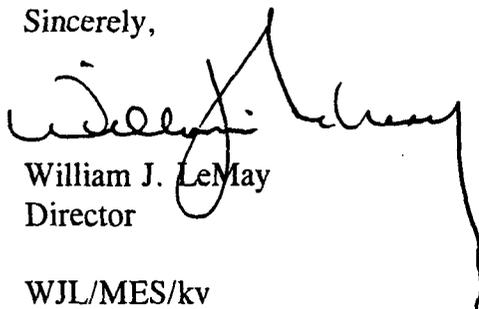
Reference is made to your application dated March 24, 1995 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the (Mobil) Langlie Mattix Humphrey Waterflood Project Area, established by Division Order No. R-3824, dated September 4, 1969.

It is our understanding that the proposed Humphrey Queen Unit Well No. 35 is to be drilled 2362 feet from the North line and 2488 feet from the East line (Unit G) of Section 3, Township 25 South, Range 37 East, NMPM, Langlie-Mattix Pool, Humphrey Queen Unit, Lea County, New Mexico.

Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SW/4 NE/4 of said Section 3 which is currently dedicated to the Humphrey Queen Unit Well No. 10 (API No. 30-025-11424), located at a standard oil well location 1650 feet from the North and East lines of said Section 3.

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

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

(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 hereinabove 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.

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:

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

(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;

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.

(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 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.

(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.

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.

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

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 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 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 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.

Mike Stogner

From: Mike Stogner
To: Bonnie Prichard
Subject: Merit Energy Co.
Date: Wednesday, May 03, 1995 4:39PM

Can I have you "fax" to me C-101's and C-102's for a couple of proposed wells in the Langlie Mattix Queen Unit in Section 15, T-25S-R37E:

Well No. 45 - in Unit P

Well No. 46 - in Unit I

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



May 12, 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:

So that I may begin processing the applications for the two subject wells please provide copies of the amended NMOCD Forms C-101 and C-102 showing the locations for the two wells to be:

- Langlie Mattix Queen Unit well No. 45
1220'FSL & 1300'FEL (Unit P); and,*
- Langlie Mattix Queen Unit well No. 46
2620'FSL & 1300'FEL (Unit I).*

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".

*Michael E. Stogner
Chief Hearing Officer/Engineer*

MES/kv

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

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

980, Hobbs, NM 88240

State of New Mexico

Form C-102

Energy, Minerals and Natural Resources Department

Revised February 10, 1994

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DISTRICT II

Drawer 5B, Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>7-Rivers Queens</i>
Property Code	Property Name LANGLIE MATTIX	Well Number 46
OGRID No.	Operator Name MERIT ENERGY COMPANY	Elevation 3105'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	15	25 S	37 E		2640	SOUTH	1320	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

Operations 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

Ronald J. Eidson
Signature & Seal of Professional Surveyor

W. O. S. 95-11-0045
Certificate No.

JOHN W. WEST. 676
RONALD J. EIDSON. 3239

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Aramis, 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

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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 14591
Property Code 7694		API Number 30-0
Property Name Langlie Mattix Queens Unit Lease		Well No. 45

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	25	37		1220	South	1320	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
P	15	25	37		1220	South	1320	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 Elevation 3099'
Multiple No	Proposed Depth 3,700	Formation Penrose Queen	Contractor Nabors	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
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 productive zone. Describe the highest 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 producti

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: <i>Russell Whitel</i>	Title:		
Title: <i>Production Supt</i>	Approval Date:	Expiration Date:	
Date: <i>3-13-95</i>	Phone: <i>505-395-2123</i>	Conditions of Approval: Amended <input type="checkbox"/>	

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

State of New Mexico

Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

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>2-Rivers Queens</i>
Property Code	Property Name LANGUE MATTIX	Well Number 45
OGRID No.	Operator Name MERIT ENERGY COMPANY	Elevation 3099'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	25 S	37 E		1220	SOUTH	1320	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

<p>Diagram showing well location on sections A-I. Well location is marked with a circle and dimensions: 100.1' (vertical), 2.6' (horizontal), 1320' (horizontal), and 1220' (vertical). Sections A-I are labeled. 'Fed' is written in sections D, E, F, L, M, N. 'SEE INSET' is written in section J.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Russell Whitehead</i> Signature</p> <p>Russell Whitehead Printed Name</p> <p>Operations Supt Title</p> <p>3-7-95 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 16, 1995</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i></p> <p>W.O. No. 1098-17-0044 SCN</p> <p>Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 3239</p>



Sorry I was
so long. Just
checked my
E-Mail

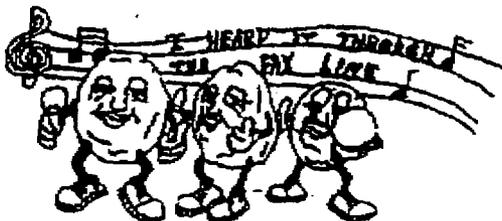
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

TO: Mike Stegner
FROM: Bonnie Richard

DATE: 5/12/95

NUMBER OF PAGES: 5
(INCLUDING COVER)

REC'D FAX NUMBER: (505) 393-0720
IF YOU DO NOT RECEIVE A TRANSMISSION, CALL (505) 393-6161



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 District III
 1000 Rio Brazos Rd., Abaco, 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

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AMENDED REPLY

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		OGRED Number 14591
		API Number 30-0
Property Code 7694	Property Name Langlie Mattix Queens Lease Unit	Well No. 46

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	15	25	37		2640	South	1320	East	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	15	25	37		2640	South	1320	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 3105'
Multiple No	Proposed Depth 3,700	Formation Penrose Queen	Contractor Nabors	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TO
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 date on the present productive zone and proposed new product 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 produc

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 correct to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Russell Whitely</i>	Approved by:		
Printed name: <i>Russell Whitely</i>	Title:		
Title: <i>Production Supt</i>	Approval Date:	Expiration Date:	
Date: <i>3-13-95</i>	Phone: <i>505-395-2173</i>	Conditions of Approval: Attached <input type="checkbox"/>	

LANGLIE MATTIX (QUEEN) UNIT AREA

14-08-0001-11576

APPROVED: September 30, 1969

EFFECTIVE: October 1, 1969

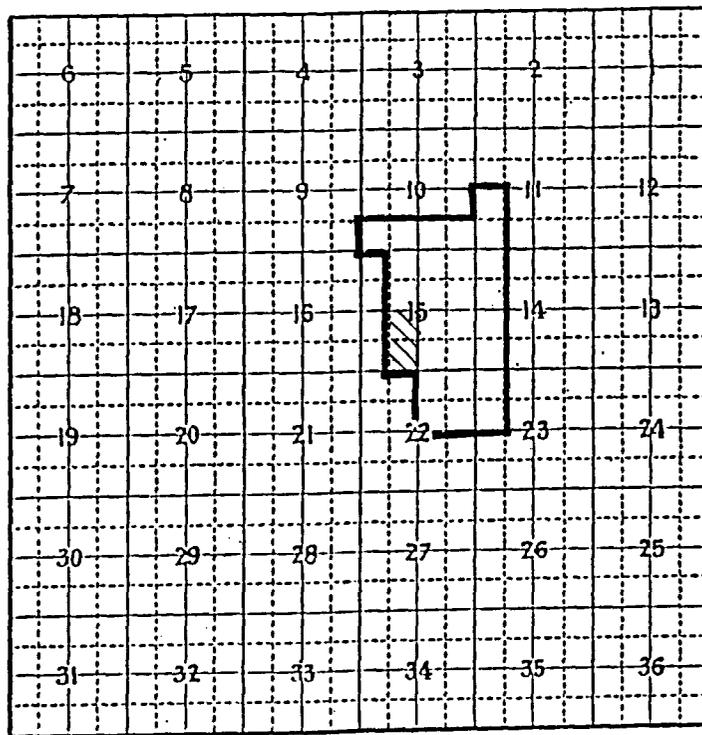
WATERFLOOD

100 Feet Above Base of Seven Rivers to Base of Queen Formation

Lea County, New Mexico

Mobil Producing Texas and New Mexico, Inc., Operator


gulram, inc.
 petroleum engineering and government regulation consultants



R 37 E

Unit Lands

Federal	120.00 acres
Fee	<u>920.00</u> acres
Total	1,040.00 acres

 -Lands Added, Effective May 1, 1970, - 80.00 acres

Unit Lands

Federal	200.00 acres
Fee	<u>920.00</u> acres
Total	1,120.00 acres

(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:

(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 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 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 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.

(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;

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.

(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 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.

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

(7) That, subject to Finding No. 6, the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(8) That, subject to Finding No. 6, 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 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 Langlie Mattix Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby authorized 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 the following-described wells at orthodox and unorthodox locations in Township 25 South, Range 37 East, NMPM, Lea County, New Mexico:

Unit Well No.	Previous Well Name and Number	Unit	Section
7	Mobil-Stuart Tr. 1 Well No. 2	P	10
3	To be drilled - 990' FSL & 890' FWL		10
2	To be drilled - 1440' FSL & 1220' FWL		11
13	Mobil-Stuart Tr. 5 Well No. 1	D	14
21	Pan American-Langlie "B" Well No. 4	L	14
27	Pan American-Langlie "B" Well No. 3	M	14
11	Mobil-Stuart Tr. 9 Well No. 1	B	15
17	Mobil-Stuart Tr. 9 Well No. 4	H	15
19	Gulf-Westfall Well No. 2	J	15
25	Gulf-Elliott Well No. 1	P	15
15	To be drilled - 1980' FNL & 1730' FWL		15
30	Mobil-Stuart Comm. Well No. 1	A	22
28	To be drilled - 500' FNL & 2540' FEL		22
32	To be drilled - 2530' FNL & 2600' FEL		22
31	Cities Service - Dabbs Well No. 1	D	23
35	Cities Service - Dabbs Well No. 2	E	23

(2) That the subject waterflood project is hereby designated the Mobil Langlie Mattix 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 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 Langlie Mattix 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.

(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 that portion of Order No. R-3426, dated June 5, 1968, which approved certain water injection wells in the Langlie Mattix Queen Unit 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 hereinabove designated.

SCARBOROUGH YATES-SEVEN RIVERS POOL (Continental Pressure Maintenance) Lea County, New Mexico

Order No. R-3487-A, Authorizing Continental Oil Company to Institute a Pressure Maintenance Project in the Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, September 8, 1969.

Application of Continental Oil Company for Amendment of Order No. R-3487, Lea County, New Mexico.

CASE NO. 4198
Order No. R-3487-A

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 8th 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.

MERIT ENERGY COMPANY

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

OIL CONSERVATION DIVISION
RECEIVED

'95 JUN 12 AM 8 52

June 1, 1995

Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Attn: Michael E. Stogner

Re: Application for Unorthodox Oil Well Locations
Langlie Mattix Queen Unit Well No.s 45 and 46
Section 15, T25S, R37E, NMPM, Lea County, NM

Dear Mr. Stogner:

Per your request, attached please find copies of the amended NMOCD Forms C-101 and C-102 showing the new locations for the above captioned wells.

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

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, 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

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 Revised February 10, 1994
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AMENDED REPORT

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

¹ Operator Name and Address. Merit Energy Company 12222 Merit Drive, Suite 1500 Dallas, Texas 75251		² OGRID Number 014591
		³ API Number 30 - 0
⁴ Property Code 007694	⁵ Property Name Langlie Mattix	⁶ Well No. 46

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	15	25 S	37 E		2620	South	1300	East	Lea

⁸ 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
⁹ Proposed Pool 1 Penrose Queens					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3105
¹⁶ Multiple No	¹⁷ Proposed Depth 3700	¹⁸ Formation Penrose Queen	¹⁹ Contractor Nabors	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

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

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Amending location only.
 All other information same as on original application.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Sheryl J. Carruth*

Printed name: Sheryl J. Carruth

Title: Regulatory Manager

Date: 6-1-95 Phone: (214) 701-8377

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval :
 Attached

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

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
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OIL CONSERVATION DIVISION

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		37240	Langlie Mattix 7 Rivers Queen
Property Code	Property Name		Well Number
007694	LANGLIE MATTIX		46
OGRID No.	Operator Name		Elevation
014591	MERIT ENERGY COMPANY		3105'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	15	25 S	37 E		2620	SOUTH	1300	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Sheryl J. Carruth</i> Signature</p> <p>Sheryl J. Carruth Printed Name</p> <p>Regulatory Manager Title</p> <p>5-31-95 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 06, 1995 Date Surveyed</p> <p><i>Ronald J. Eidson</i> Signature & Seal of Professional Surveyor</p> <p>W.O. Num. 95-11-0045 SCN</p> <p>Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 3239</p>

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, 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-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

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

¹ Operator Name and Address. Merit Energy Company 12222 Merit Drive, Suite 1500 Dallas, Texas 75251		² OGRID Number 014591
		³ API Number 30 - 0
⁴ Property Code 007694	⁵ Property Name Langlie Mattix	⁶ Well No. 45

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	25 S	37 E		1220	South	1300	East	Lea

⁸ 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
⁹ Proposed Pool 1 Penrose Queen Langlie Mattix					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3099'
¹⁶ Multiple No	¹⁷ Proposed Depth 3700	¹⁸ Formation Penrose Queen	¹⁹ Contractor Nabors	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

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

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Amending location only.
 All other information same as on original application.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Sheryl J. Carruth*

Printed name: Sheryl J. Carruth

Title: Regulatory Manager

Date: 6-1-95 Phone: (214) 701-8377

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
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Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	37240	Langlie Mattix 7 Rivers Queen
Property Code	Property Name	Well Number
007694	LANGLIE MATTIX	45
OGRID No.	Operator Name	Elevation
014591	MERIT ENERGY COMPANY	3099'

Surface Location

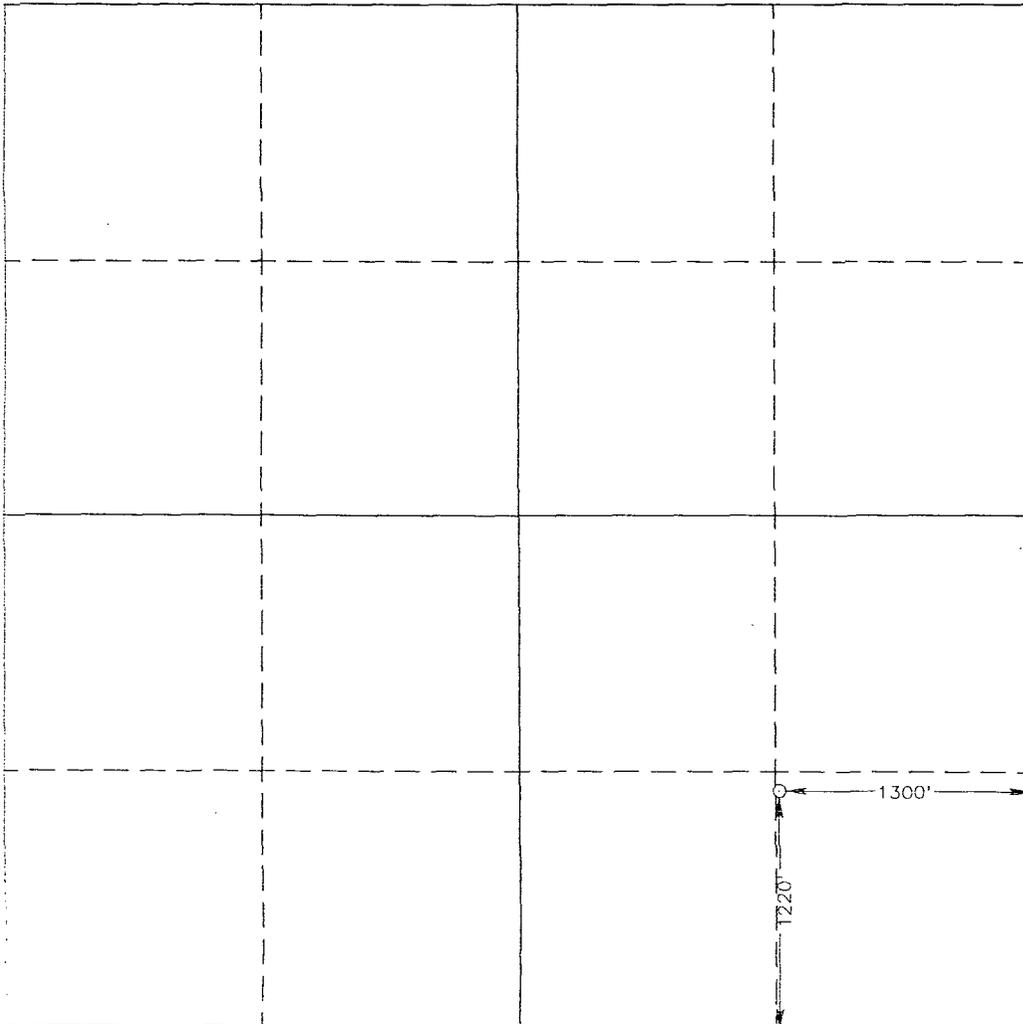
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	25 S	37 E		1220	SOUTH	1300	EAST	LEA

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.

Sheryl J. Carruth
Signature

Sheryl J. Carruth
Printed Name

Regulatory Manager
Title

4-19-95
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.

APRIL 06, 1995
Date Surveyed

Ronald S. Eidson
Signature & Seal of Professional Surveyor

W.O. Num. 95-1160044
Certificate No. JOHN W. WEST, 87C
RONALD S. EIDSON, 3239

Dist. NM 88241-1980
 District II
 PO Drawer DO, Azusa, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
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 Santa Fe, NM 87504-2088

Form (Revised February 10, 1988)
 Instructions on Submit to Appropriate District:
 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 14591
Property Code 7694		Property Name Langlie Mattix Queens Lease Unit
		Well No. 46

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	15	25	37		2640	South	1320	East	Lea

4 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
I	15	25	37		2640	South	1320	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 3105'
Multiple No	Proposed Depth 3,700	Formation Penrose Queen	Contractor Nabors	Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Secks of Cement	Estimated TO
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 productive 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 correct to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Russell Whitel</i>	Approved by:		
Printed name: <i>Russell Whitel</i>	Title:		
Title: <i>Production Supt</i>	Approval Date:	Expiration Date:	
Date: <i>3-13-95</i>	Phone: <i>505-395-2173</i>	Conditions of Approval: Attached <input type="checkbox"/>	