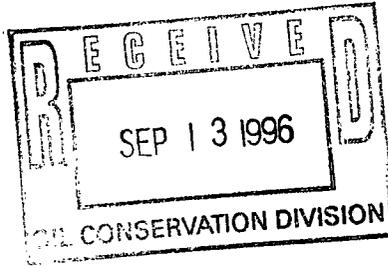


NSL

10/3/96



September 11, 1996

Mr. Michael Stogner  
State of New Mexico  
Oil Conservation Division  
PO Box 2088  
Santa Fe, New Mexico 87504-2088

**RE:** Re-entry of Tenneco Hagerty Federal No. 1  
SW/4 SW/4 Section 7, Township 16 South, Range 30 East  
Eddy County, New Mexico

Dear Mr. Stogner,

Fina Oil and Chemical Company proposes a re-entry of the General American Oil Company of Texas' Tenneco Hagerty Federal No. 1, located specifically at 656' FSL and 649' FWL, Section 7, Township 16 South, Range 30 East, Eddy County, New Mexico. Form C-102 is attached. The primary zone of interest is the Lower Morrow sandstone from 10,554' to 10,568'. The subject well was plugged and abandoned as a dry hole in 1970. The subject well is an unorthodox wildcat gas well location as per Rule 104 B. (I) (a).

Five drill stem tests were performed during drilling of the subject well. The most encouraging test was the Morrow sandstone from 10,450' to 10,564'. It had gas to surface in 45 minutes during the first flow period. The initial period flowing pressure was 153 psi, followed by a second period flowing pressure of 166 psi, and a final period flowing pressure of 205 psi. The initial period shut-in pressure was 4420 psi, followed by a second period shut-in pressure of 4329 psi, and a final shut-in pressure of 4446 psi. Rate was measured at 245 to 300 MCFD. Sample recovery was 600' of gas and condensate cut mud with no water.

Fina is holder of record title to all acreage in Section 7 except from 2744' to 2788' in the unitized Premier Sand of the Southwest Henshaw Premier Unit, operated by Kay Jay Oil Company.

Please find enclosed our application in triplicate for administrative approval of this unorthodox location. Pertinent and supporting geologic data and discussion have also been included for your review and consideration. A copy of the approved Form 3160-3 APD is also included. Waiver of objection letters have been sent to all offset operators via certified mail.

If this application is lacking or deficient in any manner, please notify either myself or Mary Ann Martinez at (915) 688-0600 at your earliest possible convenience. Your review and approval of this application is greatly appreciated.

Sincerely,

Phil Miller  
Senior Staff Engineer

c: Mary Ann Martinez  
File

**Fina Oil and Chemical Company**  
6 Desta Drive, Suite 4400 • Midland, TX 79705  
P.O. Box 2990 • Midland, TX 79702 • (915) 688-0600



September 11, 1996

State of New Mexico  
Oil Conservation Division  
PO Box 2088  
Santa Fe, New Mexico 87504-2088

**RE:** Re-entry of Tenneco Hagerty Federal No. 1  
Unorthodox Location (Rule 104 B. (I)(a))  
SW/4 SW/4 Section 7, Township 16 South, Range 30 East  
Eddy County, New Mexico

Gentlemen:

Notice of application of the subject well was sent Wednesday, September 11, 1996, via certified mail to each of the offset operators listed below.

Armstrong Energy Corporation  
PO Box 1973  
Roswell, New Mexico 88201-1970

Kay Jay Oil Company  
PO Box 1306  
Artesia, New Mexico 88210

Penroc Oil Corporation  
PO Box 5970  
Hobbs, New Mexico 88241-5970

Vintage Petroleum, Inc.  
4200 One Williams Center  
Tulsa, Oklahoma 74172

A handwritten signature in cursive script that reads "Phil Miller".

Phil Miller  
Senior Staff Engineer

c: File

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

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

OIL CONSERVATION DIVISION  
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-20295	Pool Code	Pool Name Wildcat
Property Code	Property Name TENNECO HAGERTY FEDERAL	Well Number 1
OGRID No. 007853	Operator Name FINA OIL & CHEMICAL COMPANY	Elevation 3756

Surface Location

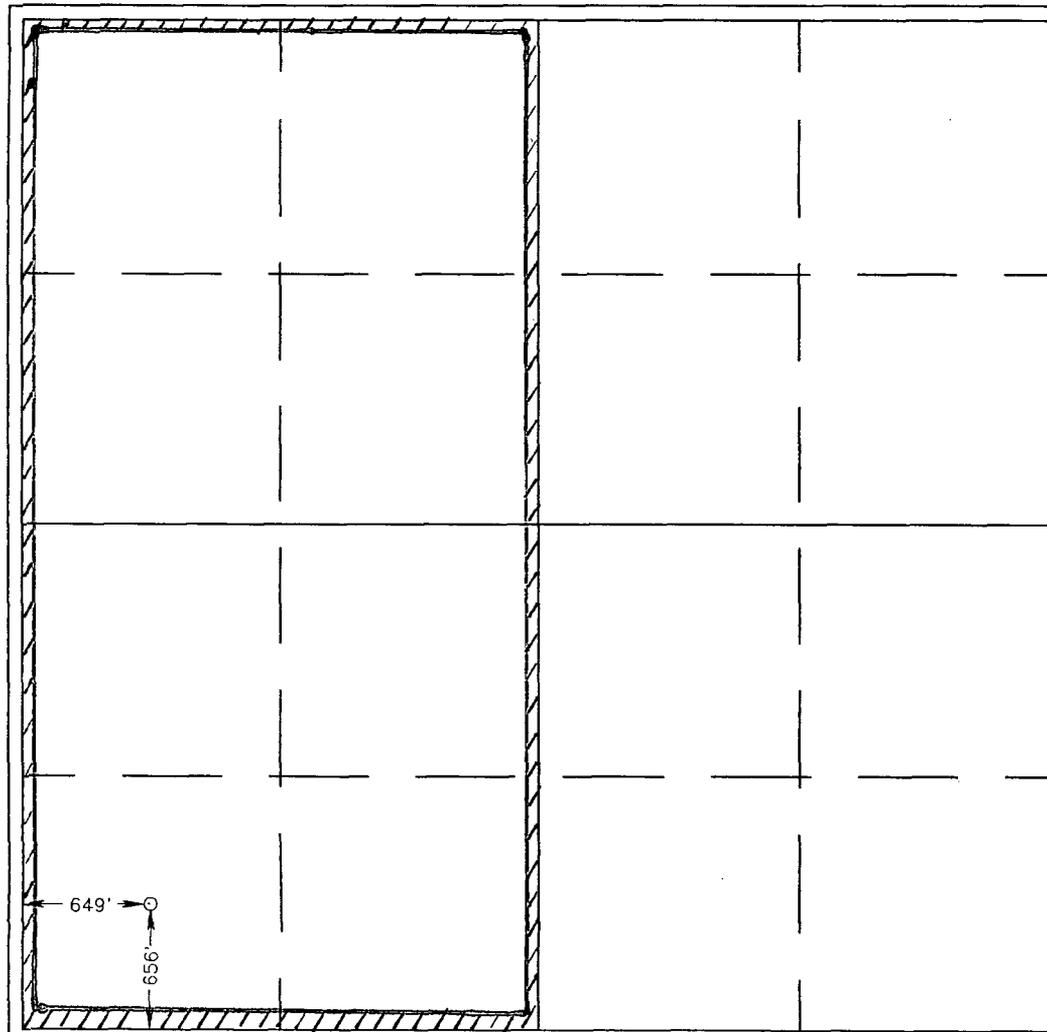
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	7	16 S	30 E		656	SOUTH	649	WEST	EDDY

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.
320			

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

*Phil Miller*  
Signature

Phil Miller  
Printed Name

Sr. Staff Engineer  
Title

7-9-96  
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.

MAY 29, 1996  
Date Surveyed

CDG  
Signature & Seal of Professional Surveyor

*Ronald S. Eidson* 6/13/96  
Professional Surveyor  
REG. NO. 3239  
606-11-0629

Certificate No. JOHN W. WEST 676  
RONALD S. EIDSON 3239  
PROFESSIONARY EIDSON 12641

# OPERATOR'S COPY

Form 3160-3  
(July 1992)

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

### APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
DRILL  DEEPEN  (Re-entry)

b. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER   
SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
Fina Oil and Chemical Company

3. ADDRESS AND TELEPHONE NO.  
P.O. Box 10887 Midland, TX 79702-0887

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
At surface  
656' FSL & 649' FWL, Sec 7, T-16-S, R-30-E  
At proposed prod. zone  
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
9 miles NW of Loco Hills, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 649'

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3756' GR

5. LEASE DESIGNATION AND SERIAL NO.

NM 7724

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Tenneco Hagerty Federal No.

9. API WELL NO.

30-015-20295

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec 7, T-16-S, R-30-E

12. COUNTY OR PARISH 13. STATE

Eddy

NM

16. NO. OF ACRES IN LEASE  
2501.32

17. NO. OF ACRES ASSIGNED TO THIS WELL  
320

19. PROPOSED DEPTH  
10,640'

20. ROTARY OR CABLE TOOLS  
Rotary

22. APPROX. DATE WORK WILL START\*  
ASAP

#### 23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	11 3/4"	42	448'	300 sx
11"	8 5/8"	24, 32	2800'	755 sx (500 sx originally)
7 7/8"	4 1/2"	10.5, 11.6	10,640'	1030 sx

11 3/4" Casing: Already cemented in place.

8 5/8" Casing: Existing 8 5/8" 32# casing was shot off at 882' during abandonment. Plan to dress off top of 8 5/8" casing and tie back to surface using 8 5/8" 24# casing. Circulate to surface using 155 sx 35:65 Poz containing 6% gel and 3% salt. Tail with 100 sx CL "C" with 2% CaCl.

4 1/2" Casing: 635 sx CL "C" containing 15 lbs/sx fly ash, 11 lbs/sx fumed silica, 1.2% fluid loss additives, and 4 lbs/sx LCM. Tail with 395 sx CL "H" containing 5 lbs/sx fumed silica and 1.6% fluid loss additives.

Approval Subject to  
General Requirements and  
Special Specifications  
Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Phil Miller Phil Miller TITLE Sr. Staff Engineer DATE 7-9-96

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Richard L. Manrus TITLE Assistant DATE 8/14/96

\*See Instructions On Reverse Side

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

**R-29-E**

Armstrong Energy Corp.

1

**R-30-E**

Fina Oil and Chem.

6

**WEST HENSHAW  
PREMIER UNIT  
(PENROC OIL CORP. (OPER.))**

5

320 Ac. Proration Unit

U.S.

U.S.  
Crosby

**E. HIGH LONESOME  
PENROSE SAND UNIT  
VINTAGE DRLG. (OPER.)**

Vintage Petr.

12

Fina Oil and Chem.

Armstrong Energy

Mobil

T  
16  
S

"Brewer-Fed." "Farmer-Fed."

Fina Oil and Chem.  
below 2788'

Gen. Amer.  
Tenneco-  
Hagerty-Fed.  
TD 11,020

U.S. Hagerty-Fed.

Fed.-Sivley U.S. Fed.

Vintage Petr.

Fina

Fina Oil and Chem.  
below 2788'

**SW HENSHAW UNIT  
KAY JAY OIL CO. (OPER.)**

Trigg-Fed. U.S. Fed.-Sivley

U.S.  
"Brewer"

*I certify this to be a correct and accurate plat  
to the best of my knowledge.*

*Phillip D. Miller*  
Phillip D. Miller

**FINA OIL & CHEMICAL CO.**  
WESTERN DIVISION

**TENNECO-HAGERTY-FED. #1  
WILDCAT RE-ENTRY PROSPECT  
EDDY COUNTY, NEW MEXICO**

## **SUMMARY OF PROPOSED OPERATIONS**

### **Re-entry, Casing, and Cementing Program**

**Fina Oil and Chemical Company**  
**Tenneco Hagerty Federal No.1**  
**Unit M, 656' FSL & 649' FWL, Section 7, T-16-S, R-30-E**  
**Eddy County, New Mexico**

1. Restore previous drill site (including lined reserve pit) to accommodate drilling rig and related equipment.
2. Move in and rig up drilling rig and related equipment.
3. Install starting head for 11 3/4" casing. Nipple up BOP and perform low test of 250 psi and high test of 1000 psi.
4. Drill out surface plug in 11 3/4" casing using a 11" bit. Clean out to approximately 882'.
5. Run 7 7/8" bit to re-enter the top of the 8 5/8" casing at 882'.
6. Run 8 5/8" 24# K-55 casing with bowl over assembly to tie back existing 8 5/8" casing to surface. Cement 8 5/8" casing using 155 sx 35:65 Poz containing 6% gel and 3% salt and follow with 100 sx CL "C" containing 2% CaCl<sub>2</sub>. Displace using wooden plug. Wait on cement 8 hours.
7. Install casing spool for 8 5/8" casing on top of 11 3/4" starting head. Nipple up BOP and perform low test of 250 psi and high test of 1000 psi.
8. Drill out 8 5/8" wooden plug and cement plug across 8 5/8" casing shoe using a 7 7/8" bit. Continue using a fresh water mud system at 2800'. Drill out cement plugs at 4457', 6100', and 7396'. Seepage losses of mud will be tracked, monitored, and controlled with lost circulation material. More severe lost circulation will be controlled by concentrated slugs of lost circulation material. Circulate mud system through steel pits.
9. Anticipated pressure of the Wolfcamp at 8400' is 3150 psi. Anticipated pressure of the Cisco at 8765' is 3300 psi. Anticipated pressure of the Morrow at 10,550' is 4450 psi. Pit levels will be closely monitored for gains or losses. Final re-entry depth is anticipated to be 10,640'.
10. No drill stem tests are planned. A gamma ray - nuclear magnetic resonance (GR-NMR) log may be run. Possible rotary sidewall cores will be taken in the Morrow formation.
11. Run 4 1/2" 11.6# N-80 & S-95 casing. Cement using 635 sx CL "C" containing 15 lbs/sx of fly ash, 11 lbs/sx of fumed silica, 1.2% fluid loss additives, and 4 lbs/sx of LCM and follow with 395 sx CL "H" containing 5 lbs/sx fumed silica and 1.6% fluid loss additives. A guide shoe, float collar, and 40 centralizers will be run. 200 barrels of nitrified mud followed by a 500 gallon water base mud wash will precede the cement slurry. Cement will be displaced using 2% KCL water.
12. Perforations and stimulation will be determined later.

## **Additional Data To Be Included in Scope of Operations**

**Fina Oil and Chemical Company  
Tenneco Hagerty Federal  
656' FSL & 649' FWL, SEC 7, T-16-S, R-30-E, N.M.P.M.  
Eddy County, New Mexico**

### **1) BOP Equipment:**

The BOP stack will be of double ram style with blind rams on bottom and pipe rams on top. Pipe rams will be of appropriate style and size to match drill pipe being used. Working and test pressures will be in excess of any known or planned well pressures to a minimum of 5000 psi. This BOP stack and wellhead assembly on which it is to be mounted will be tested to 250 psi for a low test and to 1000 psi for high test. These tests will be performed before any further operations begin.

Choke manifold, BOP and wellhead valves will also be pressure tested in a like manner. Minimum choke manifold arrangement will consist of one main and one backup valve coming off the wellhead leading to a choke manifold. Choke manifold lines will be steel with suitable connections and tested to the same pressures as the BOP stack. Redundant chokes with one master and one backup valve will make up the choke manifold assembly. A flare line leading to a burn pit will be laid from the choke manifold to allow venting / flaring.

Additionally, a rotating head assembly will be incorporated with the BOP stack. An annular preventer may also be installed depending on suitability.

### **2) Location Site, Access Road and Reserve Pits:**

In that this project will be wholly contained on a drill site previously built for the purpose of drilling a new well, it will not be necessary to disturb additional lands to accommodate this re-entry operation. Roads and drill site will be reconstructed over the earlier location in their exact dimensions. Furthermore, as this construction does not intrude on any new ground, an archaeological survey will not be required.

Drilling reserve pits will be of sufficient size to provide adequate circulation volume with the existing hole size. A plastic liner will be utilized to protect surrounding property. These pits will occupy the same area as those of the previous drilling operation.

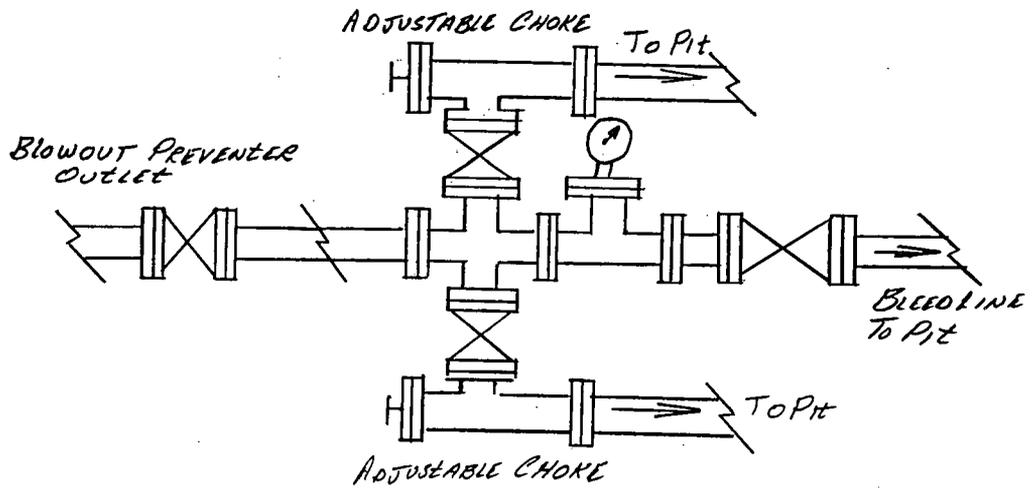
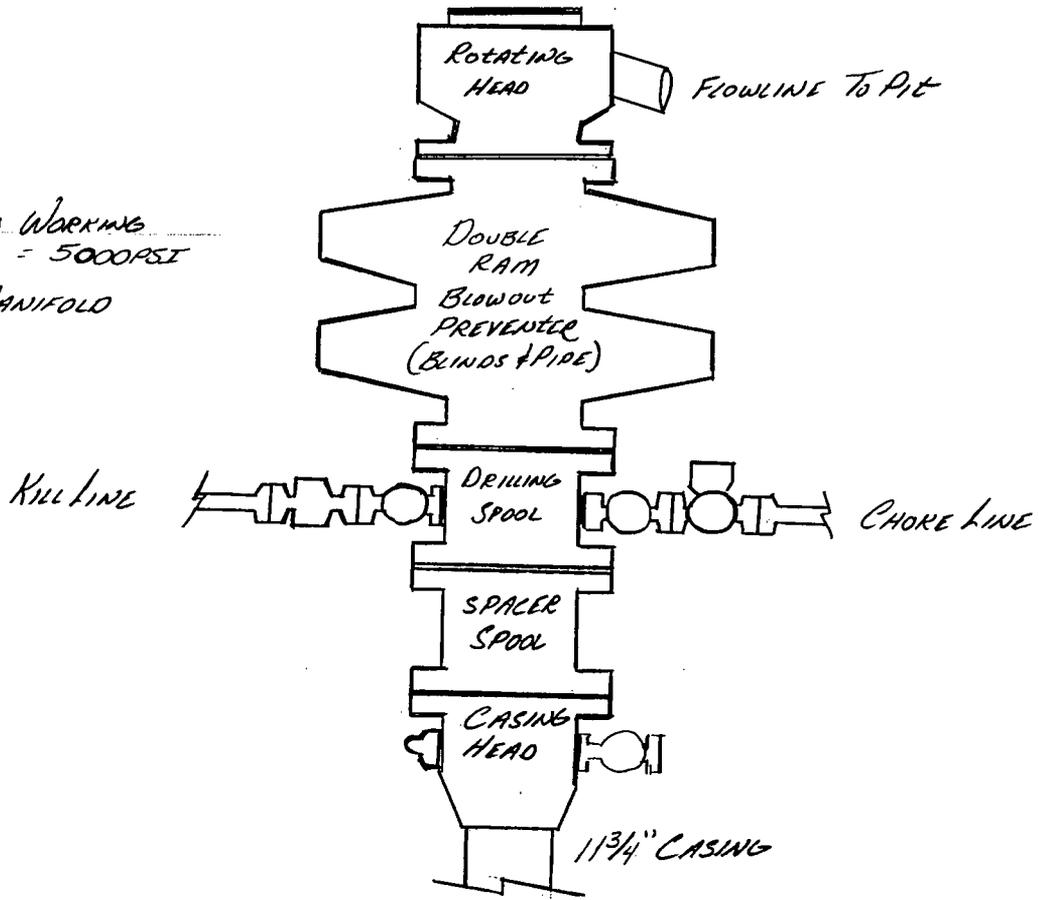
### **3) H<sub>2</sub>S Plan:**

H<sub>2</sub>S is not expected to exist in such quantities to warrant an extensive safety program, however, certain steps will be taken to safeguard life and property. These safety precautions include a monitoring system for measuring H<sub>2</sub>S concentrations at the flow line, BOP stack and on the drilling floor. Also, a warning light and siren to alert of H<sub>2</sub>S concentrations of 10 ppm or greater will be placed near the driller's console. An emergency air package of one (1) five minute escape pack for each crew member will be provided and maintained on the drilling floor. Also, two (2) thirty minute rescue packs will be placed at each of the two strategically located briefing areas. All personnel are to be H<sub>2</sub>S trained and familiar with safety practices and equipment.

The mud system will be maintained with sufficient pH control to retain any H<sub>2</sub>S in solution along with adequate mud density to control the possibility of gas influx. Wind shocks to indicate wind directions will be used in two highly visible areas plus an entry sign placed on the access road advising anyone entering the site of any possible H<sub>2</sub>S safety hazards.

# BOP SCHEMATIC

MINIMUM WORKING  
PRESSURE = 5000PSI  
BOP & MANIFOLD



## **GEOLOGICAL DISCUSSION**

**FINA OIL AND CHEMICAL COMPANY  
TENNECO HAGERTY FEDERAL NO. 1  
UNIT M, 656' FSL & 649' FWL, SEC 7, T-16-S, R-30-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO**

### **Regional Geology**

In southeastern New Mexico, lower Pennsylvanian Morrow sandstones produce gas from small, areally restricted reservoirs that are commonly 10,000 to 12,000 feet in depth. The Morrow Series is generally divided into the Lower, Middle, and Upper Divisions in the subsurface. In general, Lower and Middle Morrow sandstones are the most productive intervals.

In the Tenneco Hagerty Federal well, Lower Morrow sandstones appear to have the best potential for gas production. The Lower Morrow within this area typically consists of a sequence of carbonaceous, coarse-grained sands deposited as delta associated fluvial channels. These delta associated fluvial channels were deposited on a broad coastal plain and have a present-day regional structural dip of 140 ft/mi. Production is found in narrow, slightly sinuous, dip-trending (northwest to southeast) channel fill sandstones. The migration and trapping of gas in these Morrowan channels is stratigraphically controlled and dependent on the development of secondary porosity and permeability. Gross and Net "Pay" isopachs of the Lower Morrow display the size and trend of these channel fill sandstones within the Tenneco Hagerty Federal #1 area. The west to east cross section depicts the sudden development of a Lower Morrow channel fill sandstone within the Tenneco Hagerty Federal #1.

### **Log Analysis**

The Morrow section from the Tenneco Hagerty Federal #1 was digitized using Neurolog and then loaded into Terrascience for log analysis. The first track of the log display contains the spontaneous potential, gamma ray, and  $R_{xo}/R_t$  curve, properly scaled to match the SP, and the SP curve provide a quick look location of producible hydrocarbons. As can be seen in the first track, the SP and  $R_{xo}/R_t$  do have considerable separation within the zone of interest indicating hydrocarbons that are moveable or producible.

The depth track displays the interval of drill stem test #4. The results from that DST can be found at the bottom of the display. These results are taken from completion tickets and annotations from the mudlog. It appears the Lower Morrow will produce gas as seen from the DST, but mudcake and invasion of drilling fluids could be hindering a true test of what the formation can potentially produce.

The second track displays the sidewall neutron porosity and density porosity. Both curves were recorded on a limestone matrix, therefore, wherever there is gas effect or crossover (the neutron curve crosses to the right of the density curve) there may be

potential hydrocarbons. The gas effect is shaded as green. Gas effect can also be caused by certain minerals or lithologies such as chert and sandstone. Some of the gas effect in the upper portion of the log display is due to the presence of chert. Average total apparent porosity for the Lower Morrow is 15%.

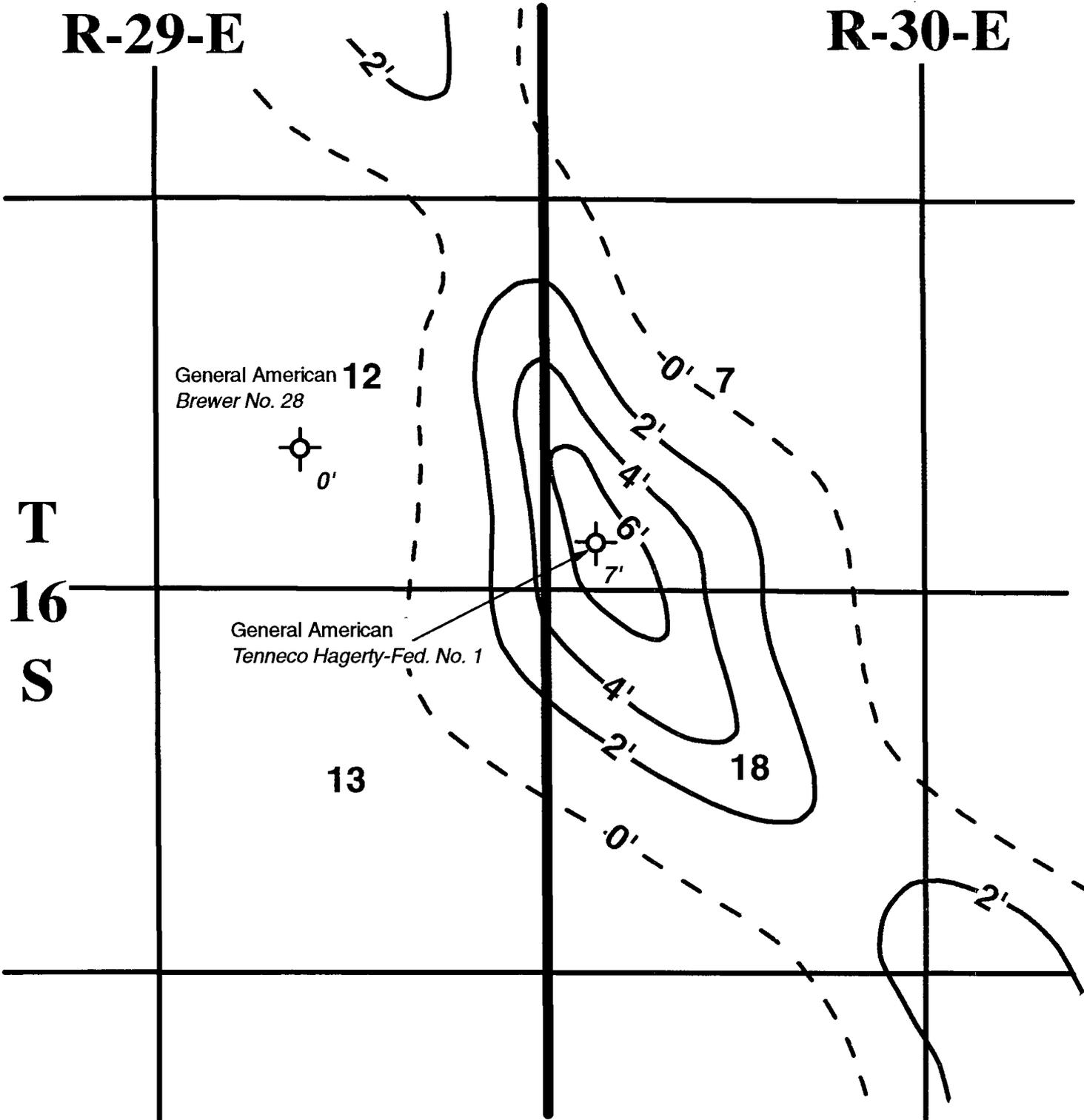
The third track displays three resistivity curves: shallow, medium, and deep. The fourth track is taken directly from the mudlog where there is an increase of gas (C1, C2, etc.) in the drilling fluid corresponding with the Lower Morrow Sandstone. The fifth and final track is water saturation calculations derived from Archie's equation. The  $R_w$  (resistivity of formation water) was calculated from the SP curve and fits well with other known  $R_w$ 's from Morrow producers. Everything that has less than 30%  $S_w$  is shaded in green and once again it is found within the Lower Morrow Sandstone.

### **Conclusions**

The Tenneco Hagerty Federal #1 should be reentered as a Morrow test from 10,554'-10,568'. Log analysis, water saturation calculations, gas shows, and mudlog shows all indicate the Morrow sandstone as being porous, permeable and productive. Our concern at this point should be the potential formation damage that could have occurred during drilling as well as any clay mineral problems. It should also be noted there may be several other potential bailout zones if needed.

R-29-E

R-30-E



# NET "PAY" ISOPACH MORROW SANDSTONE

C.I. = 2'

Note: Only Morrow Penetrations are Shown.

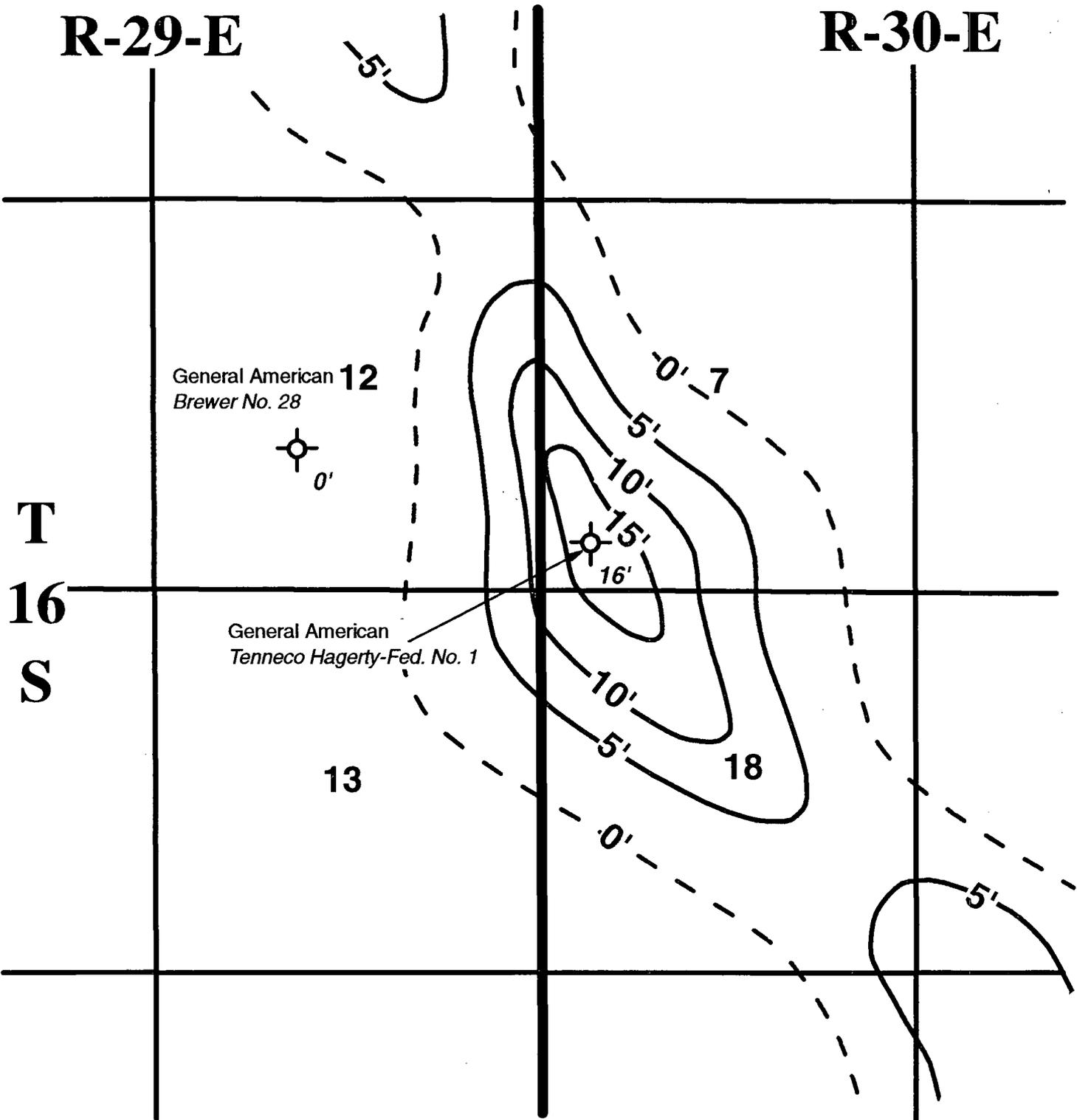
Scale: 1" = 2000'

Geology: R. Martin

Date: 2 - 96

R-29-E

R-30-E



T  
16  
S

General American  
Brewer No. 28



General American  
Tenneco Hagerty-Fed. No. 1



# GROSS ISOPACH MORROW SANDSTONE

C.I. = 5'

Note: Only Morrow Penetrations are Shown.

Scale: 1" = 2000'

Geology: R. Martin

Date: 2 - 96



September 19, 1996

State of New Mexico  
Oil Conservation Division  
PO Box 2088  
Santa Fe, New Mexico 87504-2088

RECEIVED

SEP 20 1996

Oil Conservation Division

**RE:** Re-entry of Tenneco Hagerty Federal No. 1  
Unorthodox Location (Rule 104 B. (I)(a))  
SW/4 SW/4 Section 7, Township 16 South, Range 30 East  
Eddy County, New Mexico

Gentlemen:

Notice of application of the subject well was sent Thursday, September 19, 1996, via certified mail to the offset operator listed below. This operator was inadvertently omitted from the original mailing on September 11, 1996.

Phillips Petroleum Company  
Land Department  
4001 Penbrook Street  
Odessa, Texas 79762

Sincerely,

A handwritten signature in cursive script that reads "Phil Miller".

Phil Miller  
Senior Staff Engineer

c: File



September 19, 1996

Michael Stogner  
State of New Mexico  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

RECEIVED

SEP 20 1996

Oil Conservation Division

RE: Re-entry of Tenneco Hagerty Federal No. 1  
SW/4 SW/4 Section 7, Township 16 South 30 East  
Eddy County, New Mexico

Dear Mr. Stogner:

Enclosed are signed waivers from Kay Jay Oil Company and Penroc Oil Corporation.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Mary Ann Martinez".

Mary Ann Martinez  
Production Analyst

c: Phil Miller  
Well File



September 11, 1996

Kay Jay Oil Company  
P. O. Box 1306  
Artesia, NM 88210

RE: RULE 104 F, Unorthodox Locations  
Re-entry of Tenneco Hagerty Federal No. 1  
SW/4 SW/4 Section 7, Township 16S, Range 30E  
Eddy County, New Mexico

Gentlemen:

Fina Oil & Chemical Company has filed application on the above referenced well and requests that Kay Jay Oil Company waive any objection to the proposed Re-entry to the Lower Morrow. Enclosed are plats, which upon your examination, delineate the location of the well.

If the foregoing meets your approval, please signify by signing hereinbelow and return to me in the enclosed envelope. If there are any questions, please call me at 915/688-0649 or Phil Miller, Senior Staff Engineer at the number listed below.

Sincerely,

Mary Ann Martinez  
Production Analyst

Enclosures

We hereby waive any objection to the proposed Re-entry location of Fina Oil & Chemical Company's Tenneco Hagerty Federal Well No. 1, Wildcat Field, Eddy County, New Mexico.

KAY JAY OIL COMPANY

By:   
Title: Owner/opr.  
Date: 9-13-96



September 11, 1996

Penroc Oil Corporation  
P. O. Box 5970  
Hobbs, NM 88241-5970

RE: RULE 104 F, Unorthodox Locations  
Re-entry of Tenneco Hagerty Federal No. 1  
SW/4 SW/4 Section 7, Township 16S, Range 30E  
Eddy County, New Mexico

Gentlemen:

Fina Oil & Chemical Company has filed application on the above referenced well and requests that Penroc Oil Corporation waive any objection to the proposed Re-entry to the Lower Morrow. Enclosed are plats, which upon your examination, delineate the location of the well.

If the foregoing meets your approval, please signify by signing hereinbelow and return to me in the enclosed envelope. If there are any questions, please call me at 915/688-0649 or Phil Miller, Senior Staff Engineer at the number listed below.

Sincerely,

Mary Ann Martinez  
Production Analyst

Enclosures

We hereby waive any objection to the proposed Re-entry location of Fina Oil & Chemical Company's Tenneco Hagerty Federal Well No. 1, Wildcat Field, Eddy County, New Mexico.

**PENROC OIL CORPORATION**

By:   
Title: President  
Date: 9/17/96

Sec : 07 Twp : 16S Rng : 30E Section Type : NORMAL

1 36.29  Federal owned	C 40.00  Federal owned	B 40.00  Federal owned	A 40.00  Federal owned
2 36.30  Federal owned	F 40.00  Federal owned	G 40.00  Federal owned	H 40.00  Federal owned

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

152.59  
152.65  

---

305.24

Sec : 07 Twp : 16S Rng : 30E Section Type : NORMAL

3 36.32  Federal owned	K 40.00  Federal owned	J 40.00  Federal owned	I 40.00  Federal owned
4 36.33 CS OPEN R A	N 40.00  Federal owned	O 40.00  Federal owned A	P 40.00  Federal owned A

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD    PF08 FWD       PF09 PRINT   PF10 SDIV     PF11            PF12

152.65

