

NSL 12/28/98

Ralph C. Bruton
3500 Acoma Dr.
Hobbs, NM 88240
505-390-0366

November 30, 1998

}

DEC - 7 1998

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pachea
Santa Fe, NM 87504

RE: Application for Non-standard Proration Unit
State P.C. #1 (NSL 3733A)
Section 32, T-20-S, R-37-E
API #: 30-025-33672
Lea County, NM

Dear Mr. Stogner,

This well was originally drilled to the Ellenburger by Shell Western E and P. When I purchased the well, they had plugged back to the Tubb Formation. I tested the Tubb until it was determined to be uneconomical. I have since plugged back to the Blinbry Formation. This interval tested 8 BOPD, 35 MCF, and 25 BWPD.

Shell Western E and P assigned me a Wellbore Assignment consisting of only 40 Acres. The Oil Center Blinbry requires 80 Acres. I respectfully request your approval for a Non-Standard Proration Unit for this single well location.

The attached list, of offset Operators, have been notified by certified mail of this request. If there are any questions concerning this matter please call me at 505-390-0366.

Best Regards,



Ralph C. Bruton

RB/th

CC: OCD-HOBBS

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33672		2 Pool Code 47960		3 Pool Name OIL CENTER BLINEBRY	
4 Property Code 23624		5 Property Name STATE P. C.			6 Well Number 1
7 OGRID No. 018689		8 Operator Name RALPH C. BRUTON			9 Elevation 3529' 6L

10 Surface Location

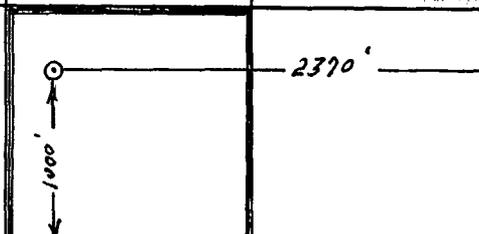
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	32	205	37E		1000	S	2370	E	LEA

11 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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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

16				17 OPERATOR CERTIFICATION		
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
				 Signature RALPH C. BRUTON Printed Name OPERATOR Title 11-25-98 Date		
				18 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.			
			Date of Survey			
			Signature and Seal of Professional Surveyor:			
						
			Certificate Number			

Altura Energy, LTD. Co.
P.O. Box 4294
Houston, TX 77210-4294

Gruy Petroleum Management Corp.
600 Las Colinas Blvd. E. Ste. 1200
Irving, TX 75039-5611

Dave H. Arrington Oil & Gas, Inc.
P.O. Box 2071
Midland, TX 79702

Chevron USA
P.O. Box 1635
Houston, TX 77251

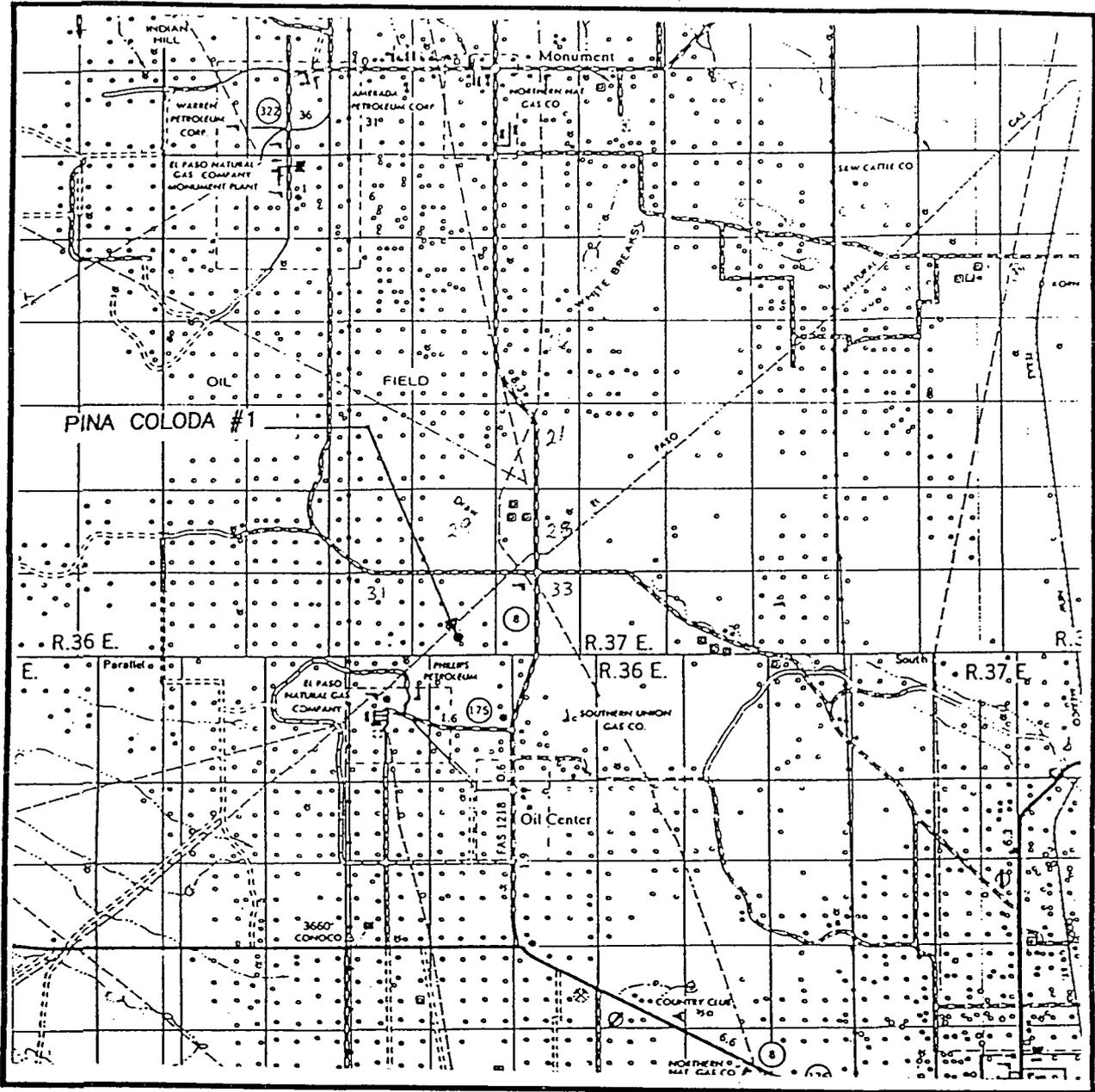
Conoco Inc.
10 Desta Dr. STE 100 W
Midland, TX 79705-4500

Arco Permian
P.O. Box 1610
Midland, TX 79702

Doyle Hartman
4600 St. Johns
Dallas, TX 75205

Burgandy Oil & Gas
401 W. Texas STE 1003
Midland, TX 79701

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 32 TWP. 20-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1000' FSL & 2370' FEL

ELEVATION 3529'

OPERATOR SHELL WESTERN E. & P. INC.

LEASE PINA COLODA

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MONUMENT SOUTH - 5'

SEC. 32 TWP. 20-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1000' FSL & 2370' FEL

ELEVATION 3529'

OPERATOR SHELL WESTERN E. & P. INC.

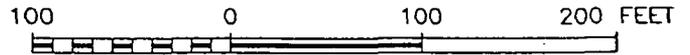
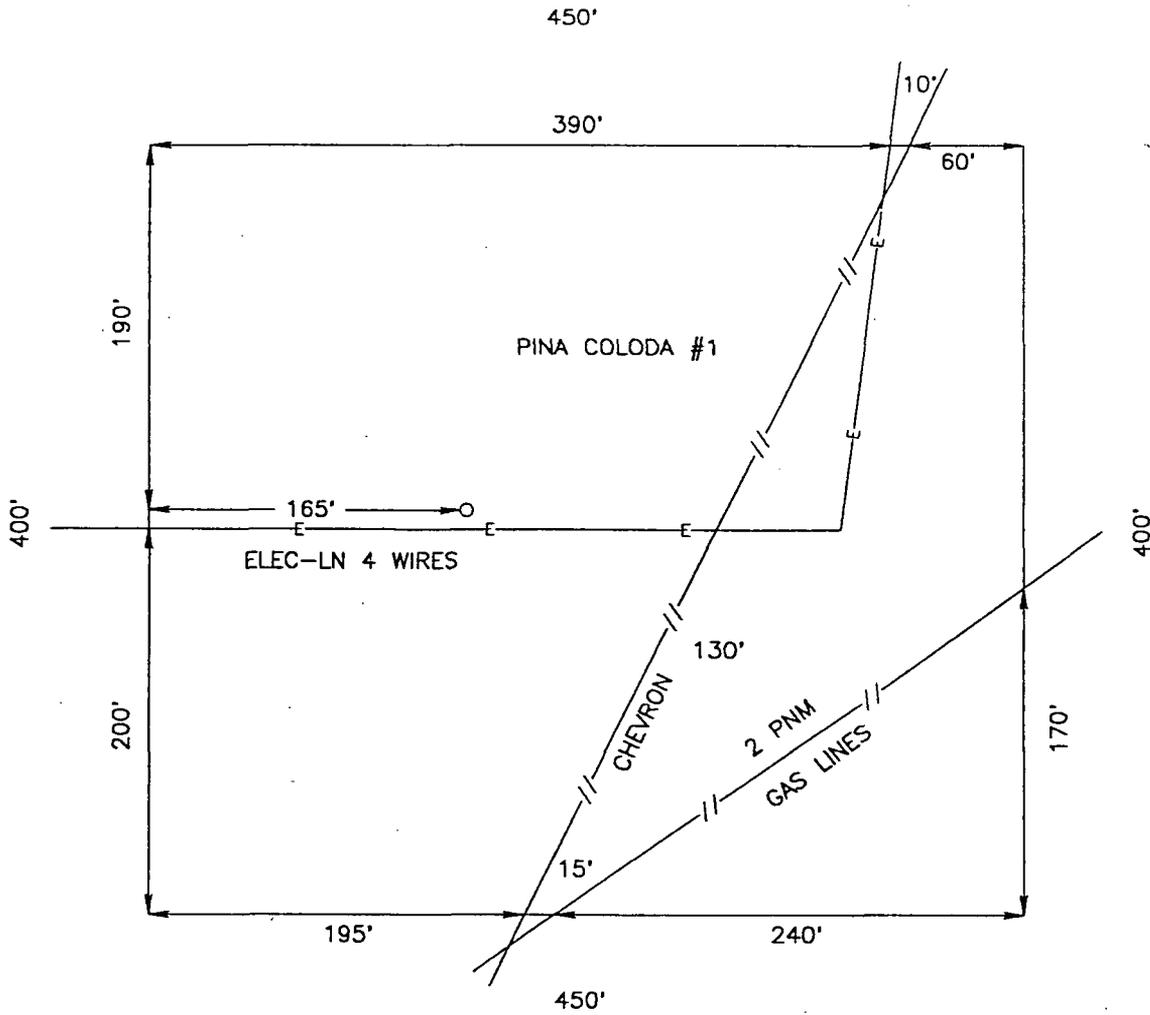
LEASE PINA COLODA

U.S.G.S. TOPOGRAPHIC MAP
MONUMENT SOUTH, N. MEX.

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

SECTION 32, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

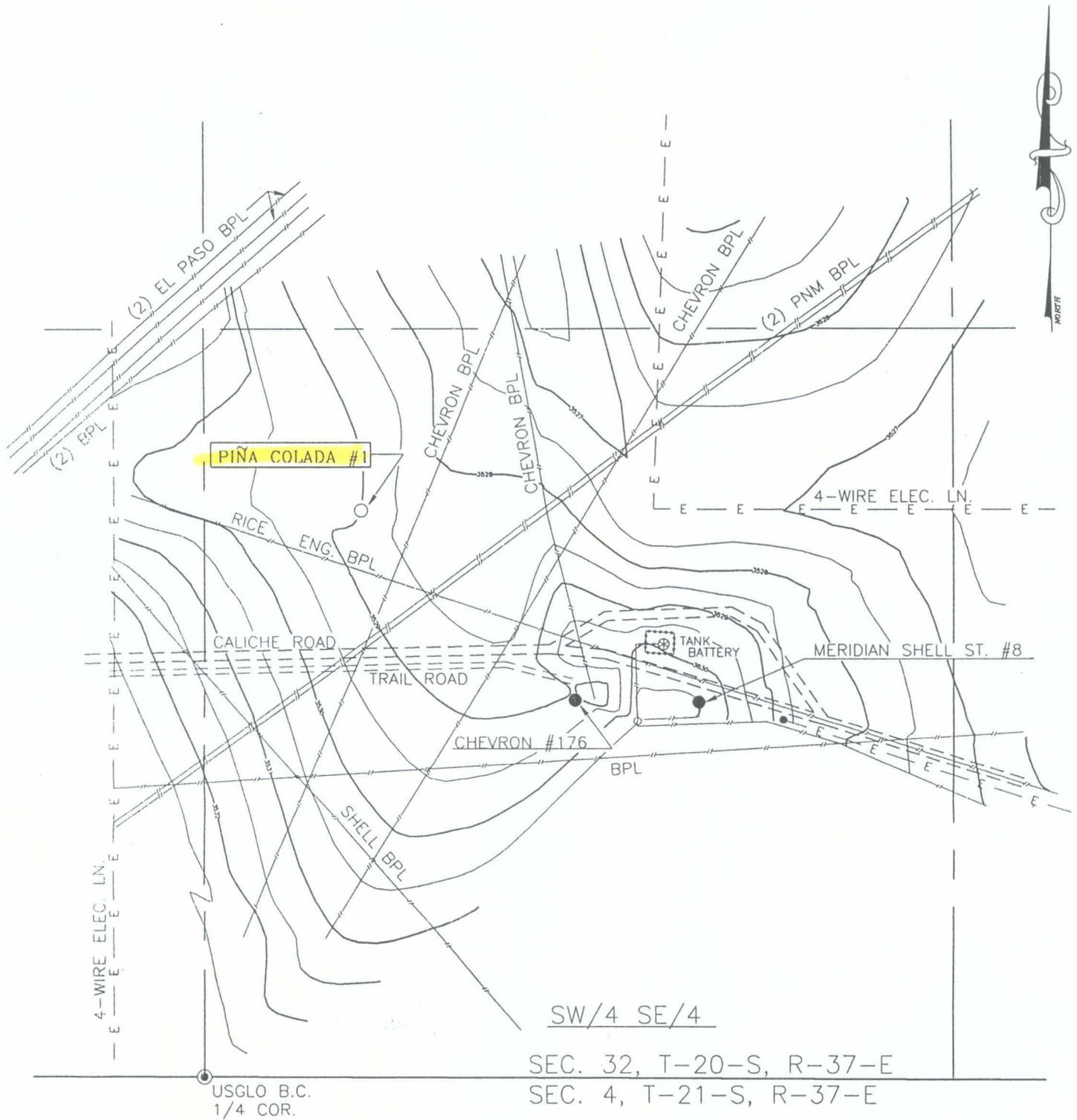


SHELL WESTERN E & P, INC.

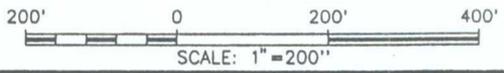
THE PINA COLODA NO. 1 IS LOCATED 1000 FEET FROM THE SOUTH LINE AND 2370 FEET FROM THE EAST LINE OF SECTION 32, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-03-1996	Sheet 1 of 1 Sheets
W.O. Number: 96-11-1221	Drawn By: RES
Date: 10-04-96	96111221
BS-14	Scale: 1"=100'

SECTION 32, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



SW/4 SE/4
SEC. 32, T-20-S, R-37-E
SEC. 4, T-21-S, R-37-E



I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS PRESCRIBED BY THIS STATE.

John W. West 10-28-96
 JOHN W. WEST, N.M. P.L.S. & P.S. No. 676
 RONALD J. FIDSON, TEXAS P.L.S. No. 1138
 GARY G. ELSON, N.M. P.L.S. No. 3239
 TEXAS P.L.S. No. 1883
 TEXAS P.L.S. No. 12641
 TEXAS P.L.S. No. 4735

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

 SHELL WESTERN E & P INC.

TOPOGRAPHIC SURVEY FOR THE PINA COLADA #1
1000 FSL, 2370 FEL, SECTION 32, TOWNSHIP 20 SOUTH
RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-22-96	Sheet 1 of 1 Sheets
W.O. Number: 96-11-1355	Drawn By: CDG
Date: 10-24-96	Disk: SHELL2
	SWEP1355
	Scale: 1"=200'

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

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St. Santa Fe, NM 87505

WELL API NO. 30-025-33672
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.

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

1. Type of Well: OIL WELL [X] GAS WELL [] OTHER []

2. Name of Operator Ralph C. Bruton

3. Address of Operator 3500 Acoma Hobbs, NM 88240

4. Well Location Unit Letter 0 : 1000 Feet From The South Line and 2370 Feet From The East Line Section 32 Township 20S Range 37E NMPM Lea County



7. Lease Name or Unit Agreement Name State P.C. Com

8. Well No. 1

9. Pool name or Wildcat Wildcat

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

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] PULL OR ALTER CASING [] OTHER: []
SUBSEQUENT REPORT OF: REMEDIAL WORK [XX] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: []

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

8/13-14/98: Retrieved RBP @ 6500'. Ran tubing, pump, and rods. Began pumping the Tubb.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE [Signature] TITLE Operator DATE 9-21-98 TYPE OR PRINT NAME Ralph C. Bruton TELEPHONE NO. 390-0366

(This space for State Use) APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE Nov 06 1998 CONDITIONS OF APPROVAL, IF ANY:

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-104
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address RALPH C. BEVTON 3500 ACOMA HOBBES, NM 88240		² OGI D Number 018687
		³ Reason for Filing Code EFFECTIVE CH 8-1-98
⁴ API Number 30-025-33672	⁵ Pool Name WILDCAT ELLENBURGER	⁶ Pool Code
⁷ Property Code 2.3624	⁸ Property Name STATE P.C. CO	⁹ Well Number 1

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
0	32	205	37E		1000	S	2370	E	LEA

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Lse Code	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
-------------------	--

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTB	²⁹ Perforations	³⁰ DHC, DC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
 Signature: *Ralph C. Bevton*
 Printed name: RALPH C. BEVTON
 Title: OWNER/OPERATOR
 Date: 8-11-98 Phone:

OIL CONSERVATION DIVISION
 Approved by: *Chris Williams*
 Title: DISTRICT 1 SUPERVISOR
 Approval Date: AUG 25 1998

⁴⁸ If there is a change of operator fill in the OGRID number and name of the previous operator
Robert N. Gilbert
 Previous Operator Signature Printed Name Title Date
 8-14-98

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Instructions on back
Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Altura Energy Ltd. P.O. Box 4294 Houston TX 77210-4294		² OGRID Number 157984
		³ Reason for Filing Code CH - EFF. 3-01-97
⁴ API Number 30-025-33672	⁵ Pool Name Wildcat Ellenburger	⁶ Pool Code
⁷ Property Code 20808	⁸ Property Name State P.C. Com	⁹ Well Number 1

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
D	32	20s	37e		1000	S	2370	E	LEA

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Lse Code 5	¹³ Producing Method Code Drilling	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
-------------------	--

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBSD	²⁹ Perforations
³⁰ Hole Sie	³¹ Casing & Tubing Size	³² Depth Set	³³ Sacks Cement	

VI. Well Test Data

³⁴ Date New Oil	³⁵ Gas Delivery Date	³⁶ Test Date	³⁷ Test Length	³⁸ Tbg. Pressure	³⁹ Csg. Pressure
⁴⁰ Choke Size	⁴¹ Oil	⁴² Water	⁴³ Gas	⁴⁴ AOF	⁴⁵ Test Method

⁴⁶ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*
Printed name: STEVE McVEIGH
Title: CHIEF OPERATING OFFICER
Date: 01-31-97
Phone: 713-544-4762

OIL CONSERVATION DIVISION
Approved by: *[Signature]*
Title: DISTRICT 1 SUPERVISOR
Approval Date: APR 15 1997

⁴⁷ If this is a change of operator fill in the OGRID number and name of the previous operator

<i>[Signature]</i>	OGRID 020676 SHELL WESTERN E&P INC.	CONTRACTLANDMAN 1-31-97
Previous Operator Signature	Printed Name	Title Date

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION

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

WELL API NO.	30-025-33672
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	

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

1. Type of Well:

OIL WELL GAS WELL OTHER

2. Name of Operator
Shell Western E&P, Inc.

3. Address of Operator
P.O. BOX 576 (WCK5236), HOUSTON TX 77001

4. Well Location
Unit Letter 0 : 1000 Feet From The SOUTH Line and 2370 Feet From The EAST Line

Section 32 Township 20S Range 37E NMPM LEA County

7. Lease Name or Unit Agreement Name
STATE P.C. COM

8. Well No.
1

9. Pool name or Wildcat
ELLENBURGER/MCKEE

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3529

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>run 9-5/8" csg</u> <input checked="" type="checkbox"/>	

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

January 12-13, 1997 -- set 9-5/8" csg
 set 122 jts. 9-5/8" K-55 csg. Cement 1st stage w/ 250 sx "C" +2% SMS + 5#/sx Kolseal +.25# sx Cello-Flake +150sx "C" neat. Drop bomb & open DV tool w/750 psi. Circ. BJ circ bottoms up; had 15 bbl of gray surf. Rig up & circ w/ rig pump. Cement 2nd stage w/ 900 sx "C" +4% gel +2% salt 2/ 10# mud @ 8BPM had full returns. Nipple down BOP, set slips. Notified Jerry Sexton w/ NMOCD @ 3:00 a.m. that did not circ. cement on second stage. Mr. Sexton said to run temp survey to top of cement & note same on state forms. NU/ND wellhead. set csg slips; cutoff csg. install csg spool & test to 3000 psi. rig up pro log & run temp. survey. T.O.C. 720'. test BOPs, pipe & blind rams. Kill line, choke line, choke manifold, all floor valves & mmudline back to pump to 300 & 3000 psi. test hydril to 1500 psi. test 9-5/8" csg to 1500 psi for 30 minutes. tests good. Pro-Log temp survey after 12 hrs, top of cement 720', cement stringers up to 650'.

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

SIGNATURE [Signature] TITLE CONTRACT LANDMAN DATE 02-27-97

TYPE OR PRINT NAME JEFF A. DETHROW CPI TELEPHONE NO. 281-544-3226

(This space for State Use)

APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE APR 29 1997

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

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

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

WELL API NO.	30-025-33672
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name STATE P.C. COM
2. Name of Operator Shell Western E&P, Inc.	8. Well No. 1
3. Address of Operator P.O. BOX 576 (WCK5236), HOUSTON TX 77001	9. Pool name or Wildcat ELLENBURGER/McKEE
4. Well Location Unit Letter <u>0</u> : <u>1000</u> Feet From The <u>SOUTH</u> Line and <u>2370</u> Feet From The <u>EAST</u> Line Section <u>32</u> Township <u>20S</u> Range <u>37E</u> NMPM <u>LEA</u> County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3529

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <u>run 7" csg</u> <input checked="" type="checkbox"/>	

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

February 4-5, 1997 run 7" csg.

Run 267 jts (11,006') 7" 29# B080 LT&C csg; FC @ 10,914'; DV tool @ 8223'. Wash csg 40' to bottom & circ. Cementing 1st stage w/ 500 sxs "H" + 2% KCL + 1% BA-58 +1% FL-62 +.2% CD-32 +.2% ASA-301 +.1% R-3 +.5#/SX celloflake. Circ bet stages, est 30 sxs cement to pit. Cement 2nd stage 200 sxs Class C +3% SMS +.25#/sx celloflake (11.6#/gal - 1.17cuft/sx +625 sx Class C +.8% F1-25 +.15% F1-52 +.1% SMS 15.1#/gal - 1.27cuft/sx. Displace 305 bbl brine. bump plug w/ 3500 psi. DV tool closed & held o.k. Nipple down, set 7" csg slips & cut csg off high & bevel csg. reset BOPs, change pipe rams, change out kelly & bushings, test pipe, test hydril to 1500 psi. test 7" csg & blind rams to 1500 psi. Rig up.

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

SIGNATURE [Signature] TITLE CONTRACT LANDMAN DATE 02-10-97
TYPE OR PRINT NAME JEFF A. DETHROW CPI TELEPHONE NO. 281-544-3226

(This space for State Use)
APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE FEB 19 1997
CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department
RECEIVED

Form C-103
Revised 1-1-89

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

OIL CONSERVATION DIVISION

P.O. Box 2088

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

Santa Fe, New Mexico 87504-2088

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

WELL API NO.	30-025-33672
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	

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

1. Type of Well:
 OIL WELL GAS WELL OTHER

7. Lease Name or Unit Agreement Name
STATE P.C. COM

2. Name of Operator
Shell Western E&P, Inc.

8. Well No.
1

3. Address of Operator
P.O. BOX 576 (WCK5236), HOUSTON TX 77001

9. Pool name or Wildcat
ELLENBURGER/McKEE

4. Well Location
 Unit Letter 0 : 1000 Feet From The SOUTH Line and 2370 Feet From The EAST Line
 Section 32 Township 20S Range 37E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3529

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

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

12-30-96: SPUD WELL AT 5:00 PM

01-01-97: RUN 28 jts (1234.30') 13-3/8" 48# H-40 ST&C csg; FC @ 1181';
7 centralizers @ 1220, 1050, 873, 695, 516, 338, 170.
Cement w/ 900 sxs "C" + 4% gel + 1% CaCl2 + 1/2#/SX celloflake & 250 sxs "C" + 2% CaCl2;
Displaced 2/ 186 bbls brine. bumped plug w/720 PSI @ 4:30 am. Float held OK. Circ 230 sxs.

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

SIGNATURE [Signature] TITLE CONTRACT LANDMAN DATE 01-07-97

TYPE OR PRINT NAME JEFF A. DETHROW CPI TELEPHONE NO. 281-544-3226

(This space for State Use)

APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE JAN 15 1997

CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION
RECEIVED
P.O. Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

NOV 12 AM 8 52

AMENDED REPORT

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

¹ Operator name and Address Shell Western E&P Inc. P.O. Box 576 Houston, TX 77001		² OGRID Number 020676
		³ API Number 30-025-336TZ
⁴ Property Code 19945	⁵ Property Name STATE P.C. COM	⁶ Well Number 1

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
0	32	T20S	R37E		1000	SOUTH	2370	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 ELLENBURGER - WILDCAT					¹⁰ Proposed Pool 2 MCKEE - WILDCAT				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3529' GL
¹⁶ Multiple N	¹⁷ Proposed Depth 12,300'	¹⁸ Formations ELLENBURGER/ MCKEE	¹⁹ Contractor NORTON	²⁰ Spud Date 11/21/96

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
24"	20"	CONDR	40'	60	SURF
17-1/2"	13-3/8"	48#	1230'	900	SURF
12-1/4"	9-5/8"	36"	5300'	1000	SURF
8-3/4"	7"	26#&29#	11000'	1300	4300'f/SFC
6-1/8"	5"	18#	12300'	75	11000

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

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

BOP Program 2000# Ram Preventer.
Expected spud 11/21/96

NSL-3733

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature:		Approved by:	
Printed name: Jeff A. Dethrow CPL		Title: DISTRICT 1 SUPERVISOR	
Title: Contract Landman		Approval Date: NOV 07 1996	Expiration Date:
Date: 11/01/96	Phone: (713) 544-4589	Conditions of Approval: Attached <input type="checkbox"/>	

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

State of New Mexico

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

Energy, Minerals and Natural Resources Department

DISTRICT II
P.O. Drawer 80, Arleta, NM 88211-0719

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2066, SANTA FE, N.M. 87504-2066

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3D-025-33672	Pool Code ✓	Pool Name ELLENBURGER - WILDCAT
Property Code 19945	Property Name STATE P. C. COM	Well Number 1
OGED No. 020676	Operator Name SHELL WESTERN E. & P. INC.	Elevation 3529'

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
0	32	20 S	37 E		1000	SOUTH	2370	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.
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

				<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>[Signature]</i> Signature JEFF A DETHROW CPL Printed Name CONTRACT LANDMAN Title OCTOBER 30, 1996 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>OCTOBER 3, 1996</p> <p>Date Surveyed Signature & Seal Professional Surveyor RES</p> <p><i>[Signature]</i> NEW MEXICO 10-04-96 W.O. Num. 96-1221</p> <p>676 3239 12641</p>
ARCO	SHELL	SHELL	SHELL	
ARCO	SHELL	SHELL	SHELL	

1000' 2370'

DISTRICT I
P.O. Box 1863, Hobbs, NM 88241-1863

DISTRICT II
P.O. Drawer 80, Artesia, NM 86211-0710

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

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33672	Pool Code ✓	Pool Name MCKEE - WILDCAT
Property Code 19945	Property Name STATE P. C. COM	Well Number 1
OCRID No. 020676	Operator Name SHELL WESTERN E. & P. INC.	Elevation 3529'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Hns	Feet from the	East/West Line	County
0	32	20 S	37 E		1000	SOUTH	2370	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Hns	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

				<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>[Signature]</i> Signature</p> <p>JEFF A DETHROW CPL Printed Name</p> <p>CONTRACT LANDMAN Title</p> <p>OCTOBER 30, 1996 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>OCTOBER 3, 1996</p> <p>Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of Professional Surveyor</p> <p>NEW MEXICO Professional Surveyor 10-04-96</p> <p>W.O. No. 96-15-1221</p> <p>License No. JOHN W. WEST 678 RONALD J. EIDSON 3239 GARY EIDSON 12641</p>
ARCO	SHELL	SHELL	SHELL		
ARCO	SHELL	SHELL	SHELL		

WRS COMPLETION REPORT

COMPLETIONS 30-T-0014 07/10/98 SEC 32 TWP 20S RGE 37E
 30-025-33672-0000 PAGE 1

NMEX LEA * 1000FSL 2370FEL SEC
 STATE COUNTY FOOTAGE SPOT
 ALTURA ENERGY WD WD
 OPERATOR WELL CLASS INIT/FIN
 1 STATE 'PC' COM
 WELL NO. LEASE NAME
 3529GR WILDCAT
 OPER ELEV FIELD/POOL/AREA
 API 30-025-33672-0000
 LEASE NO. PERMIT OR WELL I.D. NO.
 12/30/1996 10/01/1997 ROTARY VERT TA-0
 SPUD DATE COMP. DATE TYPE TOOL HOLE TYPE STATUS
 12300 ELLNBRGR NORTON DRLG 8
 PROJ. DEPTH PROJ. FORM CONTRACTOR
 DTD 12300 PB 8100 FM/TD ELLNBRGR
 DRILLERS T.D. LOG T.D. PLUG BACK TO OLD T.D. FORM T.D.

LOCATION DESCRIPTION

7 MI S MONUMENT, NM
 APPROX 700 FT SW/3872 (GRBG) OIL PROD IN OIL CENTER
 FIELD

WELL IDENTIFICATION/CHANGES

OPERATOR CHGD FROM SHELL WESTERN E&P

CASING/LINER DATA

CSG 13 3/8 @ 1234 W/ 1150 SACKS
 CSG 9 5/8 @ 5300 W/ 1150 SACKS
 CSG 7 @ 11000 W/ 1300 SACKS
 CSG 5 1/2 @ 12300

PRODUCTION TEST DATA

PTS 1UO 68BW
 ABO PERF W/ 2/FT 8146- 8276 GROSS
 PERF 8146- 8158 8174- 8184 8196- 8201 8224- 8235
 PERF 8248- 8255 8266- 8276
 SWBD 68 BW W/TR OIL 14 RUNS & SWBD DRY

PTS 1UO
 ABO PERF 8146- 8276 GROSS
 PERF 8146- 8276
 ACID 8146- 8276 5000GALS
 BRPG @ 8100 15% NEFE HCL
 8146- 8276

CONTINUED IC# 300257063396



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2727
Order No. R-2408

APPLICATION OF CONTINENTAL OIL COMPANY
FOR ESTABLISHMENT OF SPECIAL RULES AND
REGULATIONS FOR THE OIL CENTER-BLINEBRY
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 3, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of January, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Continental Oil Company, seeks the promulgation of Special Rules and Regulations for the Oil Center-Blinebry Pool in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, to provide for 80-acre spacing units and uniform well spacing in said pool.

(3) That the information presently available concerning the reservoir characteristics of the Oil Center-Blinebry Pool indicates that the pool can be efficiently and economically drained on 80-acre proration units.

(4) That the evidence concerning reservoir characteristics justifies the establishment of 80-acre proration units for a temporary one-year period.

(5) That all wells previously drilled in the Oil Center-Blinebry Pool will conform to a uniform spacing pattern and that

continued development of the pool with uniform spacing of wells will result in a more efficient depletion of the reservoir, thereby preventing waste and protecting correlative rights.

(6) That during the one-year period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in January, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Oil Center-Blinebry Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
OIL CENTER-BLINEBRY POOL

RULE 1. Each well completed or recompleted in the Oil Center-Blinebry Pool or in the Blinebry formation within one mile of the Oil Center-Blinebry Pool and not nearer to or within the limits of another designated Blinebry pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of two governmental quarter-quarter sections, or lots, joined by a common bordering side and lying within a single governmental quarter-section; or, in irregular sections, lying within a single governmental quarter-section or within the northeast 160 acres or the northwest 160 acres of the irregular section.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of the unit. No non-standard unit containing less than 80 acres shall be enlarged to form a standard size unit except after notice and hearing.

RULE 4. (a) In Township 21 South, all wells on an 80-acre proration unit shall be located in either the NE/4 or SW/4 of a governmental quarter-section; or, in irregular governmental sections, on an odd-numbered lot.

RULE 4. (b) In Township 20 South, all wells on an 80-acre proration unit shall be located in either the NW/4 or SE/4 of a governmental quarter-section.

RULE 5. No well shall be located nearer than 330 feet to the boundary line of the quarter-quarter section or lot on which it is situated.

RULE 6. An 80-acre proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, effective February 1, 1963. The allowable assigned to any unit containing less than 79 or more than 81 acres shall bear the same ratio to a standard 80-acre allowable as the acreage in such unit bears to 80 acres. If a proration unit contains more than one well, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

(2) That this case shall be reopened at an examiner hearing in January, 1964, at which time the operators in the subject pool may appear and show cause why the Oil Center-Blinebry Pool should not be developed on 40-acre proration units.

(3) That any operator desiring to dedicate 80 acres to a well in the Oil Center-Blinebry Pool shall file a new Form C-128 showing thereon the acreage to be dedicated to the well and a Form C-116 for a re-test of said well at a daily rate not to exceed 105 barrels of oil per day with the Commission on or before January 31, 1963.

(4) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2727
Order No. R-2408-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR ESTABLISHMENT OF SPECIAL RULES AND
REGULATIONS FOR THE OIL CENTER-BLINEBRY
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 22, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 29th day of January, 1964, 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 by Order No. R-2408 dated January 16, 1963, temporary Special Rules and Regulations were promulgated for the Oil Center-Blinebry Pool.

(3) That pursuant to the provisions of Order No. R-2408, this case was reopened to allow the operators in the subject pool to appear and show cause why the Oil Center-Blinebry Pool should not be developed on 40-acre proration units.

(4) That the evidence establishes that one well in the Oil Center-Blinebry Pool can efficiently and economically drain and develop 80 acres.

(5) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of

too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2408 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2408 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Oil Center-Blinebry Pool promulgated by Order No. R-2408 are hereby continued in full force and effect until further order of the Commission.

(2) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

COUNTY *Lea*

POOL *Oil Center - Blinebry*

TOWNSHIP *20 South*

RANGE *37 East*

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Ext: $\frac{SW}{4}$ Sec. 32 (R-2692, 5-1-64)

Extend vertical limits to include 120 feet above Blinebry marker
(R-7396, 12-8-83)

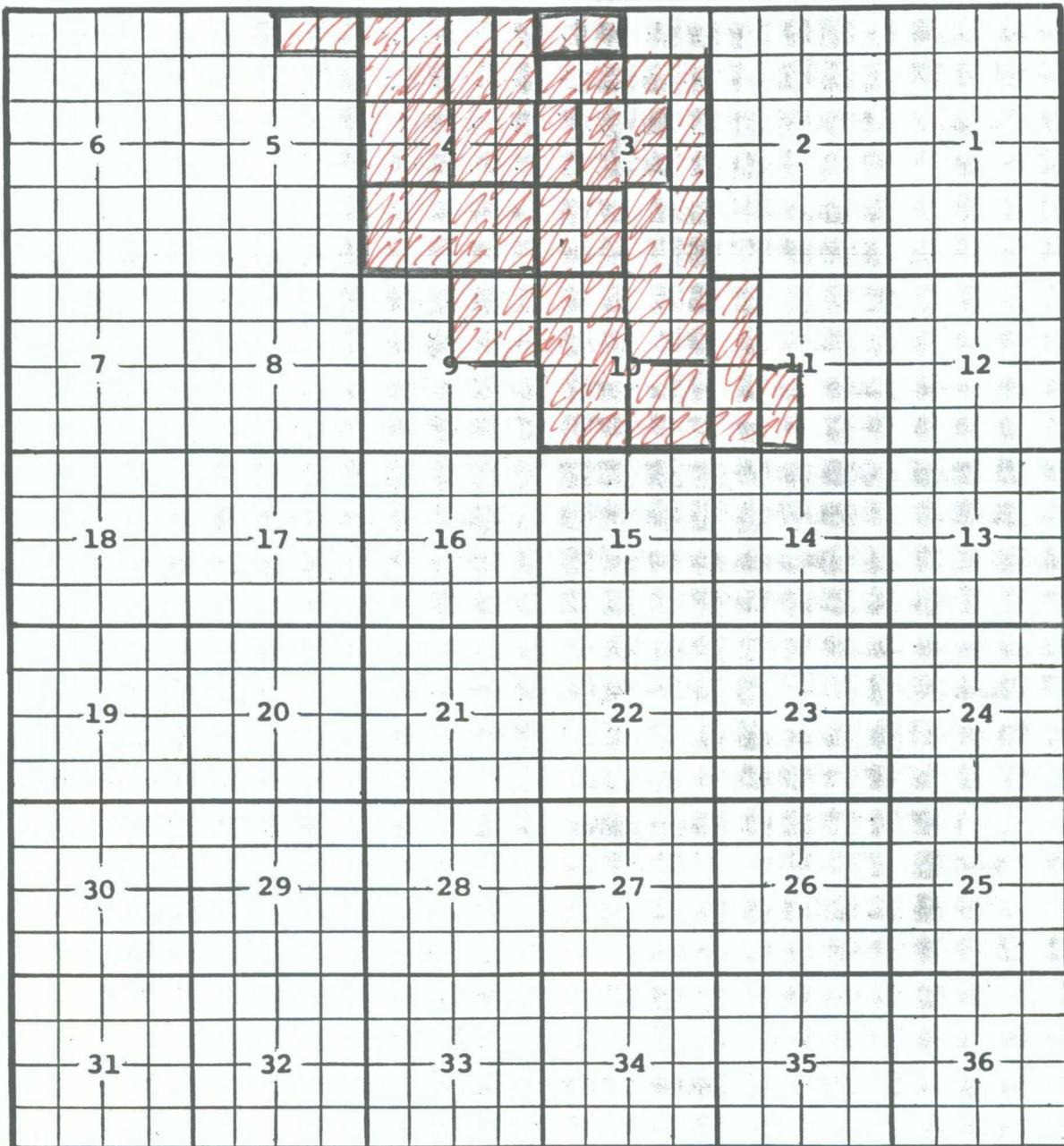
COUNTY Lea

POOL Oil Center - Blinebry

TOWNSHIP 21 South

RANGE 36 East

NMPM



Description: Lots 9, 10, 15, & 16 Sec. 4 (R-2241, 6-1-62)

Ext: Lots 11, 12, 13, 14 Sec. 4 (R-2292, 8-1-62) - Lots 3, 4, 5, 6 & $\frac{S}{2}$ Sec. 4 (R-2410, 2-1-63)

- Lots 12 & 13 Sec. 3 (R-2469, 5-1-63) - Lots 2 & 7 Sec. 4; Lots 1 & 2 Sec. 5; $\frac{NE}{4}$ Sec. 9 (R-2507, 7-1-63)

- $\frac{SW}{4}$ Sec. 3 (R-2552, 9-1-63) - Lots 10, 11, 14 & 15 Sec. 3; $\frac{N}{2}$ $\frac{NW}{4}$ Sec. 10 (R-2578, 11-1-63)

- Lots 5 & 6 & $\frac{SE}{4}$ Sec. 3; $\frac{NE}{4}$ Sec. 10 (R-2639, 2-1-64) - $\frac{SE}{4}$ Sec. 10 (R-2692, 5-1-64)

- $\frac{S}{2}$ $\frac{NW}{4}$ & $\frac{SW}{4}$ Sec. 10 (R-2781, 11-1-64) - $\frac{W}{2}$ $\frac{W}{2}$ Sec. 11 (R-2857, 2-1-65) - Lots 7, 8, 9, & 16 Sec. 3;

Lots 1 & 8 Sec. 4 (R-2911, 6-1-65) EXT: $\frac{E}{2}$ $\frac{SW}{4}$ sec. 11 (R-6876, 1-22-82)

Ext: Sec: 3 Lot 3 + 4 (R-7193, 1-26-83)

Extend vertical limits to include 120 feet above Blinebry marker (R-7396, 12-8-83)



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

November 4, 1996

Shell Western E & P, Inc.
P. O. Box 576
Houston, Texas 77001
Attention: Jeff A. Dethrow

Administrative Order NSL-3733

Dear Mr. Dethrow:

Reference is made to your application dated October 29, 1996 for approval to drill the State P. C. Com Well No. 1 at an unorthodox gas well location to test both the McKee (Simpson) and Ellenburger formations 1000 feet from the South line and 2370 feet from the East line (Unit O) of Section 32, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. The S/2 of said Section 32 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for both intervals.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

December 18, 1996

Shell Western E & P, Inc.
P. O. Box 576
Houston, Texas 77001
Attention: Jeff A. Dethrow

Administrative Order NSL-3733-A

Dear Mr. Dethrow:

Reference is made to your letter of application dated November 26, 1996 requesting the amendment of a previously approved order by the Division of an unorthodox deep gas well location by expanding the vertical limits of the provisions in said order to include the potential oil bearing Silurian (Fusselman), Strawn, Wolfcamp, Abo, Tubb/Drinkard (Undesignated Hardy-Tubb Drinkard Pool), Blinebry (Undesignated Oil Center-Blinebry Pool), and Glorieta intervals.

Division Administrative Order NSL-3733, dated November 4, 1996 authorized the drilling of your State P.C. Com Well No. 1 (API No. 30-025-33672) at an unorthodox gas well location within a standard 320-acre gas spacing and proration unit, comprising the S/2 of Section 32, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, 1000 feet from the South line and 2370 feet from the East line (Unit O) in order to test both the McKee (Simpson) and Ellenburger formations.

Current rules governing these intervals within said vertical extent for the subject well location are as follows:

(a) Silurian (Fusselman), Strawn, Wolfcamp, Abo, and Glorieta: these intervals are considered to be "wildcat" and if oil is encountered these zones will be subject to Division statewide Rule 104.B(1)(b), which requires 40-acre spacing and proration units with wells to be located no closer than 330 feet to any boundary of such tract;

(b) Tubb/Drinkard: being within one mile of the Hardy-Tubb Drinkard Pool this interval is subject to Division statewide Rule 104.C(1)(a), which also requires 40-acre spacing and proration units with wells to be located no closer than 330 feet to any boundary of such tract;

(c) Blinebry: being within one mile of the Oil Center-Blinebry Pool this interval is therefore subject to the "*Special Rules and Regulations for the Oil Center-Blinebry Pool*", which requires 80-acre spacing and proration units or drilling units with wells to be located in either the NW/4 or SE/4 of a governmental quarter section and is to be no closer than 330 feet to any quarter-quarter section or lot line on which it is situated.

Administrative Order NSL-3733-A
Shell Western E & P Inc.
December 18, 1996
Page 2

Division records indicate that the E/2 SW/4 and SE/4 of said Section 32 is one single State lease in which is operated by Shell Western E & P. Inc.

The SW/4 SE/4 of said Section 32, being a standard 40-acre oil spacing and proration unit in the Silurian (Fusselman), Strawn, Wolfcamp, Abo, Undesignated Hardy-Tubb Drinkard Pool, and Glorieta intervals and the W/2 SE/4 of said Section 32, being a standard 80-acre oil spacing and proration unit for the Undesignated Oil Center-Blinebry Pool, are to be dedicated to said well.

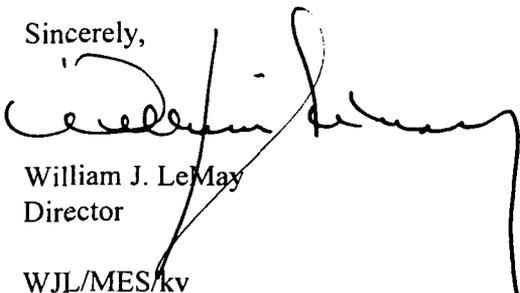
The subject request has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provision of the "*Special Rules and Regulations for the Oil Center-Blinebry Pool*", as promulgated by Division Order No. R-2408, as amended, Division Memorandum 4-86 dated June 2, 1986, and Division General Rule 104.F(2) the above-described unorthodox oil well location is hereby approved for oil production from the Silurian (Fusselman), Strawn, Wolfcamp, Abo, Undesignated Hardy-Tubb Drinkard Pool, Undesignated Oil Center-Blinebry Pool, and Glorieta intervals.

All provisions of said Administrative Order NSL-3733 shall remain in full force and effect until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-3733 /



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 11, 1998

Ralph C. Burton
3500 Acoma Drive
Hobbs, New Mexico 88240

Re: *Administrative application dated November 30, 1998 to establish a 40-acre non-standard oil spacing and proration unit in the Undesignated Oil Center-Blinebry Pool to comprise the SW/4 SE/4 (Unit O) of Section 32, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. The existing State P. C. Com. Well No. 1 (API No. 30-025-33672), located at a previously approved unorthodox oil well location (see Division Administrative Order NSL-3733-A, dated December 18, 1996) 1000 feet from the South line and 2370 feet from the East line (Unit O) of said Section 32 is to be dedicated to this acreage.*

Dear Mr. Burton:

Pursuant to Division Rule 104.D(2)(c) and to assure that correlative rights are adequately protected for any and all owners of mineral interests within the Blinebry interval underlying the W/2 SE/4 of said Section 32 (which was the standard 80-acre oil spacing and proration unit assigned to this well by said Order NSL-3733-A), please provide additional information on these two 40 acre tracts (the NW/4 SE/4 and SW/4 SE/4), including a detailed breakout of the ownership in each (WI, RI, and ORRI). It will be necessary for you to notify these individuals of this application.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Chief Hearing Examiner/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe

Property declassified as a gas well. The acreage which is reduced the acreage dedicated to the well. [5-25-64...2-1-96]

(c) Failure of the operator to file the aforesaid tests within the specified time will also subject the well to such acreage reduction. [5-25-64...2-1-96]

(2) Non-Standard Spacing Units. Any well which does not have the required amount of acreage dedicated to it for the pool or formation in which it is completed may not be produced until a standard spacing unit for the well has been formed and dedicated or until a non-standard spacing unit has been approved. [5-25-64...2-1-96]

(a) The supervisor of the appropriate District Office of the Division shall have the authority to approve non-standard spacing units without notice when the non-orthodox size and shape is necessitated by a variation in the legal subdivision of the United States Public Land Surveys and/or consists of an entire governmental section and the non-standard spacing unit is not less than 70% nor more than 130% of a standard spacing unit. Such approval shall consist of acceptance of Division Form C-102 showing the proposed non-standard spacing unit and the acreage contained therein. [5-25-64...2-1-96]

(b) The Division Director may grant administrative approval to non-standard spacing units without notice and hearing when an application has been filed for a non-standard spacing unit and the non-orthodox size or shape of the dedicated tract is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys, or the following facts exist and the following provisions are complied with:

(1) The non-standard spacing unit consists of a single quarter-quarter section or lot or the non-standard spacing unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side; and

(11) The non-standard spacing unit lies wholly within a single governmental quarter section for which 40, 80, or 160 acres is the standard spacing unit size, wholly within a single governmental half size, wholly within a single governmental quarter section for which 320 acres is the standard spacing unit size, or wholly within a single governmental section for which 640 acres is the standard spacing unit size. [5-25-64...2-1-96]

(c) Applications for administrative approval of non-standard spacing units, pursuant to Section D(2) above, shall be accompanied by a plat showing the subject spacing unit and an applicable standard spacing unit for the applicable pool or formation. Its proposed well dedications, all adjoining spacing units and/or leases (whichever is applicable), and a list of affected parties. Also to be included is a statement that discusses the necessity for the formation of the subject non-standard spacing unit and the reasons why a standard sized spacing unit is not feasible. [5-25-64...2-1-96]

(11) affected parties in this instance shall be defined as those parties who own interests in the applicable half quarter section (80-acre spacing), quarter section (160-acre spacing), half section (320-acre spacing), or section (640-acre spacing) in which the non-standard spacing unit is situated and which acreage is not included in said non-standard spacing unit;

(11) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed non-standard spacing unit;

(111) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed non-standard spacing unit; and

(11V) in the absence of an operator or lessee, then to all owners of record of unleased mineral interests. [5-25-64...2-1-96]

(d) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Subpart (c) above by certified or registered mail-return receipt in accordance with Rule 1207(6) (a) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the non-standard spacing unit upon receipt of waivers from all said parties or if no said party has entered an objection to the non-standard spacing unit within 20 days after the Director has received the application. [5-25-64...2-1-96]

(e) The Division Director may set any application for administrative approval for a non-standard spacing unit for public hearing. [5-25-64...2-1-96]

(3) Number of Wells Per Spacing Unit in Non-Prorated Gas Pools: Unless otherwise permitted by special pool rules or authorized after notice and hearing, only one (1) well per spacing unit is permitted in non-prorated pools. [5-25-64...2-1-96]

104.E. Form C-102, "Well Location and Acreage Dedication Plat", for any well shall designate the exact legal subdivision allotted to the well and approved by the Division without such proper designation of acreage. [12-29-52...2-1-96]

104.F. UNORTHODOX LOCATIONS

(1) Well locations for producing wells and/or injection wells which are unorthodox based on the well location requirements of Rule 104.C(1)(a) above and which are necessary to permit the completion of an efficient production and injection pattern within a secondary recovery, tertiary recovery, or pressure maintenance project are hereby authorized, provided that any such unorthodox location within such project is no closer than the required minimum orthodoxy distance to the outer boundary of the lease or the unutilized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. Such locations shall only require such prior approval as is necessary for an orthodoxy location. [1-1-50...2-1-96]



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

December 18, 1996

Shell Western E & P, Inc.
P. O. Box 576
Houston, Texas 77001
Attention: Jeff A. Dethrow

Administrative Order NSL-3733-A

Dear Mr. Dethrow:

Reference is made to your letter of application dated November 26, 1996 requesting the amendment of a previously approved order by the Division of an unorthodox deep gas well location by expanding the vertical limits of the provisions in said order to include the potential oil bearing Silurian (Fusselman), Strawn, Wolfcamp, Abo, Tubb/Drinkard (Undesignated Hardy-Tubb Drinkard Pool), Blinebry (Undesignated Oil Center-Blinebry Pool), and Glorieta intervals.

Division Administrative Order NSL-3733, dated November 4, 1996 authorized the drilling of your State P.C. Com Well No. 1 (API No. 30-025-33672) at an unorthodox gas well location within a standard 320-acre gas spacing and proration unit, comprising the S/2 of Section 32, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, 1000 feet from the South line and 2370 feet from the East line (Unit O) in order to test both the McKee (Simpson) and Ellenburger formations.

Current rules governing these intervals within said vertical extent for the subject well location are as follows:

(a) Silurian (Fusselman), Strawn, Wolfcamp, Abo, and Glorieta: these intervals are considered to be "wildcat" and if oil is encountered these zones will be subject to Division statewide Rule 104.B(1)(b), which requires 40-acre spacing and proration units with wells to be located no closer than 330 feet to any boundary of such tract;

(b) Tubb/Drinkard: being within one mile of the Hardy-Tubb Drinkard Pool this interval is subject to Division statewide Rule 104.C(1)(a), which also requires 40-acre spacing and proration units with wells to be located no closer than 330 feet to any boundary of such tract;

(c) Blinebry: being within one mile of the Oil Center-Blinebry Pool this interval is therefore subject to the "*Special Rules and Regulations for the Oil Center-Blinebry Pool*", which requires 80-acre spacing and proration units or drilling units with wells to be located in either the NW/4 or SE/4 of a governmental quarter section and is to be no closer than 330 feet to any quarter-quarter section or lot line on which it is situated.

Division records indicate that the E/2 SW/4 and SE/4 of said Section 32 is one single State lease in which is operated by Shell Western E & P. Inc.

The SW/4 SE/4 of said Section 32, being a standard 40-acre oil spacing and proration unit in the Silurian (Fusselman), Strawn, Wolfcamp, Abo, Undesignated Hardy-Tubb Drinkard Pool, and Glorieta intervals and the W/2 SE/4 of said Section 32, being a standard 80-acre oil spacing and proration unit for the Undesignated Oil Center-Blinebry Pool, are to be dedicated to said well.

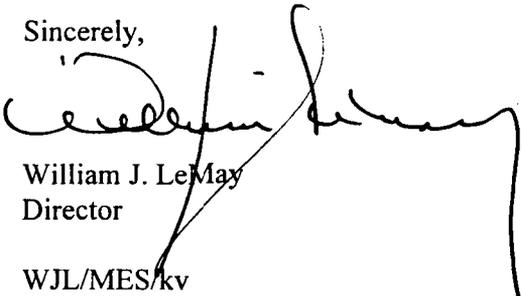
The subject request has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provision of the "*Special Rules and Regulations for the Oil Center-Blinebry Pool*", as promulgated by Division Order No. R-2408, as amended, Division Memorandum 4-86 dated June 2, 1986, and Division General Rule 104.F(2) the above-described unorthodox oil well location is hereby approved for oil production from the Silurian (Fusselman), Strawn, Wolfcamp, Abo, Undesignated Hardy-Tubb Drinkard Pool, Undesignated Oil Center-Blinebry Pool, and Glorieta intervals.

All provisions of said Administrative Order NSL-3733 shall remain in full force and effect until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

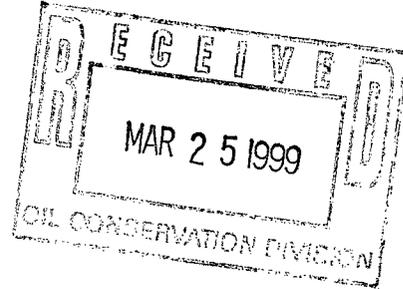


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-3733 /

Ralph C. Bruton
3500 Acoma
Hobbs, NM 88240
505-390-0366



Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pachea
Santa Fe, NM 87505

Re: Application for Non-Standard Proration Unit
State P.C. #1
Sec. 32, T-20-S, R-37-E
Lea County, New Mexico

Dear Mr. Stogner,

I have spoken with Mr. Jeff Albers with the New Mexico Land Commission concerning the royalties in the NW/4 SE/4 and the SW/4 SE/4 Section 32, T-20-S, R-37-E. He verified that Altura Energy Ltd. held a 87.5% NRI with the State of New Mexico holding the other 12.5%.

Altura Energy Ltd. was notified earlier of my request for a Non-Standard Proration Unit.

Please advise me if you need further information.

Best regards,

A handwritten signature in cursive script that reads "Ralph C. Bruton".

Ralph C. Bruton

RCB:rh

Ext. # 172

RD - 12/28/98



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12/12/98

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	<u> X </u>
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Ralph C Bruton State PC Com #1-0-32-205-37e
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Recommend approval - with note that should have been applied
for after testing and usually well is shut in until approval.

Yours very truly,

Chris Williams
 Chris Williams
 Supervisor, District 1

/ed