

OIL CONSERVATION DIVISION
ARTESIA, NEW MEX. 88210

TO: Mike Stogner
FROM: Bryan Arant
DATE: 6/28/99

NUMBER OF SHEETS (INCLUDING TRANSMITTAL SHEET) 4

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION, PLEASE CALL 505-748-1283.
FAX NUMBER (505) 748-9720

BUSINESS PHONE 915 682-5621

N. DALE NICHOLS

BOX 1972
MIDLAND, TEXAS 79702

June 21, 1999

Mr. Tim Gum
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88211-0719

Re: Administrative Approval Non-standard well
location.

Dear Mr. Gum:

The attached C-101 and C-102 for our proposed Standard State # 5 shows the location to be 1500' FNL and 330' FEL. A standard location would have been 1650' FNL. We are requesting an administrative approval for this location as a standard location of 1650' FNL would have placed the location squarely on top of Railroad Mountain, a granite dike which crosses the area. This dike cannot be economically penetrated by a drill bit.

We request this administrative approval based on topographic and geological conditions.

Thank you for your consideration.

Yours truly,



N. Dale Nichols

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Alamogordo, 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

Operator Name and Address: N. Dale Nichols P.O. Box 1972 Midland, Texas 79702		OGRID Number 15488
		API Number 30 - 0
Property Code 15839	Property Name Standard-State	Well No. 5

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
H	5	8 S	27 E		1500	North	330	East	Chaves

8 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
Proposed Pool 1 Acme (San Andres)					Proposed Pool 2				

Well Type Code N	Well Type Code O	Cable/Rotary C	Lease Type Code S	Ground Level Elevation 3991'
No	2000'	San Andres	Self	7-25-99

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Feet of Cement	Estimated TOC
10"	7 5/8"	26#	300'	100	Surface CIRC
6 3/4"	5 1/5"	14#	1930'	100	1200'

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.

- 1) Drill 10" hole 0 to 300'
- 2) Run 7 5/8" Csg & Cmt with 100 SX
- 3) Drill plug and check for water shut off
- 4) Install Cable tool Control head
- 5) Drill 6 3/4" hole to approx 1930'
- 6) Run 5 1/5" Csg & Cmt w/ 100 SX
- 7) Drill plug & check for water shut off
- 8) Drill 4 3/4" hole 1930 to 1998' & test

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

Signature: *N. Dale Nichols*

Printed name: N. Dale Nichols

Title: Operator

Date: 6-21-99

Pages:

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

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

API Number		Pool Code		Pool Name	
Property Code	Property Name				Well Number
	Standard State				5
OGRID No.	Operator Name				Elevation
H	N. Dale Nichols				3991.3

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
	5	8S.	27E.		1500	North	330	East	Chaves

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 40		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						1500'	STANDARD STATE #5	330'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. N. Dale Nichols Signature N. Dale Nichols Printed Name Operator Title 6-22-99 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. June 18, 1999 Date of Survey Signature JACKIE D. ATKINS NEW MEXICO 8504 L.S. Certificate Number

FROM : Panasonic FAX SYSTEM

PHONE NO. : 9156825624

Jun. 28 1999 04:08PM P1

BUSINESS PHONE 915 682-5621

HOME PHONE 915 687-1576

N. DALE NICHOLS

BOX 1972

MIDLAND, TEXAS 79702

6-28-99

Mike Stogner
(505) 827-1389

6 Pages

N. Dale Nichols

Re: 6-28-99
Susp: NA
Released 6-28-99

BUSINESS PHONE 915 682-5621

HOME PHONE 915 697-1576

N. DALE NICHOLS

BOX 1972
MIDLAND, TEXAS 79702

June 28, 1999

Mr. Mike Stogner
Oil Conservation Division
Fax (505) 827-1389
Santa Fe, New Mexico

Re: Administrative Approval Non-standard well
location.

Dear Mr. Stogner:

The attached C-101 and C-102 for our proposed Standard State # 5 shows the location to be 1500' FNL and 330' FEL. A standard location would have been 1650' FNL. We are requesting an administrative approval for this location as a standard location of 1650' FNL would have placed the location squarely on top of Railroad Mountain, a granite dike which crosses the area. This dike cannot be economically penetrated by a drill bit. This dike probably cuts the San Andres and would thereby create a pressure separation across the dike. The C-101 which was submitted to the Artesia Office was amended in that a more detailed plan of operation was added in line 22 at Mr. Brian Arrant's request.

We request this administrative approval based on topographic and geological conditions. This dike was hit but not penetrated in the Standard-State # 6 at a location 1980' FNL and 2310' FEL. at a depth of approximately 190'. The replacement well # 6-Y was drilled south of the dike at a location 2310' FNL and 2310' FEL. Standard-State # 4 at a location 1980' FNL and 660' FEL was also drilled south of the dike. In Section 4 the McIntyre State # 1 was drilled north of the dike at a location 1650' FNL and 330' FWL. A road cut between Standard-State # 4 and McIntyre-State # 1 shows the position to the dike there.

Thank you for your consideration of this request and please advise if you need additional data.

Yours truly,

N. Dale Nichols
N. Dale Nichols

BUSINESS PHONE 915 682-5621

HOME PHONE 915 697-1576

N. DALE NICHOLS

BOX 1972
MIDLAND, TEXAS 79702

June 21, 1999

Mr. Tim Gum
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88211-0719

Re: Administrative Approval Non-standard well
location.

Dear Mr. Gum:

The attached C-101 and C-102 for our proposed Standard State # 5 shows the location to be 1500' FNL and 330' FEL. A standard location would have been 1650' FNL. We are requesting an administrative approval for this location as a standard location of 1650' FNL would have placed the location squarely on top of Railroad Mountain, a granite dike which crosses the area. This dike cannot be economically penetrated by a drill bit.

We request this administrative approval based on topographic and geological conditions.

Thank you for your consideration.

Yours truly,

N. Dale Nichols
N. Dale Nichols

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Branson 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

Operator Name and Address: N. Dale Nichols P.O. Box 1972 Midland, Texas 79702		OGRID Number 15488
		API Number 30 - 0
Property Code 15839	Property Name Standard-State	Well No. 5

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
H	5	8 S	27 E		1500	North	330	East	Chaves

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
Proposed Pool 1 Acme (San Andres)					Proposed Pool 2				

Work Type Code N	Well Type Code O	Cable/Retary C	Lease Type Code S	Ground Level Elevation
Multiples No	Proposed Depth 2000'	Formation San Andres	Contractor Self	Spud Date 7-25-99

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
10"	7 5/8"	26#	300'	100	Surface
6 3/4"	5 1/5"	14#	1930'	100	1200'

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.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>N. Dale Nichols</i> Printed name: N. Dale Nichols Title: Operator Date: 6-21-99		Phone: (915) 682-5621	
OIL CONSERVATION DIVISION Approved by: Title: Approval Date: Expiration Date:		Conditions of Approval: Attached ☐	

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

API Number		Pool Code		Pool Name	
Property Code		Property Name			Well Number
		Standard State			5
OGRID No.		Operator Name			Elevation
H		N. Dale Nichols			3991.3

¹⁰ Surface Location

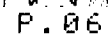
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	5	8S.	27E.		1500	North	330	East	Chaves

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
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

16					1500'
					330'
					STANDARD STATE #5
					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>N. Dale Nichols</u> Printed Name: <u>N. Dale Nichols</u> Title: <u>Operator</u> Date: <u>6-19-99</u>
					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: <u>June 18, 1999</u> Signature: <u>JACKIE D. ATKINS</u> Certificate Number: <u>8504</u> LS SURVEYOR



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/28/99 12:40:08
OGOMES -TPJX
PAGE NO: 1

Sec : 05 Twp : 08S Rng : 27E Section Type : NORMAL

4 39.56 TWR E03614 0004 06/60 PAUL SLAYTON	3 39.58 TWR E03614 0004 06/60 PAUL SLAYTON	2 39.58 TWR E03614 0004 06/60 PAUL SLAYTON A A A	1 39.60 TWR E03614 0004 06/60 PAUL SLAYTON A
E 40.00 TWR VA1183 0000 05/99 YATES PETROLEUM C A	F 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	G 40.00 TWR E03614 0004 06/60 PAUL SLAYTON A	H 40.00 TWR E03614 0004 06/60 PAUL SLAYTON A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/28/99 12:40:18
OGOMES -TPJX
PAGE NO: 2

Sec : 05 Twp : 08S Rng : 27E Section Type : NORMAL

L 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	K 40.00 TWR VA1183 0000 05/99 YATES PETROLEUM C	J 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	I 40.00 TWR E03614 0004 06/60 PAUL SLAYTON
M 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	N 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	O 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	P 40.00 TWR E03614 0004 06/60 PAUL SLAYTON

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/28/99 12:40:31
OGOMES -TPJX
PAGE NO: 1

Sec : 06 Twp : 08S Rng : 27E Section Type : NORMAL

4 40.21 TWR E03614 0004 06/60 PAUL SLAYTON	3 39.83 TWR E03614 0004 06/60 PAUL SLAYTON	2 39.73 TWR E03614 0004 06/60 PAUL SLAYTON	1 39.61 TWR V00132 0000 12/82 YATES PETROLEUM C
5 40.86 TWR E03614 0004 06/60 PAUL SLAYTON	F 40.00 TWR LG4906 0000 12/87 YATES PETROLEUM C	G 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	H 40.00 TWR V00132 0000 12/82 YATES PETROLEUM C

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/28/99 12:40:35
OGOMES -TPJX
PAGE NO: 2

Sec : 06 Twp : 08S Rng : 27E Section Type : NORMAL

6 41.43 TWR E03614 0004 06/60 PAUL SLAYTON	K 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	J 40.00 TWR LG4906 0000 12/87 YATES PETROLEUM C C	I 40.00 TWR V00132 0000 12/82 YATES PETROLEUM C C
7 42.02 TWR E03614 0004 06/60 PAUL SLAYTON	N 40.00 TWR E03614 0004 06/60 PAUL SLAYTON	O 40.00 TWR V00132 0000 12/82 YATES PETROLEUM C C A	P 40.00 TWR V00132 0000 12/82 YATES PETROLEUM C C

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/28/99 12:39:47
OGOMES -TPJX
PAGE NO: 1

Sec : 04 Twp : 08S Rng : 27E Section Type : NORMAL

4 39.61 TWR LG0978 0001 01/83 JULIAN ARD	3 39.64 TWR LG0978 0001 01/83 JULIAN ARD A	2 39.66 TWR OG2391 0003 04/68 DALE N NICHOLS	1 39.69 TWR LG0978 0001 01/83 JULIAN ARD
E 40.00 TWR OG2391 0003 04/68 DALE N NICHOLS A	F 40.00 TWR VA0613 0000 06/97 YATES PETROLEUM C A	G 40.00 TWR LG0978 0001 01/83 JULIAN ARD	H 40.00 TWR LG0978 0001 01/83 JULIAN ARD

M0002: This is the first page

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/28/99 12:39:53
OGOMES -TPJX
PAGE NO: 2

Sec : 04 Twp : 08S Rng : 27E Section Type : NORMAL

L 40.00 TWR VA0613 0000 06/97 YATES PETROLEUM C A A	K 40.00 TWR VA0613 0000 06/97 YATES PETROLEUM C A	J 40.00 TWR LG0978 0001 01/83 JULIAN ARD	I 40.00 TWR LG0978 0001 01/83 JULIAN ARD
M 40.00 TWR VA0613 0000 06/97 YATES PETROLEUM C	N 40.00 TWR LG0978 0001 01/83 JULIAN ARD	O 40.00 TWR LG0978 0001 01/83 JULIAN ARD	P 40.00 TWR LG0978 0001 01/83 JULIAN ARD

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

COUNTY *Chaves*POOL *Acme - San Andres*TOWNSHIP *8 South*RANGE *27 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

Description: $\frac{SW}{4}$ Sec. 5; $\frac{S}{2}$ Sec. 6; All Sec. 7; $\frac{W}{2}$ Sec. 8 (R-55)

Ext: $\frac{N}{2}$ Sec. 5 (R-1283, 12-1-58) - $\frac{W}{2}$ $\frac{NW}{4}$ Sec. 4 (R-1559, 1-1-60)

- $\frac{N}{2}$ $\frac{SW}{4}$ Sec. 4 (R-3280, 8-1-67) - $\frac{E}{2}$ $\frac{NW}{4}$ Sec. 4 (R-3319, 10-1-67)

COUNTY *Chaves*POOL *Acme-San Andres*TOWNSHIP *7 South*RANGE *17 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: $SE\frac{1}{4}$ Sec. 32; $SW\frac{1}{4}$ Sec. 33 (R-1340, 3-1-59) - $SE\frac{1}{4}$ $SW\frac{1}{4}$ Sec. 32 (R-2781, 11-1-64)

From: Stogner, Michael
Sent: Monday, June 28, 1999 4:29 PM
To: Arrant, Bryan
Cc: Wrotenbery, Lori; Gum, Tim
Subject: N. Dale Nichols

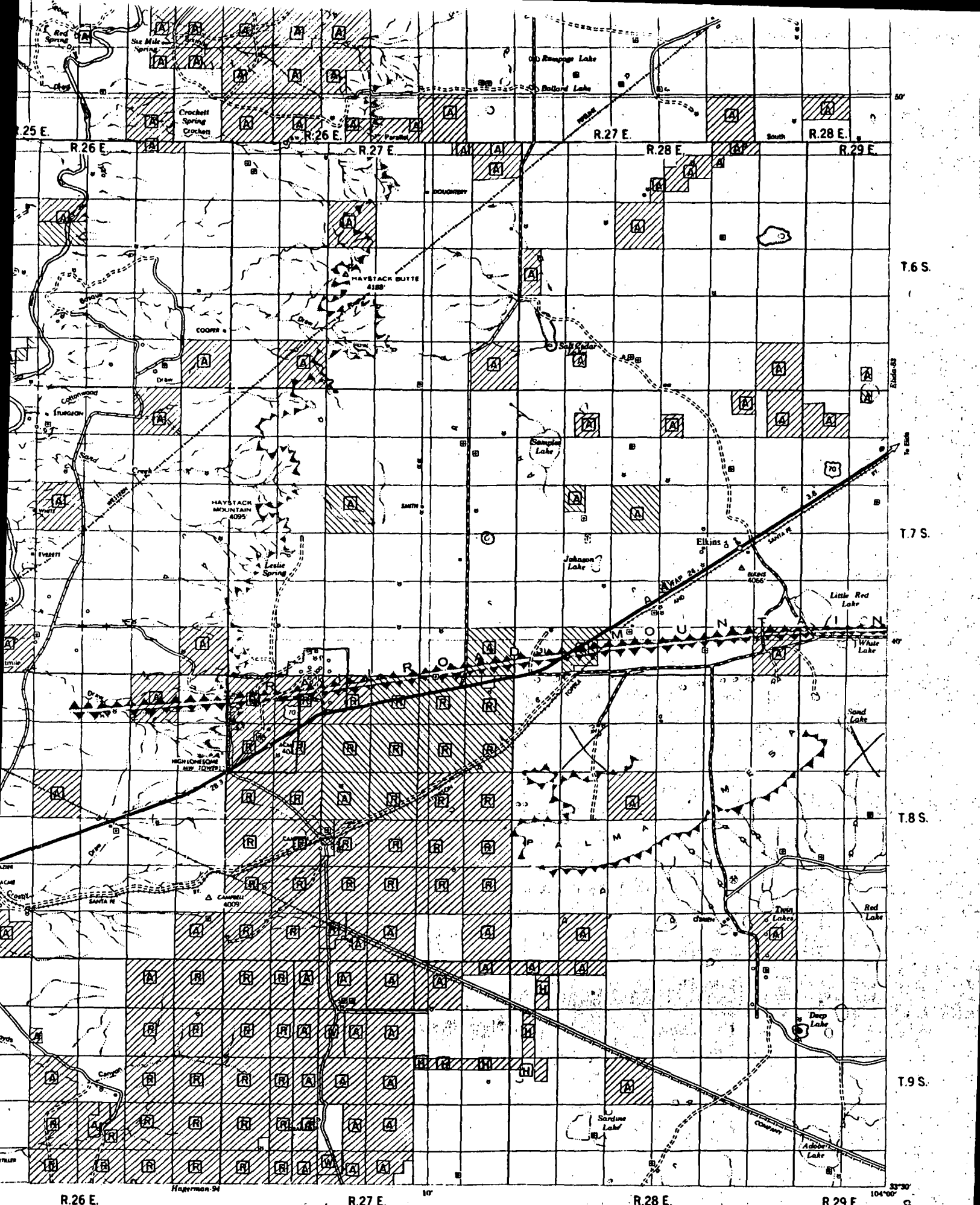
Attached is a copy of Division Administrative Order NSL-4317 (SD) for N. Dale Nichols' Standard-State Well No. 5 to be drilled 1500' FNL & 330' FEL (H) 5-T8S-R27E, Acme-San Andres Pool.

It appears that there was some miscommunication somewhere, because he understood Tim to say that he (the District Supervisor) could approve this unorthodox oil well location, which of course is not true per Rule 104.F(2).

Mr. Nichols was very anxious to get started on this well and seemed somewhat peeved about the incorrect information provided him, even if it was his misperception that caused the delay.

With your help, I was able to correctly process his application, finalize it, and fax it to him in short order. Without it would have meant a further of a day or two.

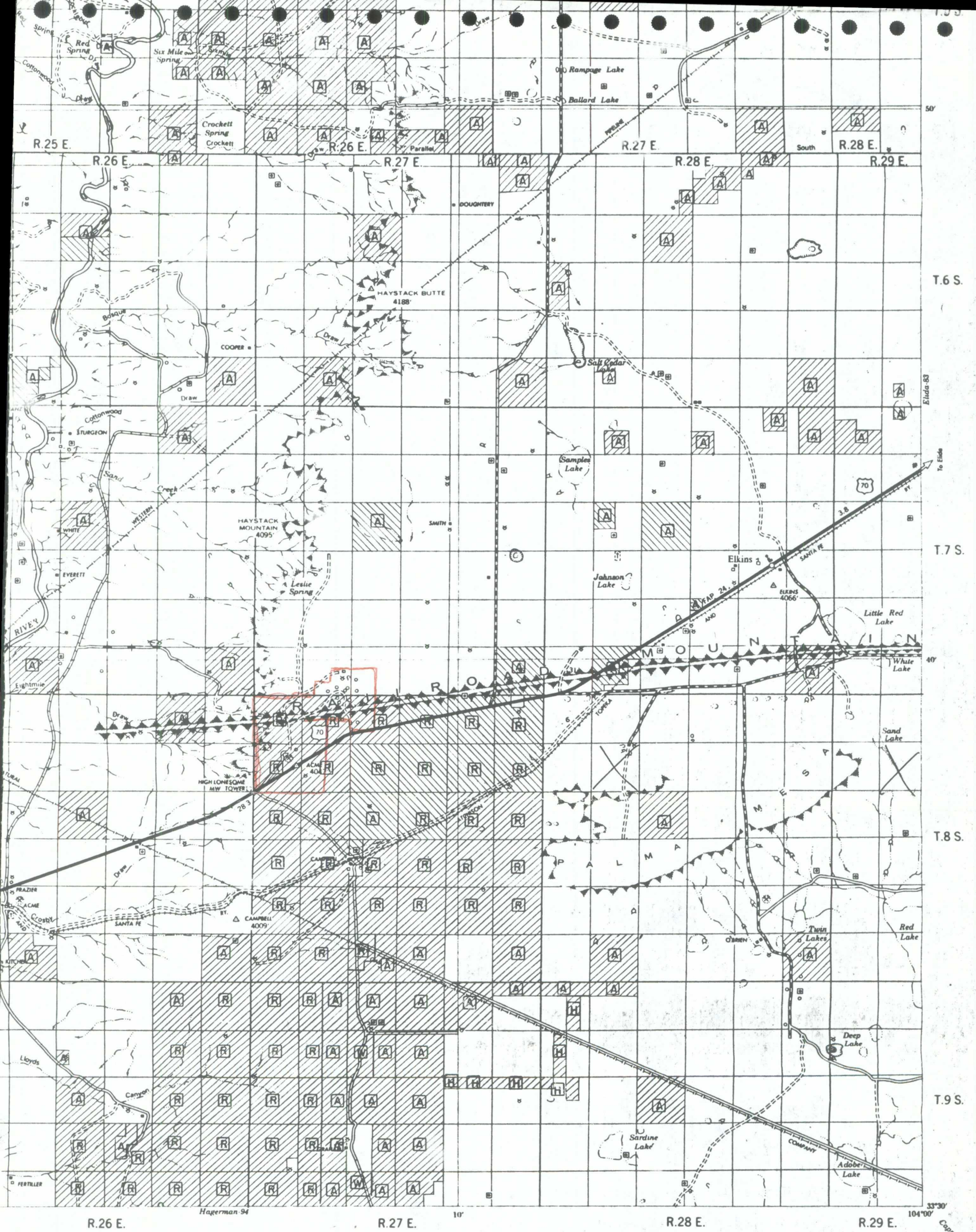
Thanks again.



Longitude West from Greenwich
Scale $\frac{1}{126720}$ or 1 inch = 2 Miles
STATUTE MILES

1978

ACME
QUADRANGLE
82 1-18-84



R.26 E. R.27 E. R.28 E. R.29 E.

Longitude West from Greenwich

Scale $\frac{1}{126720}$ or 1 Inch = 2 Miles

STATUTE MILES

ACME
QUADRANGLE
82 1-18-84