

124836078

NSP

9/18/01

**American Inland Resources Co., LLC**

**P.O. Box 50938  
Midland, TX 79710  
Phone: 915-685-0981**

August 27, 2001

OIL CONSERVATION DIV.  
01 AUG 29 PM 12:52

Oil Conservation Division  
Attn: Mr. Michael Stogner  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Re: Non Standard Pro-ration unit  
For Hadfield #2  
Section 21, T-25-S, R-37-E

Dear Sir:

American Inland Resources Co., LLC, request approval for a non-standard pro-ration unit of 120 acres, that being the South half of the Southeast quarter and the Northeast quarter of the Southeast quarter of Section 21, for the Hadfield #2 well to the Jalmat Pro-Gas Pool (79240), Lea County, NM. American Inland Resources operates the South 1/2 of Section 21 in addition to the South half of the Northwest quarter and the East half of the Northeast quarter of Section 21.

The Hadfield #2 was drilled and completed as a Queen producer. The well underwent a workover in order to improve production. It was perforated from 2716-2768. This well is productive of gas only.

Included are copies of the C-104's and C-102 indicating the 120 acres American Inland Resources request for the non-standard pro-ration unit.

Offset operators Gruy Petroleum Management Co. and Bettis, Boyle & Stovall have been provided copies of this request.

Your approval of this request is greatly appreciated. If you require additional information, please call: 915-685-0981.

Sincerely,

*Michael D. Prichard*

Michael D. Prichard  
Operations Engineer

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

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

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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

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

Form C-105  
 Revised 1-1-89

WELL API NO.  
 30-025-11675

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. Type of Completion: NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER \_\_\_\_\_

2. Name of Operator  
 American Inland Resources Company, LLC

3. Address of Operator  
 P.O. Box 50938; Midland, TX 79710

4. Well Location  
 Unit Letter P : 660 Feet From The South Line and 660 Feet From The East Line  
 Section 21 Township 25S Range 37E NMPM Lea County

7. Lease Name or Unit Agreement Name  
 HADFIELD

8. Well No.  
 3

9. Pool name or Wildcat  
 Jalmat (Tnsl-Yts-7 Rvrs) (Gas)

10. Date Spudded  
 11. Date T.D. Reached  
 12. Date Compl. (Ready to Prod.)  
 5-4-01

13. Elevations (DF& RKB, RT, GR, etc.)  
 3051.5 GR

14. Elev. Casinghead

15. Total Depth  
 3487

16. Plug Back T.D.  
 2800

17. If Multiple Compl. How Many Zones?

18. Intervals Drilled By  
 Rotary Tools  
 Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name  
 2716-68 Tansil, Yates

20. Was Directional Survey Made

21. Type Electric and Other Logs Run

22. Was Well Cored

23. **CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
Same					

24. **LINER RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. **TUBING RECORD**

SIZE	DEPTH SET	PACKER SET
2-7/8	2760	

26. Perforation record (interval, size, and number)  
 2716-18, 20-22, 34-40, 47-50, 54-58, 64-68  
 2 SPF Total holes = 54

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
2716-68	A/3000 gal 15% NEFE
2716-68	F/40000 gal gel + 78280#
	16/30 Brady sand

28. **PRODUCTION**

Date First Production 5/4/01	Production Method (Flowing, gas lift, pumping - Size and type pump) Pump 1-1/4" x 2" x 24'	Well Status (Prod. or Shut-in) Prod					
Date of Test 5/4/01	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 0	Gas - MCF 29	Water - Bbl. 0	Gas - Oil Ratio NA
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 29	Water - Bbl. 0	Oil Gravity - API - (Corr.) NA	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
 Sold

Test Witnessed By

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Michael D. Prichard Printed Name Michael D. Prichard Title Operations Engr. Date 8/27/01

District I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised March 17, 1999

District II  
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

District IV  
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-11675		<sup>2</sup> Pool Code 79240		<sup>3</sup> Pool Name Jalmat (Tnsl- Yts - 7 Rvrs) (Gas)	
<sup>4</sup> Property Code 026178		<sup>5</sup> Property Name Hadfield			<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 188294		<sup>8</sup> Operator Name American Inland Resources Company, LLC.			<sup>9</sup> Elevation 3051.5 GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	21	25S	37E		660	South	660	East	Lea

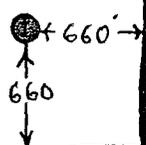
<sup>11</sup> Bottom Hole Location If Different From Surface

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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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				<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
				Signature <i>Michael D. Prichard</i>	
				Printed Name Michael D. Prichard	
				Title Operations Engineer	
			Date August 23, 2001		
			<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>		
			Date of Survey		
			Signature and Seal of Professional Surveyor:		
			Certificate Number		



District I  
1625 North French Dr, Hobbs, NM 88240

District II  
PO Drawer DD, Artesia, NM 88211-0719

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87504

**State of New Mexico**  
Energy, Minerals Natural Resources Department  
**OIL CONSERVATION DIVISION**  
**1220 S. St. Francis Dr.**  
**Santa Fe, NM 87504**

Form C-104  
Revised October 18, 1994  
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 <b>AMERICAN INLAND RESOURCES COMPANY, LLC.</b> P.O. BOX 50938 MIDLAND, TX 79710		2 Operator OGRID # <b>188294</b>	
		3 Reason for Filing Code <b>REQUEST NON-STANDARD PRORATION UN</b>	
4 API Number <b>30-025-11675</b>	5 Pool Name <b>JALMAT (TNSL-YTS-7RS) (GAS)</b>		6 Pool Code <b>079240</b>
7 Property Code <b>026178</b>	8 Property Name <b>HADFIELD</b>		9 Well Number <b>2</b>

**II. 10 Surface Location**

U/L or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
P	21	25S	37E		660	SOUTH	660	EAST	LEA

**11 Bottom Hole Location**

U/L 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	
P	P	3/1/93							

**III. Oil and Gas Transporters**

18 Transporter OGRID	19 Transporter Name and Address	20 POD	21 O/G	22 POD ULSTR Location and Description
034019	PHILLIPS 66 COMPANY 9 C1 ADAMS BUILDING  BARTLESVILLE, OK 74004	1170810	O	P-21-25S-37E  TANK BATTERY
020809	SID RICHARDSON GASOLINE COMPANY 201 MAIN STREET  FT. WORTH, TX 76102	1170830	G	P-21-25S-37E  GAS METER

**IV. Produced Water**

23 POD	24 POD ULSTR Location and Description

**V. Well Completion Data**

25 Spud Date	26 Ready Date	27 TD	28 PBDT	29 Perfs	30 DHC, DC, MC
	5/04/01	3487	2800	2716-2768	
31 Hole Size	32 Casing Tubing Size	33 Depth Set	34 Sacks Cement		
	2-7/8	2760			

**VI. Well Test Data**

35 Date New Oil	36 Gas Delivery Date	37 Test Date	38 Test Length	39 Tbg. Pressure	40 Csg. Pressure
		5/4/01	24		
41 Choke Size	42 Oil	43 Water	44 Gas	45 AOF	46 Test Method
	0	0	29		PUMP

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: *Michael D. Prichard*

Printed name: Michael D. Prichard

Title: Operations Engineer

Date: 8/23/01      Phone: 915-685-0981

OIL CONSERVATION DIVISION	
Approved by:	
Title:	
Approval Date:	

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

Previous Operator Signature	Printed Name	Title	Date





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

October 30, 2001

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**American Inland Resources Company, LLC**  
P. O. Box 50938  
Midland, Texas 79710

**Attention: Michael D. Prichard**

**Re:** *Administrative application for a non-standard 120-acre gas spacing and proration unit ("GPU") comprising NE/4 SE/4 and S/2 SE/4 of Section 21, Township 25 South, Range 37 East, Jalmat (Prorated) Gas Pool, Lea County, New Mexico, for your existing Hadfield Well No. 2 (API No. 30-025-11675) located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 21.*

Dear Mr. Prichard:

This letter acknowledges the receipt of your administrative application dated August 27, 2001 for American Inland Resources Company, Inc.'s existing Hadfield Well No. 2 (API No. 30-025-11675), located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 21, within a non-standard 120-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool (79240) comprising the NE/4 and S/2 SE/4 of Section 21.

The Division received this application on August 29, 2001, accepts it as an administrative application, and assigned it NMOCD application reference No. *pKRV0-124836078*. Please refer to this number in future correspondence with the Division.

To complete my review of this application, please provide me the following information:

- (1) a report on the current status and future plans for the Hadfield Well No. 1 (API No. 30-025-11676), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 21; and
- (2) a completed and signed "**Administrative Application Checklist**", which is now mandatory for such filings.

Since the submitted information is insufficient to complete my review, the application was ruled as incomplete on October 30, 2001. Please submit the above stated information by Tuesday, November 6, 2001.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs

**American Inland Resources Co., LLC**

**P.O. Box 50938**

**Midland, TX 79710**

**Phone: 915-685-0981**

November 5, 2001

OIL CONSERVATION DIV.  
01 NOV -8 PM 4:16

Oil Conservation Division  
Attn: Mr. Michael Stogner  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Re: Application number pKRV0-124836078

Dear Mr. Stogner:

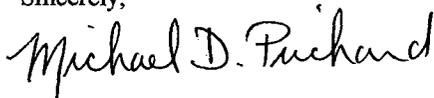
Enclosed is the requested information regarding the referenced application number.

The Hadfield #1 (API # 30-025-11676, unit letter O, section 21) is currently shut in. We are currently evaluating the Hadfield #1 in an effort to return the well to oil production.

Included is the Administrative Application Checklist. As indicated previously, offset operators Gruy Petroleum Management Co. and Bettis, Boyle & Stovall have been provided copies of this request.

Your approval of this request is greatly appreciated. If you require additional information, please call: 915-685-0981.

Sincerely,



Michael D. Prichard  
Operations Engineer





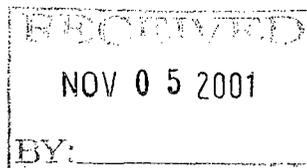
# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

October 30, 2001

**Lori Wrotenbery**  
Director  
**Oil Conservation Division**

American Inland Resources Company, LLC  
P. O. Box 50938  
Midland, Texas 79710



Attention: **Michael D. Prichard**

*Re: Administrative application for a non-standard 120-acre gas spacing and proration unit ("GPU") comprising NE/4 SE/4 and S/2 SE/4 of Section 21, Township 25 South, Range 37 East, Jalmat (Prorated) Gas Pool, Lea County, New Mexico, for your existing Hadfield Well No. 2 (API No. 30-025-11675) located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 21.*

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Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

November 14, 2001

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**American Inland Resources Company, LLC**  
**P. O. Box 50938**  
**Midland, Texas 79710**  
**Attention: Michael D. Prichard**

*Reinstatement of Division  
Administrative Order NSP-977*

Dear Mr. Prichard:

Reference is made to the following: (i) your application dated August 27, 2001 (*application reference No. pKRV0-124836078*); (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Hearing Officer/Engineer in Santa Fe, dated October 30, 2001; (iii) your response by letter dated November 5, 2001 with the additional information that serves to complete your application; and (iv) the Division's records in Santa Fe, including the file on Division Administrative Order NSP-077: all concerning American Inland Resources Company, LLC's ("American Inland") request to reinstate a previously approved non-standard 120-acre gas spacing and proration unit ("GPU") in the Jalmat Gas Pool (79240) comprising the E/2 SE/4 and SW/4 SE/4 of Section 21, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

The rules and procedures currently governing the Jalmat Gas Pool include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B (2) (b);
- (iii) Division Rules 104.D (2) and 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (iv) Division Rules 1207.A (2) and (3); and
- (v) the amended Stipulated Declaratory Judgment of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgment").

By Division Administrative Order NSP-977, dated November 6, 1974, this 120-acre GPU was established and had simultaneously dedicated American Inland's: (i) Hadfield Well No. 1 (API No. 30-025-11676), located at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 21; and (ii) Hadfield Well No. 2 (API No. 30-025-11675), located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 21.

It is our understanding that the Hadfield Well No. 1 was reclassified from a Jalmat gas well to an oil well in March, 1987 and was just recently shut-in. The Hadfield Well No. 2 was reclassified from a Jalmat gas producer to an oil well in January, 1987. Essentially this 120-acre GPU ceased to exist in 1987 when both wells were reclassified. It is further understood that after a recent workover the Hadfield Well No. 2 was again reclassified a Jalmat gas well.

By the authority granted me under the provisions of these rules, regulations, and directives, the above-described 120-acre GPU should be restored for the above-described Hadfield Well No. 2. Also, American Inland is permitted to produce the allowable to be assigned thereto in accordance with Rule 5 of the rules governing the Jalmat Gas Pool based upon the respective unit size of 120 acres.

It is further ordered that all provisions applicable to the subject GPU in Division Administrative Orders NSP-667, not in conflict with this order, shall remain in full force and affect until further notice. It shall be further noted that the operator of this GPU shall abide by all applicable provisions governing the Jalmat Gas Pool including Rule 2 (a) 3 which forbids the simultaneous dedication of acreage assigned a gas well with an oil well.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
File: NSP-977