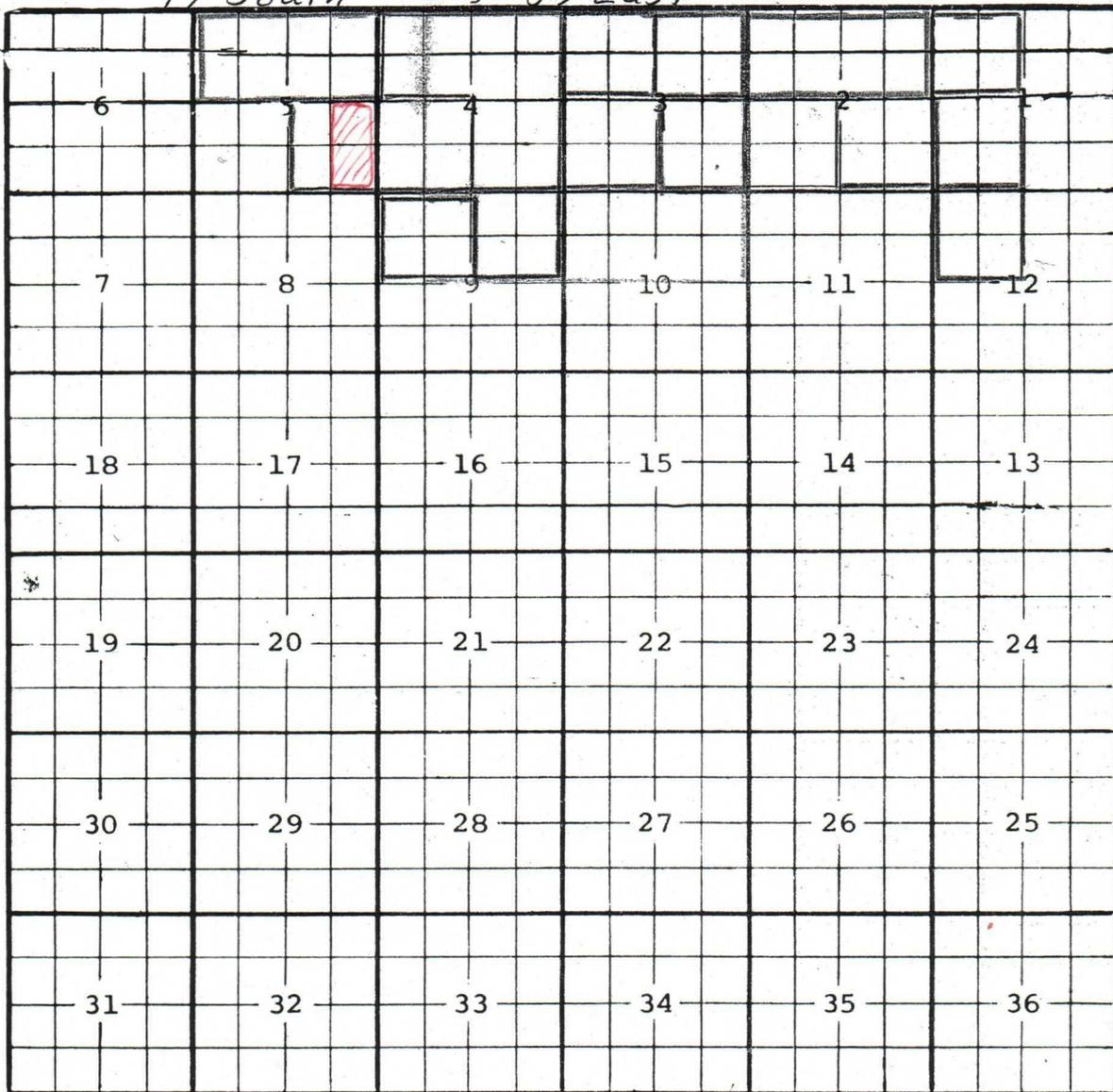


County Lea Pool Shipp-Strawn

TOWNSHIP 17 South Range 37 East NMPM



Description: All Sec. 3, E/2 and E/2 W/2 Sec. 4, NE/4 and E/2 NW/4 Sec. 9, N/2 Sec. 10 (R-8062, 10-31-85)

Amend horizontal limits to be N/2 and SE/4 Sec. 4 (R-8062-A, 1-21-86)

EXT: NE/4 Sec. 9 (R-8214, 5-1-86) EXT: <sup>only</sup> NW/4 Sec. 9 (R-8340, 11-3-86)

EXT: NW/4 Sec. 3 (R-8409, 3-7-87) EXT: NE/4 Sec. 3 (R-8451, 6-3-87)

EXT: SE/4 SEC 3 (R-8533, 10/28/87) EXT: N/2 SEC 5 (R-8603, 2/1/88)

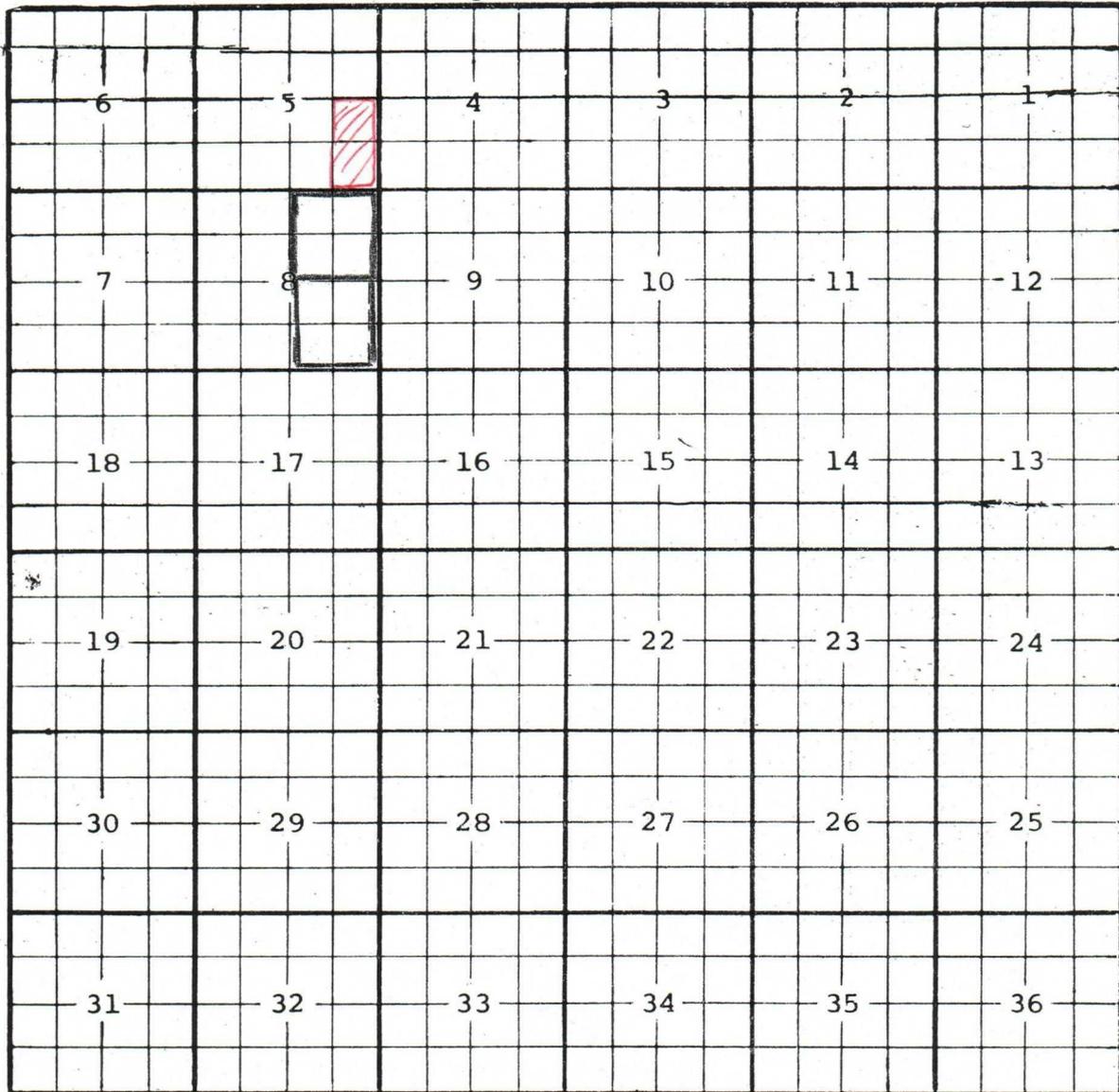
EXT: N/2 SEC 2, SW/4 SEC 3 (R-8626, 4/1/88) EXT: SW/4 sec 2 (R-8856, 1-25-89)

EXT: SW/4 sec 1 (R-8901, 4-1-89) EXT: SE/4 sec 2, NW/4 sec 12 (R-9741, 9-1-89)

EXT: NW/4 SEC 1 (R-8772, 11-1-88) EXT: SW/4 SEC 4, SE/4 SEC 5 (R-9472, 4-1-91)

County Lea Pool Midway - Strawn

TOWNSHIP 17 South Range 37 East NMPM



Desc: Sec. 8 NE/4 (R-6876, 1-22-82)

Ext: <sup>SE</sup> 1/4 Sec. 8 (R-9937, 8-17-93)

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

Form C-103  
Revised 10-1-78

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

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LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. 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. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Dry hole	7. Unit Agreement Name
2. Name of Operator Read & Stevens, Inc.	8. Farm or Lease Name Blackmar
3. Address of Operator P.O. Box 1518, Roswell, NM 88201	9. Well No. 1
4. Location of Well UNIT LETTER <u>P</u> <u>330</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE. SECTION <u>5</u> TOWNSHIP <u>17S</u> RANGE <u>37E</u> NMPM	10. Field and Pool, or Wildcat Wildcat
5. Elevation (Show whether DF, RT, GR, etc.) 3789.6' GL	12. County Lea

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 checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER <input type="checkbox"/>	

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.

- 9-5-84 Pulled tbg, set CIBP @ 4800', dumped 35' cmt on top of plug, ran tbg to 4725', circ hole w/mud, pulled tbg to 4507'.
- 9-6-84 Pulled wellhead & slips, cut csg @ 2530', pulled 161jts 4 1/2" csg, spot 40sx 2580'-2393', prep to tag plug, SDON.
- 9-7-84 Plug tagged @ 2451', pulled tbg to 2047', spot 40sx cmt, plug 1910'-2047', pull tbg, spot 10sx @ surface w/dryhole marker. Waiting to clean location, will notify commission when location is cleaned.

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

SIGNED Bruce Stubbs TITLE Drilling & Production Manager DATE 9-12-84

APPROVED BY Ronald M. [Signature] OIL & GAS INSPECTOR DATE JAN 16 1985

CONDITIONS OF APPROVAL, IF ANY:



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**NEW MEXICO CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS**

Form C-104  
Supersedes Old C-104 and C-110  
Effective 1-1-65

Operator  
Read & Stevens, Inc.  
Address  
P.O. Box 1518, Roswell, NM 88201  
Reason(s) for filling (Check proper box) Other (Please explain) 150 BO  
 New Well  Change In Transporter Of:  
 Recompletion  Oil  Dry Gas   
 Change In Ownership  Casinghead Gas  Condensate   
 Testing allowable for ~~5-20-84~~ for the month of June.

If change of ownership give name and address of previous owner

**I. DESCRIPTION OF WELL AND LEASE**

Lease Name <u>Blackmar</u>	Well No. <u>1</u>	Pool Name, including Formation <u>Wildcat-Paddock</u>	Kind of Lease <u>Fee</u>	Lease No.
Location Unit Letter <u>P</u> ; <u>330</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line Of Section <u>5</u> Township <u>17S</u> Range <u>37E</u> , <u>NMPM</u> , Lea County				

**II. DESCRIPTION OF TRANSPORTER OF OIL AND NATURAL GAS**

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
<u>KOCH Oil Company</u>	<u>P.O. Box 2256, Wichita, KS 67201</u>
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
<u>    </u>	<u>    </u>

If well produces oil or liquids, give location of tanks Unit P Sec. 5 Twp. 17S Rge. 37E Is gas actually connected? When  
 If this production is commingled with that from any other lease or pool, give commingling order number:

**III. COMPLETION DATA**

Designate Type of Completion--(X)	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well	<input type="checkbox"/> New Well	<input type="checkbox"/> Workover	<input type="checkbox"/> Deepen	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Same Res'v	<input type="checkbox"/> Diff. Res'v
Date Spudded	Date Compl. Ready to Prod	Total Depth	P.B.T.D.					
Elevations (DF, RKB, RT, GR, etc)	Name of Prod. Formation	Top Oil/Gas Pay	Tubing Depth					
Perforations	Depth Casing Shoe							

**TUBING, CASING, AND CEMENTING RECORD**

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

**IV. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load and must be equal to or exceed top allowable for this depth or be for full 24 hours)**

Date First New Oil Run To Tanks:	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

**GAS WELL**

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (plot, back pr)	Tubing Pressure (Shut-In)	Casing Pressure (Shut-In)	Choke Size

**CERTIFICATE OF COMPLIANCE**  
 I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.  
  
 (Signature)  
 Drilling & Production Manager  
 (Title)  
 June 19, 1984

OIL CONSERVATION COMMISSION  
 APPROVED JUN 21 1984, 19  
 BY Eddie W. Seay  
 TITLE Oil & Gas Inspector  
 This form is to be filed in compliance with Rule 1104.  
 If this is a request for allowable for a newly drilled well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with Rule 111.  
 All sections of this form must be filled out completely for allowable on new and recompleted wells.  
 Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such changes.  
 Form C-104 must be filed for each pool in multiple.

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

Form C-105  
Revised 10-1-78

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OPERATOR		

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

1a. TYPE OF WELL  
OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. TYPE OF COMPLETION  
NEW WORK WELL  OVER  DEEPEN  PLUG BACK  DIFF. RESVR.  OTHER \_\_\_\_\_

7. Unit Agreement Name  
-

8. Farm or Lease Name  
Blackmar

2. Name of Operator  
Read & Stevens, Inc.

9. Well No.  
1

3. Address of Operator  
P.O. Box 1518, Roswell, NM 88201

10. Field and Pool, or Wildcat  
Wildcat

4. Location of Well  
UNIT LETTER P LOCATED 330 FEET FROM THE South LINE AND 660 FEET FROM THE East LINE OF SEC. 5 TWP. 17S RGE. 37E NMPM

12. County  
Lea

15. Date Spudded 1-2-84 16. Date T.D. Reached 2-12-84 17. Date Comp. (Ready to Prod.) - 18. Elevations (DF, RKB, RT, GR, etc.) 3789.6' GL 19. Elev. Casinghead -

20. Total Depth 11,200' 21. Plug Back T.D. 5015' 22. If Multiple Compl., How Many - 23. Intervals Rotary Tools Drilled By 0'-11,200' Cable Tools -

24. Producing Interval(s), of this completion-Top, Bottom, Name  
6384'-6396', 5668'-5675', 5092'-5110', 4846'-4854', Paddock, San Andres

25. Was Directional Survey Made  
No

26. Type Electric and Other Logs Run  
GR, Calliper, CNL, FDC, MLL, DLL

27. Was Well Cored  
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 5/8"	54.5#	418'	17 1/2"	425sx	Circ. 127sx
8 5/8"	32#	4454'	12 1/4"-11"	2850sx	Circ. 670sx
4 1/2"	10.5#	6705'	7 7/8"	869sx	NONE

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	4800'	-

31. Perforation Record (Interval, size and number)  
6384'-6396', 12', 2 shots/' , 24 holes  
5668'-5675', 7, 2 shots/' , 14 holes  
5092'-5110', 18', 2 shots/' , 36 holes  
4846'-4854', 8', 2 shots/' , 16 holes

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
6384'-6396'	6000 gals 20% NE acid
5668'-5675'	500 gals 15% NE acid
5092'-5110'	500 gals 15% NE acid
4846'-4854'	500 gals 15% NE acid

33. PRODUCTION

Date First Production 3-9-84 Production Method (Flowing, gas lift, pumping-Size and type pump) Pumping 2"x1 1/2"x16' Well Status (Prod. or Shut-In) SI WOPA

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil-Bbl. Trace	Gas-MCF TSTM	Water-Bbl. 78	Gas-Oil Ratio -
5-11-84	8	-					

Flow Tubing Press. - Casing Pressure - Calculated 24-Hour Rate - Oil-Bbl. Trace Gas-MCF TSTM Water-Bbl. 234 Oil Gravity-API (Corr.) -

34. Disposition of Gas (Sold, used for fuel, vented, etc.) TSTM Test Witnessed By Daryl Lowder

35. List of Attachments  
Logs, Deviation Survey

36. 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  
SIGNED Dan Stubbs TITLE Drilling & Production Manager DATE 5-18

**INSTRUCTIONS**

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

**INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE**

**Southeastern New Mexico**

**Northwestern New Mexico**

T. Anhy _____	T. Canyon 10,209'	T. Ojo Alamo _____	T. Penn."B" _____
T. Salt _____	T. Strawn 10,842'	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka Clastics 10,950'	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss 11,148'	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres 4812'	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzte _____
T. Giorleta 6214'	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock 6328'	T. Ellenburger _____	T. Dakota _____	T. Lovington _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. Penrose Pay _____
T. Tubb 7556'	T. Granite _____	T. Todilto _____	T. Premier _____
T. Drinkard 7664'	T. Delaware Sand _____	T. Entrada _____	T. Lovington _____
T. Abo Shale 8255'	T. Bone Springs _____	T. Wingate _____	_____
T. Wolfcamp 8820'	T. _____	T. Chinle _____	_____
T. Penn. _____	T. _____	T. Permian _____	_____
T. Cisco(BoughC) _____	T. _____	T. Penn"A" _____	_____

**OIL OR GAS SAND OR ZONES**

No.1, from.....to.....	No.4, from.....to.....
No.2, from.....to.....	No.5, from.....to.....
No.3, from.....to.....	No.6, from.....to.....

**IMPORTANT WATER SANDS**

Include data on rate of water inflow and elevation to which water rose in hole.

No.1, from.....to.....	feet.....
No.2, from.....to.....	feet.....
No.3, from.....to.....	feet.....
No.4, from.....to.....	feet.....

**FORMATION RECORD (Attach additional sheets if necessary)**

From	To	Thickness In Feet	Formation	From	To	Thickness In Feet	Formation
4812'	6214'	1402'	Dolomite, Sandstone, Anhydrite, Limestone				
6214'	6328'	114'	Dolo, SS				
6328'	7556'	1228'	Dolo, Sh, SS				
7556'	7664'	108'	Dolo				
7664'	8255'	591'	Sandstone, Dolomite,				
8255'	8820'	565'	Dolo, Sh, SS Cht				
8820'	10209'	1389'	Sh, SS, Lm				
10209'	10842'	633'	Lm, Cht, Sh, Dolo				
10842'	10950'	108'	Limestone, Sh				
10950'	11148'	198'	Sh, SS, Lm, Trc cht.				

**RECEIVED**  
**MAY 18 1984**  
**D.C.D.**  
**HOBBS OFFICE**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

Form C-103  
Revised 10-1-78

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LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease  
State  Fee

5. 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. OIL WELL  GAS WELL  OTHER

2. Name of Operator  
Read & Stevens, Inc.

3. Address of Operator  
P.O. Box 1518, Roswell, NM 88201

4. Location of Well  
UNIT LETTER P 330 FEET FROM THE South LINE AND 660 FEET FROM THE East LINE. SECTION 5 TOWNSHIP 17S RANGE 37E NMPM

7. Unit Agreement Name

8. Farm or Lease Name  
Blackmar

9. Well No.  
1

10. Field and Pool, or Wildcat  
Wildcat

5. Elevation (Show whether DF, RT, GR, etc.)  
3789.6' GL

12. County  
Lea

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>Acidize</u> <input checked="" type="checkbox"/>	

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.

- 5-10-84 4846'-4854', trip in w/pkr, acidize w/ 500gals 15% NE acid, avg press 1900psi, rate .9-.8 BPM, broke @ 3700psi, ISIP 1300psi, 5min 600psi, 10min 400psi, 15min 250psi, total load 33.2 BBIs, swbd 70 BBIs fluid, FL @ 4000', GSG w/skim of oil.
- 5-11-84 Made 2 runs, parted sand line, pulled tbg, ran tbg, swbd 85 BBIs total, skim of oil, no gas.
- 5-12-84 Swbd 78 BBIs FW, trace gas & oil, SI.

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

SIGNED *Jerry Sexton* TITLE Drilling & Production Manager DATE 5-14-84

ORIGINAL SIGNED BY JERRY SEXTON  
DISTRICT I SUPERVISOR

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE MAY 17 1984

CONDITIONS OF APPROVAL, IF ANY:















STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

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Revised 10-1-78

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OPERATOR	

5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>	
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Farm or Lease Name Blackmar	
9. Well No. 1	
10. Field and Pool, or Wildcat Midway Strawn	
12. County Lea	

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

1. OIL WELL  GAS WELL  OTHER

2. Name of Operator  
Read & Stevens, Inc.

3. Address of Operator  
P.O. Box 1518, Roswell, NM 88201

4. Location of Well  
UNIT LETTER P 330 FEET FROM THE South LINE AND 660 FEET FROM THE East LINE, SECTION 5 TOWNSHIP 17S RANGE 37E NMPM

5. Elevation (Show whether DF, RT, GR, etc.)  
3789.6' GL

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 Test BOP, choke & manifold <input checked="" type="checkbox"/>	

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.

1-19-84 Test BOP & choke @ 3000psi for 30 minutes. Tested satisfactorily. Test manifold @ 5000psi for 30 minutes. Tested satisfactorily.

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

SIGNED Bruce Stobbs TITLE Drilling & Production Manager DATE 1-13-84

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON TITLE \_\_\_\_\_ DATE JAN 23 1984  
DISTRICT SUPERVISOR

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

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

Form C-103  
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OPERATOR	

5a. Indicate Type of Lease  
 State  Fee

5. 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.)

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

1. OIL WELL  GAS WELL  OTHER

7. Unit Agreement Name

2. Name of Operator  
 Read & Stevens, Inc.

8. Farm or Lease Name  
 Blackmar

3. Address of Operator  
 P.O. Box 1518, Roswell, NM 88201

9. Well No.  
 1

4. Location of Well  
 UNIT LETTER P 330 FEET FROM THE South LINE AND 660 FEET FROM  
 THE East LINE. SECTION 5 TOWNSHIP 17S RANGE 37E NMPM

10. Field and Pool, or Wildcat  
 Midway Strawn

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX 5. Elevation (Show whether DF, RT, GR, etc.)  
 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX 3789.6' GL

12. County  
 Lea XXXXXXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXXXXXX

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 checked="" type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER <input type="checkbox"/>	

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.

- 1-11-84 TD a 11" hole @ 11:00pm 1-10-84 @ 4454'.
- 1-12-84 Ran 107 jts, 4436', 8 5/8"-32# & 24#, J-55, set @ 4454', FC @ 4410.91'.  
 Texas Pattern Shoe  
 1jt 32# 43.09'  
 FC  
 51jts 32# 2163.50'  
 52jts 24# 2122.91'  
 3jts 32# 106.50'  
 KB 18.00'  
 4454.00'  
 Cmt w/2650sx HLC, 15# salt, 5# Gilsomite, 1/4 flocele, tall-in w/200sx Class "C", 2% CaCl, circ 670sx. PD @ 3:45am 1-11-84, plug bumped @ 2000psi, float held, 14 1/4hrs WOC.
- 1-13-84 Test BOP, choke & casing @ 1000psi for 30 min. Tested satisfactorily. 3 3/4hrs PU DC & GIH(WOC).

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
 SIGNED *Bruce Hobbs* TITLE Drilling & Production Manager DATE 1-13-84

ORIGINAL SIGNED BY EDDIE SEAY TITLE \_\_\_\_\_ DATE JAN 16 1984  
 APPROVED BY OIL & GAS INSPECTOR TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:





**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

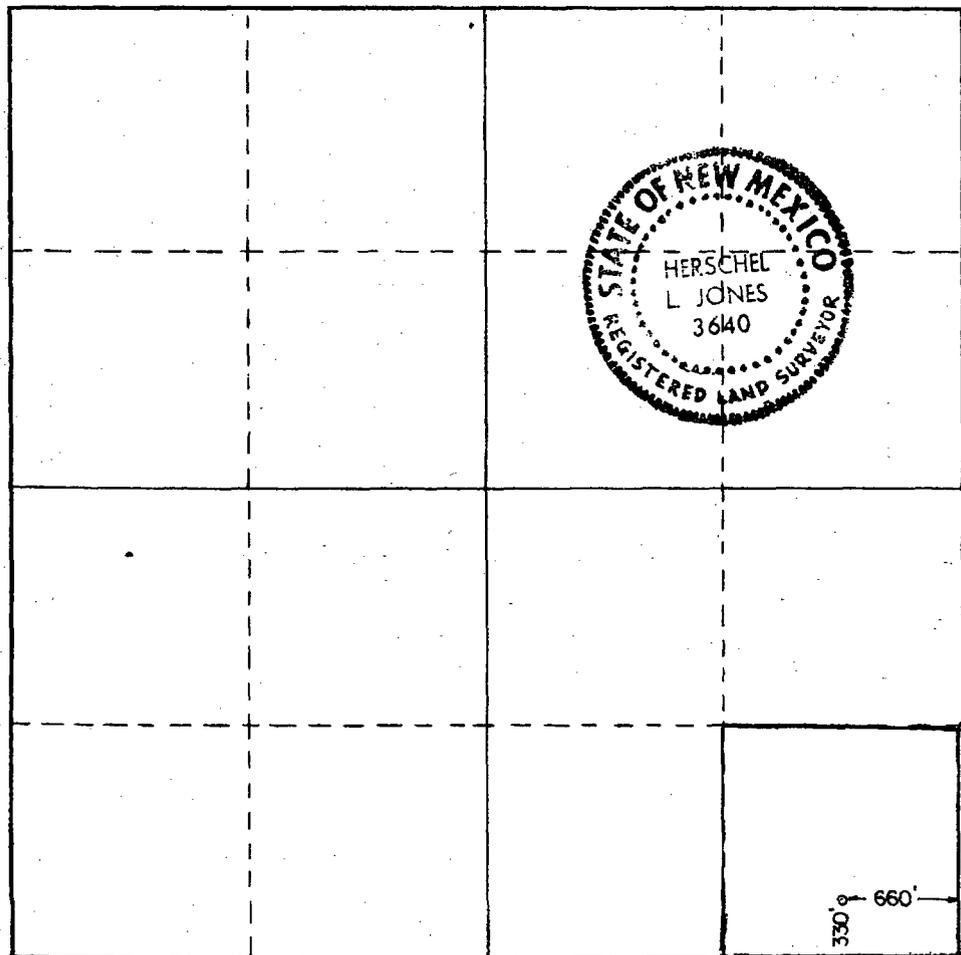
Operator <b>READ &amp; STEVENS</b>		Lease <b>BLACKMAR</b>			Well No. <b>1</b>
Unit Letter <b>P</b>	Section <b>5</b>	Township <b>17 South</b>	Range <b>37 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3789.6</b>	Producing Formation <b>Strawn</b>	Pool <b>UNIDCAT</b>	Dedicated Acreage: <b>40</b> Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes    No   If answer is "yes;" type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

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

*Karla LeJeune*  
Name

**Karla LeJeune**  
Position

**Authorized Agent**  
Company

**Read & Stevens, Inc.**  
Date

**September 26, 1983**

*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 knowledge and belief.*

Date Surveyed  
**10/5/83**

Registered Professional Engineer and/or Land Surveyor

*Herschel Jones*  
Certificate No. **3640**



**WRS COMPLETION REPORT**  
 REISSUES SEC 5 TWP 17S RGE 37E  
 P17 30-T-0017 09/29/86 30-025-28453-0000 PAGE 1

NMEX LEA \* 330FSL 660FEL SEC SE SE  
 STATE COUNTY FOOTAGE SPO  
 OPERATOR READ & STEVENS INC D D  
 WELL NO. 1 LEASE NAME BLACKMAR  
 3807KB 3790GR MIDWAY  
 OPER ELEV FIELD POOL AREA  
 API 30-025-28453-0000  
 LEASE TYPE NO. PERMIT OR WELL I.D. NO.  
 01/02/1984 05/16/1984 ROTARY D&A  
 SPUD DATE COMP. DATE TYPE TOOL STATUS  
 11000 STRAWN SIERRA DRLG 3 RIG SUB 17  
 PROJ. DEPTH PROJ. FORM CONTRACTOR  
 DTD 11200 FM/TD MSSP  
 DRILLERS T.D. LOG T.D. PLUG BACK TD. OLD T.D. FORM T.D.

LOCATION DESCRIPTION

5 MI NW HUMBLE CITY, NM

CASING/LINER DATA

CSG 13 3/8 @ 418 W/ 425 SACKS 01  
 CSG 8 5/8 @ 4454 W/ 2850 SACKS 02  
 CSG 4 1/2 @ 6705 W/ 869 SACKS 05

TYPE	FORMATION	LTH	TOP	DEPTH/SUB	BSE	DEPTH/SUB
LOG	SN ANDRS		4812	-1005		
LOG	GLORIETA		6214	-2407		
LOG	PADDOCK		6328	-2521		
LOG	TUBB		7556	-3749		
LOG	DRINKARD		7664	-3857		
LOG	ABO SH		8255	-4448		
LOG	WOLFCAMP		8820	-5013		
LOG	CANYON		10209	-6402		
LOG	STRAWN		10842	-7035		
LOG	MSSP		11148	-7341		

FORMATION TEST DATA

DST 1 10302-10338 CANYON 003  
 REC 300.0 FT MUD 2400.0 CC MUD  
 INIT OP 30M IFP 65 FFP 87  
 FINAL OP 2H IFP 87 FFP 87 BHT 152F  
 ISIP 3785 1H FSIP 2732 1H IHP 4940 FHP 4940

CONTINUED IC# 300257080183

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Petroleum Information  
 CORPORATION

P1-WRS-GE  
 Form No 187

READ & STEVENS INC D D  
 1 BLACKMAR

FORMATION TEST DATA

DST 2 10806-10963 STRAWN 004  
 REC 30 0 FT MUD 2400.0 CC MUD  
 INIT OP 30M IFP 109 FFP 109  
 FINAL OP 30M IFP 109 FFP 109  
 ISIP 152 30M FSIP 130 30M IHP 5366 FHP 5366

PRODUCTION TEST DATA

PADDOCK PERF W/ 2/FT 6384- 6396 006  
 PERF 6384- 6396  
 ACID 6384- 6396 6000GALS  
 153  
 NO GALS RPTD

SN ANDRS PERF W/ 2/FT 5668- 5675 007  
 PERF 5668- 5675  
 ACID 5668- 5675 500GALS

SN ANDRS PERF W/ 2/FT 5092- 5110 008  
 PERF 5092- 5110  
 ACID 5092- 5110 500GALS  
 BRPC 5092- 6396 DEPTH 5015  
 NO GALS RPTD

PIP 110 1 UC  
 SN ANDRS PERF W/ 2/FT 4846- 4854 8HRS  
 PERF 4846- 4854 009  
 ACID 4846- 4854 500GALS  
 RPD 75 BFW W/TR O&G IN 8 HRS

LOGS AND SURVEYS /INTERVAL,TYPE/

LOGS GRL CALP CNL  
 LOGS FDC MLAT DLL

OPERATIONAL PROGRESS DETAILS

READ & STEVENS INC  
 BOX 1518  
 ROSWELL, NM 88201  
 1/07 LOC/1983/  
 1/04 DRLG 1240

CONTINUED

READ & STEVENS INC  
1 BLACKMAR

D D

DRILLING PROGRESS DETAILS

01/10 DRLG 4270  
01/16 DRLG 6471  
01/17 DRLG 6975  
01/24 DRLG 9076  
01/31 DRLG 10212  
02/06 DRLG 10664  
02/15 11200 TD, PB 6705, RNG CSG  
02/22 11200 TD, PB 6705, WOCT  
03/06 11200 TD, PB 6705, WOCT  
04/24 11200 TD, PB 6705, WOCT  
05/15 11200 TD, PB 5015, SI  
05/22 11200 TD, HOLDING FOR DATA  
09/25 LOCAL CALL: ATOKA CLASTICS 10950  
BHT 161 F @ 11195  
RIG REL 02/15/84  
06/16 11200 TD  
COMP 5/16/84, D&A  
NO CORES, TWO DSTS RPTD  
09/25 REISSUED TO CORRECT DST & ADD DST  
REPLACEMENT FOR CT ISSUED 6/16/84

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8696  
Order No. R-8062

APPLICATION OF PENNZOIL COMPANY  
FOR POOL CREATION, SPECIAL POOL  
RULES, ASSIGNMENT OF DISCOVERY  
ALLOWABLE, LEA COUNTY, NEW MEXICO

*See Also Order No. R-8062-A*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 11, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 31st day of October, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Pennzoil Company, seeks the creation of a new oil pool for Strawn production in Lea County, New Mexico and the assignment of a discovery allowable to said pool.
- (3) The applicant further seeks the establishment of temporary pool rules, including a provision for 80-acre well spacing and proration units for the proposed pool.
- (4) The evidence presently available indicates that applicant's Viersen Well No. 1, located in Unit I, Section 4, Township 17 South, Range 37 East, Lea County, New Mexico, has discovered a separate common source of supply which should be designated the Shipp-Strawn Pool.
- (5) The vertical limits of the proposed pool should be the Strawn formation as found on the porosity log of the

discovery well, the Vierson Well No. 1, from 11,138 feet to 11,255 feet.

(6) The horizontal limits for the proposed Shipp-Strawn Pool should be as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 33: SE/4 and E/2 SW/4  
Section 34: S/2

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 3: All  
Section 4: E/2 and E/2 W/2  
Section 9: NE/4 and E/2 NW/4  
Section 10: N/2

(7) The above described area is adequate to cover the potential expansion of the subject pool and is designed to avoid overlaps and conflicts with other Strawn Pools in the immediate vicinity.

(8) The rules for this pool should be limited to the area described in Finding (6) above and should not apply to wells drilled within a mile of the outer boundary of this pool.

(9) The evidence presented has established that the discovery well has permeability in the range of 43 millidarcies and calculations utilizing this data show the well has the possible capability to drain an area of 80 acres.

(10) The discovery well for the said pool, Vierson Well No. 1, located in Unit I of Section 4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico is entitled to and should receive a bonus discovery oil allowable in the amount of 55,690 barrels, based upon the top of the perforation in said well at 11,138 feet, to be assigned over a two-year period (77 barrels of oil per day).

(11) In order 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, temporary special pool rules and

regulations providing for 80-acre spacing units should be promulgated for the Shipp-Strawn Pool.

(12) The temporary special rules and regulations should provide for specified well locations in order to assure orderly development of the pool and protect correlative rights.

(13) The temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish conclusively whether the area can be efficiently and economically drained and developed by one well on 80-acre spacing on a permanent basis.

(14) This case should be reopened by the Division at an examiner hearing in November, 1986, at which time the operators in the subject pool should be prepared to appear and show cause why the Shipp-Strawn Pool should not be developed on other than 40-acre spacing units.

IT IS THEREFORE ORDERED THAT:

(1) A new pool in Lea County, New Mexico is hereby created and designated as the Shipp-Strawn Pool with vertical limits being the Strawn formation as found in the porosity log of the Vierson Well No. 1 from 11,138 feet to 11,255 feet and with horizontal limits described as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 33: SE/4 and E/2 SW/4  
Section 34: S/2

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 3: All  
Section 4: E/2 and E/2 W/2  
Section 9: NE/4 and E/2 NW/4  
Section 10: N/2

(2) The Pennzoil Company Vierson Well No. 1 located in Unit I, Section 4, Township 17 South, Range 37 East, Lea County, New Mexico, is hereby authorized an oil discovery allowable of 55,690 barrels to be assigned to said well at the rate of 77 barrels per day in accordance with Rule 509 of the Division Rules and Regulations.

(3) Temporary Special Rules and Regulations for the Shipp-Strawn Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
SHIPP-STRAWN POOL

RULE 1. Each well completed or recompleted in the Shipp-Strawn Pool or in the Strawn formation within said pool limits, 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 the N/2, S/2, E/2, or W/2 of a governmental quarter section.

RULE 3. The Division 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 and the unorthodox size or shape of the unit 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:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard proration unit lies wholly within a single governmental quarter section.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the quarter section or in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located no closer than 330 feet to the outer boundary of its spacing unit and not closer than 990 feet to any other well capable of producing from the Strawn formation.

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall certify that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. An 80-acre proration unit (79 through 81 acres) in the Shipp-Strawn Pool shall be assigned an 80-acre depth bracket allowable of 445 barrels per day and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

RULE 7. The limiting gas-oil ratio for the pool shall be 2,000 cubic feet of gas for each barrel of oil produced.

IT IS FURTHER ORDERED THAT:

(4) The locations of all wells presently drilling to or completed in the Shipp-Strawn Pool are hereby approved.

(5) Pursuant to Paragraph A. Section 70-2-18, NMSA, 1978, contained in Chapter 271, Laws of 1969, existing wells in the Shipp-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

(6) Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable.

-6-

Case No. 8696  
Order No. R-8062

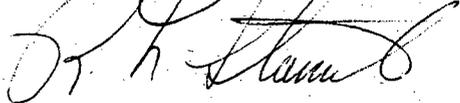
Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Shipp-Strawn Pool shall receive no more than one-half of a standard allowable for the pool.

(7) This case shall be reopened by the Division at an examiner hearing in November, 1986, at which time the operators in the subject pool may appear and show cause why the Shipp-Strawn Pool should not be developed on other than 40-acre spacing units.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



R. L. STAMETS,  
Director

S E A L

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8790  
Order No. R-8062-A

APPLICATION OF THE OIL CONSERVATION  
DIVISION ON ITS OWN MOTION TO AMEND  
DIVISION ORDER NO. R-8062 AND TO  
CONTRACT THE HORIZONTAL LIMITS OF THE  
EAST LOVINGTON-PENNSYLVANIAN POOL,  
LEA COUNTY, NEW MEXICO.

*See Also Order No. R-8062*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 18, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Order No. R-8062 issued on October 31, 1985, in Case No. 8696 classified, created and designated the Shipp-Strawn Pool, promulgated temporary special rules and regulations therefor, and assigned an oil discovery allowable to the Pennzoil Company Viersen Well No. 1, located 2130 feet from the South line and 660 feet from the East line (Unit I) of Section 4, Township 17 South, Range 37 East, NMPM, all in Lea County, New Mexico.

(3) In the present case, the New Mexico Oil Conservation Division (Division) on its own motion seeks the following amendments to Division Order No. R-8062:

- (a) correction of the oil discovery allowable assigned to Pennzoil Company Viersen Well No. 1;

- (b) amendment of the horizontal limits of the pool;
- (c) revision of the well location provisions of the Special Pool Rules to require well locations to be no further than 150 feet from the center of a governmental quarter-quarter section or lot; and
- (d) deletion of the limitation imposed on the pool restricting the applicability of the Special Pool Rules to the area within the pool boundaries.

(4) The Division further seeks to contract the horizontal limits of the East Lovington-Pennsylvanian Pool by the deletion therefrom of the NW/4 NW/4 of Section 4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) The evidence presented in this case indicated that:

- (a) The NW/4 NW/4 of said Section 4 is more properly classified as being in the Shipp-Strawn Pool than the East Lovington-Pennsylvanian Pool;
- (b) there is insufficient evidence at this time to include more than the N/2 and SE/4 of said Section 4 within the boundaries of said Shipp-Strawn Pool;
- (c) the special rules for the Shipp-Strawn Pool should not be limited to that area only within the boundaries of said pool but should apply also within one mile thereof; and,
- (d) rules requiring well locations within 150 feet of the center of the quarter-quarter section would better serve to protect the correlative rights of the owners within said pool.

(6) The evidence presented at this hearing also demonstrated that the discovery allowable assigned to the Pennzoil Company Viersen Well No. 1, located 2130 feet from the South line and 660 feet from the East line of said Section 4, was improperly calculated and should be reduced to 55,595 barrels of oil total.

(7) An order entered amending said discovery allowable, revising said pool boundaries as described above, and incorporating the above described changes in special pool rules

will better protect correlative rights and will not result in waste.

(8) The effective date of this order should be January 21, 1986.

IT IS THEREFORE ORDERED THAT:

(1) The East Lovington-Pennsylvanian Pool as heretofore defined and described is hereby contracted by the deletion therefrom of the NW/4 NW/4 of Section 4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The horizontal limits of the Shipp-Strawn Pool, as heretofore defined and described in Lea County, New Mexico, are hereby amended to include therein the following described area only:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 4: N/2 and SE/4

(3) The temporary Special Rules and Regulations for the Shipp-Strawn Pool are hereby amended to read in their entirety as follows:

"SPECIAL RULES AND REGULATIONS  
FOR THE  
SHIPP-STRAWN POOL

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

RULE 2. Each well completed or recompleted in the Shipp-Strawn Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. 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 Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Shipp-Strawn Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. Top unit allowable for a standard proration unit (79 through 81 acres) shall be based on a depth bracket allowable of 445 barrels per day, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres."

IT IS FURTHER ORDERED THAT:

(4) The location of any well permitted, in drilling to, or completed in the Strawn formation within the boundaries of the Shipp-Strawn Pool prior to January 21, 1986, which location was orthodox under pool rules existing prior to that time and which location is now unorthodox, is hereby approved.

(5) The locations of any other wells presently permitted in, drilling to, or completed in the currently defined Shipp-Strawn Pool or in the Strawn formation within one mile

thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District office of the Division in writing of the name and location of the well on or before April 1, 1986.

(6) The amount of the discovery allowable assigned to the Pennzoil Company Viersen Well No. 1 located 2130 feet from the South line and 660 feet from the East line of Section 4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico, as set out in Division Order No. R-8062 is hereby amended to a total of 55,595 barrels of oil to be produced at a rate not to exceed 76 barrels per day in accordance with Division General Rule 509.

(7) The effective date of this order and of the pool and pool rule changes included herein shall be January 21, 1986.

(8) Pursuant to Paragraph A. of Section 70-2-18, NMSA (1978), existing wells in the Shipp-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Shipp-Strawn Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

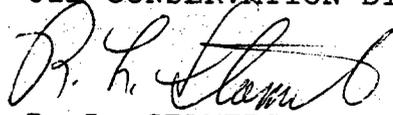
(9) This case shall be reopened at an examiner hearing in November, 1986, at which time the operators in the subject pool may appear and show cause why the Shipp-Strawn Pool should not be developed on 40-acre proration units.

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

-6-  
Case No. 8790  
Order No. R-8062-A

DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



R. L. STAMETS  
Director

S E A L

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

IN THE MATTER OF CASE NOS. 8696 AND 8790 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NOS. R-8062 AND  
R-8062-A, RESPECTIVELY, WHICH PROMULGATED AND AMENDED  
TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE SHIPP-  
STRAWN POOL, LEA COUNTY, NEW MEXICO.

CASE NOS. 8696 and 8790  
Order No. R-8062-B

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 19, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 18th day of December, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Case Nos. 8696 and 8790 were consolidated at the time of the hearing for the purpose of testimony.

(3) By Order No. R-8062 dated October 31, 1985, and issued in Case No. 8696, the Division created, defined, and promulgated temporary special rules and regulations for the Shipp-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

(4) Subsequent to the issuance of said order, the Division, on its own motion, called Case No. 8790 and issued Order No. R-8062-A which amended certain portions of the special rules and regulations promulgated by Order No. R-8062, including well location requirements, horizontal limits, and the area to be governed by said rules.

Cases Nos. 8696 and 8790  
Order No. R-8062-B

(5) Pursuant to the provisions of Order Nos. R-8062 and R-8062-A, both cases were reopened to allow the operators in the subject pool to appear and show cause why the Shipp-Strawn Pool should not be developed on 40-acre spacing and proration units.

(6) Inasmuch as the subject matter in both cases is the same, that being the consideration of adopting permanent special rules and regulations for the Shipp-Strawn Pool, one order should be issued for both cases.

(7) The evidence presented at the hearing establishes that one well in the Shipp-Strawn Pool can efficiently and economically drain and develop 80 acres.

(8) The special rules and regulations promulgated by Order No. R-8062 as amended by Order No. R-8062-A 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.

(9) In order 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-8062 as amended by Order No. R-8062-A should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The special rules and regulations governing the Shipp-Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-8062 as amended by Order No. R-8062-A, are hereby continued in full force and effect until further order of the Division.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
  
R. L. STAMETS  
Director

S E A L  
fd/