

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

APR 13 2001

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

A. Phil Ryan
 Print or Type Name

A. Phil Ryan
 Signature

Commission Coordinator
 Title

4/12/01
 Date

RYANAP@TEXACO.COM
 e-mail Address



April 12, 2001

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Location

C. C. Fristoe `B' Federal NCT-2 Well No. 27
Justis Fowler, Ellenburger Field
Lea County, New Mexico

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner *MS*

Gentlemen:

An Exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The surface hole location of this well is located 2310' EML & 990' FEL, Unit Letter "I", of Section 26, T-24-S, R-37-E. *5*

The location of the C. C. Fristoe `B' Federal NCT-2 #27 was chosen to maximize recovery of Ellenburger hydrocarbons while avoiding zones of reservoir depletion surrounding current producers in the Fowler Ellenburger field. This location is nonstandard only because the Fowler Ellenburger field rules state that wells must be located in the NW or SE quarter of any quarter section. Texaco has drilled an Ellenburger test in the SE quarter of this quarter section at a standard location; as discussed below, it was not productive. The proposed location is standard with regard to the lease lines. (Note: Texaco is also the leaseholder of the offsetting lease to the north, the G. L. Erwin `B' Federal NCT-1).

The positioning of the C.C. Fristoe `B' Federal NCT-2 #27 was based on three factors: (1) location relative to the active Ellenburger producer, the C. C. Fristoe `B' Federal NCT-2 #18 (2) location relative to the failed Ellenburger test (C. C. Fristoe `B' Federal Nct-2 #19), and (3) the uncertainty in the location of the east-bounding fault.

Based on the Ellenburger structure (see attached map), the location of the C. C. Fristoe 'B' Federal NCT-2 #27 is at a similar structural position to the current Ellenburger producer, #18. Since the position of the oil/water contact is unknown, we wish to avoid drilling significantly lower on the structure relative to #18.

The #19 was a failed Ellenburger test that was drilled at a standard location (see map). It failed to produce from the Ellenburger due to the absence of karst-derived reservoir at that location. By placing the proposed location for the #27 on the opposite edge of the structure from #19, we greatly enhance our chances of encountering the Ellenburger reservoir.

Two additional constraints to the location of #27 were the location of the current producer (#18) and the uncertainty of the position of the east-bounding fault. By placing the #27 far to the northeast of the current producer (#18), we minimize interference and depletion issues. Additionally, the proposed location for #27 will reduce the probability of crosscutting the large bounding fault to the east (see map), which would result in a dry hole.

C. C. Fristoe 'B' Federal NCT-2 lease and the two offset leases, G. L. Erwin 'A' lease and G. L. Erwin 'B' NCT-2 are all Federal leases, so royalty ownership is common. Texaco is 100% working interest owner of each of the leases and operator of each of the leases.

Attached is Form C-102 for this well.

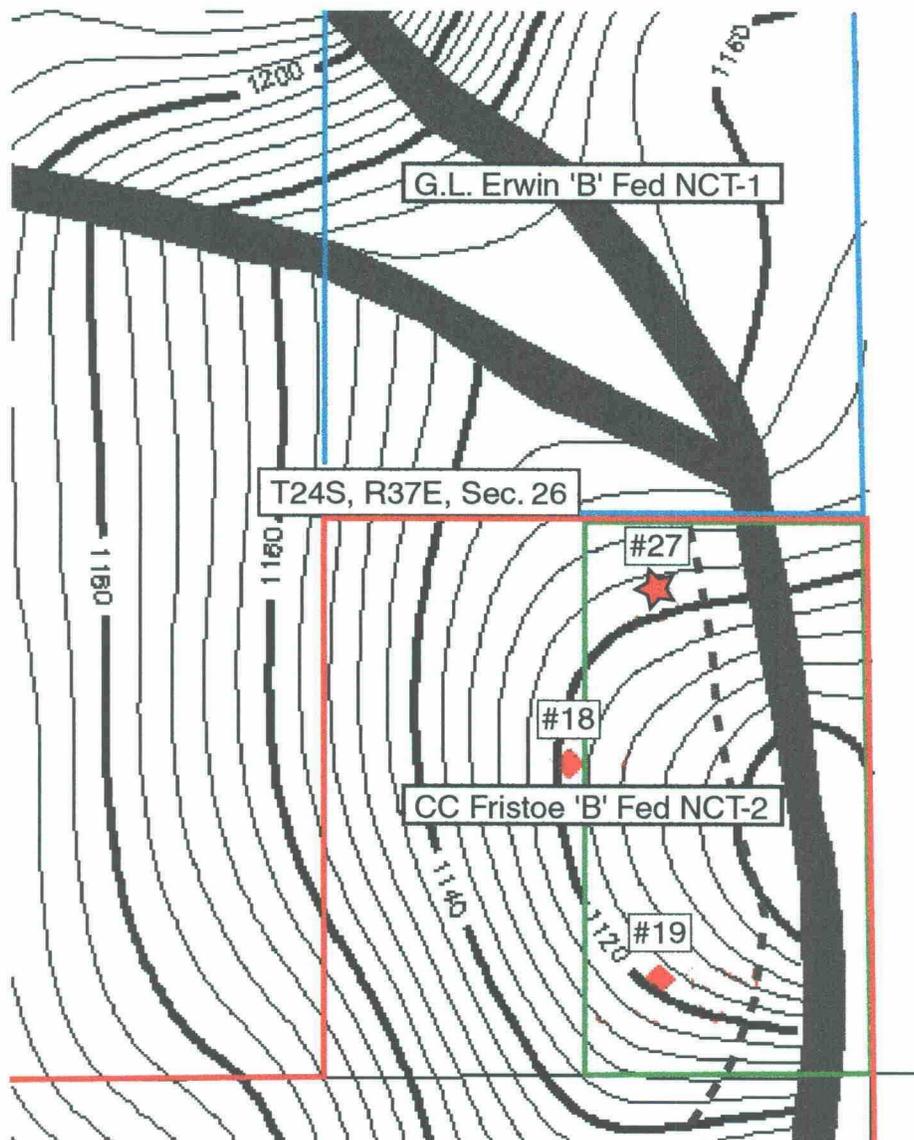
Yours very truly,



A. Phil Ryan
Commission Coordinator

Attachments cc: BLM, Roswell, NM

Structure Map on top of Ellenburger in Fowler Ellenburger Field



The C.C. Fristoe 'B' Fed. NCT-2 #27 is on the same 80 acre proration unit (oriented N-S) as the C.C. Fristoe 'B' Fed. NCT-2 #19. While the #18 is still producing from the Ellenburger, the #19 was a dry hole due to the absence of karst-derived reservoir at that location.

- Red dots are existing wells in the Fowler Ellenburger field.
- Red star is proposed location for the C.C. Fristoe 'B' Fed. NCT-2 #27.
- Red border outlines of the C.C. Fristoe 'B' Fed. NCT-2 lease.
- Light blue border outlines the G.L. Erwin 'B' Fed. NCT-1 lease.
- Thick, gray lines represent the faults bounding this structure.
- Thin, dashed gray line represents the maximum westward position of the east-bounding fault.
- Green rectangle defines 80 acre proration unit.
- Contours are in milliseconds. Contour interval = 4 milliseconds.

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. 391
ORDER No. R-195

THE MATTER OF THE APPLICATION OF
STANOLIND OIL AND GAS COMPANY FOR
AN ORDER ESTABLISHING UNIFORM 80-ACRE
SPACING PATTERN AND ADOPTION OF 80-
ACRE PROPORTIONAL ALLOCATION FACTOR
IN THE COMMON SOURCE OF SUPPLY IN THE
FOWLER (ELLENBURGER) FIELD, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a. m. on August 19, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 23rd day of September, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That geological and engineering data now available to the Commission indicate that one well apparently will drain 80 acres, and that the Fowler (Ellenburger) pool should be developed on 80-acre proration units for a further period of one year.
- (3) That the Fowler Pool as heretofore, classified, defined and described, should be extended to include:

Township 24 South, Range 37 East, NMPM
SE/4 Section 9, S/2 Section 10,
E/2 Section 16, S/2 Section 22,
SW/4 Section 23.

(4) That the operators in the Fowler Pool should present to the Commission a monthly report showing complete production and reservoir information.

IT IS THEREFORE ORDERED:

(1) That 80-acre proration units are hereby established for the Fowler Pool and any extension thereof, the limits of which are hereby designated to include the following probable productive acreage:

Township 24 South, Range 37 East, NMPM
SE/4 Section 9, S/2 Section 10,
W/2 Section 14, All Section 15,
E/2 Section 16, All Section 22,
W/2 Section 23.

(2) That all wells drilled in the Fowler Pool shall be located in the center of either the northwest quarter or the southeast quarter of each governmental quarter section, with a tolerance of 150 feet in any direction to avoid surface obstructions.

(3) That the operator may at his option designate the proration unit for each well as being the north half, south half, east half, or west half of the governmental quarter section in which the well is located.

(4) That no well shall be drilled or produced in said pool except in conformity with the spacing pattern set forth above without special order of the Commission after due notice and hearing.

(5) That individual well allowables for wells drilled in conformity with the spacing pattern set forth above shall be established in accordance with the 80-acre proportional factors provided in the rules and regulations of the Commission.

(6) That this order shall cover all of the Fowler (Ellenburger) Pool common source of supply as discovered in the Stanolind Oil and Gas Company South Mattix Unit No. 1, located 1,980 feet from the south line and 1,980 feet from the east line, Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, and any extension thereof as may be determined by further development and shall continue in force for a period of one year from the first day of October 1952.

(7) That each operator in the Fowler Pool shall file with the Commission office at Santa Fe, New Mexico, on or before the 15th day of each and every month, a monthly tabulated report for each well showing the allowable, the actual oil production, the oil runs, water production, gas production, cumulative oil production, cumulative water production, and cumulative gas production. This requirement is in addition to and supplementary to the other reports and surveys presently required by the Commission, and is not in substitution or in lieu thereof.

Case No. 391
Order No. R-195

(8) That said operators shall cause a pool-wide bottom-hole pressure survey to be taken during the months of November 1952 and May 1953, and the results thereof reflecting such pressures of each well shall be submitted in writing to the Commission on or before the fifth day of the following month. (Bottom-hole pressure tests shall be taken as prescribed by Rule 302 of the Commission's Rules and Regulations.)

(9) At the regular Commission hearing for the month of August in 1953, the operators shall show cause why said pool shall not be placed on a 40-acre spacing pattern with allowable adjustment.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

S E A L

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. 391 (Cont'd.)
ORDER No. R-195-A

THE MATTER OF THE APPLICATION OF
STANOLIND OIL AND GAS COMPANY FOR
AN ORDER ESTABLISHING UNIFORM
80-ACRE SPACING PATTERN AND ADOPTION
OF 80-ACRE PROPORTIONAL ALLOCATION
FACTOR IN THE COMMON SOURCE OF SUPPLY
IN THE FOWLER (ELLENBURGER) POOL, LEA
COUNTY, NEW MEXICO.

TEMPORARY ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for further hearing at 9 a. m. on August 20, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 17th day of September, 1953, the Commission, a quorum being present, having considered the testimony adduced, including that of the original hearing, and the exhibits received at said hearing, 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 heretofore the Commission, by virtue of Order No. R-195, to which reference is hereby made, established 80-acre proration units, a spacing pattern, well allowables, and provided for exceptions and allowable adjustments.
- (3) That Order No. R-195, effective October 1, 1952, was a temporary order for a period of one year after its effective date.
- (4) That additional geological and engineering data have been given the Commission bearing on the matter of 80-acre drainage, and further indicate that the Fowler-Ellenburger Pool, heretofore designated, classified and defined as:

Township 24 South, Range 37 East, NMPM
SE/4 Section 9; S/2 Section 10; W/2 Section 14;
all Section 15; E/2 Section 16; all Section 22;
and W/2 Section 23.

should, for a period of one year from and after October 1, 1953, be developed and produced on 80-acre proration units; and that within that period of time every effort should be made by the interested parties to unitize the entire pool for further protection of correlative rights.

(5) That the operators in the Fowler (Ellenburger) Pool should file with the Commission monthly reports showing complete production and reservoir information.

IT IS THEREFORE ORDERED:

(1) That Order No. R-195 be, and the same hereby is extended, as herein-after modified, for a period of one year from and after October 1, 1953.

(2) That 80-acre proration units are hereby established for the Fowler-Ellenburger Pool and any extensions thereto, the present limits thereof being:

Township 24 South, Range 37 East, NMPM
SE/4 Section 9; S/2 Section 10; W/2 Section 14;
all Section 15; E/2 Section 16; all Section 22;
and W/2 Section 23.

(3) That all wells drilled in the Fowler Pool shall be located in the center of either the northwest quarter or the southeast quarter of each governmental quarter section, with a tolerance of 150 feet in any direction to avoid surface obstructions.

(4) That the operator may at his option designate the proration unit for each well as being the north half, south half, east half, or west half of the governmental quarter section in which the well is located.

(5) That no well shall be drilled or produced in said pool except in conformity with the spacing pattern set forth above without special order of the Commission after due notice and hearing.

(6) That individual well allowables for wells drilled in conformity with the spacing pattern set forth above shall be established in accordance with the 80-acre proportional factors provided in the rules and regulations of the Commission.

(7) That this order shall cover all of the Fowler (Ellenburger) Pool common source of supply as discovered in the Stanolind Oil and Gas Company South Mattix Unit No. 1, located 1,980 feet from the south line and 1,980 feet from the east line, Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, and any extension thereof as may be determined by further development and shall continue in force for a period of one year from the first day of October 1953.

(8) That each operator in the Fowler Pool shall file with the Commission office at Santa Fe, New Mexico, on or before the 15th day of each and every month, a monthly tabulated report for each well showing the allowable, the actual oil production, the oil runs, water production, gas production, cumulative oil production,

Case No. 391 (cont'd.)

Order No. R-195-A

cumulative water production, and cumulative gas production, This requirement is in addition to and supplementary to the other reports and surveys presently required by the Commission, and is not in substitution or in lieu thereof.

(9) That said operators shall cause a pool-wide bottom-hole pressure survey to be taken during the months of November 1953 and May 1954, and the results thereof reflecting such pressures of each well shall be submitted in writing to the Commission on or before the fifth day of the following month. (Bottom-hole pressure tests shall be taken as prescribed by Rule 302 of the Commission's Rules and Regulations.)

(10) At the regular Commission hearing for the month of August in 1954, the operators shall show cause why said pool shall not be placed on a 40-acre spacing pattern with allowable adjustment.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

S E A L

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. 391
ORDER NO. 195-B

THE MATTER OF THE APPLICATION
OF STANOLIND OIL AND GAS COMPANY
FOR AN ORDER ESTABLISHING UNIFORM
80-ACRE SPACING PATTERN AND ADOPTION
OF 80-ACRE PROPORTIONAL ALLOCATION
FACTOR IN THE COMMON SOURCE OF SUPPLY
IN THE FOWLER (ELLENBURGER) POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for further hearing at 9 a. m. on August 18, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of October, 1954, the Commission, a quorum being present, having considered the testimony adduced, including that of the original hearing and subsequent hearing, and the exhibits received at said hearing, 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 heretofore the Commission, by virtue of Order No. R-195, to which reference is hereby made, established 80-acre proration units, spacing pattern, and well allowables, and provided for exceptions and allowable adjustment; that said Order No. R-195, effective October 1, 1952, was a temporary order for a period of one year after its effective date.

(3) That thereafter and prior to the expiration of Order No. R-195, the Commission, after due notice and hearing, issued Order No. R-195-A, which granted an extension of Order No. R-195, as modified, for a period of one year from and after October 1, 1952, and which authorized development and production of the Fowler (Ellenburger) Pool on an 80-acre spacing pattern with 80-acre proration units.

(4) That for the prevention of waste and in the interests of conservation the provisions of said Commission's Temporary Order No. R-195-A, as hereinafter modified and set forth, should be made permanent.

IT IS THEREFORE ORDERED:

(a) That 80-acre spacing of wells and 80-acre proration units are hereby established for the Fowler (Ellenburger) Pool and any extensions thereof, the present limits thereof being:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
SE/4 Section 9; S/2 Section 10; W/2 Section 14;
All Section 15; E/2 Section 16; All Section 22;
W/2 Section 23; NW/4 Section 26; and NE/4
Section 27.

(b) That all wells drilled in the Fowler (Ellenburger) Pool shall be located in the center of either the Northwest quarter or the Southeast quarter of each governmental quarter section, with a tolerance of 150 feet in any direction to avoid surface obstructions.

(c) That the operator may at his option designate the proration unit for each well as being either the north half, south half, east half, or west half of the governmental quarter section in which the well is located.

(d) That no well shall be drilled or produced from said pool except in conformity with the spacing and proration pattern set forth above without special order of the Commission after due notice and hearing.

(e) That individual well allowables for wells drilled in conformity with the spacing pattern set forth above shall be established in accordance with the 80-acre proportional factors as provided in Rule 505 (b) of the Rules and Regulations of the Commission.

(f) That this order shall cover all of the Fowler (Ellenburger) Pool common source of supply as discovered in the Stanolind Oil and Gas Company South Mattix Unit No. 1, located 1,980 feet from the south line and 1,980 feet from the east line, Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, and any extension thereof as may be determined by further development.

(g) That each operator in said pool shall take or cause to be taken bottom-hole pressure tests of each producing well operated by him in said pool during the month of May of each calendar year; the results of such tests shall be tabulated, and reflect the pressure of each well; the same shall be filed on or before the 5th day of June, of each calendar year, with the Commission at Santa Fe, New

Mexico (with copy to Hobbs office); it is further provided, that such bottom-hole pressure tests shall be taken in conformity with the requirements of Rule 302 of the Commission's Rules and Regulations as revised.

This order supersedes all previous temporary orders and interlocutory orders heretofore issued in this case.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

S/ EDWIN L. MECHEM, Chairman

S/ E. S. WALKER, Member

S/ W. B. MACEY, Secretary and Member

S E A L

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/01/01 07:51:26
OGOMES -TPRI
PAGE NO: 1

Sec : 26 Twp : 24S Rng : 37E Section Type : NORMAL

D 40.00 Federal owned A	C 40.00 Federal owned A	B 40.00 Federal owned A	A 40.00 Federal owned A
E 40.00 Federal owned A	F 40.00 Federal owned	G 40.00 Federal owned A A	H 40.00 Federal owned A

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

05/01/01 07:51:32
OGOMES -TPRI
PAGE NO: 2

Sec : 26 Twp : 24S Rng : 37E Section Type : NORMAL

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M 40.00 Federal owned A A	N 40.00 Federal owned A A	O 40.00 Federal owned A	P 40.00 Federal owned A A

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

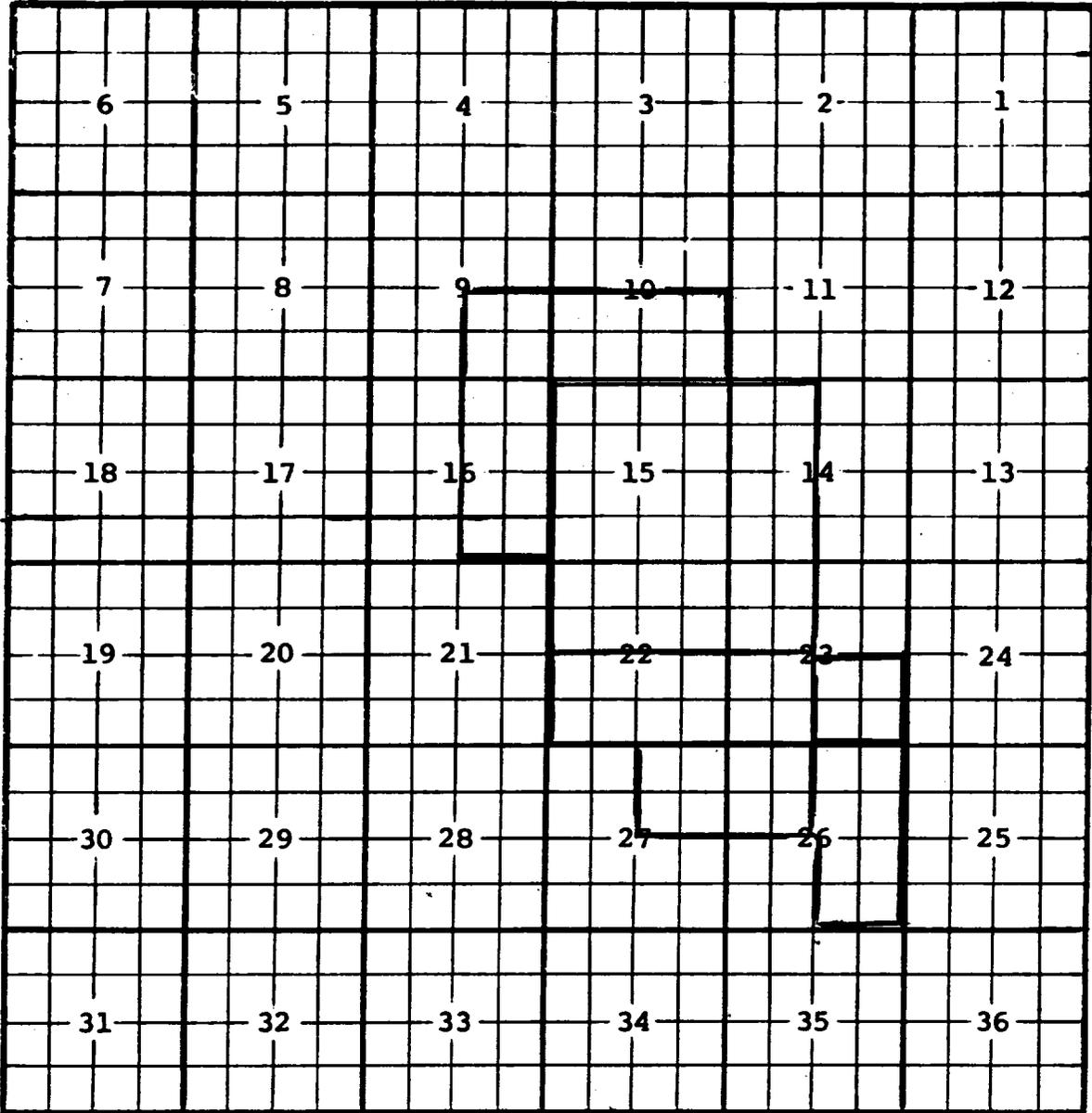
COUNTY Lea

POOL Fowler - Ellenburger

TOWNSHIP 24 South

RANGE 37 East

NMPM



Description: $\frac{1}{2}$ Sec. 14; All Sec. 15; $\frac{1}{2}$ Sec. 22; $\frac{NW}{4}$ Sec. 23 (850, 1-1-50)

Ext: $\frac{SE}{4}$ Sec. 9; $\frac{S}{2}$ Sec. 10; $\frac{E}{2}$ Sec. 16; $\frac{S}{2}$ Sec. 22; $\frac{SW}{4}$ Sec. 23 (R-195, 9-23-52)

- $\frac{NW}{4}$ Sec. 26; $\frac{NE}{4}$ Sec. 27 (R-195B, 10-4-54) - $\frac{SE}{4}$ Sec. 23 (R-2911, 6-1-65)

Ext: $\frac{E}{2}$ Sec. 26 (R-10795, 4-28-97)