ELK OIL COMPANY ON DW

JOSEPH J. KELLY PRESIDENT BOX 310

ROSWELL, NEW MEXICO APR 2002 PM 2: 00

(505) 663-3090

Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Attention:

Michael Stogner

Re:

Hi-Way State #1

2417' FSL; 2245' FEL Section 36-T10S-R27E

Chaves County, New Mexico

Gentlemen:

Elk Oil Company respectfully requests administration approval for the unorthodox gas well location of our Hi-Way State #1 well as referenced above.

Elk is re-entering said well, plugging back to 6300' to test the Penn and Wolfcamp formations for gas.

Elk is requesting offset mineral owners to approve said unorthodox location. All offset mineral owners are exactly the same as to ownership. Elk will forward all waivers.

Elk is enclosing the following information:

- 1) State Forms C-101 and C-102
- 2) Correspondence from Primero Operating Company
- 3) Lease map outlining offset mineral owners
- 4) Plugged well report, State Form C-105 Primero Operating Co.

Please approve our request for an unorthodox location.

Yours very truly, ELK OIL COMPANY

Joseph J. Kel

JJK/jgb Enc.

1 De fari

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

320

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources

Form C-102 Revised March 17, 1999

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505 Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

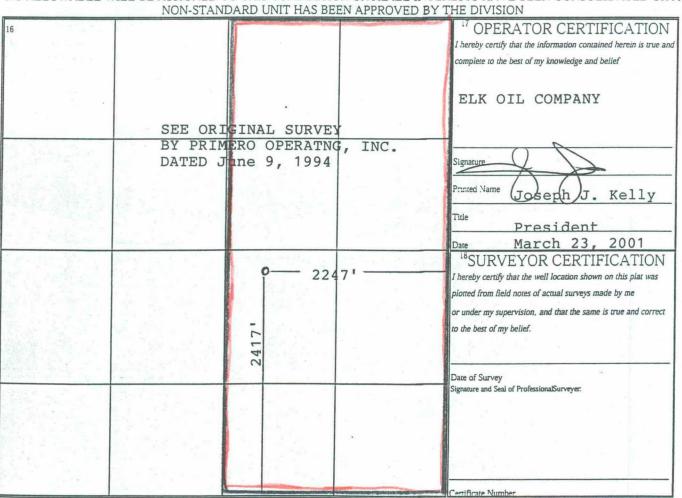
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	² Pool Code	² Pool Nam	e
30-005-63021	1 (38, 3)		
Property Code		⁵ Property Name	
	Hi-Way	State	1
OGRID No.	^a Operator Na	nme	⁵ Elevation
7147	ELK OIL	COMPANY	3698'
/14/	ELK OIL 10 Surface L] 36

UL or lot no. Lot Idn Feet from the North/South line Feet from the East/West line Section Township Range County 27E 36 10S 2417 South 2245 East Chaves ¹¹ Bottom Hole Location If Different From Surface UL or lot no. Lot Idn Feet from the North/South line Section Township Range Feet from the East/West line County Dedicated Acres Order No. 12 Joint or Infill Consolidation Code

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL AL INTERESTS HAVE BEEN CONSOLIDATED OR A
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



District I

State of New Mexico

Form C-101 Revised March 17, 1999

1625 N. Franch Drive, Hobbs, NM 88240

Energy, Minerals & Natural Resources Department

Instructions On Back

District II

811 S. First Storet, Actosia, NM 88210

District III

1000 Rio Bzszos Rd, Aztac, NM 87410

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87504-2088

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

anta Fe, NM 87	505							AMEND	ED REPORT
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STANDARD BOP.

23 I hereby eartify that the information given above is true and complete to the best		OIL CONSERVATION D	IVISION			
of my knowledge and						
Signatum:	ELK OIL COMPANY	Approwd By:				
Printed name:	JOSEPH J. KELLY	Title:				
Title:	PRESIDENT	Approval Data:	Expiration Date:			
Date:	Phone:	Conditions of Approval:				
3/23/01	505-623-3190	Attached				

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

JUL _ 8 1994

IN THE MATTER OF THE APPLICATION OF PRIMERO OPERATING, INC. FOR APPROVAL OF AN UNORTHODOX OIL WELL LOCATION, CHAVES COUNTY, NEW MEXICO

CASE:	

APPLICATION

Comes now PRIMERO OPERATING, INC., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location for its Hi-Way State Well No. 1 which currently is being drilled at an unorthodox oil well location 2417 feet FSL and 2245 feet FEL (Unit J) Section 36 Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico for possible production from the Devenian formation and to be dedicated to a standard 40 acre oil spacing unit consisting of the NW/4SE/4 of said Section 36.

In support thereof, Applicant states:

- 1. Applicant, Primero Operating, Inc. has 100% of the working interest in all of Section 36, T10S, R27E, N.M.P.M, Chaves County, New Mexico which constitutes a single State of New Mexico Oil & Gas Lease.
- 2. Due to the July 1, 1994 expiration of this lease. Primero Operating Inc. has commenced drilling of its Hi-Way State Well No. 1 at an unorthodox oil well location for possible production from the Devonian formation 2417 feet FSL and 2245 feet FEL (Unit J) Section 36,
- 3. It is crucial to locate any Devonian test on the absolute highest point on structure.

Primero Operating, Inc. NMOCD Application Page 3

- 4. The unorthodox well location is based upon a 3-D seismic survey which indicates that the optimum location for a well in Unit J is at a location that is 223 feet from the north boundary of its spacing unit rather than the standard 330 feet. See Exhibit "A"
- 5. The well is located more than one mile from the current boundaries of any Devonian Oil pool and is subject to the Division general statewide rules including well spacing of 40-acre oil spacing and 330 foot setbacks. Apparently, the closest Devonian oil pool is the Race Track-Devonian Pool located in the NE/4SE/4 of Section 13, T10S, R27E, NMPM.
- 6. The well only encroaches towards the SW/4NE/4 of Section 36 which has the same ownership as the subject 40-acre spacing unit.
- 7. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in this portion of the Devonian formation and will otherwise prevent waste and protect correlative rights.
- 8. In accordance with Division Rule 1207, there are no offsetting parties to whom notification is required.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY

W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

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<u>District 1</u> P.O. Ber 1980, Helbe, NM 22240

OLL CONSERVATION DIVISION P.O. Box 2033

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Post-it Fax Note 7672	No. of Pages 7 Today's Dalo 7/0/ Time
TO MICHAEL STOGNER	From JOSEPH J. KELLY
COMPANY DIL CONSERVATION DIVISION	Company ELK OIL COMPANY
LOCATION SANTA FE, NM	Location ROWELL, MM Dept. Charge
Fax # 505-476 - 3462 Telephone #	Fax # 505-623-5001 Telephone #55-623-3190
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	ESATION PLEASE FIND WAIVERS FOR
OFFSET MINERAL UNNERS REGARDING TI	
HI-WAY STATE # I WELL HARD COPIES TO	FOLLOW IN MAIL. THANKYOU, TEKELY

JOSEPH J. KELLY PRESIDENT

BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190

May 7, 2001

Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Attention:

Michael Stogner

Re:

Hi-Way State #1 2417' FSL; 2245' FEL Section 36-T10S-R27E

Chaves County, New Mexico

Gentlemen:

Enclosed please find copies of the waivers from the offset mineral owners regarding the above referenced.

If you need additional information please advise.

Yours very truly, **ELK OIL COMPANY**

Joseph L. Kelly

President

JJK/jgb Enc.

JOSEPH J. KELLY PRESIDENT BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, Pure Energy Group, Inc., has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417 FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

PURE ENERGY GROUP, INC.

Rv.

Title

4/36/

Date

JOSEPH J. KELLY PRESIDENT BOX 310

ROSWELL, NEW MEXICO 88202
(505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, Samedan Royalty Corporation, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417 FSL; 2245 FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

SAMEDAN ROYALTY CORPORATION	
The Dulie	•
By:	
Title	
7 30 01	

JOSEPH J. KELLY PRESIDENT BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, L.E. Minerals, Ltd., has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodex location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

L.E. MINERALS, LTD.

By

General Porture

Title

Date

JOSEPH J. KELLY PRESIDENT BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190 April 18, 2001

WAIVER

As an offset mineral owner, Plains Radio Petroleum Company, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

PLAINS RADIO
PETROLEUM COMPANY

By: D.K. BOYP

PRESIDENT

Title

4/25/01

Date

JOSEPH J. KELLY PRESIDENT BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190 April 18, 2001

WAIVER

As an offset mineral owner, J.E. & L.E. Mabee Foundation, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

J.E. & L.E. MABEE FOUNDATION

VICE CHATRMAN
Title

APRIL 23, 2001
Date

Joseph J. Kelly President BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190 April 18, 2001

WAIVER

As an offset mineral owner, Bellwether Exploration Company, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

BELLWETHER EXPLORATION CO.

By: James L. ENLOW

Title LANG MANAGOR

14/30/01

Page: 1 Document Name: untitled

05/07/01 12:56:08 ONGARD CMD :

C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP2C OG6C101

OGRID Idn : 7147 API Well No: 30 5 63021 APD Status(A/C/P): A

Opr Name, Addr: ELK OIL CO Aprvl/Cncl Date : 03-23-2001

PO BOX 310

ROSWELL, NM 88201

Well No: 1 Prop Idn: 27955 HI-WAY STATE

U/L Sec Township Range Lot Idn North/South East/West

Surface Locn : J 36 10S 27E FTG 2417 F S FTG 2245 F E

OCD U/L : J API County : 5

Work typ (N/E/D/P/A) : E Well typ (O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : F

Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation: 3698

State Lease No: VO 4978 Multiple Comp (S/M/C) : S

Prpsd Depth : 6300 Prpsd Frmtn : WILDCAT

E0009: Enter data to modify record

PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM PF09 PRINT PF10 C102 PF11 HISTORY PF12 PF01 HELP PF02

PF07 PF08

Date: 5/7/2001 Time: 01:30:56 PM

Page: 1 Document Name: untitled

CMD : OG5SECT ONGARD

INQUIRE LAND BY SECTION

05/07/01 12:55:43 OGOMES -TP2C

PAGE NO: 1

Sec : 36 Twp : 10S Rng : 27E Section Type : NORMAL

D	C	B	A
40.00	40.00	40.00	40.00
CS	CS	CS	CS
V04978 0000	V04978 0000	V04978 0000	V04978 0000
MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY COF
11/01/01	11/01/01	11/01/01	11/01/01
E	F	G	Н
40.00	40.00	40.00	40.00
CS	CS	CS	CS
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MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY COF
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		l	
F01 HELP PF02		F04 GoTo PF05	PF06
F07 BKWD PF08 FWI	D PF09 PRINT P	F10 SDIV PF11	PF12

Date: 5/7/2001 Time: 01:22:35 PM

Page: 1 Document Name: untitled

CMD : OG5SECT ONGARD

INQUIRE LAND BY SECTION

05/07/01 12:55:48 OGOMES -TP2C

PAGE NO: 2

Sec : 36 Twp : 10S Rng : 27E Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
CS	CS	CS	CS
V04978 0000	V04978 0000	V04978 0000	V04978 0000
MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY CO
11/01/01	11/01/01	11/01/01	11/01/01
		A	}
M	N	0	¦ P
40.00	40.00	40.00	40.00
CS ¦	CS	CS	CS
V04978 0000	V04978 0000	V04978 0000	V04978 0000
MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY COR	MARBOB ENERGY CO
11/01/01	11/01/01	11/01/01	11/01/01
F01 HELP PF02	PF03 EXIT P	F04 GoTo PF05	PF06
F07 BKWD PF08 FWD	PF09 PRINT PI	F10 SDIV PF11	PF12

Date: 5/7/2001 Time: 01:22:38 PM

SANTA FE	NEW MEXICO OIL CONSERY	ATION COMMISSION SEE	Supersedes Old C-102 and C-103 // Elloc(एक्ट) (त्व-65	· 🔏
U.S.G.S. LAND OFFICE CPERATOR		194 OC 1977	Su. Indicute Type of State Off & Gas i	' Fee
SUNDRY HOT	TICES AND REPORTS ON WELL	LS . A DIFFERENT RESERVOIR.	V-3008	
I. OIL GAS OTHER		RECEIVED	7. Unit Agreement N	uce 7777777
2. Name of Operator Primero Operating, Inc.			8. Form or Louse No HI-WAY STATE	ins
1. Address of Operator P. O. Box 1433, Roswell, NM 88202-1	433	.All 28.194	9. Well No.	
i. Lection of Well UNIT LETTER J 2417	FEET FROM THE South LIN	O. C. D.	W/C Devonian	se Wildom
THE East LINE, SECTION 36	TOWNSHIP 10-S	RANGE 27-E NMPM		
	15. Elevetion (Show whether DF, RT 3698 GR	C, GR, cic.)	12. County Chaves	
NOTICE OF INTENT		SUBSEQUEN	her Data T REPORT OF:	
PERFORM REMEDIAL WORK TEMPERARILY AGANDON PULL OF ALTER CASING	CHANGE PLANS CASING	ENCE DRILLING OPMS. G TEST AND CEMENT JQ8	ALTERING C	DHEAS
17. Describe Proposed on Completed Operations (Clearly state all pertinent details, and	l give pertinent dates, including	estimated date of starti	ing any propo
Drilled 7-7/8" hole to 6881' and logged by Gary Williams of the NMOCD. The	ed well. The well was determi	ined to be dry and a plug	•	•
1st plug - 35 sx Class H 6688-6588 2nd plug - 35 sx Class H 5770-5670			·	
3rd plug - 35 sx Class H 5036-4936 4th plug - 35 sx Class H 2862-2762 5th plug - 35 sx Class H w/ 3% CaCl 6th plug - 35 sx Class H 414-314	1546, tagged at 1456'			
7th plug 25 sx Class H 50' to surface A dry hole marker will be set and the		levelled.	·	·
A dry note marker will be set and the	Total on with secretaria			
18. I hereby certify that the information above is tr	ue and complete to the best of my know	riedge and belief.		
ICNED .	TITLE President		DATE07/25/9)4
And John John	/ GEOLOGIS	Γ	DATE 7-29-9	ļ
ONDITIONS OF APPROVAL, IF ANY!				

5th plug - 35 sx Class H w/ 3% Ca 6th plug - 35 sx Class H 414-314 7th plug 25 sx Class H 50' to sur	face I the location will be cleared and		DATE	
5th plug - 35 sx Class H w/ 3% Ca 6th plug - 35 sx Class H 414-314 7th plug 25 sx Class H 50' to sur A dry hole marker will be set and	the location will be cleared and the location will be cleared and else true and complete to the best of my known president.		07/25/94	
5th plug - 35 sx Class H w/ 3% Ca 6th plug - 35 sx Class H 414-314 7th plug 25 sx Class H 50' to sur A dry hole marker will be set and	face I the location will be cleared and			
5th plug - 35 sx Class H w/ 3% Ca 6th plug - 35 sx Class H 414-314 7th plug 25 sx Class H 50' to sur	face	levelled.		
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5th plug - 35 sx Class H w/ 3% Ca 6th plug - 35 sx Class H 414-314	•			
5th plug - 35 sx Class H w/ 3% Ca 6th plug - 35 sx Class H 414-314	•			
	C1 1586 tagged at 1856'			
4th plug - 35 sx Class H 2862-276	52			
2nd plug - 35 sx Class H 5770-567 3rd plug - 35 sx Class H 5036-493				
1st plug - 35 sx Class H 6688-658				
	The well was plugged as follows on		JJJ P. OCCAMIC MAS A	O T C (
•	logged well. The well was determi	ined to be dry and a nlu	gging procedure was a	pproved
17. Describe Proposed of Completed Operationsky SEE RULE 1103.	ions (Clearly state all pertinent details, and	l give pertinent dates, includin	c estimated date of starting	any brot
OTHER				
PULL OR ALTER CASING	— [G YEST AND CEMENT JQB	· · ·	
TEMPCRARILY ABANDON	СОММ	ENCE DRILLING OPNS.	PLUG AND ABA	
PERFERM REMEDIAL WORK	PLUG AKD ABANDON REMED	DIAL WORK	ALTERING CAS	ING
NOTICE OF INTE		•	T REPORT OF:	
Check Ass	3698 GR propriate Box To Indicate Nature	of Notice, Report or O		77,77
	15. Elevation (Show whether DF, RI	T, GR, etc.)	12, County Chaves	
THEEAST LINE, SECTION _	36 TOWNSHIP 10-S	RANGE 27-E NMP		
UNIT LETTER	FERT FROM THE SOUCH LIN			
J 24	17 Causta -	_	10. Field and Pool, or W/C Devonian	Wildent
P. O. Box 1433, Roswell, NM 882	202-1433	O. C. D. ARTESIA, OFFICE	9. Well Ro.	
Primero Operating, Inc.			HI-WAY STATE	
2. Name of Operator	OTHER-	JUI 28 '94	8. Farm or Louse Hame	
0:L GAS D	C FOR PERSON IN COUNTY OF THE PACE	The Contract of the Contract o	7. Unit Agreement For.	~ 777777
SUNDRY	NOTICES AND REPORTS ON WEL	LS		
CHERATOR	184 SE- 25 AM 8 52		V-3008	use No.
LAND OFFICE	· ~ ~		Stote X	Fee
	OF CONSER . IN DIVISION RESERVED	74. 71.	Sq. Indicute Type of L	,eu:.0
F11.E U.5.G.S.			Ellective 1-1-65	
SAITA FE FILE U.S.G.S.	NEW MEXICO OIL CONSERVA	ATION COMMISSION	C-102 and C-103	

33. Date First Production Date of Test Flow Tubing Press. 34. Disposition of Gas 35. List of Attachments 36. I hereby certify than	Hours Tested Casing Pressure (Sold, used for fuel	liour Acte		Gas - h		Test Witnessed E	
Date of Test Plow Tubing Press. J4. Disposition of Gas	Hours Tested Casing Pressure (Sold, used for fuel	Calculated 2- Hour Bate	Test Period			r – Bbi. Cii	Gravity - AFI (Corr.)
Date First Production Date of Test Flow Tubing Press.	Hours Tested Casing Pressure	Calculated 2- Hour Bate	Test Period			r – Bbi. Cii	Gravity - AFI (Corr.)
Date First Production Date of Test	Hours Tested	Calculated 2	Test Period				<u> </u>
Date First Production		Choke Size		Oil — Bbl.	Gas — MCF	Water — Birl.	Gas - Oil Ratio
	Produc				····		
33.		tion Liethod (Flo	wing, gas lift, pum		d type pump)	Well Statu	s (Prod. or Shut-in)
			PROD	DUCTION			
			ere en		INTERVAL		ND MATERIAL USED
31. Perforation Record	(Interval. size and	number)	1	32.	ACID, SHOT FRA	CTURE, CEMENT SO	UEEZE, ETC.
				JUNEEN	3125	OEF IN SE	FACRETSET
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	30.	TUBING REC	PACKER SET
	- 1"	200.		7			
13-3/8 8-5/8	24#	1557			400 sx "C" 450 sx Lite	e, 200 sx "C"	+ .
CASING SIZE	WEIGHT LB.			LE SIZE		ING RECORD	AMOUNT PULL
28.		CA	SING RECORD (Re	port all string	s set in well)		
26. Type Electric and CNL-LDT, DLL-MSF	r vita i Tilla e i e				•	27.	was Well Cared No
None					<u>.</u>		Yes
and a second times act	init of the complet	10p, 20110	my stude	. 1. 42			Made
6881 1 24. Producing Interval	(s), of this complete	ion – Ton Botto		N/A	- Crimes i	<u>→</u> : 6881'	25. Was Directional Su
20. Total Depth		g Back T.D.		ple Compl., Ho		Rotary Tools	Carle Tools
15. Date Spudded 06/30/94	07/24/94		e Compl. (Ready to N/A	rroa.) le.	3698 GR	KB. RT, GR, etc.) 19	, Elev. Jashinghead - N/A
THE East LINE O			GE. 27-E			Chaves	
ONIT CETTER	LOCATES	***	· · ·	IIIII		1ount)	milli
UNIT LETTER J	LOCATED	2417	FROM THE South		2245		
4. Location of Well			a to the total of	<u> </u>			
P. O. Box 1433,		202-1433		• • • • •		. }	mii ool, or Fildeat Devonian
Primero Operatin	g, Inc.		· · · · · · · · · · · · · · · · · · ·	·	- ANTEGRA, OFF	1	
2. Name of Operator	VER DEEPE	IN L BAC	a ACSVA	OTHER	O. C. D ARTESIA, OFF	A 2 - U 32	
D. TYPE OF COMP.	OR4	•••	6 [] DIFF. [e, l'ura e	Le me Hame
	81L			7	JUI 28.3	ì	
Id. TYPE OF WELL				<u> </u>			programma 13 since
OPERATOR		- ' SH SED!	25 AM 8 5	52	CEIVE		vivitimi
U.S.G.S.		Î	₹ElesED	·		V-3008	il 6 Jm Leine Ho.
FILE .	,		MEXICO OIL C			ND LOG	
SANTA FE	<u> </u>			:	: 	Car Indica	in Type of Leine
DISTRIBUTIO			+ 2 - 3				C-105 5

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-intitled deepened well. It shall be accompanied by one copy of all electrical and inflo-activity logs run on the well and a summary of all special tests of ducted, including drill storm tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except state land, where six copies are required. See flute 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

						Northwestern New Mexico				
T. An	hy		Т	Canvon		T. Oio	Mamo		т.	Penn. "B"
T. Sa	11		т	Strawn		T. Kirtl	nd-Frui	tland	т.	Penn. "C"
	it		т.	Atoka		T. Pictu	red Clif	(s	т.	Penn. "D"
T. Ya	tes 346	<u> </u>	Т.	Miss6660		T. Cliff	House_		т.	Leadville
T. 71	Rivers		Т.	Devonian 6798		T. Mene	fec		т.	Madison
T. Qu	een826	<u> </u>	т.	Silurian		T. Point	Lookou	t	т.	Elbert
T. Gr	ayburg		Т.	Montoya		T. Manc	os		Т.	McCracken
T. Sa	n Andres									Ignacio Qtzte
T. G1	orieta		т.	McKee	1	Base Gree	enhorn _		т.	Granite
T. Pa	ddock		т.	Ellenburger		r. Dako	a		т.	
				Gr. Wash					T.	
-	bb		T.	Granite		r. Todil	10		т.	
T. Dri	nkard	• • •	т.	Delaware Sand		r. Entra	da		т.	· · · · · · · · · · · · · · · · · · ·
T. Ab	4986			Bone Springs						
T. Wo	Ifcamp	832	Т.			r. Chini	e		т.	
T. Pe)	т.		7	C. Permi	an	·	т.	
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No. 3, fr	om			.to		lo. 6. fro	m			_to
						•				
				IMP	ORTANT	WATER	SAND	S		
713-			• •						-	
include	data on ra	te of water	inflow an	d elevation to which wa	iter rose in	hole.		-		
No. 1, fr	om			to				feet		
•				•						.,
•						•	••	feet.		·····
No. 3, fr	om	······		to		-		foet.		·
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No. 4, 10	omm									20 022 01 1 100 01 02 020 01 0 1020 1 0 100 020 0 100 020 0 100 0
				FORMATION RECORD	(Attach a	iditional	sheets i	f necessary)		
From	To	Thickness in Feet		Formation	.	From	To	Thickness in Feet		Formation
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From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
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	<u> </u>			·		<u></u>	



DRILLING CO., INC. - DIL WELL DRILLING CONTRACTORS

P. O. BOX 1498 ROSWELL, NEW MEXICO 88202-149 505/623-5070 ROSWELL, NM

505/746-2719 ARTESIA, NM

July 25,1994

Primero Operating, Inc. P.O. Box 1433 Roswell, N.M. 88202

RE: Highway State #1

Gentlemen:

The following is a Deviation Survey on the above referenced well located in Chaves County, New Mexico.

338' - 1 1/4° 787' - 1 1/4° 1275' - 1 1/4° 1557' - 1°	2318' - 3/4° 2800' - 3/4° 3258' - 3/4° 3747' - 1°	4605' - 1° 5091' - 1° 5581' - 1° 5980' - 1°
2029' - 3/4°	4234' - 1°	6479' - 1° 6810' - 1°
		0010 - 1

Sincerely

Chappel1 Contbacts Manager

STATE OF NEW MEXICO)

COUNTY OF CHAVES

The foregoing was acknowledged before me this 25th day of July 1994 by Gary W. Chappell.

MY COMMISSION EXPIRES

October 07,1996

NOTARY PUBLIC

		record Commercial	
SAUTA FE NEW MEXICO OF	OL CONCEDIATION COUNSSION	Supersedes Old C-102 and C-103	5
SIL COVERE	IL CONSERVATION COMMISSION	Ellective 1-1-65	
U.S.G.S.	Olvision	Sa. Indicate Type of Leas	
LAND OFFICE		State X	Fee [
CPERATOR ST SEJ 25 000	_	5. State Off & Gua Lense	Xo.
CHERATOR 194 SE 25 AM &	3 52	V-3008	
SUNDRY NOTICES AND REPORT	TS ON WELLS		
1.	RECEIVED	7. Unit Agreement Flume	7/777
WELL OTHER-			
2. Name of Operator		8. Form or Lease Hame	
Primero Operating, Inc.	<u>nil - 6.'94</u>	Hi-Way State	
1. Address of Contact		9. Well Ro.	
P. O. Box 1433, Roswell, NM 88202-1433	O. C. D.	10. Field and Fool, or Wil	deat
0/17	ARTESIA, OFFICE	Wildcat, Devon	
UNIT LETTER J	LINE AND FEET FROM		1777;
THE East LINE, SECTION 36 TOWNSHIP	10-South RANGE 27 East NAMES		
	and a DE DT CD and		الملالية
3698 GR	whether DF, RT, GR, etc.)	Chaves	
			77777
Check Appropriate box to indic	cate Nature of Notice, Report or Ot	ner vata T REPORT OF:	
NOTICE OF INTENTION TO.	300323028	i ital offi of .	
PERFORM REMEDIAL WORK PLUG AND ABANDO	ON REMEDIAL WORK	ALTERING CASING	s [
TEMPCRARILY ABANDON	COMMENCE DRILLING OPNS.	PLUG AND ABANDO	DHMENT [
PULL OR ALTER CASING CHANGE PLANS	CASING TEST AND CEMENT JOB X		٠,
•	OTHER	· · ·	
OTHER			
17. Describe Proposed or Completed Operations (Clearly state all pertin	ent details, and give pertinent dates, including	estimated date of starting as	rh Leatinz
wak) SEE RULC 1103.			
Commenced drilling operations on 06/30/94.	•		
2001 7 0 11 12 1	2/011	ide above and true (`o\
Drilled a 17½" hole to 338'. Ran 8 jts. 13-3 centralizers. Landed csg @ TD and cemented	3/8" csg. W/ insert float, gui	ide shoe and two (1 Circ. 85 sx to	Z) Dif.
Pressured csg. to 600 psi and held 30 min.	Plug down @ 11:15 on 7/1/9	4. WOC 18 hrs.	Pici
Tressured esg. to oot por and nerd so min-	- 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Drilled a 12½" hole to 1557'. Ran 35 jts. 8	-5/8" 24# csg w/ float shoe,	float collar and	five
(5) centralizers. Landed csg @ TD and ceme	ented w/ 450 sx Lite cmt w/ 坛	# flocele and 200	sx
Class C w/ 2% CaCl. Circ. 150 sx to surface	e. Plug down at 9:10 pm on	//3/94. Pressured	7/011
csg. to 900 psi and held 30 min. NU and to	est BOP. WOC 18 hrs and comme	ence drilling a /-	1/0
hole.			
18. I hereby certify that the information above in true and complete to the	best of my knowledge and belief.		
SIGNED TITLE	President	07/05/94	
Photps White			<u></u>
Made lewin	GEOLOGIST	DATE 7-29-94	
APPROVED BY TITLE	GEOLUGIO!	DATE	
COUDITIONS OF ARCHOVAL OF ANYL #			

5/4

		FOR PE			LL, RE-EN	ITER, DEE	CEIVED PEN, PLUGI	BACK,	OR A	GRID Number	
P. O.	BOX 1		ν			C), C. D.			API Number 05-6302)	
152	Code		HI-WA	Y STATE		roperty Name AKI	SIA; Office			* Well No.	
10.7					⁷ Surface	Location					
UL or lot so.	Section	Township	Range	Lot ida	Fest from the	North/South E	se Feet from the	East/W	at Lee	County	
J	36	10-s	27-E		2417	South	2245	Eas	st	Chave	s
							rent From Su				
JL er lot se.	Section	Township	Range	Lot Ida	Foot from the	North/South E	ne Foot from the	East/W	est fine	County	
Wildca "Work T N	ype Code		Well Type O Proposed	:	66101	R	¹⁴ Lease Type (ad Level Elevad	00
No				800	L	vonian	Unknown	1		June 30,	19
Hole Su	<u>. </u>	Casia	g Size		ed Casing as	Setting Der		of Cement	T	Estimated TOC	
12-1/4			/8"		24#	1550		0 sx		Surface	
7-7/8			/2"	15.5	and 17#	TD	30	0 sx		5000'	
17/2"		133/8	3 "	+		3001					_
				 							
Me propo API casi propose	se to ng wit to dri al, we	drill a h g cer th 9 cer th a 7- will b	ngram, if a 12-1/ atralia ·7/8" i P&A fol	wy. Use ad /4" holours and nole to llowing	e to 1550'd float sh TD and 1c NMOCD Rui	(Top of noe. We wolved the welles and Re	San Andres) vill circula l. If the egs. If the is an oil we	and s te cem well l well	et 8-1 ent. ooks 1	5/8" 24# We then non- commeric	

Conditions of Approval:

Attached 🛛

Expiration Date:

1-29-95

Printed agenc:

06/13/94

Title:

Date:

Phelps White

(505) 622-1001

President

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

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

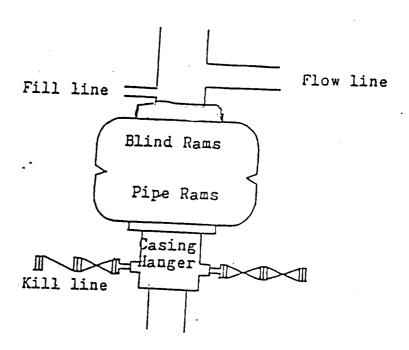
DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

	10.	· · · · · · · · · · · · · · · · · · ·	TWATER ST
Operator Operator	Lease		Well No.
Primero Operating	Hi - way Sta		11
Unit Letter Section Township	Range	County	
J 36 10 South	27 East	NMIM Cha	eves
Actual Footage Location of Well: 2417 feet from the South line and	2245	Ess.	
Ground level Elev. Producing Formation	Pool	feet from the East	line Dedicated Acreage:
3698 Pevonian	Wildcat		40
1. Outline the acreage dedicated to the subject well by colored p		OW .	Acres Acres
2. Stame the sereage demonstration in the stroject well by colored p	reacts of insolute it also on the plat ben	••• •	
2. If more than one lease is dedicated to the well, outline each a	nd 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 interest of all owner	s heen consolidated by com	rmunitization.
unitization, force-pooling, etc.?	ule well, have the therest of all Owlice	s wen washaard by win	menter vii
Yes No If answer is "yes"	type of consolidation		
If answer is "no" list the owners and tract descriptions which ha this form if neccessary.	ve actually been consolidated. (Use re	verse side of	
No allowable will be assigned to the well until all interests have	been consolidated (by communitization	n, unitization, forced-pooling	ng, or otherwise)
or until a non-standard unit, eliminating such interest, has been			,
		OPERAT	OR CERTIFICATION
!	!	1 1 -	certify that the information
			in in true and complete to the
1		best of my know	vledge and belief.
	1	Signature	
	1	Signature	
1 1		Printed Name	
1	•	Finited Name	
		Position	
1	1		
		Company	
	1		•
		Date	
		SURVE	YOR CERTIFICATION
		JORVE	
	2245!		fy that the well location shown
i 1 Y			was plotted from field notes of
i	İ		s made by me or under my nd that the same is true and
	j		ne best of my knowledge and
	i	belief.	• •
	İ	Date Surveyed	· · · · · · · · · · · · · · · · · · ·
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		Certificate No	**************************************
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0 330 660 990 1320 1650 1980 2310 2640	2000 1500 1000 500	· [

PRIMERO OPERATING, INC H: - WAY STATE # 1



Blowout Preventer 3000 psi working pressure

WRS COMPLETION REPORT SEC 36 PI# 30-T-0001 08/12/94 30-005-63	TWP 10S RGE 27E 021-0000 PAGE 1
NMEX CHAVES * 2417FSL 2245	FEL SEC NW SE
PRIMERO OPERATING OPERATOR	WD WD
1 HI-WAY STATE WELL NO. LEASE NAME	
3709KB 3698GR	WILDCAT
OPER ELEV	API 30-005-63021-0000
06/30/1994 07/24/1994 ROTARY	PERMIT OR WELL I.D. NO.
SPUD DATE COMP. DATE TYPE TOOL WITH	OLE TYPE
6800 DEVONIAN W E K DRLG	3 RIG SUB 10
DTD 6881	FM/TD DEVONIAN
DRILLERS T.D. LOG T.D. PLUG BACK TD LOCATION DESCRIP	TION
20 MI NE DEXTER, NM 1 3/4 MI NW/2212 (SADR) OIL PROD	IN CHISUM EAST FIELD
CASING/LINER DAT	
CSG 13 3/8 @ 338 W/ 400 SACKS CSG 8 5/8 @ 1557 W/ 650 SACKS CMT PLUGS: 6588-6688 W/35 SX, 5670	
CMT PLUGS: 6588-6688 W/35 SX, 5676	0-5770 W/35 SX, 4936-
5036 W/35 SX, 2762-2862 W/35 SX, 314-414 W/35 SX, 25 SX @ SURF	1430-1340 W/33 SA,
TYPE FORMATION LTH TOP DEPTH/SUB	
LOG YATES 346 3352	
LOG YATES 346 3352 LOG QUEEN 826 2872 LOG SN ANDRS 1529 2169	
LOG ABO 4986 -1288	
LOG WOLFCAMP 5832 -2134 LOG PNNSYLVN 6300 -2602	
LOG MSSP 6660 -2962	
LOG DÉVONIAN 6798 -3100 SUBSEA MEASUREMENTS FROM GR	
FORMATION TEST DATA	
FORMATION TEST DATA	<u>-</u>
DST 1 TITE	
* * * **	

CONTINUED IC# 300057003494



STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 11046 ORDER NO. R-10162

APPLICATION OF PRIMERO OPERATING, INC. FOR AN UNORTHODOX OIL WELL LOCATION, CHAVES COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 4, 1994, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of August, 1994, the Division Director, having considered 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, Primero Operating, Inc., seeks approval of an unorthodox oil well location for its Hi-Way State Well No. 1, which is currently being drilled 2417 feet from the South line and 2245 feet from the East line (Unit J) of Section 36, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico, to test the Devonian formation. The NW/4 SE/4 of said Section 36 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit.
 - (3) Prior to the hearing the applicant requested this case be dismissed.
 - (4) The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11046 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

JOSEPH J. KELLY PRESIDENT

BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190 MAY - 9 2001

May 7, 2001

Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Attention:

Michael Stogner

Re:

Hi-Way State #1 2417' FSL; 2245' FEL Section 36-T10S-R27E Chaves County, New Mexico

Gentlemen:

Enclosed please find copies of the waivers from the offset mineral owners regarding the above referenced.

If you need additional information please advise.

Yours very truly, ELK OIL COMPANY

Joseph L Kelly President

JJK/jgb Enc.

JOSEPH J. KELLY **PRESIDENT**

BOX 310 ROSWELL, NEW MEXICO 88202 (505) 623-3190 April 18, 2001

WAIVER

As an offset mineral owner, Bellwether Exploration Company, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

BELLWETHER EXPLORATION CO.

By: James L. ENLOW

Title

MANAGOR

Title

4/30/01

Date

JOSEPH J. KELLY PRESIDENT

BOX 310

ROSWELL, NEW MEXICO 88202
(505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, L.E. Minerals, Ltd., has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodex location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

L.E. MINERALS, LTD.

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Title

Data

JOSEPH J. KELLY PRESIDENT

BOX 310

ROSWELL. NEW MEXICO 88202
(505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, J.E. & L.E. Mabee Foundation, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' F3L; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

J.E. & L.E. MABEE FOUNDATION

	Yoly H Ceway 7-
(B
	VICE CHAIRMAN
	Title
	APRIL 23, 2001
	Date

JOSEPH J. KELLY PRESIDENT

BOX 310

ROSWELL, NEW MEXICO 88202
(505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, Plains Radio Petroleum Company, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

PLAINS RADIO PETROLEUM COMPANY
Ву: р.к. вочь
PRESIDENT Title
4/25/01
Date

JOSEPH J. KELLY PRESIDENT BOX 310

ROSWELL, NEW MEXICO 88202
(505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, Pure Energy Group, Inc., has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

PURE ENERGY GROUP, INC.

By:

Title

Data

JOSEPH J. KELLY PRESIDENT

BOX 310

ROSWELL, NEW MEXICO 88202
(505) 623-3190

April 18, 2001

WAIVER

As an offset mineral owner, Samedan Royalty Corporation, has no objections to Elk Oil Company's proposed re-entry of the Hi-Way State #1 well at an unorthodox location of 2417' FSL; 2245' FEL of Section 36, Township 10 South, Range 27 East, Chaves County, New Mexico, provided the spacing unit is a stand up 320, being a E/2 dedication.

SAMEDAN ROYALTY CORPORATION	
Mus June 25	1
By:	
Title	
7 (30(0) Date	