State of New Mexico



ī.,





Commissioner of Public Lands

P.O. BOX 1148 SANTA FE. NEW MEXICO 87504-1148

March 17, 1983

REGISTERED, RETURN, RECEIPT, REQUESTED

Pennzoil Company

Attn: Mr. Kenneth Medlock

P. O. Drawer 1828

Midland, Texas 79702

Beach Exploration, Inc.

Attn: Mr. William N. Beach

P. O. Box 3669

Midland, Texas 79702

Atlantic Richfield Company Attn: Mr. Curt Krehbiel

P. 0. Box 1610

Midland, Texas 79702

El Paso Natural Gas Company Attn: Mr. D. N. Canfield

P. O. Box 1492

El Paso, Texas 79948

Re: Mescalero Ridge Unit, Lea County, New Mexico

(State Oil and Gas Lease No. E-10002-3

 NW_4^1 - Sec. 20,T19S-R34E) and (Federal Oil and

Gas Lease NM-0141013)

Gentlemen:

In May, 1981 Beach Exploration, Inc., formerly William N. Beach, completed the Pennzoil Federal Com Well No. 1 in the Quail Ridge Morrow gas pool located in the NWLNEL Sec. 19. T19S-R34E being under Federal Lease No. NM-0141013.

This well was originally drilled on a 320 acre proration unit consisting of the N_2 Section 19. The E_2 NE4 Section 19 is committed to the Mescalero Ridge Unit and this same acreage is in the Morrow Participating Area of the unit.

By letter dated May 24, 1982, Beach Exploration, Inc., asked the New Mexico Oil Conservation Division for a non-standard proration unit consisting of Lots 1,2,E2NW4,W2NE4 Section 19, containing of 239.36 acres which non-standard proration unit administrative order NSP-1321 was issued by letter dated July 23, 1982 by the Director of the Oil Conservation Division.

In reducing the proration as outlined in the above paragraph the $E_2^{\dagger}NE_{\perp}^{\dagger}$ Section 19, being in the participating area of the Mescalero Ridge Unit, has been effectively cut off and deprived of its fair share of royalty from the

Pennzoil Company Beach Exploration, Inc. Atlantic Richfield Company El Paso Natural Gas Company March 17, 1983 Page - 2 -

non-unit Pennzoil Federal Well No. 1 located in the NW 1 Section 19.

In compliance with Chap. 19-10-20 you are hereby given thirty (30) days from date of this letter to request a revocation of administrative order NSP-1321 from the Director of the Oil Conservation Division and to re-submit the Oil Conservation Division "Well location and acreage Dedication Plat", form C-102 reflecting the N_2 Section 19 to be dedicated to this well. Please furnish copies of both the request for revocation of NSP-1321 and the new C-102 to this office and to Mr. Joe Lara, Bureau of Land Mangement, Albuquerque, New Mexico. Failure to comply with this request will subject the Mescalero Ridge Unit Agreement and State Lease No. E-10002-3, covering the NW_{\pm}^{1} Section 20, owned by Atlantic Richfield Co. and El Paso Natural Gas Co., to cancellation, as to the states interest, without further notice after expiration of thirty (30) days from date of this letter.

Mr. Joe Lara suggested that a Federal Communitization agreement be filed, with his agency, communitizing the unitized $E_2^1 N E_4^1$ Section 19 with the nonunitized Lots 1,2, E2NW4, W2NE4 Section 19 in order to properly distribute the royalty.

Additional steps must be taken to immediately allocate 25.05 percent of the royalty from the Pennzoil Federal Well No. 1 in the NW4NE4 Section 19, T19S-R34E to the Mescalero Ridge Unit Participating Area, in order that the State of New Mexico receives its fair share from the Unit Production.

Very truly yours,

JIM BACA

COMMISSIONER OF PUBLIC LANDS

BY: Ray D. Graham, Director

Oil and Gas Division

AC/505-827-5744

JB/RDG/cb

March 17, 1983 Page - 3 -

cc: Karen Evans
 Navajo Refining Company
 P. O. Box 159
 Artesia, New Mexico 88210

Barbara Wood
The Permian Corporation
P. O. Box 1183
Houston, Texas 77001

Mr. Joe Lara
Bureau of Land Management
505 Marquette Ave. N.W.
Suite 815
Albuquerque, New Mexico 87102

Mr. Tony Martinez Oil and Gas Accounting Division P. O. Box 2308 Santa Fe, New Mexico 87501

Mr. Joe D. Ramey New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

BEACH EXPLORATION, INC.

OIL AND GAS OPERATORS
P. O. BOX 3669
MIDLAND, TEXAS 79702

April 7, 1983



Mr. Richard Stamets
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Mescalero Ridge-State Oil and Gas Lease No. E-10002-3, NW¼ of Section 20, T-19-S,R34E and Federal Oil & Gas Lease No. NM-0141013

Gentlemen:

Beach Exploration, Inc. formerly William N. Beach hereby requests non-standard proration unit No. NSP-1321 granted on 6-23-82 be revoked effective 4-1-83.

Enclosed herein is a replacement C-102 showing full North-Half of Section 19, T-19-S, R34E giving back to us a standard proration unit.

Sincerely,

Carl C. Beach

Vice-President

cc: Oil Conservation Commission - Hobbs, N.M.

Commissioner of Public Lands - Mr. Ray Graham

Santa Fe, N.M. 87504

Pennzoil Company Attn: Mr. Kenneth Medlock P.O. Drawer 1828 Midland, Texas 79702

P.O. Box 1492 El Paso, Texas 79948

El Paso Natural Gas Company

Attn: Mr. D.N. Canfield

Atlantic Richfield Company Attn: Mr. Kurt Krehbiel P.O. Box 1610 Midland Texas 79702

EXICO DIL CONSERVATION COMMISSIC

APR 1 1 1983

Rongld J. Erdson

WELL LOCATION AND ACREAGE DEDICATION PL All distances must be from the outer boundaries PENNZOIL FEDERAL CONSERVATION DIVISION WILLIAM N. BEACH Bettille LEA 34 EAST 19 SOUTH rust Factore Location of Wells FAST lest from the teet teem the Ground Level Liev Producing Formation Quail Ridge 320 Morrow 3705.3 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 consultdated by communitization, unitization, force-pooling, etc? If answer in "yes," type of consolidation Communityed being applied for 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 cantoined herein is true and complete to the Beach Agent Beach Exploration, Inc. April 6, 1983 I hereby certify that the well location shown on this plat was platted from tight Dista Surveyed

90 1820 1880 1880 2315

BEACH EXPLORATION, INC.

OIL AND GAS OPERATORS
P. O. BOX 3669
MIDLAND, TEXAS 79702

May 24, 1982

JUN 01 1982

Oil Conservation Commission P.O. Box 2088 Santa Fe, New Mexico 87501

Attn: Mr. Joe Ramey

Re: Beach Exploration, Inc.

#1 Pennzoil-Federal Lea County, New Mexico

Gentlemen:

Referenced well is located 2030' FE and 660' FN line Section 19, T-19-S, Rge 34 E. Lea County. New Mexico and currently producing from the lower Morrow formation in the Quail Ridge Morrow field. Beach Exploration, Inc. requests that the OCD grant Beach an adminstrative approval for a non-standard proration unit of 240 acres. The proration unit would consist of the NW/4 and the W/2 NE/4 Section 19, T-19-S, Rge 34 E.

This request is made due to the existence of the Mescalero Ridge Unit in which the E/2 NE/4 is contained. Due to low deliverability of referenced well we do not feel that all interested parties in the Mescalero Ridge Unit would be agreeable to an expansion of 240 acres of this unit. It is our understanding that if approved by you that we must have a 30 day waiting period. Please let me know if I can be of any further assistance.

Your cooperation is greatly appreciated.

Sincerely

Carl C. Beach

Landman

CCB/1w

Enclosure: platt

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Rongld J Eidson

All distances must be from the outer boundaries of the Secrific PENNZOIL FEDERAL WILLIAM N. BEACH Fertipe. 34 EAST LEA 19 SOUTH Attail Feetage Lengtion of Well: EAST Morrow Quail Ridge (Morrow) 3705.3 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 consultdated by communitization, unitization, force-pooling, etc? If answer is "yes," type of consolidation XX No If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary. 1_ 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 Carl C. Beach Clerk Beach Exploration, Inc. 5/24/82 AUGUST 7, 1980 DOMESTICAL.

1820 1880 1880 2810 3840

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STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING

LARRY KEHOE SECRETARY

June 1, 1982

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING , SANTA FE, NEW MEXICO 87501 (505) 827-2434

Beach Exploration Inc. P. O. Box 3669 Midland, Texas 79702

> Application for Non-Standard Proration Unit: Pennzoil Federal Well No. 1, Sec. 19, T-19-S, R-34-E, Lea County

We may not process the subject application for a non-standard proration unit until the required information or plats checked below (is) (are) submitted.

| X | A plat must be submitted clearly showing the ownership of the offsetting leases. |
|---|--|
| X | A statement must be submitted that offset owners have been notified of the application by certified mail. |
| | A plat must be submitted identifying the requested non- standard proration unit and offsetting acreage. |
| | The pool(s) or formation(s) for which the non-standard proration unit is requested must be identified. |
| | Other: |

Technical Support Chief

R. L. STAMETS

Technical Support Chief

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| Mr. R.L. Stamets | | Technical Support Chief | | | | | |
| FROM Carl Beach | DEPTLOCATION | Land - Beach Exploration, Inc. | | | | | |
| SUBJECT | | DATE 6 / 9 / 82 | | | | | |
| Pennzoil Federal #1 Se MESSAGE | ec. 19, T-19-S, R-34-E, Lea Co. N.M. | | | | | | |
| Dear Sir: | | | | | | | |
| This is in reply to yo | This is in reply to your letter dated June 1, 1982 for additional information on the above mentioned. | | | | | | |
| | Enclosed are: 1. Plat 2. Statement notify all offset operators of our intentions. | | | | | | |
| ORIGINATOR-DO NOT WRITE BELOW THIS LINE | SIGNED Carl Beach / Lin | da wooten | | | | | |
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STATE OF TEXAS COUNTY OF MIDLAND

STATEMENT OF COMPLIANCE

CARL C. BEACH, of Beach Exploration, Inc. being first duly sworn, desposes any says:

In compliances with Beach Exploration, Inc.'s request for adminstrative approval of a non-standard proration unit on his #1 Pennzoil - Federal, located in Section 19, T-19-S, Rge 34 E, Lea County, New Mexico, that I have notified all offset operators by certified mail of his request for this approval for non standard proration unit. Such notification was made to the following offset operators:

- Arco Oil & Gas
- 2)
- Pennzoil Company Union Oil of California Belco Petroleum Company 3)

A copy of such notice has been attached for your convience. Said notices were mailed on June 9, 1982 at Midland, Texas.

Subscribed and sworn before me a Notary Public on this 9th day of June, 1982 My commission expires on 5-14-82

> Linda Wooten Notary



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY June 1, 1982

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Beach Exploration Inc. P. O. Box 3669 Midland, Texas 79702

Re: Application for Non-Standard Proration Unit: Pennzoil Federal
Well No. 1, Sec. 19, T-19-S, R-34-E,
Lea County

We may not process the subject application for a non-standard proration unit until the required information or plats checked below (is) (are) submitted.

| LX. | the offsetting leases. |
|-----|--|
| X | A statement must be submitted that offset owners have been notified of the application by certified mail. |
| | A plat must be submitted identifying the requested non- standard proration unit and offsetting acreage. |
| | The pool(s) or formation(s) for which the non-standard proration unit is requested must be identified. |
| | Other: |

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R. L. STAMETS

Technical Support Chief

RLS/dr

BEACH EXPLORATION, INC.

OIL AND GAS OPERATORS
P. O. BOX 3669
MIDLAND, TEXAS 79702

June 8, 1982

Re: Beach Exploration, Inc. #1 Pennzoil Federal 660 FN and 2030 FE Lines Sec. 19, T-195,

Rge. 34 E, Lea Co. New Mexico

l C. Benk

To All Offset Operators:

Please find enclosed copy of Beach Exploration, Inc.'s request for non-standard proration unit of 240 acres for referenced well. As requested by the Oil Conservation Division, Beach is hereby notifying you of this request on referenced well. If you have any objections to said request, please notify Mr. Joe Raney's office in Santa Fe, New Mexico.

Your cooperation is greatly appreciated.

Sincerely,

Carl C. Beach

Landman

CC: Arco Oil & Gas
Belco Petroleum
Pennzoil Company
Union Oil of California

BEACH EXPLORATION, IN

OIL AND GAS OPERATORS
P. O. BOX 3669
MIDLAND, TEXAS 79702



June 18, 1982

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Dan Nutter

Re: Beach Exploration, Inc. #1 Pennzoil - Federal Lea County, New Mexico

C. Bead

Dear Mr. Nutter,

Pursuant to your request for platt and statement of compliance of notification on approval of non-standard proration unit on referenced well, please find enclosed platt and statement.

Please let me know if I can be of further assistance. Your co-

operation is greatly appreciated.

Sincerely,

Carl. C. Beach

CCB/tb Encl.



STATE OF TEXAS

COUNTY OF MIDLAND

STATEMENT OF COMPLIANCE

CARL C. BEACH, of Beach Exploration, Inc. being first duly sworn, desposes any says:

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- 1) Arco Oil & Gas
- 2) Pennzoil Company
- 3) Union Oil of California
- 4) Belco Petroleum Company

A copy of such notice has been attached for your convience. Said notices were mailed on June 9, 1982 at Midland, Texas.

Carl C. Beach - Vice President

Subscribed and sworn before me a Notary Public on this 9th day of June, 1982My commission expires on 5-14-82

Linda Wooten

Notary

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