

CERTIFIED MAIL

*Albino - Cliffs
Natural
Book*

By SPP.



Southland Royalty Company

October 9, 1984

Mr. Joe D. Ramey
New Mexico Department of Energy and Minerals
Oil and Gas Division
P. O. Box 2088
Santa Fe, New Mexico 87501

**NSP - 1442 (L)
RULE 104 D II AND RULE 104 FI
Release Nov. 9, 1984
E 1/2 OF SECTION 10 DEDICATED**

FEE LEASE

Dear Mr. Ramey:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Reese Mesa #10 well. This location is 875' FNL & 1790' FEL, Section 10, T32N, R8W, San Juan County, New Mexico. This well was spudded on 8-22-84 and completed on 9-15-84.

194.34 ACRE NON STANDARD PRORATION

The non-standard proration unit is due to the irregular size of the section.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your Santa Fe Office with a waiver of objection.

Pursuant to authority of Rule 104-F, we respectfully request your approval of an exemption to the standard well location requirement.

Sincerely,

SOUTHLAND ROYALTY COMPANY

C. Terry Hobbs
District Engineer

CTH/eg

Enclosures

XC: Mr. Frank Chavez-NMOCD-Aztec,NM

NOTE:

*NSL BECAUSE OF THE
New Standard proration unit
SPP*

RECEIVED
OIL CON. REGULATION DIVISION
SANTA FE

REVISED

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

CAL CONSERVATION DIVISION

P. O. BOX 2048
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-72

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

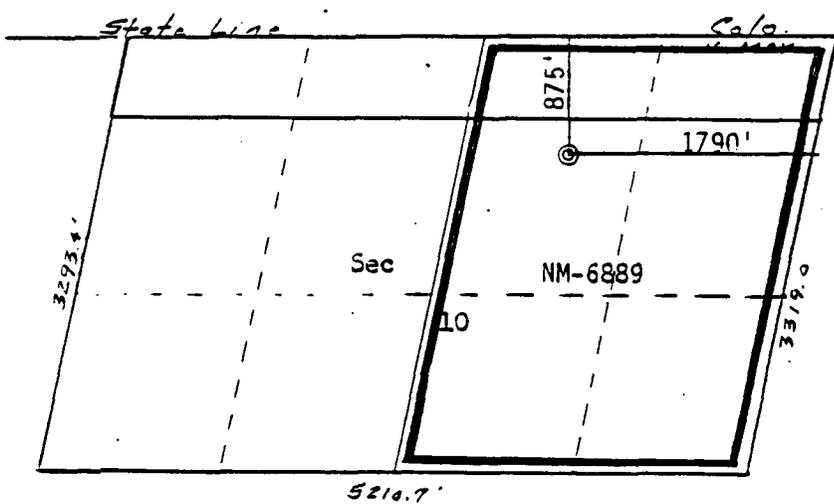
Operator Southland Royalty Company		Lease Reese Mesa			Well No. 10
Unit Letter J (lot 11)	Section 10	Township 32N	Range 8W	County San Juan	
Actual Footage Location of Wells 875 feet from the North line and 1790 feet from the East line					
Ground Level Elev: 7017' GL	Producing Formation Pictured Cliffs		Pool Albino	Dedicated Acreage 194.34 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.

C. Terry Hobbs

Name
C. Terry Hobbs

Position
District Engineer

Company
Southland Royalty Company

Date
July 5, 1984

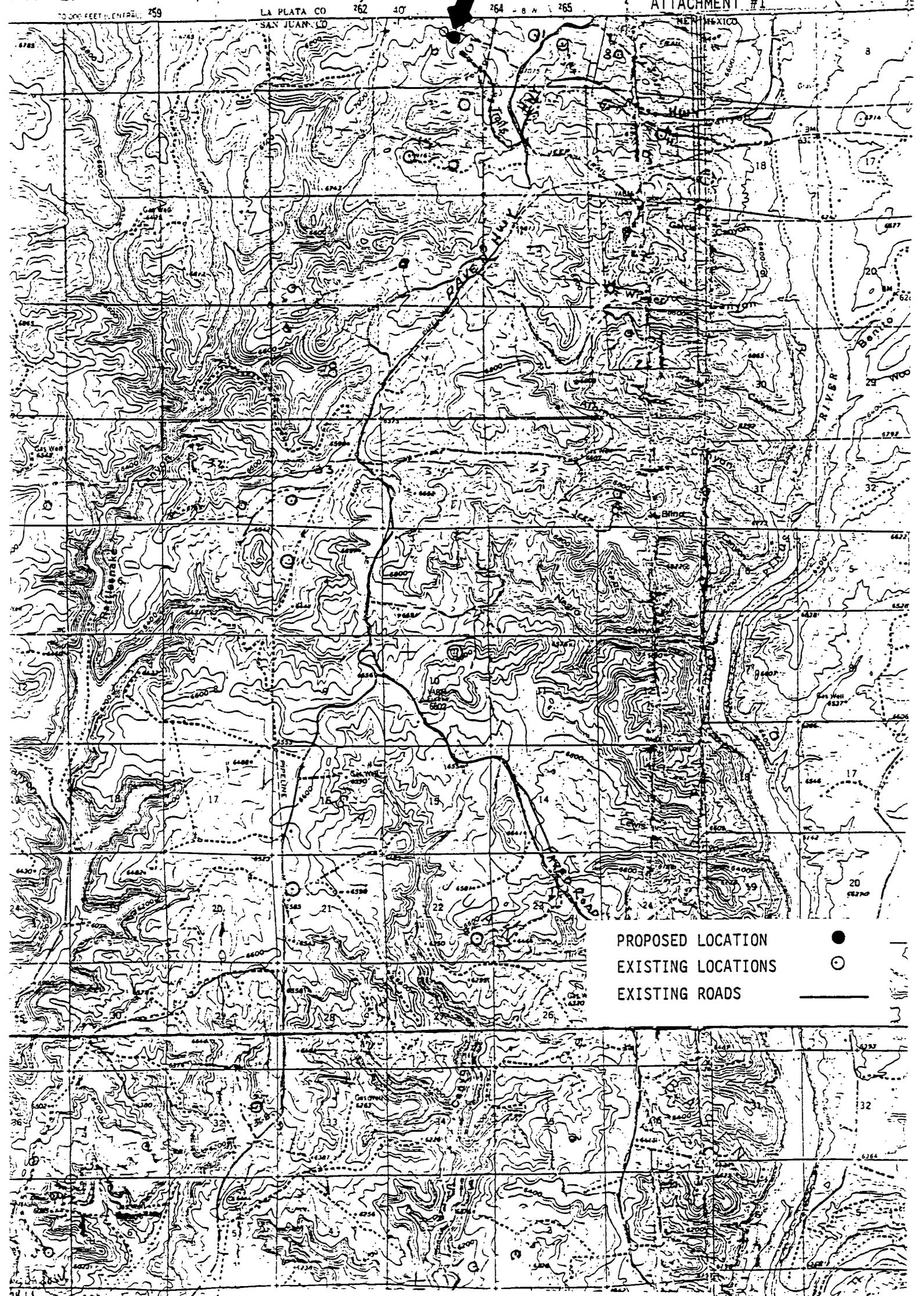
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
April 13, 1984

Registered Professional Engineer and Land Surveyor
Fred. E. Kerr Jr.
Fred. E. Kerr Jr.

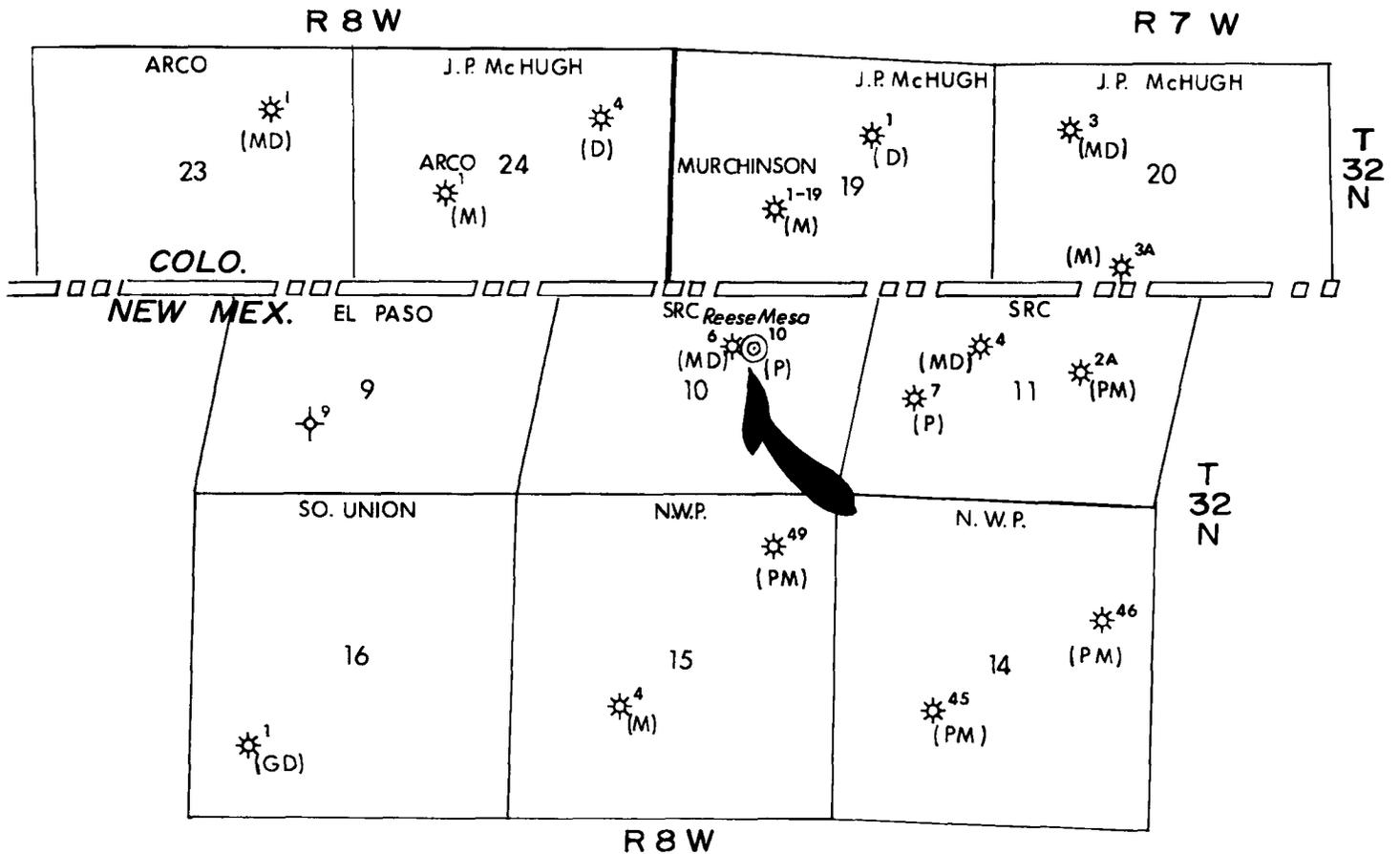
Certificate No.
3950

Scale: 1" = 1320'



Vicinity Map for
Southland Royalty Company #10 Reese Mesa
875'FN 1790'FE Sec 10-32N-8W
San Juan County New Mexico

NAVALJO





Southland Royalty Company
FARMINGTON DISTRICT
FARMINGTON, NEW MEXICO

UNORTHODOX LOCATION MAP
PICTURED CLIFFS

S.R.C.
Reese Mesa #10
 875' FNL — 1790' FEL
 Sec. 10, T 32N - R. 8 W.
SAN JUAN COUNTY, NEW MEXICO

Terry Hobbs
1" = 3000'
Oct. 29, 1984

CERTIFIED MAIL



Southland Royalty Company

October 9, 1984

Southern Union Exploration Company
P. O. Box 2179
Farmington, New Mexico 87499

Dear Sir:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the **Reese Mesa #10** well. This location is 875' FNL & 1790' FEL, Section 10, T32N, R8W, San Juan County, New Mexico. This well was spudded on 8-22-84 and completed on 9-15-84.

The non-standard proration unit is due to the irregular size of the section.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501, with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

C. Terry Hobbs
District Engineer

CTH/eg

Enclosures

XC: Mr. Frank Chavez-NMOCD-Aztec, NM

W A I V E R

SOUTHERN UNION EXPLORATION CO. hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their REESE MESA #10 well as proposed above.

Date: _____

Signed: _____

CERTIFIED MAIL



Southland Royalty Company

October 9, 1984

Northwest Pipeline Corporation
P. O. Box 90
Farmington, New Mexico 87499

Dear Sir:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the **Reese Mesa #10** well. This location is 875' FNL & 1790' FEL, Section 10, T32N, R8W, San Juan County, New Mexico. This well was spudded on 8-22-84 and completed on 9-15-84.

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We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501, with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

C. Terry Hobbs
District Engineer

CTH/eg

Enclosures
XC: Mr. Frank Chavez-NMOCD-Aztec, NM

W A I V E R

NORTHWEST PIPELINE CORPORATION hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **REESE MESA #10** well as proposed above.

Date: _____

Signed: _____

CERTIFIED MAIL



Southland Royalty Company

October 9, 1984

Mr. David Poage
El Paso Exploration Company
P. O. Box 4289
Farmington, New Mexico 87499

Dear Mr. Poage:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the **Reese Mesa #10** well. This location is 875' FNL & 1790' FEL, Section 10, T32N, R8W, San Juan County, New Mexico. This well was spudded on 8-22-84 and completed on 9-15-84.

The non-standard proration unit is due to the irregular size of the section.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501, with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

C. Terry Hobbs
District Engineer

CTH/eg

Enclosures

XC: Mr. Frank Chavez-NMOCD-Aztec, NM

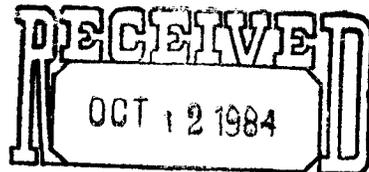
W A I V E R

EL PASO EXPLORATION COMPANY hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their REESE MESA #10 well as proposed above.

Date: _____

Signed: _____

CERTIFIED MAIL



October 9, 1984

OIL CONSERVATION DIVISION **Southland Royalty Company**
SANTA FE

Southern Union Exploration Company
P. O. Box 2179
Farmington, New Mexico 87499

Dear Sir:

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The non-standard proration unit is due to the irregular size of the section.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501, with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

A handwritten signature in cursive script, appearing to read "C. Terry Hobbs".

C. Terry Hobbs
District Engineer

CTH/eg

Enclosures

XC: Mr. Frank Chavez-NMOCD-Aztec, NM

W A I V E R

SOUTHERN UNION EXPLORATION CO. hereby waives objection to Southland Royalty Company's application for an non-standard proration unit for their REESE MESA #10 well as proposed above.

Date: Oct. 10, 1984

Signed: Michael L. Davis

CERTIFIED MAIL



Southland Royalty Company

October 9, 1984

Mr. David Poage
El Paso Exploration Company
P. O. Box 4289
Farmington, New Mexico 87499

Dear Mr. Poage:

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Sincerely,

SOUTHLAND ROYALTY COMPANY

C. Terry Hobbs
District Engineer

CTH/eg

Enclosures

XC: Mr. Frank Chavez-NMOCD-Aztec, NM

W A I V E R

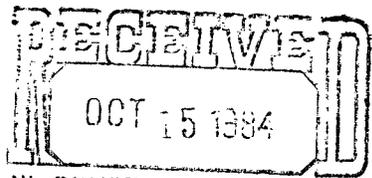
EL PASO EXPLORATION COMPANY hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their REESE MESA #10 well as proposed above.

Date: 10/17/84

Signed: David M. Poage

NSP-1440 (L.)

CERTIFIED MAIL



NM CONSERVATION DIVISION
Southland Royalty Company

October 9, 1984

Northwest Pipeline Corporation
P. O. Box 90
Farmington, New Mexico 87499

Dear Sir:

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Sincerely,

SOUTHLAND ROYALTY COMPANY

C. Terry Hobbs
District Engineer

CTH/eg

Enclosures
XC: Mr. Frank Chavez-NMOCD-Aztec, NM

W A I V E R

NORTHWEST PIPELINE CORPORATION hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **REESE MESA #10** well as proposed above.

Date: 10/11/84

Signed: Paul C. Thompson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK
 b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Southland Royalty Company

3. ADDRESS OF OPERATOR
 P. O. Drawer 570, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 875' FNL & 1790' FEL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 6 miles South of Ignacio, Colorado

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 875'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 300'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 7017' GL

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	New 8-5/8"	24#, K-55	300'	283 cu.ft. (Circ to surface)
7-7/8"	New 4-1/2"	10.5#, K-55	4130'	714 cu.ft. (Cover Ojo Alamo)

Surface formation is San Jose.
 Top of Ojo Alamo sand is at 2300'.
 Top of Pictured Cliffs sand is at 3750'.
 Fresh water mud will be used to drill from surface to Total Depth.
 It is anticipated that an IEL will be run from total depth to surface casing, and a GR-Density will be run from total depth to surface casing.
 No abnormal pressures or poisonous gases are anticipated in this well.
 It is expected that this well will be drilled before July 1, 1984.
 This depends on time required for approvals, rig availability and the weather.
 Gas is not dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE District Engineer

PERMIT NO. [RECEIVED] APPROVAL DATE JUN 26 1984

APPROVED BY [Signature] TITLE AREA MANAGER

APPROVED
 DATE May 22, 1984
 AS AMENDED
 JUN 26 1984
 James E. Edwards, Jr.
 DATE
 AREA MANAGER
 FARMINGTON RESOURCE AREA

OIL CON. DIV.
 DIST. 3

NMOCC

*See Instructions On Reverse Side