



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

July 25, 1996

Erwin Oil & Gas Ltd., Inc.  
c/o Oil Reports and Gas Services, Inc.  
P. O. Box 755  
Hobbs, New Mexico 88241

Attention: Gaye Heard

*RE: Administrative application for a non-standard  
155.50-acre gas spacing and proration unit to  
comprise Lots 3 and 4 and the E/2 SW/4 (SW/4  
equivalent) of Section 19, Township 18 South,  
Range 38 East, NMPM, Undesignated Byers-Yates  
Gas Pool, Lea County, New Mexico.*

Dear Ms. Heard:

The subject application, dated July 16, 1996, is deemed incomplete and is being returned to you at this time. Please refile this application pursuant to all applicable rules and procedures of Division General Rule 104.D (see copy attached).

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
William J. LeMay, Director - OCD, Santa Fe

*Oil Reports and Gas Services, Inc.*

P.O. BOX 755

HOBBS, NEW MEXICO 88241

PHONE NUMBERS  
393-2727 - 393-2017

July 16, 1996

Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87506

Non-Standard Proration Unit  
Erwin Oil & Gas Ltd., Inc.  
Quarry #1, API #30-025-32297  
Unit L, Sec 19 T18S R38E  
Lea County, New Mexico  
Bowers Yates Seven Rivers

Attention: Michael Stogner

Dear Mr. Stogner,

Erwin Oil & Gas Ltd., Inc. respectfully requests administrative approval of a non-standard proration unit for the captioned well to be recompleted from the Bowers-Seven Rivers Oil Pool to the Byers-Yates Gas Pool. A bridge plug will be set at 3040 feet and the Yates formation will be perforated at 2666 feet to 3012 feet.

The closest off-set operator with production in the Byers Yates Gas Pool is Exxon Corporation's Bowers A Federal #37 in Sec 30 T18S R38E however it is located outside the one mile radius and therefore was not notified by certified mail.

Yours very truly,

OIL REPORTS & GAS SERVICES, INC



Gaye Heard-Manager for Oil Reports  
& Gas Services, Inc.-Agent for  
Erwin Oil & Gas Ltd., Inc.

Enclosures (3)

cc: Erwin Oil & Gas Ltd., Inc  
P. O. Box 2315  
Hobbs, New Mexico 88241

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-101  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. ERWIN OIL & GAS LTD, INC P. O. Box 2315 Hobbs, New Mexico 88241		OGRID Number 018703
		API Number 30-025-32297
Property Code 14200	Property Name Quarry	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	18S	38E		1980	South	890	West	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Undesignated Byers-Yates Gas					Proposed Pool 2				

Work Type Code P	Well Type Code G	Cable/Rotary	Lease Type Code P	Ground Level Elevation 3663
Multiple No	Proposed Depth 3012	Formation Yates	Contractor	Spud Date

Proposed Casing and Cement Program

	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
As previously submitted					

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Recomplete from the Bowers-Seven Rivers Oil Pool to Byers-Yates Gas Pool.  
 Set Bridge Plug at 3040 feet. Perforate Yates formation at 2666 ft to 3012 feet.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Ralph D. Erwin</i>	OIL CONSERVATION DIVISION	
	Approved by: ORIGINAL SIGNED BY JERRY SEXTON	
Printed name:	Title: DISTRICT I SUPERVISOR	
Title:	Approval Date: JUN 25 1996	Expiration Date:

FILE COPY

Authorization for work only. Production approved only after approval of a non-standard location, or dedication of 160 acres for a standard location submitted (Form C-102)

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-0-25-32297		Pool Code 7220		Pool Name Bowers - Seven Rivers	
Property Code 14200 14919		Property Name QUARRY			Well Number 1
OGRID No. 018703		Operator Name ERWIN OIL & GAS LTD INC			Elevation 3661

<sup>10</sup> Surface Location

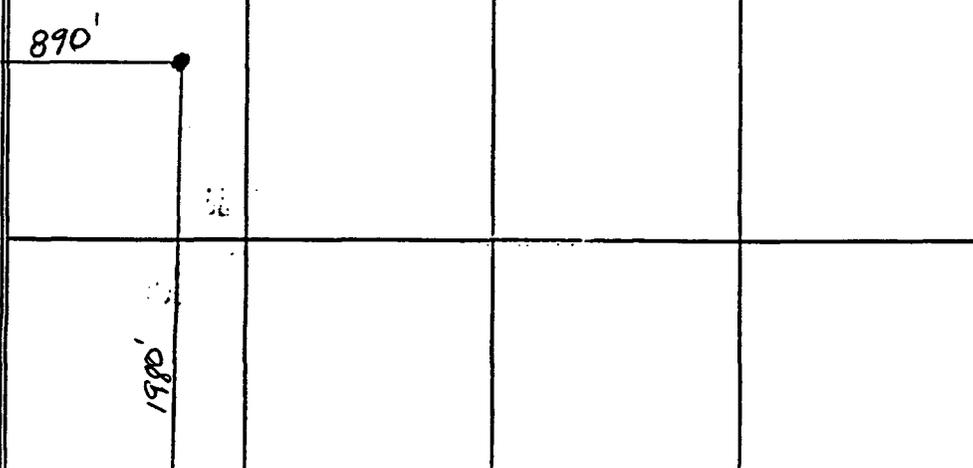
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	18S	38E		1980	South	890	West	LCH

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	18S	38E		1980	South	890	West	LCH

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code 0	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   Signature  Printed Name  Title  Date
890'					<sup>18</sup> SURVEYOR CERTIFICATION 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 belief.  Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number

FILE COPY



shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section line or subdivision inner boundary. [5-25-64...2-1-96]

(4) All Counties except Lea, Chaves, Eddy, Roosevelt, San Juan, Rio Arriba, Sandoval, and McKinley.

- (a) Gas Wells. Unless otherwise provided in special pool rules, each development well for a defined gas pool shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U.S. Public Land Surveys, and shall be located not closer than 660 feet to any outer boundary of such tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary nor closer than 1320 feet to the nearest well drilling to or capable of producing from the same pool. [5-25-64...2-1-96]

104.D.           ACREAGE ASSIGNMENT

(1) Well Tests and Classification. It shall be the responsibility of the operator of any wildcat gas well or development gas well to which more than 40 acres has been dedicated to conduct a potential test within 30 days following completion of the well and to file the same with the Division within 10 days following completion of the tests. (See Rule 401.) [5-25-64...2-1-96]

- (a) Date of completion for a gas well shall be the date a wellhead is installed or 30 days following conclusion of active completion work on the well, whichever date comes first. [5-25-64...2-1-96]
- (b) Upon making a determination that the well should not properly be classified as a gas well, the Division will reduce the acreage dedicated to the well. [5-25-64...2-1-96]
- (c) Failure of the operator to file the aforesaid tests within the specified time will also subject the well to such acreage reduction. [5-25-64...2-1-96]

(2) Non-Standard Spacing Units. Any well which does not have the required amount of acreage dedicated to it for the pool or formation in which it is completed may not be produced until a standard spacing unit for the well has been formed and dedicated or until a non-standard spacing unit has been approved. [5-25-64...2-1-96]

- (a) The supervisor of the appropriate District Office of the Division shall have the authority to approve non-standard spacing units without notice when the unorthodox size and shape is necessitated by a variation in the legal subdivision of the United States Public Land Surveys and/or consists of an entire governmental section and the non-standard spacing unit is not less than 70% nor more than 130% of a standard spacing unit. Such approval shall consist of acceptance of Division Form C-102 showing the proposed non-standard spacing unit and the acreage contained therein. [5-25-64...2-1-96]
- (b) The Division Director may grant administrative approval to non-standard spacing units without

notice and hearing when an application has been filed for a non-standard spacing unit and the unorthodox size or shape of the dedicated tract 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:

- (i) The non-standard spacing unit consists of a single quarter-quarter section or lot or the non-standard spacing unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side; and
- (ii) The non-standard spacing unit lies wholly within a single governmental quarter section if the well is completed in a pool or formation for which 40, 80, or 160 acres is the standard spacing unit size, wholly within a single governmental half section if the well is completed in a pool or formation for which 320 acres is the standard spacing unit size, or wholly within a single governmental section if the well is completed in a pool or formation for which 640 acres is the standard spacing unit size.

[5-25-64...2-1-96]

- (c) Applications for administrative approval of non-standard spacing units, pursuant to Section D(2) above, shall be accompanied by a plat showing the subject spacing unit and an applicable standard spacing unit for the applicable pool or formation, its proposed well dedications, all adjoining spacing units and/or leases (whichever is applicable), and a list of affected parties. Also to be included is a statement that *discusses* the necessity for the formation of the subject non-standard spacing unit and the reasons why a standard sized spacing unit is not feasible. [5-25-64...2-1-96]

- (i) Affected parties in this instance shall be defined as those parties who own interests in the applicable half quarter section (80-acre spacing), quarter section (160-acre spacing), half section (320-acre spacing), or section (640-acre spacing) in which the non-standard spacing unit is situated and which acreage is not included in said non-standard spacing unit;
- (ii) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed non-standard spacing unit;
- (iii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed non-standard spacing unit; and
- (iv) in the absence of an operator or lessee, then to all owners of record of unleased mineral interests.

[5-25-96...2-1-96]

- (d) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Subpart (c) above by certified or registered mail-return receipt in accordance with Rule 1207(6) (a) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the non-standard spacing unit upon receipt of waivers from all said parties or if no said party has entered an objection to the non-standard spacing unit within 20 days after the Director has received the application. [5-25-64...2-1-96]
- (e) The Division Director may set any application for administrative approval for a non-standard spacing unit for public hearing. [5-25-64...2-1-96]

(3) Number of Wells Per Spacing Unit in Non-Prorated Gas Pools: Unless otherwise permitted by special pool rules or authorized after notice and hearing, only one (1) well per spacing unit is permitted in non-prorated pools. [5-25-64...2-1-96]

104.E. Form C-102, "Well Location and Acreage Dedication Plat", for any well shall designate the exact legal subdivision allotted to the well and Form C-101, "Application for Permit to Drill, Deepen, or Plug Back", will not be approved by the Division without such proper designation of acreage. [12-29-52...2-1-96]

#### 104.F. UNORTHODOX LOCATIONS

(1) Well locations for producing wells and/or injection wells which are unorthodox based on the well location requirements of Rule 104.C(1) (a) above and which are necessary to permit the completion of an efficient production and injection pattern within a secondary recovery, tertiary recovery, or pressure maintenance project are hereby authorized, provided that any such unorthodox location within such project is no closer than the required minimum orthodox distance to the outer boundary of the lease or the unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. Such locations shall only require such prior approval as is necessary for an orthodox location. [1-1-50...2-1-96]

(2) The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon. [1-1-82...2-1-96]

(3) Applications for administrative approval of unorthodox locations pursuant to Rule 104.F(2), above, shall be accompanied by a plat showing the subject spacing unit, its proposed unorthodox well location, the diagonal and adjoining spacing units and/or leases (whichever is applicable) and wells, and a list of affected parties. If the proposed unorthodox location is based upon topography or archaeology, the plat shall also show and describe the existent topographical or archaeological conditions. If the proposed unorthodox location is based upon geology, the application shall include appropriate geologic exhibits and a discussion of the geologic conditions which result in the necessity for the unorthodox location. [2-9-66...2-1-96]

County LEA

Pool BYERS - YATES GAS

TOWNSHIP 18 South

Range 38 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description:  $\frac{1}{4}$  Sec. 30 (R-6449, 9-1-80)

Sec : 19 Twp : 18S Rng : 38E Section Type : NORMAL

3 37.72	K 40.00	J 40.00	I 40.00
Fee owned U A P	Fee owned U A A	Fee owned U A A	Fee owned U A
4 37.78	N 40.00	O 40.00	P 40.00
Fee owned U A A	Fee owned U A A	Fee owned U A	Fee owned U A A

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

Sec : 19 Twp : 18S Rng : 38E Section Type : NORMAL

1 37.62	C 40.00	B 40.00	A 40.00
Fee owned U A A	Fee owned U A A	Fee owned U A	Fee owned U A
2 37.68	F 40.00	G 40.00	H 40.00
Fee owned U A	Fee owned U A	Fee owned U A	Fee owned U A A

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

NSP-1764(L)



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

7/18/96

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

GOVERNOR

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

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	_____ X
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Erwin Oil & Gas Ltd Inc Quarry # 1-L 19-185-38e  
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Yours very truly,

Jerry Sexton  
Supervisor, District 1

/ed