

Oil Reports and Gas Services, Inc.

P.O. BOX 755

HOBBS, NEW MEXICO 88241

PHONE NUMBERS
393-2727 - 393-2017

August 2, 1996

Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Non-Standard Location-Gas Spacing and Proration Unit
Erwin Oil & Gas Ltd., Inc.
Quarry #1, API #30-025-32297
1980' FEL & 890' FWL
Unit L, Sec 19 T18S R38E, Lea County, New Mexico
Bowers Yates Seven Rivers (current)
Undesignated Byers-Yates Gas Pool (proposed)

Attention: Michael Stogner

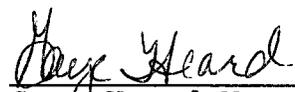
Dear Mr. Stogner,

Erwin Oil & Gas Ltd., Inc. respectfully requests administrative approval of a non-standard location-gas spacing and proration unit for 40 acres more or less on the captioned well in order to recompleat from the Bowers-Seven Rivers Oil Pool to the Byers-Yates Gas Pool. A bridge plug will be set at 3040' and the Yates formation will be perforated at 2666' to 3012'.

The off-set operator is Shell Western E&P, Inc. who holds the remaining 120 acres more or less. Enclosed is a copy of the letter sent to Shell Western by certified mail, return receipt requested as per Rule 104.D, (2) (d). The closest off-set operator with production in the Byers-Yates Gas Pool is Exxon Corporation. Their Bowers A Federal #31 is located in Sec 30 T18S R38E 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 (4)

cc: Erwin Oil & Gas Ltd., Inc.

Oil Reports and Gas Services, Inc.

P.O. BOX 755

HOBBS, NEW MEXICO 88241

PHONE NUMBERS
393-2727 - 393-2017

August 2, 1996

Shell Western E & P, Inc.
P. O. Box 576
Houston, Texas 77001-0576
Attention: Land Department

Non-Standard Location-Gas Spacing and Proration Unit
Erwin Oil & Gas Ltd., Inc.
Quarry #1, API #30-025-32297
1980' FEL & 890' FWL
Unit L, Sec 19 T18S R38E, Lea County, New Mexico
Bowers Yates Seven Rivers (current)
Undesignated Byers-Yates Gas Pool (proposed)

Gentlemen:

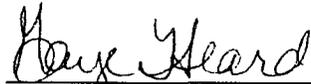
Erwin Oil & Gas Ltd., Inc. is applying for a Non-Standard Location-Gas Spacing and Proration Unit for 40 acres more or less on the captioned well in order to recomplete from the Bowers-Seven Rivers Oil Pool to the Byers-Yates Gas Pool. Enclosed are copies of a C-101, C-102, a area map circumferencing the well and the letter to the Oil Conservation Division, Santa Fe, Mr. Michael Stogner.

This letter serves as notice by Erwin Oil & Gas Ltd., Inc. of its stated intention for application. As an offset operator, please indicate your approval in the area provided and return this letter as soon as possible.

Thank you for your prompt reply to this matter.

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 (4)

cc: Oil Conservation Division-Mr. Mike Stogner-Santa Fe
Oil Conservation Division-Hobbs
Erwin Oil & Gas Ltd., Inc.-Hobbs

As an offset operator, we have no objection to Erwin Oil & Gas Ltd., Inc. application for a 40 acre NSL-gas spacing & proration unit for the captioned well.

Shell Western E & P, Inc.

By: _____

Date: _____

P 243 010 519
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO		Shell Western E&P Inc.
STREET AND NO. Attn: Land Dept.		
P.O., STATE AND ZIP CODE		P. O. Box 576, TX 77001-
POSTAGE		\$55.0576
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	110 ¢
	SPECIAL DELIVERY	¢
	RESTRICTED DELIVERY	¢
	OPTIONAL SERVICES	
	TURN RECEIPT SERVICE	110 ¢
	SHOW TO WHOM AND DATE DELIVERED	
	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
	POST OFFICE AND ZIP CODE	HOBBS NM 88240
	POST MARK OF DATE	AUG 9 1996
		USPS

PS Form 3800, Apr. 1976

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

⁷ 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

⁸ 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				

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3663
¹⁶ Multiple No	¹⁷ Proposed Depth 3012	¹⁸ Formation Yates	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

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

²² 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.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Ralph B. Erwin*

Printed name:

Title:

OIL CONSERVATION DIVISION

Approved by:
ORIGINAL SIGNED BY JERRY SEXTON

Title: DISTRICT I SUPERVISOR

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 Water Pool Bowers - Seven Rivers
Property Code, 4200 14919	Property Name QUARRY	Well Number 1
OGRID No. 018703	Operator Name ERWIN OIL & GAS LTD INC	Elevation 3661

¹⁰ Surface Location

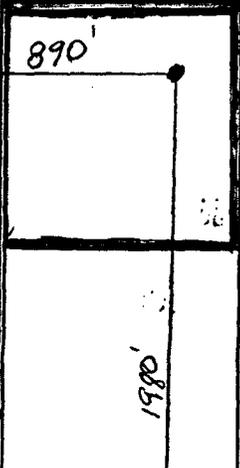
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	18S	38E		1980	South	890	West	LCH

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code 0	¹⁵ 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				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Ralph E. Erwin Printed Name Operator Title Date
	890' 		Green line represents standard sized spacing unit. Black line represents application for NS spacing unit.	
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

FILE COPY

*Oil Reports and Gas Services, Inc.*P.O. BOX 755
HOBBS, NEW MEXICO 88241PHONE NUMBERS
393-2727 • 393-2017

August 2, 1996

Shell Western E & P, Inc.
P. O. Box 576
Houston, Texas 77001-0576
Attention: Land DepartmentNon-Standard Location-Gas Spacing and Proration Unit
Erwin Oil & Gas Ltd., Inc.
Quarry #1, API #30-025-32297
1980' FEL & 890' FWL
Unit L, Sec 19 T18S R38E, Lea County, New Mexico
Bowers Yates Seven Rivers (current)
Undesignated Byers-Yates Gas Pool (proposed)

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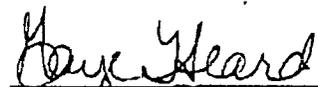
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Yours very truly,

OIL REPORTS & GAS SERVICES, INC.



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

Enclosures (4)

cc: Oil Conservation Division-Mr. Mike Stogner-Santa Fe
Oil Conservation Division-Hobbs
Erwin Oil & Gas Ltd., Inc.-Hobbs

Page 2

Erwin Oil & Gas Ltd., Inc.
Quarry #1

As an offset operator, we have no objection to Erwin Oil & Gas Ltd., Inc. application for a 40 acre NSL-gas spacing & proration unit for the captioned well.

Shell Western E & P, Inc.

By: *R.L. Dykes*

Date: *9-9-96*

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	<i>Ralph Erwin</i> 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 Fee owned U A A	C 40.00 Fee owned U A A	B 40.00 Fee owned U A	A 40.00 Fee owned U A
2 37.68 Fee owned U A	F 40.00 Fee owned U A	G 40.00 Fee owned U A	H 40.00 Fee owned U A A

M0002: This is the first page

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



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 26, 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 37.72-acre gas spacing and proration unit in the Undesignated Byers-Yates Gas Pool to be dedicated to the Erwin Oil & Gas, Ltd., Inc. Quarry Well No. 1 (API No. 30-025-32297); 1980'FSL-890'FWL (Lot 3/Unit L) of Section 19, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

Dear Ms. Heard:

I have attached a copy of the amended Statewide Rules and Regulations pertaining to spacing, please note that the required explanation for such a filing as this in an "unprorated gas pool" will need to be somewhat thorough and a response to the following inquiries will need to be addressed before we can process the subject application:

- (1) have the notice provisions of Division General Rule 104.D(2)(c) been adequately met;
- (2) what measures have been taken to reach a voluntary agreement by all parties in communitizing the required acreage in the SW/4 equivalent of said Section 19;
- (3) why forced pooling is not an option; and,
- (4) how will this well effect overall drainage issues should the parties being segregated be forced to drill unnecessary offsetting wells within this same quarter section.

Should you have any questions or comments concerning these rules, requirements and/or procedures after you have reviewed them, please contact me at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

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