

7136: HANSON OIL CORPORATION FOR
DMENT OF R-111-A, EDDY COUNTY, NEW
CO

CASE NO.

7136

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Hanson Oil Corpora-
tion for amendment of R-111-A,
Eddy County, New Mexico.

CASE
7136

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

I N D E X

JAMES A. KNAUF

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Nutter

15

E X H I B I T S

Applicant Exhibit A, Map

4

Applicant Exhibit B, Map

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Applicant Exhibit C, Map

8

Applicant Exhibit D, Sketch

11

Applicant Exhibit E, Form 9330

13

Applicant Exhibit F, Document

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1
2 MR. NUTTER: Call next Case Number 7136.

3 MR. PADILLA: Application of Hanson Oil
4 Corporation for amendment of Order R-111-A, Eddy County, New
5 Mexico.

6 MR. KELLAHIN: I'm Tom Kellahin of Santa
7 Fe, New Mexico, appearing on behalf of Hanson Oil Corporation
8 and I have one witness to be sworn.

9
10 (Witness sworn.)

11
12 JAMES A. KNAUF
13 being called as a witness and being duly sworn upon his oath,
14 testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Mr. Knauf, would you please state your
19 name and occupation?

20 A My name is James A. Knauf, and I am a
21 petroleum engineering consultant from Artesia, New Mexico.

22 Q Mr. Knauf, have you been employed as a
23 consultant for Hanson Oil Corporation for purposes of this
24 case?

25 A Yes, I have.

1

2

Q And you said you're a consulting engineer?

3

A Yes, sir.

4

Q Mr. Knauf, have you previously testified before the Oil Conservation Division as a petroleum engineer?

5

A Yes, sir.

6

Q And have your qualifications as a petroleum engineer been accepted and made a matter of record?

7

A Yes, sir.

8

MR. KELLAHIN: We tender Mr. Knauf as an expert witness.

9

MR. NUTTER: Mr. Knauf is qualified.

10

Q Mr. Knauf, I'd like to direct your attention to what we've marked as Applicant's Exhibit A, and have you identify that exhibit for us.

11

12

A Okay. Exhibit A is a portion of the USGS oil/potash map for southeastern New Mexico. This is a north portion, which I have copied to show that the Wills-Weaver is an island separate from the main body of R-111-A.

13

Q How is the R-111-A island that is separated from the main body identified on the exhibit, Mr. Knauf?

14

15

16

A It is the north part up in 18 South, 30 East.

17

18

Q What is represented by the darker lines

1
2 to the north of the island?

3 A. The north lines to the darker line are
4 the Secretary of Interior's oil/potash area.

5 Q. All right. What's identified by the
6 orange square?

7 A. The orange square is this northeast
8 quarter of Section 26 of 18, 30, which is the basis for this
9 case.

10 Q. Describe for me briefly, Mr. Knauf,
11 what the applicant is seeking here today.

12 A. Hanson Oil Corporation is actually
13 seeking to get this 160 acres eliminated from R-111-A and
14 as an alternative, an exception to the casing cementing
15 program.

16 Q. This would be for the drilling of what
17 type of well, Mr. Hanson --- I mean Mr. Knauf?

18 A. Hanson Oil Corporation plans to drill
19 at least four wells in the northeast quarter and possibly
20 eight additional besides those four.

21 Q. To what formation would these wells be
22 drilled?

23 A. To the Queen-Grayburg formation.

24 Q. Is that designated as a pool by the Oil
25 Commission?

1

2

A. Yes, sir, it's in the Shugart Pool.

3

4

Q. Are there existing Shugart wells in the northeast quarter of this section?

5

6

A. Yes, sir, Hanson has already drilled four wells as shown on Exhibit B.

7

8

Q. All right, sir. Let me ask you one more question about Exhibit A. Who is the potash lessee for the northeast quarter of Section 26?

9

10

A. The potash lessee is Duval Corporation.

11

12

Q. And is the oil and gas Federal, State, or fee mineral?

13

14

A. The oil and gas is Federal.

15

16

Q. And what's the source of the potash? Is that Federal, State, or fee?

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18

A. Just Federal, also.

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Q. All right, sir. Let's go to Exhibit B and have you identify that for me.

A. Exhibit B is a portion of the USGS oil and gas map, and I have prepared this just -- I have colored in with an orange line the boundaries of R-111-A island, and colored in the Hanson's lease, the northeast 26 is colored in solid yellow, and the other portions -- the lease does cover other lands outside, but the only part that's in question is the northeast of 26 because of R-111-A restrictions.

1
2 Q The wells indicated in the northeast
3 quarter of 26, are those the four Hanson wells that you've
4 already testified to as being completed in the Shugart pool?

5 A Yes, sir. I might say, these wells were
6 drilled in '71 or '72 in accordance with R-111-A.

7 Q All right, sir, are there any other
8 wells in the immediate area which have been drilled as excep-
9 tions to Order Number R-111-A?

10 A Yes. Most of the recent wells, by
11 LaRue and Muncy and T. B. Knox Estate, I don't know, there
12 might be some -- well, Arrowhead has approval to drill two,
13 also, all with exceptions to the casing cementing program.

14 Q Are those exceptions found within the
15 area defined by the orange line?

16 A No. They're -- oh, you said orange.

17 Q Yes, sir.

18 A Maybe I need to qualify. I'm partially
19 colorblind.

20 Q I'm sorry. Within the area defined as
21 the R-111-A island?

22 A Yes, sir.

23 Q All those exceptions apply to that island.

24 A Right.

25 Q All right, sir. Let's go to Exhibit C,

1
2 if you please, Mr. Knauf, and have you identify that for me.

3 A. Exhibit C is a portion of a map out of
4 the deGolyer Associates, our consulting firm, mining consulting
5 firm, that were contracted by the Geological Survey to work
6 up abandonment procedures for this Wills-Weaver project, and
7 actually it's -- I do have a copy of deGolyer Associates, and
8 it is just one of the exhibits from there that I -- the reason
9 I used it, it did include Hanson's area in question, and it
10 does show the limits of the mine workings.

11 Q. Whose mined the area identified on Ex-
12 hibit Number C?

13 A. Oh, this is Duval Corporation's.

14 Q. Does this show an active potash mine
15 or has it been abandoned?

16 A. No, sir, this mining operation ceased
17 in 1971 and they have made application to the Survey to plug
18 the shaft and abandon all this, but it's been held up by --
19 due to numerous reasons.

20 Q. All right. Do you have an opinion, Mr.
21 Knauf, as to whether there is commercial potash remaining to
22 be mined within the area defined as the R-111-A island,
23 identified on Exhibit A?

24 A. According to Duval Corporation there is
25 no more commercial ore up here. It is -- the mineralized

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2 zone for this island up here does go in the north part of
3 Section 26, and for awhile the Survey thought it might be
4 able to be mined by solution mining, but due to the wells in
5 here and there is no way to control solution mining in this
6 open mine, that they have given up with the idea that it is
7 practical to solution mine what might be low grade ore out-
8 side of the actual mined area.

9 Q Mr. Knauf, are you familiar with the
10 drilling of oil and gas wells in a potash area such as this?

11 A Yes, sir.

12 Q Would you describe briefly for the Examiner
13 the extent of that experience?

14 A Well, actually I went to work for the
15 Geological Survey in 1950 in Artesia, and then I was in the
16 Roswell office and back to Artesia. I've been in southeastern
17 New Mexico for more than thirty years, and most of it -- I
18 did attend the original hearing for R-111 back in 1950.

19 Q Was one of your duties with the USGS
20 the supervision of the drilling of oil and gas wells within
21 the R-111-A area?

22 A Yes, sir, on the Federal lands, I did
23 have the responsibility of looking after the drilling and
24 production of these, and also to see that our Federal oper-
25 ators abided by R-111-A regulations.

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Q So you're familiar with the terms of the R-111-A orders?

A Yes, sir.

Q Are you also familiar with the mining terms with regard to the leaving of pillars around the mined out areas and in particular regard to the phrase subsidence?

A Yes, sir.

Q All right, sir, would you define briefly what, if any, impact the further drilling of the northeast quarter of 26 as an exception to the R-111-A area may or may not have with regards to the subsidence of the old mined-out area to the north?

A There would not be any problems because even if a well was drilled in the northwest corner of this northeast quarter, it would still be out of the angle of subsidence for the Wills-Weaver mine.

Q What angle of subsidence are you referring to, Mr. Knauf?

A A 35 degree angle.

Q Okay, what is the depth of the potash mine here?

A Well, at the shaft it's right at 1000 feet, and coming down -- it does dip to the southeast and the ore body down here is approaching 1100 feet.

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2 Q Have you discussed with Duval personnel
3 the further drilling in the northeast quarter of 26?

4 A Yes, sir, I have -- in fact I have talked
5 to them on several occasions of some other hearings and they
6 had no objections to removing this whole island from R-111-A.

7 Q Would you refer to Exhibit Number D and
8 identify that for us?

9 A Exhibit D is just a diagrammatic well
10 sketch showing the formations and approximate depths and --

11 Q This would be a diagrammatic sketch of
12 how you would propose to complete these wells as exceptions
13 to R-111-A?

14 A Yes, these future wells.

15 Q All right, sir, and with specific re-
16 gards to that order, what portions of the order do you desire
17 to be excepted from?

18 A Well, of course, we would like to have --
19 to contract the area to exclude this. It would be a lot more
20 convenient for Duval and Hanson and the Oil Commission and
21 USGS. I might say that Hanson does plan to drill a second
22 well in each one of these 40's and if it turns out, they will
23 core the wells, and if it justifies, they will plan to drill
24 a third and fourth well on each 40.

25 Q How many additional wells, then, would

1
2 potentially be drilled in the northeast quarter of Section
3 26?

4 A. It would be four to twelve more wells,
5 and they do -- they're drilling this with the idea of having
6 it ready for secondary recovery, and so they would plan to
7 circulate cement in -- they do not know now which wells might
8 be injection wells, so they would plan to circulate the pro-
9 duction string whether it's in R-111-A or outside.

10 Q. What portions, then, of the R-111-A
11 order would you seek an exception from?

12 A. Well, actually, outside of the admini-
13 strative procedures of giving registered notice to the Duval
14 and all, why, the only other exception is running the base
15 of the salt, a string of pipe.

16 Q. Am I correct in understanding that the
17 provisions of the order with regards to the salt protection
18 string, all those provisions you're seeking to be excluded
19 from compliance with those provisions?

20 A. With the cementing and casing require-
21 ments, yes.

22 Q. All right, sir.

23 A. Of course, it would -- of course it's
24 only good engineering practice to drill with brine to total
25 depth while the salt is exposed, and all the other procedures,

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well, any prudent operator follows R-111-A whether it's in there or not, except for running this one casing string.

Q Do you have some cost numbers for us, Mr. Knauf, as to what it will cost Hanson Oil Corporation for the drilling of a well in compliance with the R-111-A order, and then as you propose to have them completed and drilled?

A Yes. The figures for drilling one of these wells to 3550 in accordance with R-111-A is estimated to be \$361,910.

Q And as you propose to have them drilled, Mr. Knauf, what would that figure be?

A And the way we're planning -- hoping to drill them is -- will be \$317,785. That would be a savings of about \$44,125 per well.

Q Would you refer to Exhibit E for us and identify that?

A Exhibit E is actually just a copy of the USGS Form 9330, which is a well completion report and log of drilling operations for the four wells that have heretofore been drilled.

Q All right, sir, and if you'll turn to Exhibit F and identify that for us.

A And Exhibit F is just a cumulative oil production for these four wells.

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2 Q Were Exhibits A through F compiled under
3 your direction and supervision, Mr. Knauf?

4 A Yes, sir.

5 Q All right. In your opinion, Mr. Knauf,
6 will approval of this application be in the best interest of
7 conservation, the prevention of waste, and the protection of
8 correlative rights?

9 A Yes, sir.

10 Q And in your opinion is there any hazard
11 to any commercial potash minerals within the area?

12 A No.

13 Q In your opinion will approval of this
14 application result in the undue waste of any potash deposits
15 or constitute a hazard to or interfere unduly with potash
16 deposits?

17 A No, sir, because this mining operation
18 has already been abandoned and they have done subsidence
19 mining in this general area and it would be impossible for
20 anyone to re-enter this mine and go down in this general
21 area.

22 MR. KELLAHIN: That concludes our exam-
23 ination of Mr. Knauf.

24 We move the introduction of Exhibits A
25 through F.

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2 MR. NUTTER: Exhibits A through F will
3 be admitted.

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5 CROSS EXAMINATION

6 BY MR. NUTTER:

7 Q Mr. Knauf, aside from the elimination
8 of the area from R-111-A, you would be seeking an exception
9 to the R-111-A casing and cementing specifications, is that
10 correct?

11 A Yes.

12 Q Now, what it actually amounts to as an
13 exception would be that the -- for a shallow zone well under
14 R-111-A it requires either a string of casing cemented to the
15 base of the salt and then drill on through that on down to
16 the production pipe, set the production pipe, or it requires
17 the running of a temporary string that's just packed and
18 protects the salt section during the drilling of the well,
19 and then after you run your production casing the temporary
20 string could be pulled, is that correct?

21 A Yes, sir.

22 Q So what you're seeking here is the
23 elimination of this temporary tacking string.

24 A Yes, sir. So drilling a larger hole
25 you have to start out with a larger hole and larger casing.

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Q Right.

A To be able to set that in there, and in essence that's all we're doing and that's all we'll do even if it's eliminated from R-111-A. We'll still follow good engineering practices.

Q So in effect what we would have, then, in an exception that you're seeking, would be an ultimate casing program that would be the same as R-111-A if you used the temporary string and then pulled it.

A Yes, sir.

Q And the only difference would be that the salt section would be exposed during the drilling operations.

A That's right.

Q And you would propose to drill with a brine which would eliminate the washing out of the salt.

A Yes, sir. And it will be circulated back to the surface and we propose to do this on all wells because any one of them may be an injection well.

Q Now the four wells that are there now, what kind of a casing cementing program was used on them?

A Well, they were drilled under R-111-A. Now that's Exhibit E; has a history.

Q So on the first one here we've got a

1
2 5-1/2 at 3545 with cement circulated.

3 A. Yes, sir. And it --- you might notice
4 on there that 8-5/8ths was set at 1748 and tacked with 50
5 sacks, and then they cut and pulled --

6 Q. And then it was pulled then.

7 A. Yes, sir.

8 Q. And the second well, the casing was
9 pulled and the long string is circulated.

10 A. Yes, sir.

11 Q. Now on this third string, or the third
12 well, looks like the same happened, they pulled the temporary
13 string --

14 A. Yes, sir.

15 Q. -- and circulated on the long string
16 and on the fourth well you have penned in here that the short --
17 that the intermediate string was pulled.

18 A. Yes, sir. I didn't notice that until
19 I was up here and I checked the office there and they just --
20 when they filed this report with the USGS and Oil Commission,
21 they just failed to put this base of salt string on there.

22 Q. But it did have it and it was pulled.

23 A. And they did pull 1530 foot of it.

24 Q. Okay.

25 MR. NUTTER: Are there any further

1
2 questions of Mr. Knauf?

3 MR. KELLAHIN: No, sir.

4 MR. NUTTER: He may be excused. Do you
5 have anything further, Mr. Kellahin?

6 MR. KELLAHIN: No, sir.

7 MR. NUTTER: Does anyone have anything
8 they wish to offer in Case Number 7136?

9 We'll take the case under advisement.

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11 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete report of the proceedings in the Examiner hearing of Case No. 7136 heard by me on 1/28 1981.
[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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(Witness sworn.)

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being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Mr. Knauf, would you please state your name and occupation?

A. My name is James A. Knauf, and I am a petroleum engineering consultant from Artesia, New Mexico.

Q. Mr. Knauf, have you been employed as a consultant for Hanson Oil Corporation for purposes of this case?

A. Yes, I have.

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2 Q And you said you're a consulting engineer?

3 A Yes, sir.

4 Q Mr. Knauf, have you previously testified
5 before the Oil Conservation Division as a petroleum engineer?

6 A Yes, sir.

7 Q And have your qualifications as a petro-
8 leum engineer been accepted and made a matter of record?

9 A Yes, sir.

10 MR. KELLAHIN: We tender Mr. Knauf as
11 an expert witness.

12 MR. NUTTER: Mr. Knauf is qualified.

13 Q Mr. Knauf, I'd like to direct your
14 attention to what we've marked as Applicant's Exhibit A,
15 and have you identify that exhibit for us.

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17 USGS oil/potash map for southeastern New Mexico. This is
18 a north portion, which I have copied to show that the Wills-
19 Weaver is an island separate from the main body of R 111-A.

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A. The north lines to the darker line are the Secretary of Interior's oil/potash area.

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Q. All right. What's identified by the orange square?

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A. Yes, sir, it's in the Shugart Pool.

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Q Are there existing Shugart wells in the northeast quarter of this section?

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A. Yes, sir, Hanson has already drilled four wells as shown on Exhibit B.

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Q All right, sir. Let me ask you one more question about Exhibit A. Who is the potash lessee for the northeast quarter of Section 26?

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19 Q Was one of your duties with the USGS
20 the supervision of the drilling of oil and gas wells within
21 the R-111-A area?

22 A Yes, sir, on the Federal lands, I did
23 have the responsibility of looking after the drilling and
24 production of these, and also to see that our Federal oper-
25 ators abided by R-111-A regulations.

Q So you're familiar with the terms of the R-111-A orders?

A Yes, sir.

Q Are you also familiar with the mining terms with regard to the leaving of pillars around the mined out areas and in particular regard to the phrase subsidence?

A Yes, sir.

Q All right, sir, would you define briefly what, if any, impact the further drilling of the northeast quarter of 26 as an exception to the R-111-A area may or may not have with regards to the subsidence of the old mined-out area to the north?

A There would not be any problems because even if a well was drilled in the northwest corner of this northeast quarter, it would still be out of the angle of subsidence for the Willis-Weaver mine.

Q What angle of subsidence are you referring to, Mr. Knauf?

A A 35 degree angle.

Q Okay, what is the depth of the potash mine here?

A Well, at the shaft it's right at 1000 feet, and coming down --- it does dip to the southeast and the ore body down here is approaching 1100 feet.

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Q Have you discussed with Duval personnel the further drilling in the northeast quarter of 26?

A Yes, sir, I have -- in fact I have talked to them on several occasions of some other hearings and they had no objections to removing this whole island from R-111-A.

Q Would you refer to Exhibit Number D and identify that for us?

A Exhibit D is just a diagrammatic well sketch showing the formations and approximate depths and --

Q This would be a diagrammatic sketch of how you would propose to complete these wells as exceptions to R-111-A?

A Yes, these future wells.

Q All right, sir, and with specific regards to that order, what portions of the order do you desire to be excepted from?

A Well, of course, we would like to have -- to contract the area to exclude this. It would be a lot more convenient for Duval and Hanson and the Oil Commission and USGS. I might say that Hanson does plan to drill a second well in each one of these 40's and if it turns out, they will core the wells, and if it justifies, they will plan to drill a third and fourth well on each 40.

Q How many additional wells, then, would

1
2 potentially be drilled in the northeast quarter of Section
3 26?

4 A. It would be four to twelve more wells,
5 and they do -- they're drilling this with the idea of having
6 it ready for secondary recovery, and so they would plan to
7 circulate cement in -- they do not know now which wells might
8 be injection wells, so they would plan to circulate the pro-
9 duction string whether it's in R-111-A or outside.

10 Q. What portions, then, of the R-111-A
11 order would you seek an exception from?

12 A. Well, actually, outside of the admini-
13 strative procedures of giving registered notice to the Duval
14 and all, why, the only other exception is running the base
15 of the salt, a string of pipe.

16 Q. Am I correct in understanding that the
17 provisions of the order with regards to the salt protection
18 string, all those provisions you're seeking to be excluded
19 from compliance with those provisions?

20 A. With the cementing and casing require-
21 ments, yes.

22 Q. All right, sir.

23 A. Of course, it would -- of course it's
24 only good engineering practice to drill with brine to total
25 depth while the salt is exposed, and all the other procedures,

1
2 well, any prudent operator follows R-111-A whether it's in
3 there or not, except for running this one casing string.

4 Q Do you have some cost numbers for us, Mr.
5 Knauf, as to what it will cost Hanson Oil Corporation for the
6 drilling of a well in compliance with the R-111-A order, and
7 then as you propose to have them completed and drilled?

8 A Yes. The figures for drilling one of
9 these wells to 3550 in accordance with R-111-A is estimated
10 to be \$361,910.

11 Q And as you propose to have them drilled,
12 Mr. Knauf, what would that figure be?

13 A And the way we're planning -- hoping to
14 drill them is -- will be \$317,785. That would be a savings
15 of about \$44,125 per well.

16 Q Would you refer to Exhibit E for us and
17 identify that?

18 A Exhibit E is actually just a copy of
19 the USGS Form 9330, which is a well completion report and
20 log of drilling operations for the four wells that have
21 heretofore been drilled.

22 Q All right, sir, and if you'll turn to
23 Exhibit F and identify that for us.

24 A And Exhibit F is just a cumulative oil
25 production for these four wells.

1
2 Q Were Exhibits A through F compiled under
3 your direction and supervision, Mr. Knauf?

4 A Yes, sir.

5 Q All right. In your opinion, Mr. Knauf,
6 will approval of this application be in the best interest of
7 conservation, the prevention of waste, and the protection of
8 correlative rights?

9 A Yes, sir.

10 Q And in your opinion is there any hazard
11 to any commercial potash minerals within the area?

12 A No.

13 Q In your opinion will approval of this
14 application result in the undue waste of any potash deposits
15 or constitute a hazard to or interfere unduly with potash
16 deposits?

17 A No, sir, because this mining operation
18 has already been abandoned and they have done subsidence
19 mining in this general area and it would be impossible for
20 anyone to re-enter this mine and go down in this general
21 area.

22 MR. KELLAHIN: That concludes our exam-
23 ination of Mr. Knauf.

24 We move the introduction of Exhibits A
25 through F.

1
2 MR. NUTTER: Exhibits A through F will
3 be admitted.
4

5 CROSS EXAMINATION

6 BY MR. NUTTER:

7 Q Mr. Knauf, aside from the elimination
8 of the area from R-111-A, you would be seeking an exception
9 to the R-111-A casing and cementing specifications, is that
10 correct?

11 A Yes.

12 Q Now, what it actually amounts to as an
13 exception would be that the -- for a shallow zone well under
14 R-111-A it requires either a string of casing cemented to the
15 base of the salt and then drill on through that on down to
16 the production pipe, set the production pipe, or it requires
17 the running of a temporary string that's just packed and
18 protects the salt section during the drilling of the well,
19 and then after you run your production casing the temporary
20 string could be pulled, is that correct?

21 A Yes, sir.

22 Q So what you're seeking here is the
23 elimination of this temporary backing string.

24 A Yes, sir. So drilling a larger hole
25 you have to start out with a larger hole and larger casing.

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Q Right.

A To be able to set that in there, and in essence that's all we're doing and that's all we'll do even if it's eliminated from R-111-A. We'll still follow good engineering practices.

Q So in effect what we would have, then, in an exception that you're seeking, would be an ultimate casing program that would be the same as R-111-A if you used the temporary string and then pulled it.

A Yes, sir.

Q And the only difference would be that the salt section would be exposed during the drilling operations.

A That's right.

Q And you would propose to drill with a brine which would eliminate the washing out of the salt.

A Yes, sir. And it will be circulated back to the surface and we propose to do this on all wells because any one of them may be an injection well.

Q Now the four wells that are there now, what kind of a casing cementing program was used on them?

A Well, they were drilled under R-111-A. Now that's Exhibit E; has a history.

Q So on the first one here we've got a

1
2 5-1/2 at 3545 with cement circulated.

3 A. Yes, sir. And it -- you might notice
4 on there that 8-5/8ths was set at 1748 and tacked with 50
5 sacks, and then they cut and pulled --

6 Q. And then it was pulled then.

7 A. Yes, sir.

8 Q. And the second well, the casing was
9 pulled and the long string is circulated.

10 A. Yes, sir.

11 Q. Now on this third string, or the third
12 well, looks like the same happened, they pulled the temporary
13 string --

14 A. Yes, sir.

15 Q. -- and circulated on the long string
16 and on the fourth well you have penned in here that the short --
17 that the intermediate string was pulled.

18 A. Yes, sir. I didn't notice that until
19 I was up here and I checked the office there and they just --
20 when they filed this report with the USGS and Oil Commission,
21 they just failed to put this base of salt string on there.

22 Q. But it did have it and it was pulled.

23 A. And they did pull 1530 foot of it.

24 Q. Okay.

25 MR. NUTTER: Are there any further

1
2 questions of Mr. Knauf?

3 MR. KELLAHIN: No, sir.

4 MR. NUTTER: He may be excused. Do you
5 have anything further, Mr. Kellahin?

6 MR. KELLAHIN: No, sir.

7 MR. NUTTER: Does anyone have anything
8 they wish to offer in Case Number 7136?

9 We'll take the case under advisement.

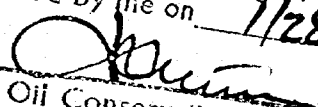
10
11 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7499

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7136, heard by me on 1/28 1981.

Oil Conservation Division, Examiner

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7136
Order No. R-6587

APPLICATION OF HANSON OIL CORPORATION
FOR THE CONTRACTION OF THE POTASH-OIL
AREA, OR IN THE ALTERNATIVE, AN EXCEPTION
TO THE CASING-CEMENTING RULES OF R-111-A,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of February, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Hanson Oil Corporation, seeks the contraction of the Potash-Oil Area as defined by Order No. R-111-A, as amended, by the deletion of the NE/4 of Section 26, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico, or, in the alternative, applicant seeks an exception to the casing-cementing rules prescribed by Order No. R-111-A for wells it proposes to drill in the NE/4 of said Section 26 to permit it to set surface casing at at least 600 feet and production casing at total depth in the Grayburg formation, circulating cement to the surface on both strings.

-2-

Case No. 7136
Order No. R-6587

(3) That while the evidence presented indicates that there are no present potash mining operations nor probable remaining deposits of commercial potash are in the subject area, there is insufficient geological and engineering data available in the record of this case to justify deletion of the subject lands from the Potash-Oil Area, and the application for such deletion should be denied.

(4) That the proposed method of completion for shallow-zone wells in the subject area should be safe and should not result in endangerment of potash resources or operations, provided however,

(5) That the production casing should be cemented with a volume of cement sufficient to circulate back to the surface.

(6) That the applicant should report the following both to the district office of the Division and the U.S.G.S. and may be required to circulate cement to the surface around the production casing:

(a) Any water flows encountered:

(b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

(7) That approval of the subject application will protect correlative rights, will prevent waste and will not cause the waste of potash.

(8) The application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Hanson Oil Corporation, is hereby authorized an exception to the casing-cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit the completion of several wells in the NE/4 of Section 26, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico, by setting surface casing at a depth of at least 600 feet and production casing at total depth with a volume of cement calculated to be sufficient to circulate back to the surface.

PROVIDED HOWEVER, that the applicant shall report the following, both to the district office of the Division and the U.S.G.S.:

-3-
Case No. 7136
Order No. R-6587

- (a) Any water flows encountered; and
- (b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

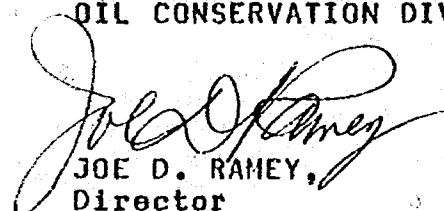
PROVIDED FURTHER, that the applicant may be required to re-cement the production casing to the surface if cement on said casing did not circulate to the surface.

(2) That the application to delete certain lands from the Potash-Oil Area is hereby denied.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/

Dockets Nos. 5-81 and 6-81 are tentatively set for February 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

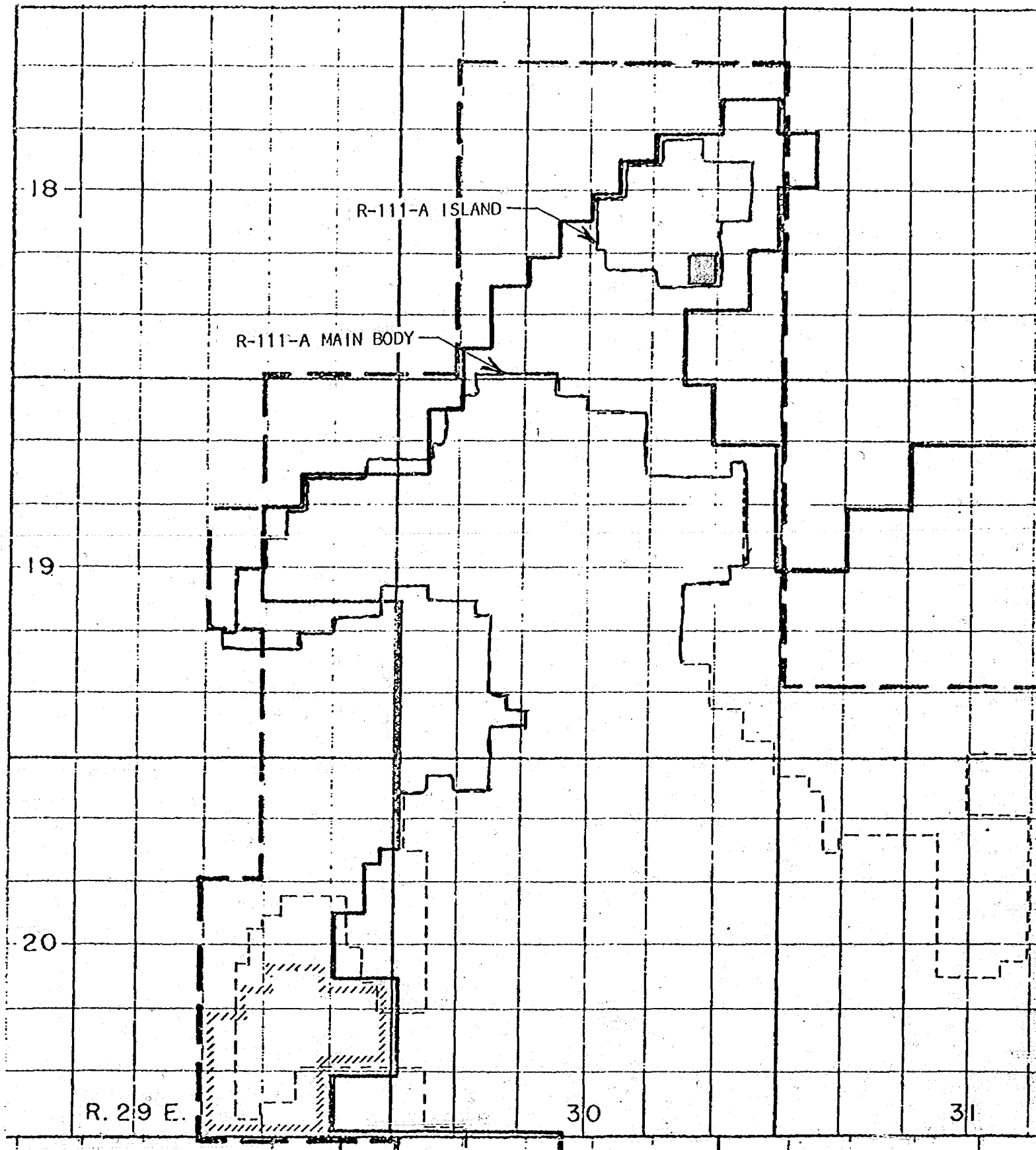
DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 28, 1981

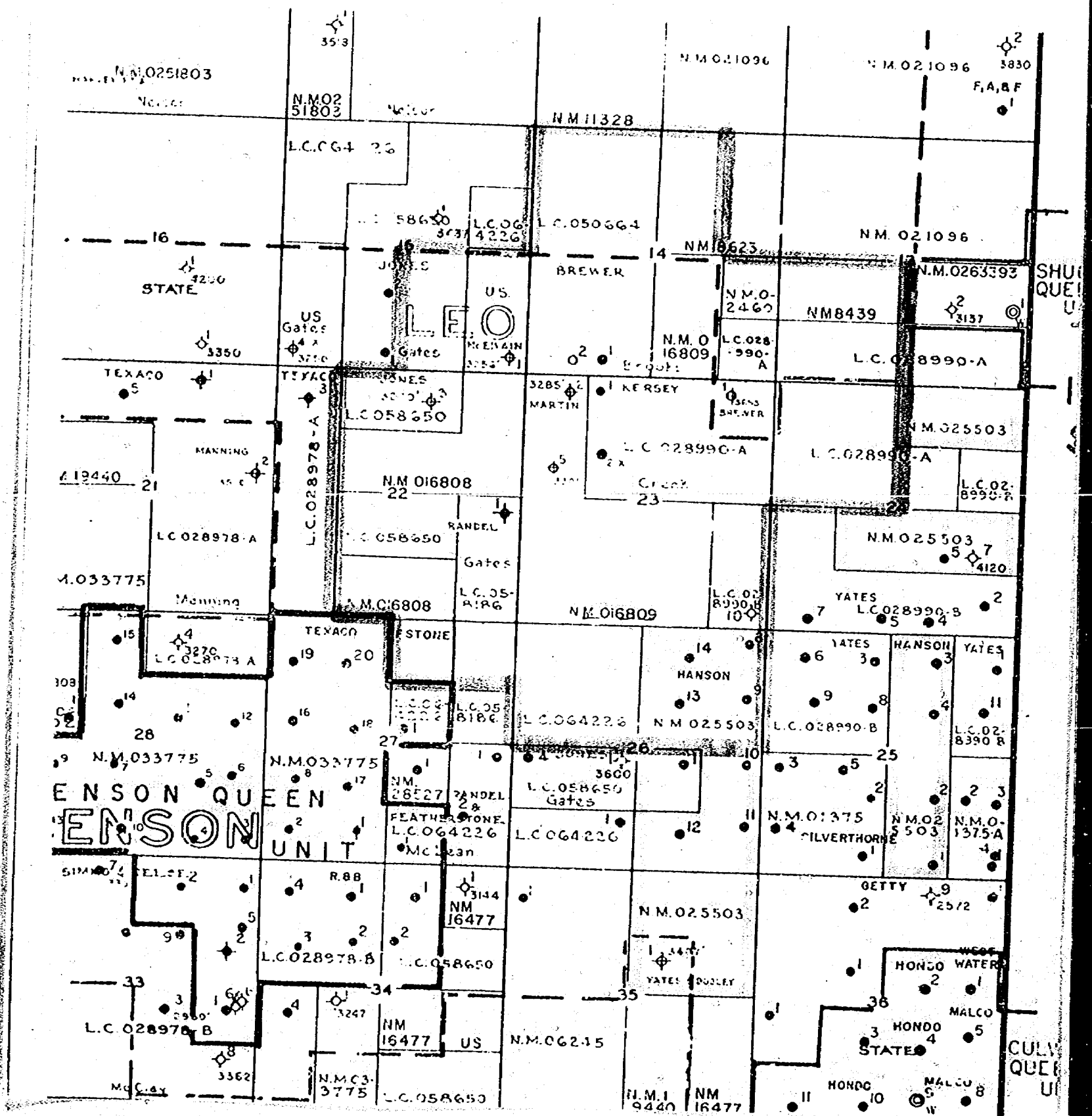
9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7135: Application of Celeste C. Gryenberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cottonwood Draw Unit Area, comprising 2555 acres, more or less, of State lands in Township 16 South, Range 24 East.
- CASE 7119: (Continued from January 14, 1981, Examiner Hearing)
- Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.
- CASE 7136: Application of Hanson Oil Corporation for amendment of R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the elimination of the NE/4 of Section 26, Township 18 South, Range 30 East, from the Potash-Oil Area as defined by Order No. R-111-A as amended. In the alternative, applicant seeks an exception to the casing and cementing rules of R-111-A for its wells to be drilled within the NE/4 of said Section 26.
- CASE 7137: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Blanco Mesaverde production in the wellbores of its wells located in: Sections 1 thru 5, and 7, 8, 21, 22, 24, and 25 in Township 26 North, Range 6 West; Sections 13, 14, 23, 24, and 26 in Township 26 North, Range 7 West; and Sections 33 thru 35 in Township 27 North, Range 6 West.
- CASE 7138: Application of Wiser Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 6000 to one, retroactive to May 1, 1980, for the Hardy-Drinkard Pool.
- CASE 7051: (Continued from December 30, 1980, Examiner Hearing)
- Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.
- CASE 7139: Application of Yates Petroleum Corporation for amendment of Division Order No. R-6367, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6367 to designate Yates Petroleum Corporation as the operator of the two proration units pooled by said order, replacing McClellan Oil Corporation as operator.
- CASE 7140: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7100: (Continued from January 14, 1981, Examiner Hearing)
- Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.
- CASE 7141: Application of P & O Oil Field Service for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East.

PORTION OF R-111-A AREA



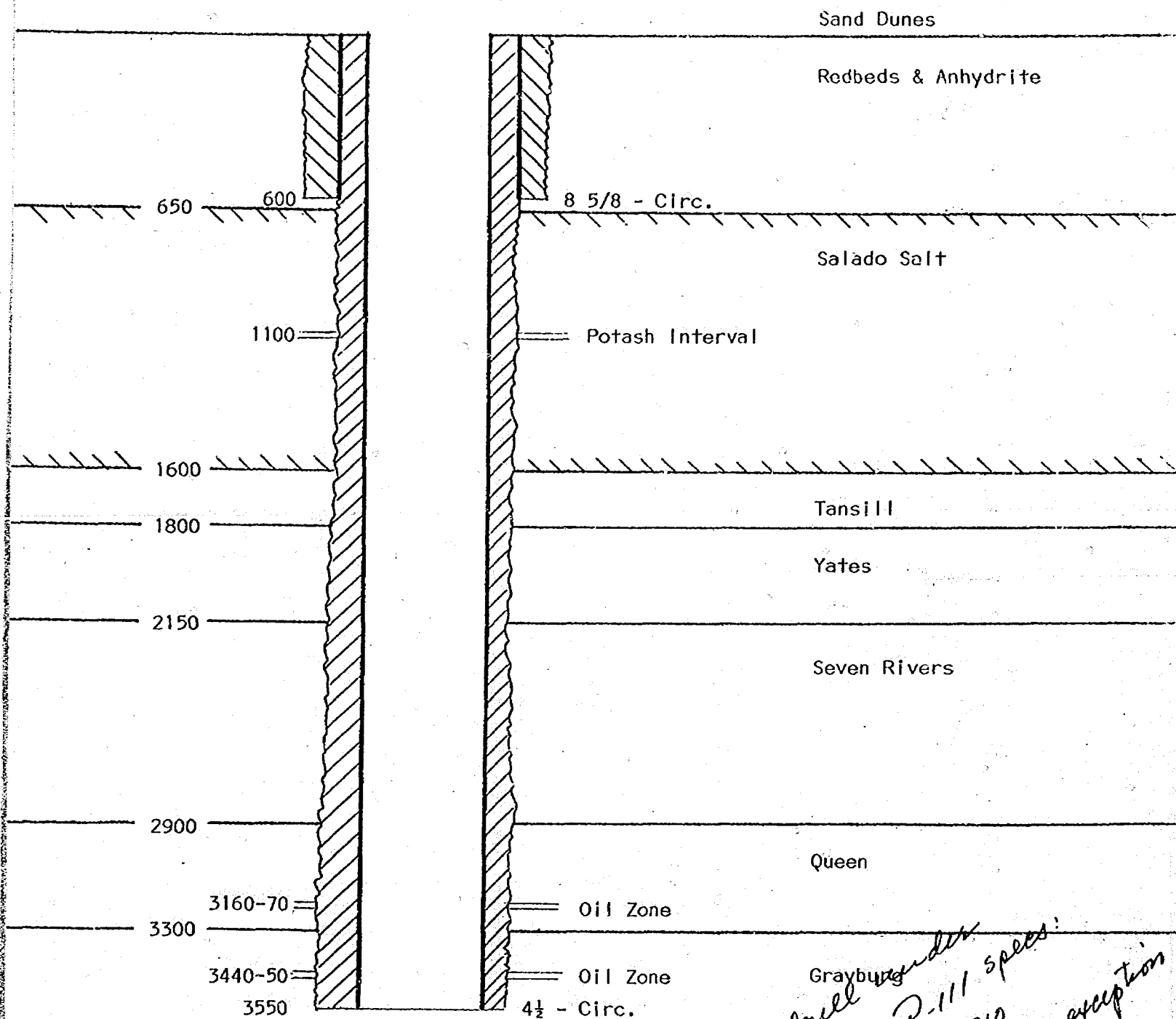


"C"
N. M.
mining ceased
in 1971 but
mine has not been
"P & A" yet.

[illegible]

N.M.O.C.D. CASE 7136, EXHIBIT "D"
NE 1/4 Sec. 26-18S-30E, Eddy County, N. M.

DIAGRAMATIC WELL SKETCH



Grayburg
Drill under
to R-111 specs:
361910
317885 as exception
34125' sups

N.M.O.C.D. CASE 7136, EXHIBIT "E"
NE $\frac{1}{4}$ Sec. 26-18S-30E, Eddy County, N. M.

INDIVIDUAL WELL RECORDS

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Hanson EXHIBIT NO. E
CASE NO. 7136

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See instructions on
reverse side)Form Approved
Budget Bureau No. 42-R355.6.

5. LEASE DESIGNATION AND SERIAL NO.

NM-025503

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Ginsberg Federal

9. WELL NO.

#8

10. FIELD AND POOL, OR WILDCAT

Shugart

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Sec. 26, T-18S, R-30E

12. COUNTY OR
PARISH

Eddy

13. STATE

New Mexico

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESER. ☐ Other _____

2. NAME OF OPERATOR

Hanson Oil Corporation

3. ADDRESS OF OPERATOR

P. O. Box 1515 - Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

330' FNL & 330' FEL

At top prod. interval reported below

Sec. 26, T-18-S, R-30-E, NMPM

At total depth

Eddy County, New Mexico

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

10-29-71

16. DATE T.D. REACHED

11-5-71

17. DATE COMPL. (Ready to prod.)

11-15-71

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

3508.9 GL 3518.9 KB

19. ELPH. CASINOHEAD

3508.9

20. TOTAL DEPTH, MD & TVD

3550

21. PLUG, BACK T.D., MD & TVD

3545

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

10-3550

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

3187-3191' & 3461-3465'

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Gamma Ray-Neutron

27. WAS WELL CORED

No

28.

CASING RECORD (Report all strings set in well)

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
12-3/4"	49#	704'	17-1/2"	600 sx - circulated	None
8-5/8"	33#	1748'	11"	50 sx -	1508'
5-1/2"	15.5#&17#	3545'	7-7/8"	150 sx + 100 sx thru 1" to surface	None

29.

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30.

TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	3160'	

31. PERFORATION RECORD (Interval, size and number)

3187-3191', 0.45", 12 holes
3461-3465', 0.45", 12 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3187-3191'	500 gals 15% NE acid, 20,000 gals trtd wtr, 20,000#20-40sd.
3461-3465'	500 gals 15% NE acid, 20,000 gals trtd wtr, 20,000#20-40sd.

33.*

PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
11-18-71		Pumping 1½" x 12' insert				Producing	
DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-19-71	24	2"	→	81		19 BLW	
FLOW, TUBING PRESS.	CASINO PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
		→	81		19 BLW	38°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Negotiating Contract

TEST WITNESSED BY

Harry Murdock

35. LIST OF ATTACHMENTS

2 copies of logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Gerald E. Hamilton

TITLE Geologist

DATE 12-8-71

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other in-
structions on
reverse side)Form approved,
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM-025503																									
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME																									
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME																									
3. ADDRESS OF OPERATOR P. O. Box 1515 - Roswell, New Mexico 88201		8. LEASE NAME Ginsberg Federal																									
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1650' FNL & 330' FEL At top prod. interval reported below Sec. 26, T-18-S, R-30-E At total depth Eddy County, New Mexico		9. WELL NO. 10. FIELD AND POOL, OR WILDCAT Shugart																									
11. SEC. T. R., M., OR BLOCK AND SURVEY OR AREA Sec. 26, T-18S, R-30E		12. COUNTY OR PARISH Eddy																									
13. STATE New Mexico		14. PERMIT NO. DATE ISSUED																									
15. DATE SPUDDED 10-14-71	16. DATE T.D. REACHED 10-23-71	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (OF, RKB, RT, CR, ETC.) 3485.1 GL																								
19. ELEV. CASINGHEAD 3485.1	20. TOTAL DEPTH, MD & TVD 3859'	21. FLUG. BACK T.D., MD & TVD 3521'	22. IF MULTIPLE COMPL., HOW MANY?																								
23. INTERVALS DRILLED BY 10-3859'			24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 3166-3171' & 3440-3444'																								
25. WAS DIRECTIONAL SURVEY MADE No			26. TYPE ELECTRIC AND OTHER LOGS RUN Compensated Densilog, Dual Induction Focused Log																								
27. WAS WELL CORED No			28. CASING RECORD (Report all strings set in well)																								
<table border="1"><thead><tr><th>CASINO SIZE</th><th>WEIGHT, LB./FT.</th><th>DEPTH SET (MD)</th><th>HOLE SIZE</th><th>CEMENTING RECORD</th><th>AMOUNT PULLED</th></tr></thead><tbody><tr><td>12-3/4"</td><td></td><td>723'</td><td>15"</td><td>400 sx.-circulated</td><td>None</td></tr><tr><td>8-5/8"</td><td></td><td>1755'</td><td>11"</td><td>50 sx.</td><td>1486'</td></tr><tr><td>5-1/2"</td><td></td><td>3562'</td><td>7-7/8"</td><td>1460 sx.-circulated</td><td>None</td></tr></tbody></table>				CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	12-3/4"		723'	15"	400 sx.-circulated	None	8-5/8"		1755'	11"	50 sx.	1486'	5-1/2"		3562'	7-7/8"	1460 sx.-circulated	None
CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED																						
12-3/4"		723'	15"	400 sx.-circulated	None																						
8-5/8"		1755'	11"	50 sx.	1486'																						
5-1/2"		3562'	7-7/8"	1460 sx.-circulated	None																						
29. LINER RECORD																											
<table border="1"><thead><tr><th>SIZE</th><th>TOP (MD)</th><th>BOTTOM (MD)</th><th>SACKS CEMENT*</th><th>SCREEN (MD)</th></tr></thead><tbody><tr><td></td><td></td><td></td><td></td><td></td></tr></tbody></table>				SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)																			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)																							
30. TUBING RECORD																											
<table border="1"><thead><tr><th>SIZE</th><th>DEPTH SET (MD)</th><th>PACKER SET (MD)</th></tr></thead><tbody><tr><td>2-3/8"</td><td>3162' GL</td><td></td></tr></tbody></table>				SIZE	DEPTH SET (MD)	PACKER SET (MD)	2-3/8"	3162' GL																			
SIZE	DEPTH SET (MD)	PACKER SET (MD)																									
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31. PERFORATION RECORD (Interval, size and number) 3166-3171', 0.45", 12 holes 3440-3444', 0.45", 12 holes																											
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.																											
<table border="1"><thead><tr><th>DEPTH INTERVAL (MD)</th><th>AMOUNT AND KIND OF MATERIAL USED</th></tr></thead><tbody><tr><td>3166-3171'</td><td>1000 gals. 15% NE acid, 20,000 gals treated wtr, 20,000#20-</td></tr><tr><td>3440-3444'</td><td>500 gals 15% NE acid, 20,000 gals treated wtr, 20,000#20-</td></tr></tbody></table>				DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED	3166-3171'	1000 gals. 15% NE acid, 20,000 gals treated wtr, 20,000#20-	3440-3444'	500 gals 15% NE acid, 20,000 gals treated wtr, 20,000#20-																		
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED																										
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3440-3444'	500 gals 15% NE acid, 20,000 gals treated wtr, 20,000#20-																										
33. PRODUCTION																											
<table border="1"><thead><tr><th>DATE FIRST PRODUCTION</th><th>PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)</th><th>WELL STATUS (Producing or shut-in)</th></tr></thead><tbody><tr><td>10-30-71</td><td>Pumping 1 1/2" x 12' insert metal-metal</td><td>Producing</td></tr></tbody></table>				DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)	10-30-71	Pumping 1 1/2" x 12' insert metal-metal	Producing																		
DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)																									
10-30-71	Pumping 1 1/2" x 12' insert metal-metal	Producing																									
<table border="1"><thead><tr><th>DATE OF TEST</th><th>HOURS TESTED</th><th>CHOKE SIZE</th><th>PROD'N. FOR TEST PERIOD</th><th>OIL—BBL.</th><th>GAS—MCF.</th><th>WATER—BBL.</th><th>GAS-OIL RATIO</th></tr></thead><tbody><tr><td>11-01-71</td><td>24</td><td>2"</td><td></td><td>198</td><td></td><td>22 BLW</td><td></td></tr></tbody></table>				DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	11-01-71	24	2"		198		22 BLW									
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO																				
11-01-71	24	2"		198		22 BLW																					
<table border="1"><thead><tr><th>FLOW. TUBING PRESS.</th><th>CASINO PRESSURE</th><th>CALCULATED 24-HOUR RATE</th><th>OIL—BBL.</th><th>GAS—MCF.</th><th>WATER—BBL.</th><th>OIL GRAVITY-API (CORR.)</th></tr></thead><tbody><tr><td></td><td></td><td></td><td>198</td><td></td><td>22 BLW</td><td>38°</td></tr></tbody></table>				FLOW. TUBING PRESS.	CASINO PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)				198		22 BLW	38°										
FLOW. TUBING PRESS.	CASINO PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)																					
			198		22 BLW	38°																					
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)																											
TEST WITNESSED BY Negotiating Contract Harry Murdock																											
35. LIST OF ATTACHMENTS 2 copies of logs																											
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.																											
SIGNED <u>Gerald E. Harrington</u> TITLE <u>Geologist</u> DATE <u>11-1-71</u>																											

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other in-
structions on
reverse side)Form approved,
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-025503	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. CEM. <input type="checkbox"/> Other <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P. O. Box 1515 - Roswell, New Mexico 88201		8. FARM OR LEASE NAME Ginsberg Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1650' FNL & 1800' FEL At top prod. interval reported below Sec. 26, T-18-S, R-30-E, NMPM At total depth Eddy County, New Mexico		9. WELL NO. 13	
14. PERMIT NO.		DATE ISSUED	
15. DATE SPUDDED 2-7-72		16. DATE T.D. REACHED 2-13-72	
17. DATE COMPL. (Ready to prod.) 2-21-72		18. ELEVATIONS (DT, RHR, RT, OR, ETC.) 3460.7' KB	
19. ELEV. CASINGHEAD 3450.7'		20. TOTAL DEPTH, MD & TVD 3515'	
21. PLUG BACK T.D., MD & TVD		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY 0-3515'		24. ROTARY TOOLS	
25. CABLE TOOLS		26. WAS DIRECTIONAL SURVEY MADE No	
27. WAS WELL CORED No		28. TYPE ELECTRIC AND OTHER LOGS RUN Densilog, Induction Electrolog	
29. CASING RECORD (Report all strings set) CASINO SIZE WEIGHT, LB/FT. DEPTH SET (MD) HOLE SIZE CEMENTING RECORD AMOUNT PULLED 12-3/4" 34# 720' 17 1/2" 600 sx - circulated None 8-5/8" 24# 1740' 11" 50 sx. 1400' 5 1/2" 14# 3515' 7-7/8" 1050 sx. - circulated		30. LINER RECORD SIZE TOP (MD) BOTTOM (MD) SACKS CEMENT* SCREEN (MD) 2-3/8" 3143'	
31. PERFORATION RECORD (Interval, size and number) 3107-3111', 0.41", 12 holes 3387-3393', 0.41", 18 holes		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED 3107-3111' 500gals acid, 18,800 gals gelled wtr +20,000# 20-40sand 3387-3393' 500gals acid, 18,350 gals gelled wtr +15,000# 20-40sand	
33. PRODUCTION DATE FIRST PRODUCTION 2-22-72 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 2" x 1 1/2" x 10' insert WELL STATUS (Producing or shut-in) Producing		34. LIST OF ATTACHMENTS 2 copies - logs	
35. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.		36. SIGNED <u>Harold E. Harrington</u> TITLE Geologist DATE	

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other in-
structions on
reverse side)REC'D MAY 17 1972
Bureau No. 42-R355.5

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 025503	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 1515-Roswell, New Mexico 88201		8. FARM OR LEASE NAME Ginsberg Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 660' FNL & 1650' FEL At top prod. interval reported below Sec 26, T-18-S, R-30-E, N.M.P.M. At total depth Eddy County, New Mexico		9. WELL NO. 14	
14. PERMIT NO.		13. STATE N.M.	
15. DATE SPUNDED 3-15-72		18. ELEVATIONS (OF, REB, RT, GR, ETC.)* 3449' GL	
16. DATE T.D. REACHED 3-22-72		19. ELEV. CASINGHEAD 3449'	
17. DATE COMPL. (Ready to prod.) 4-5-72		20. TOTAL DEPTH, MD & TVD 3495'	
21. PLUG, BACK T.D., MD & TVD 3495'		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY 0-3495'		24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 3109 - 3113' Penrose 3376 - 3382' Grayburg	
25. WAS DIRECTIONAL SURVEY MADE No		26. TYPE ELECTRIC AND OTHER LOGS RUN Densilog, Induction-Electrolog	
27. WAS WELL CORED No		28. CASING RECORD (Report all strings set in well)	
29. LINER RECORD		30. TUBING RECORD	
31. PERFORATION RECORD (Interval, size and number) 3109 - 3113', 0.41", 12 holes 3314 - 3318', 0.41", 12 holes		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED 3314 - 3318' 20,000 gal. gelled wtr. + 20,000# 20-40 sand + 500 gal. aci 3109 - 3113' 20,000 gal. gelled wtr. + 20,000# 20-40 sand + 500 gal. aci	
33. PRODUCTION DATE FIRST PRODUCTION 4-5-72 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) Producing		34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented-pending connection by Phillips Petroleum	
35. LIST OF ATTACHMENTS Deviation Survey, 2 copies-logs		36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records	
SIGNED <u>Ronald E. Harrington</u>		TITLE <u>Geologist</u>	
DATE <u>May 15, 1972</u>			

*(See Instructions and Spaces for Additional Data on Reverse Side)

NMOCD CASE 7136, EXHIBIT "F"
 Sec. 26-18S-30E, Eddy Co., N. M.

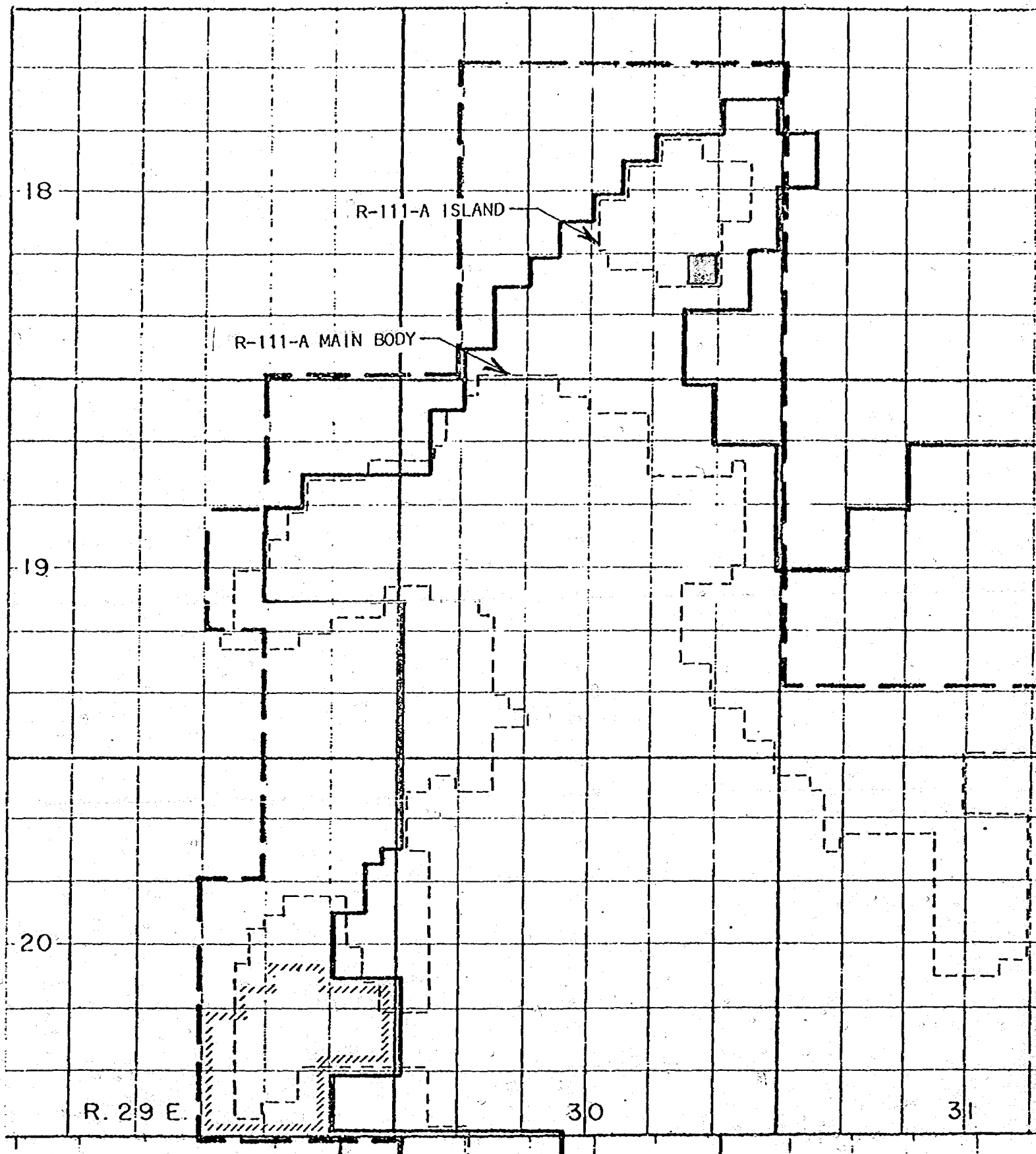
ACCUMULATIVE OIL PRODUCTION

	#8 Ginsberg A-26-18-30 <u>Comp 11-15-71</u>	#9 Ginsberg H-25-18-30 <u>Comp 10-30-71</u>	#13 Ginsberg G-26-18-30 <u>Comp 2-21-72</u>	#14 Ginsberg B-26-18-30 <u>Comp 4-5-72</u>
Thru 12-31-79	21,142	89,850	59,590	7,973
Jan. 80	29	367	380	105
Feb. 80	24	299	355	97
Mar. 80	26	319	339	92
Apr. 80	26	322	333	91
May 80	29	369	321	88
June 80	33	410	156	43
July 80	28	355	178	49
Aug. 80	28	346	273	74
Sep. 80	29	369	232	63
Oct. 80	20	249	40	11
Nov. 80	37	462	507	138
Dec. 80	<u>31</u>	<u>388</u>	<u>272</u>	<u>74</u>
TOTAL 1980	340	4355	3366	925
Thru 12-31-80	21,482	94,205	62,976	8,898

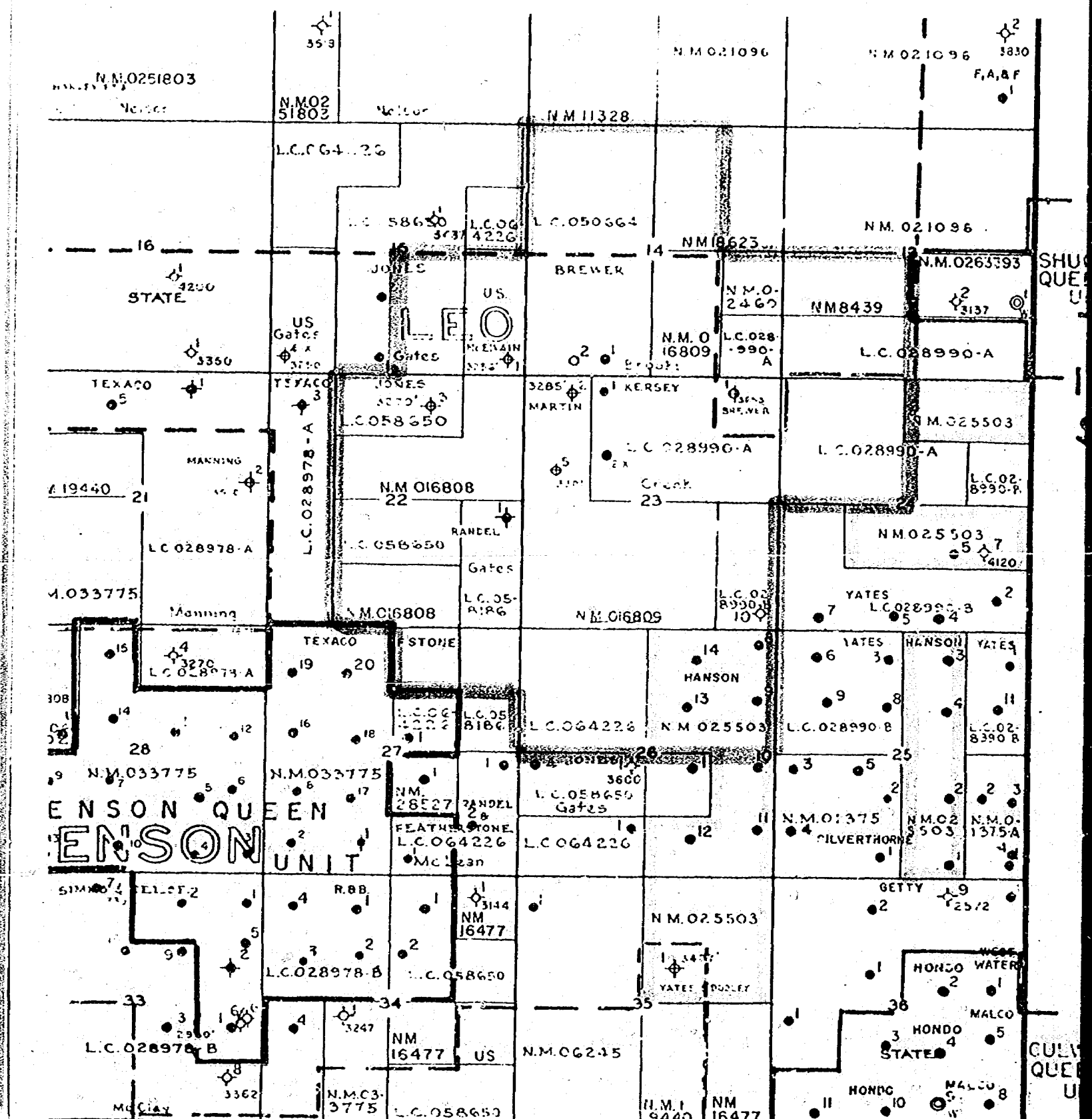
BEFORE EXAMINER NUTTER
 OIL CONSERVATION DIVISION

Hanson EXHIBIT NO. F
 CASE NO. 7136

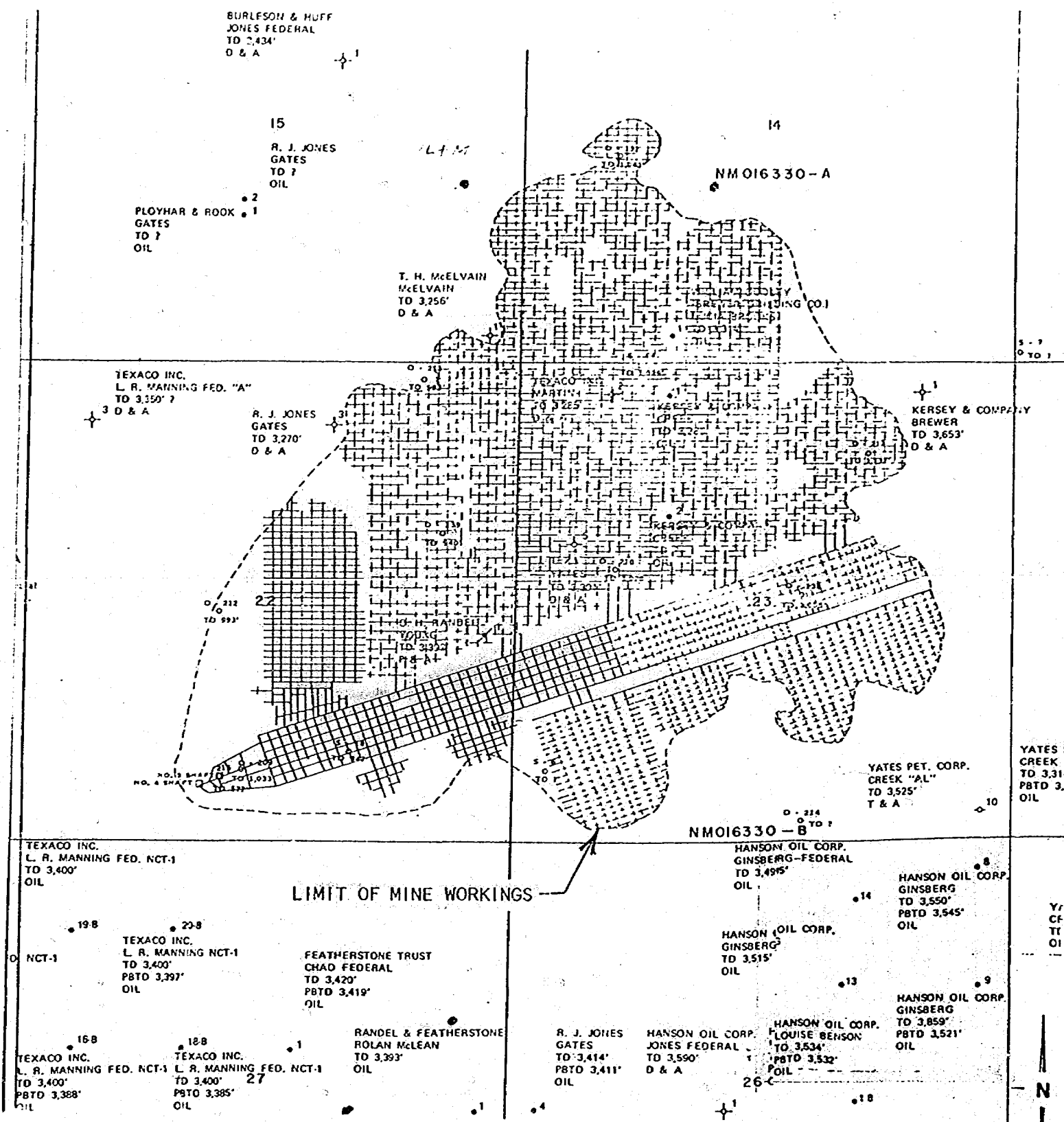
PORTION OF R-111-A AREA



OIL & GAS MAP

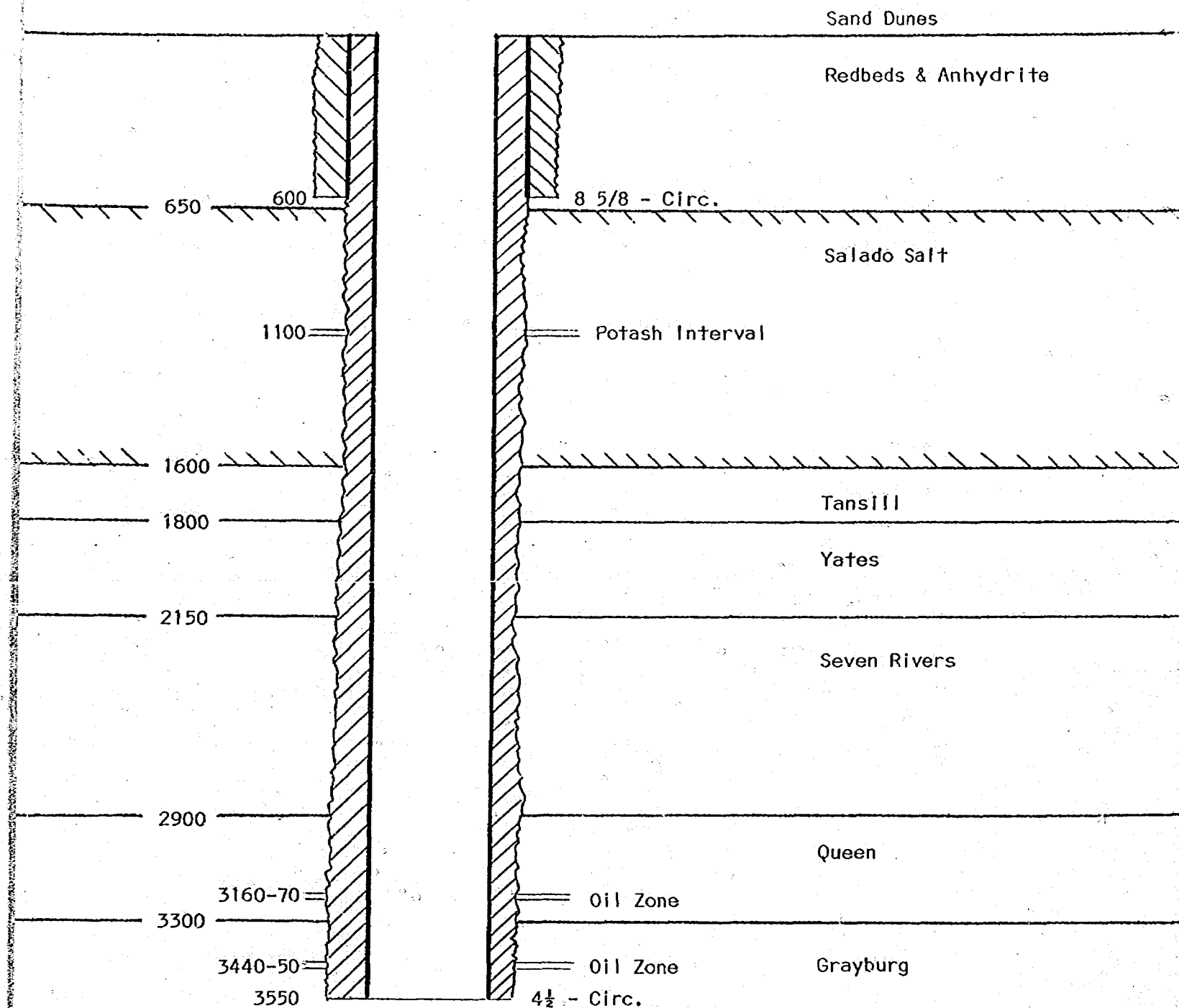


WILLS-WEAVER MINE WORKINGS



N.M.O.C.D. CASE 7136, EXHIBIT "D"
NE 1/4 Sec. 26-18S-30E, Eddy County, N. M.

DIAGRAMATIC WELL SKETCH



N.M.O.C.D. CASE 7136, EXHIBIT "E"
NE $\frac{1}{4}$ Sec. 26-18S-30E, Eddy County, N. M.

INDIVIDUAL WELL RECORDS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See instructions on
reverse side)Form approved
Budget Bureau No. 42-R355.6.

5. LEASE DESIGNATION AND SERIAL NO.

NM-025503

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Ginsberg Federal

9. WELL NO.

#8

10. FIELD AND POOL, OR WILDCAT

Shugart

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Sec. 26, T-18S, R-30E

12. COUNTY OR
PARISH

Eddy

13. STATE

New Mexico

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other _____

2. NAME OF OPERATOR

Hanson Oil Corporation

3. ADDRESS OF OPERATOR

P. O. Box 1515 - Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

330' FNL & 330' FEL

At top prod. interval reported below

Sec. 26, T-18-S, R-30-E, NMPM

At total depth

Eddy County, New Mexico

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

10-29-71

16. DATE T.D. REACHED

11-5-71

17. DATE COMPL. (Ready to prod.)

11-15-71

18. ELEVATIONS (DV, RKB, RT, CB, ETC.)*

3508.9 GL 3518.9 KB

19. ELEV. CASINGHEAD

3508.9

20. TOTAL DEPTH, MD & TVD

3550

21. PLUG BACK T.D., MD & TVD

3545

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

10-3550

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

3187-3191' & 3461-3465'

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Gamma Ray-Neutron

27. WAS WELL CORED

No

28.

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
12-3/4"	49#	704'	17-1/2"	600 sx - circulated	None
8-5/8"	33#	1748'	11"	50 sx	1508'
5-1/2"	15.5#&17#	3545'	7-7/8"	150 sx + 100 sx thru 1" to surface	None

29.

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	3160'	

31. PERFORATION RECORD (Interval, size and number)

3187-3191', 0.45", 12 holes

3461-3465', 0.45", 12 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3187-3191'	500 gals 15% NE acid, 20,000 gals trtd wtr, 20,000#20-40sd.
3461-3465'	500 gals 15% NE acid, 20,000 gals trtd wtr, 20,000#20-40sd.

33.*

PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
11-18-71		Pumping 1½" x 12' Insert				Producing	
DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-19-71	24	2"	→	81		19 BLW	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (COOR.)	
		→	81		19 BLW	38°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Negotiating Contract

TEST WITNESSED BY

Harry Murdock

35. LIST OF ATTACHMENTS

2 copies of logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Ronald E. Harmon

TITLE

Geologist

DATE

12-8-71

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved,
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM-025503			
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. DESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME _____			
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME _____			
3. ADDRESS OF OPERATOR P. O. Box 1515 - Roswell, New Mexico 88201		8. LESSOR OR LEASE NAME Ginsberg Federal			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1650' FNL & 330' FEL At top prod. interval reported below Sec. 26, T-18-S, R-30-E At total depth Eddy County, New Mexico		9. WELL NO. 1971			
14. PERMIT NO. _____ DATE ISSUED _____		10. FIELD AND POOL, OR WILDCAT Shugart			
15. DATE SPUNDED 10-14-71		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 26, T-18S, R-30E			
16. DATE T.D. REACHED 10-23-71		12. COUNTY OR PARISH Eddy			
17. DATE COMPL. (Ready to prod.) _____		13. STATE New Mexico			
18. ELEVATIONS (OF, RES., RT., CR., ETC.)* 3485.1 GL		19. ELEV. CASINGHEAD 3485.1			
20. TOTAL DEPTH, MD & TVD 3859'		21. PLUG, BACK T.D., MD & TVD 3521'			
22. IF MULTIPLE COMPL., HOW MANY* _____		23. INTERVALS DRILLED BY 10-3859'			
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 3166-3171' & 3440-3444'		25. WAS DIRECTIONAL SURVEY MADE No			
26. TYPE ELECTRIC AND OTHER LOGS RUN Compensated Densilog, Dual Induction Focused Log		27. WAS WELL CORED No			
28. CASING RECORD (Report all strings set in well)					
CASINO SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)	
12-3/4"				723'	
8-5/8"				1755'	
5-1/2"				3562'	
HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED	
15"		400 sx.-circulated		None	
11"		50 sx.		1486'	
7-7/8"		1460 sx.-circulated		None	
29. LINER RECORD					
SIZE		TOP (MD)		BOTTOM (MD)	
SACKS CEMENT*		SCREEN (MD)			
30. TUBING RECORD					
SIZE		DEPTH SET (MD)		PACKER SET (MD)	
2-3/8"		3162' GL			
31. PERFORATION RECORD (Interval, size and number)					
3166-3171', 0.45", 12 holes					
3440-3444', 0.45", 12 holes					
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.					
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED			
3166-3171'		1000 gals. 15% NE acid, 20,000 gals treated wtr, 20,000#20-4			
3440-3444'		500 gals 15% NE acid, 20,000 gals treated wtr, 20,000#20-4			
33. PRODUCTION					
DATE FIRST PRODUCTION 10-30-71		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 1 1/2" x 12' insert metal-metal			WELL STATUS (Producing or shut-in) Producing
DATE OF TEST 11-01-71		HOURS TESTED 24		CHOKE SIZE 2"	
PROD'N. FOR TEST PERIOD 198		OIL—BBL. 198		GAS—MCF. 22 BLW	
FLOW. TUBING PRESS. 198		CASINO PRESSURE 22 BLW		OIL GRAVITY-API (CORR.) 38°	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Negotiating Contract					
35. LIST OF ATTACHMENTS 2 copies of logs					
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.					
SIGNED Gerald E. Hovington		TITLE Geologist		DATE 11-1-71	

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other In-
structions on
reverse side)Form Approved,
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM-025503	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P. O. Box 1515 - Roswell, New Mexico 88201		8. FARM OR LEASE NAME Ginsberg Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1650' FNL & 1800' FEL At top prod. interval reported below Sec. 26, T-18-S, R-30-E, NMPM At total depth Eddy County, New Mexico		9. WELL NO. 13	
14. PERMIT NO.		DATE ISSUED	
15. DATE SPUDDED 2-7-72		16. DATE T.D. REACHED 2-13-72	
17. DATE COMPL. (Ready to prod.) 2-21-72		18. ELEVATIONS (OF, RKB, RT, OR, ETC.)* 3460.7' KB	
19. ELEV. CASINGHEAD 3450.7'		20. TOTAL DEPTH, MD & TVD 3515'	
21. PLUG, BACK T.D., MD & TVD		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY 10, 3515'		24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)* Penrose 3107-3111' Grayburg 3387-3393'	
25. WAS DIRECTIONAL SURVEY MADE No		26. TYPE ELECTRIC AND OTHER LOGS RUN Densilog, Induction Electrolog	
27. WAS WELL CORDED No		28. CASING RECORD (Report all strings set in prod.)	
Casing Size		Weight, lb./ft.	
12-3/4"		34#	
8-5/8"		24#	
5 1/2"		14#	
Depth Set (MD)		Hole Size	
720'		17 1/2"	
1740'		11"	
3515'		7-7/8"	
29. LINER RECORD		30. TUBING RECORD	
Size		Top (MD)	
Bottom (MD)		Sacks Cement*	
Screen (MD)		Size	
Depth Set (MD)		Packer Set (MD)	
2-3/8"		3143'	
31. PERFORATION RECORD (Interval, size and number) 3107-3111', 0.41", 12 holes 3387-3393', 0.41", 18 holes		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. Depth Interval (MD)	
Amount and Kind of Material Used		3107-3111' 500gals acid, 18,800 gals gelled wtr +20,000# 20-40 sand	
3387-3393' 500gals acid, 18,350 gals gelled wtr +15,000# 20-40 sand		33. PRODUCTION	
Date First Production 2-22-72		Production Method (Flowing, gas lift, pumping--size and type of pump) Pumping 2" x 1 1/2" x 10' insert	
Well Status (Producing or shut-in) Producing		Date of Test 2-23-72	
Hours Tested 24		Choke Size	
Prod'n. for Test Period 97		Oil--BBL. 40 BLW	
Gas--SCF. 97		Water--BBL. 40 BLW	
Oil Gravity-API (COAR.)		Flow, Tubing Press.	
Casing Pressure		Calculated 24-hour rate 97	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented - pending test and connection by Phillips Petr.		Test Witnessed By Bill Morgan	
35. LIST OF ATTACHMENTS 2 copies - logs		36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.	
Signed <u>Herald E. Harrington</u>		Title <u>Geologist</u>	
Date		Date	

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

REC'D MAY 17 1972
(See other instructions on reverse side)Form Approved
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM 025503	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 1515-Roswell, New Mexico 88201		8. FARM OR LEASE NAME Ginsberg Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 660' FNL & 1650' FEL At top prod. interval reported below Sec 26, T-18-S, R-30-E, N.M.P.M. At total depth Eddy County, New Mexico		9. WELL NO. 14	
14. PERMIT NO.		13. STATE N.M.	
15. DATE SPUDDED 3-15-72		18. ELEVATION (DF, RRB, RT, CR, ETC.)* 3449' GL	
16. DATE T.D. REACHED 3-22-72		19. ELEV. CASINGHEAD 3449'	
17. DATE COMPL. (Ready to prod.) 4-5-72		20. TOTAL DEPTH, MD & TVD 3495'	
21. PLUG BACK T.D., MD & TVD 3495'		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS		24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 3109 - 3113' Penrose 3376 - 3382' Grayburg	
25. TYPE ELECTRIC AND OTHER LOGS RUN Densilog, Induction-Electrolog		26. WAS DIRECTIONAL SURVEY MADE No	
27. WAS WELL CORED No		28. CASING RECORD (Report all strings set in well) Casing Size Weight, lb./ft. Depth Set (MD) Hole Size Cementing Record Amount Pulled 12-3/4" 34# 716' 17-1/2" 600 sx. - circulated None 5-1/2" 15.5# 3495' 7-7/8" 1100 sx. - circulated None 8-7/8" 1731' 11" 57 SX 1530	
29. LINER RECORD Size Top (MD) Bottom (MD) Sacks Cement Screen (MD)		30. TUBING RECORD Size Depth Set (MD) Packer Set (MD) 2-3/8" 3405' 3182'	
31. PERFORATION RECORD (Interval, size and number) 3109 - 3113', 0.41", 12 holes 3314 - 3318', 0.41", 12 holes		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. Depth Interval (MD) Amount and Kind of Material Used 3314 - 3318' 20,000 gal. gelled wtr. + 20,000# 20-40 sand + 500 ga ac 3109 - 3113' 20,000 gal. gelled wtr. + 20,000# 20-40 sand + 500 ga ac	
33. PRODUCTION Date First Production 4-5-72 Production Method (Flowing, gas lift, pumping—size and type of pump) Flowing Well Status (Producing or shut-in) Producing		34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented—pending connection by Phillips Petroleum	
35. LIST OF ATTACHMENTS Deviation Survey, 2 copies—logs		36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records	
SIGNED: <u>Ronald E. Harrington</u> TITLE: <u>Geologist</u> DATE: <u>May 15, 1972</u>			

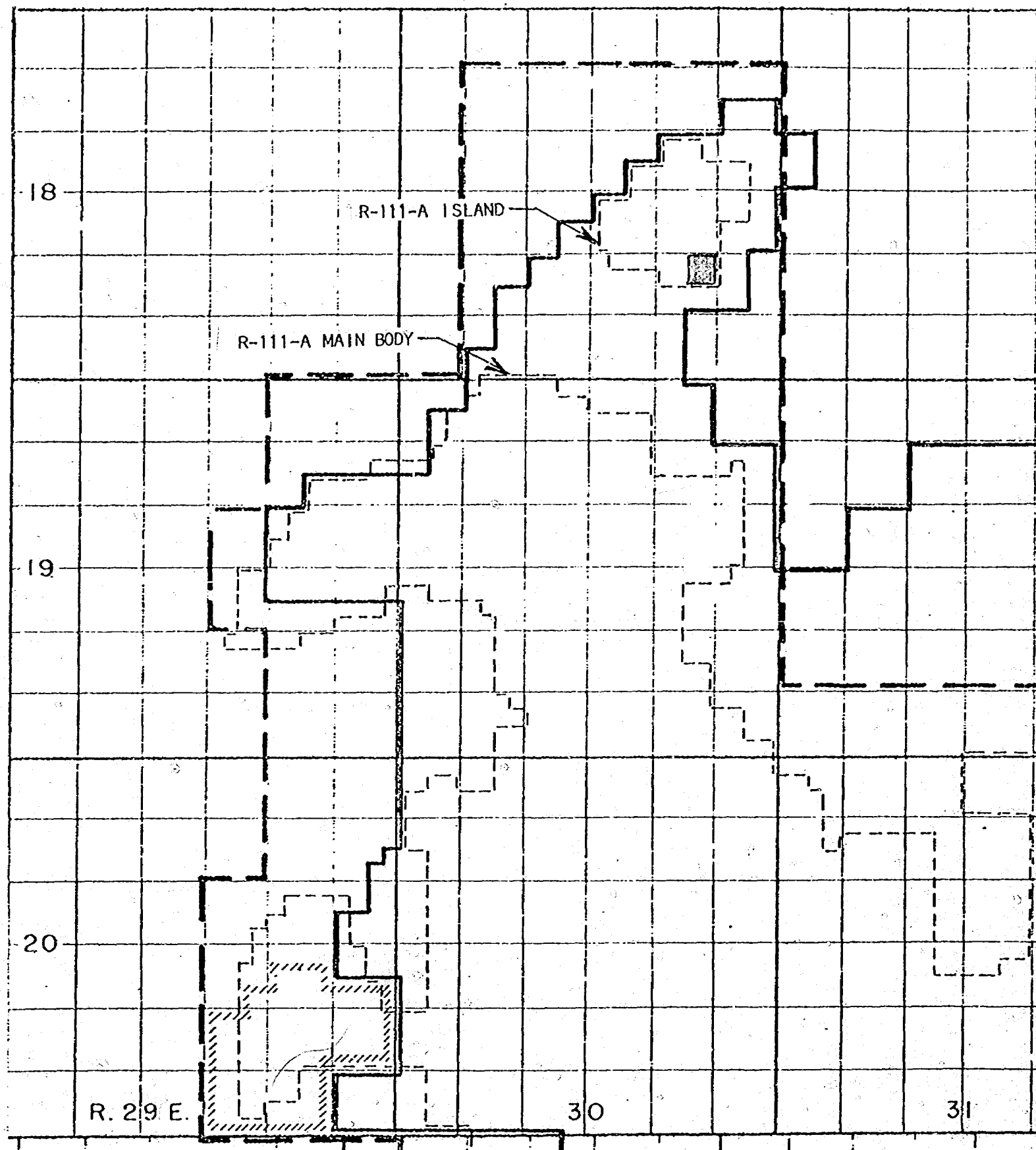
*(See Instructions and Spaces for Additional Data on Reverse Side)

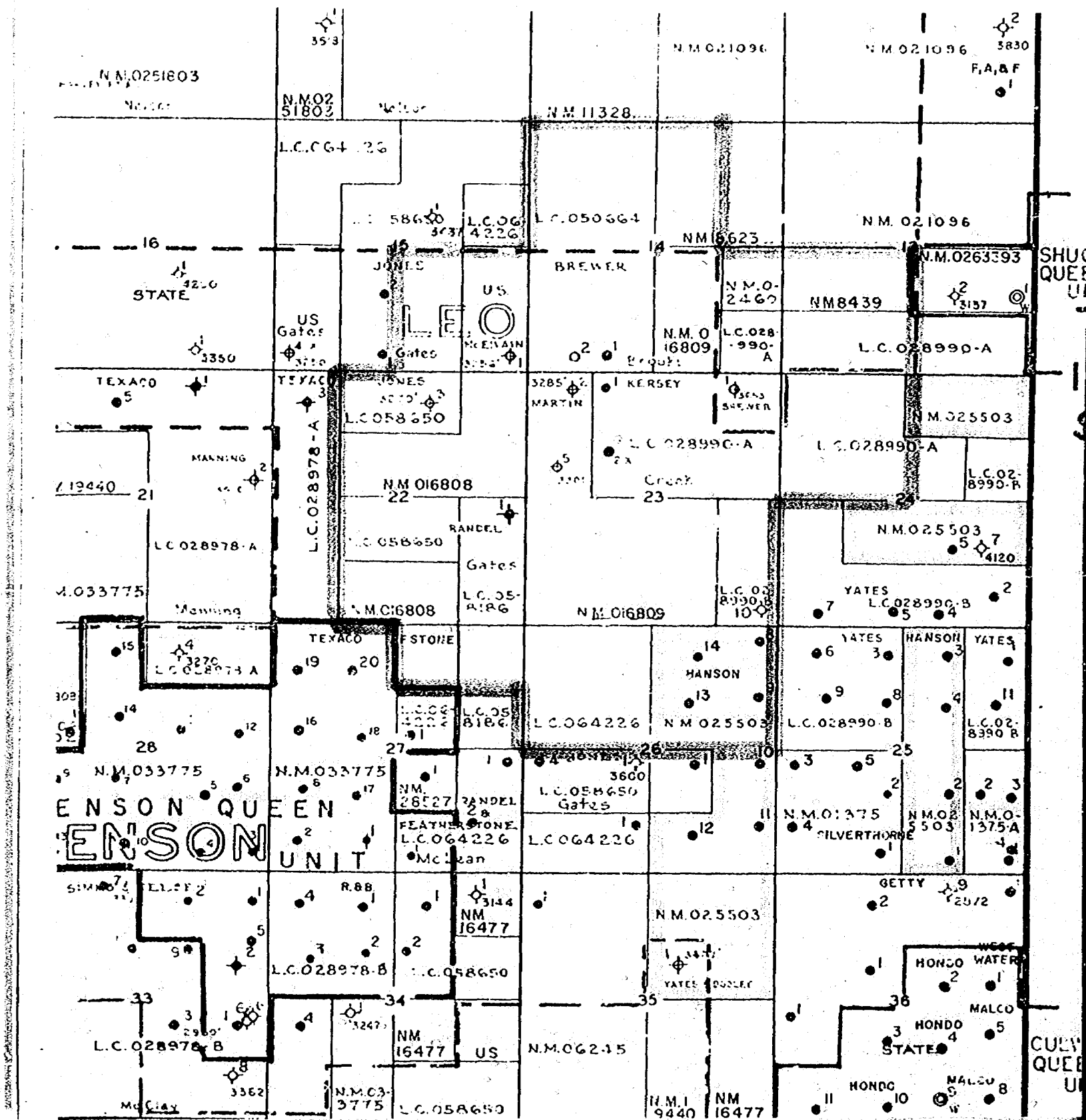
NMOCD CASE 7136, EXHIBIT "F"
 Sec. 26-18S-30E, Eddy Co., N. M.

ACCUMULATIVE OIL PRODUCTION

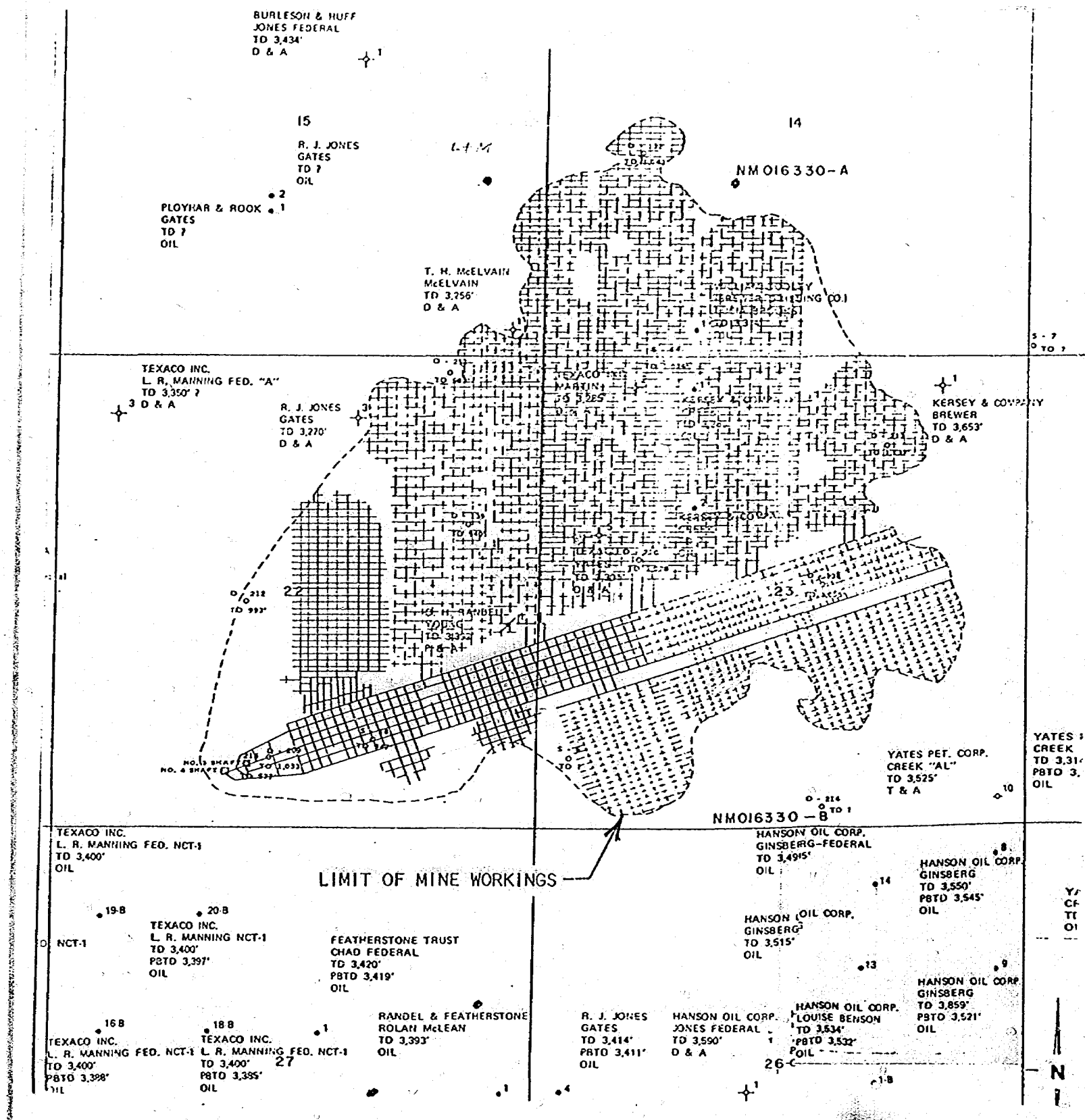
	#8 Ginsberg A-26-18-30 <u>Comp 11-15-71</u>	#9 Ginsberg H-25-18-30 <u>Comp 10-30-71</u>	#13 Ginsberg G-26-18-30 <u>Comp 2-21-72</u>	#14 Ginsberg B-26-18-30 <u>Comp 4-5-72</u>
Thru 12-31-79	21,142	89,850	59,590	7,973
Jan. 80	29	367	380	105
Feb. 80	24	299	355	97
Mar. 80	26	319	339	92
Apr. 80	26	322	333	91
May 80	29	369	321	88
June 80	33	410	156	43
July 80	28	355	178	49
Aug. 80	28	346	273	74
Sep. 80	29	369	232	63
Oct. 80	20	249	40	11
Nov. 80	37	462	507	138
Dec. 80	<u>31</u>	<u>388</u>	<u>272</u>	<u>74</u>
TOTAL 1980	340	4355	3386	925
Thru 12-31-80	21,482	94,205	62,976	8,898

PORTION OF R-111-A AREA



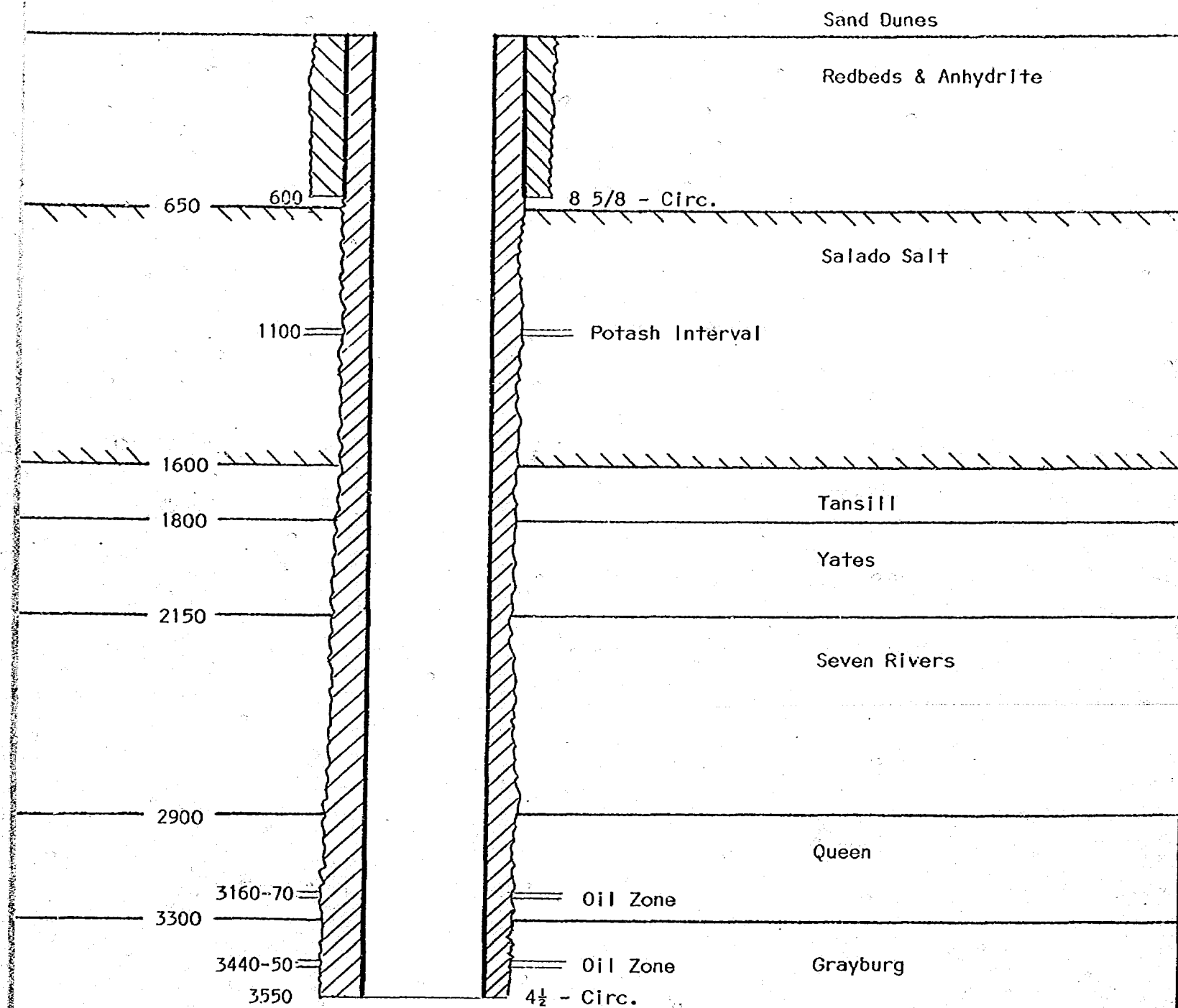
OIL & GAS MAP

WILLS-WEAVER MINE WORKINGS



N.M.O.C.D. CASE 7136, EXHIBIT "D"
NE $\frac{1}{4}$ Sec. 26-18S-30E, Eddy County, N. M.

DIAGRAMATIC WELL SKETCH



N.M.O.C.D. CASE 7136, EXHIBIT "E"
NE $\frac{1}{4}$ Sec. 26-18S-30E, Eddy County, N. M.

INDIVIDUAL WELL RECORDS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See instructions on
reverse side)Form approved,
Budget Bureau No. 42-R355.5.

5. LEASE DESIGNATION AND SERIAL NO.

NM-025503

6. IF INDIAN, ALLIANCE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Ginsberg Federal

9. WELL NO.

#8

10. FIELD AND POOL, OR WILDCAT

Shugart

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Sec. 26, T-18S, R-30E

12. COUNTY OR
PARISH

Eddy

13. STATE

New Mexico

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. ESTVR. ☐ Other _____

2. NAME OF OPERATOR

Hanson Oil Corporation

3. ADDRESS OF OPERATOR

P. O. Box 1515 - Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

330' FNL & 330' FEL

At top prod. interval reported below

Sec. 26, T-18-S, R-30-E, NMPM

At total depth

Eddy County, New Mexico

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

10-29-71

16. DATE T.D. REACHED

11-5-71

17. DATE COMPL. (Ready to prod.)

11-15-71

18. ELEVATIONS (DF, RKB, RT, OR, ETC.)*

3508.9 GL 3518.9 KB

19. ELEV. CASINGHEAD

3508.9

20. TOTAL DEPTH, MD & TVD

3550

21. PLUG, BACK T.D., MD & TVD

3545

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

10-3550

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

3187-3191' & 3461-3465'

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Gamma Ray-Neutron

27. WAS WELL CORED

No

28.

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
12-3/4"	49#	704'	17-1/2"	600 sx - circulated	None
8-5/8"	33#	1748'	11"	50 sx	1508'
5-1/2"	15.5#&17#	3545'	7-7/8"	150 sx + 100 sx thru 1" to surface	None

29.

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	3160'	

31. PERFORATION RECORD (Interval, size and number)

3187-3191', 0.45", 12 holes

3461-3465', 0.45", 12 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3187-3191'	500 gals 15% NE acid, 20,000 gals trtd wtr, 20,000#20-40sd.
3461-3465'	500 gals 15% NE acid, 20,000 gals trtd wtr, 20,000#20-40sd.

33.*

PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
11-18-71		Pumping 1½" x 12' Insert				Producing	
DATE OF TEST	HOURS TESTED	CHOKD SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-19-71	24	2"	→ 81	81		19 BLW	
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
		→ 81	81		19 BLW	38°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Negotiating Contract

TEST WITNESSED BY

Harry Murdock

35. LIST OF ATTACHMENTS

2 copies of logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Gerald E. Harrington

TITLE

Geologist

DATE

12-8-71

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form Approved
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM-025503			
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME _____			
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME _____			
3. ADDRESS OF OPERATOR P. O. Box 1515 - Roswell, New Mexico 88201		8. LESSOR OR LEASE NAME Ginsberg Federal			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1650' FNL & 330' FEL At top prod. interval reported below Sec. 26, T-18-S, R-30-E At total depth Eddy County, New Mexico		9. WELL NO. 197			
14. PERMIT NO _____ DATE ISSUED _____		10. FIELD AND POOL, OR WILDCAT Shugart			
15. DATE SPUDDED 10-14-71		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 26, T-18S, R-30E			
16. DATE T.D. REACHED 10-23-71		12. COUNTY OR PARISH Eddy			
17. DATE COMPL. (Ready to prod.) _____		13. STATE New Mexico			
18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 3485.1 GL		19. ELEV. CASINGHEAD 3485.1			
20. TOTAL DEPTH, MD & TVD 3859'		21. PLUG BACK Y.D., MD & TVD 3521'			
22. IF MULTIPLE COMPL., HOW MANY? _____		23. INTERVALS DRILLED BY ROTARY TOOLS 10-3859'			
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 3166-3171' & 3440-3444'		25. WAS DIRECTIONAL SURVEY MADE No			
26. TYPE ELECTRIC AND OTHER LOGS RUN Compensated Densilog, Dual Induction Focused Log		27. WAS WELL CORED No			
28. CASING RECORD (Report all strings set in well)					
CASINO SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)	
12-3/4"				723'	
8-5/8"				1755'	
5-1/2"				3562'	
HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED	
15"		400 sx.-circulated		None	
11"		50 sx.		1486'	
7-7/8"		1460 sx.-circulated		None	
29. LINER RECORD					
SIZE		TOP (MD)		BOTTOM (MD)	
SACKS CEMENT*		SCREEN (MD)		TUBING RECORD	
				SIZE	
				DEPTH SET (MD)	
				PACKER SET (MD)	
				2-3/8"	
				3162' GL	
30. TUBING RECORD					
31. PERFORATION RECORD (Interval, size and number)					
3166-3171', 0.45", 12 holes					
3440-3444', 0.45", 12 holes					
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.					
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED			
3166-3171'		1000 gals. 15% NE acid, 20,000 gals treated wtr, 20,000#20-4			
3440-3444'		500 gals 15% NE acid, 20,000 gals treated wtr, 20,000#20-4			
33. PRODUCTION					
DATE FIRST PRODUCTION 10-30-71		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 1 1/2" x 12' insert metal-metal		WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 11-01-71		HOURS TESTED 24		CHOKE SIZE 2"	
FLOW. TUBING PRESS. 11-01-71		CASINO PRESSURE 198		OIL—BBL. 198	
CALCULATED 24-HOUR RATE 198		OIL—BBL. 198		GAS—MCF. 22 BLW	
DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Negotiating Contract		TEST WITNESSED BY Harry Murdock		OIL GRAVITY-API (CORR.) 38°	
34. LIST OF ATTACHMENTS 2 copies of logs					
35. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.					
SIGNED Gerald E. Shugart		TITLE Geologist		DATE 11-1-71	

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other In-
structions on
reverse side)Form approved,
Budget Bureau No. 42-R355.6.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM-025503	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> REPAIR <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P. O. Box 1515 - Roswell, New Mexico 88201		8. FARM OR LEASE NAME Ginsberg Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1650' FNL & 1800' FEL At top prod. interval reported below Sec. 26, T-18-S, R-30-E, NMPM At total depth Eddy County, New Mexico		9. WELL NO. 13	
14. PERMIT NO.		DATE ISSUED	
15. DATE SPUNDED 2-7-72		10. DATE T.D. REACHED 2-13-72	
17. DATE COMPL. (Ready to prod.) 2-21-72		13. ELEVATIONS (DF, RKB, RT, OR, ETC.)* 3460.7' KB	
19. ELEV. CASINGHEAD 3450.7'		20. TOTAL DEPTH, MD & TVD 3515'	
21. PLUG, BACK T.D., HD & TVD		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY		ROTARY TOOLS 0-3515'	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* Penrose 3107-3111' Grayburg 3387-3393'		25. WAS DIRECTIONAL SURVEY MADE No	
26. TYPE ELECTRIC AND OTHER LOGS RUN Densilog, Induction Electrolog		27. WAS WELL CORED No	
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
12-3/4"	34#	720'	17 1/2"
8-5/8"	24#	1740'	11"
5 1/2"	14#	3515'	7-7/8"
CEMENTING RECORD		AMOUNT PULLED	
600 sx - circulated		None	
50 sx.		1400'	
1050 sx. - circulated			
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2-3/8"	3143'		
31. PERFORATION RECORD (Interval, size and number) 3107-3111', 0.41", 12 holes 3387-3393', 0.41", 18 holes			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
3107-3111'		500gals acid, 18,800 gals gelled wtr +20,000# 20-40sand	
3387-3393'		500gals acid, 18350 gals gelled wtr +15,000# 20-40sand	
33.* PRODUCTION			
DATE FIRST PRODUCTION 2-22-72		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 2" x 1 1/2" x 10' insert	
DATE OF TEST 2-23-72		WELL STATUS (Producing or shut-in) Producing	
HOURS TESTED 24	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—PBL. 97
GAS—MCF. 40 BLW	WATER—BBL. 40 BLW	GAS-OIL RATIO	
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL. 97
GAS—MCF. 40 BLW	WATER—BBL. 40 BLW	OIL GRAVITY-AP1 (CORR.)	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented - pending test and connection by Phillips Petr.			
35. LIST OF ATTACHMENTS 2 copies - logs			
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <i>Harold E. Harrington</i>		TITLE Geologist	
DATE			

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

REC

VED MAY 17

(See other In-
structions on
reverse side)Form Approved
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM 025503	
2. NAME OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME	
2. NAME OF OPERATOR Hanson Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 1515-Roswell, New Mexico 88201		8. FARM OR LEASE NAME Ginsberg Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements): At surface 660' FNL & 1650' FEL At top prod. interval reported below Sec 26, T-18-S, R-30-E, N.M.P.M. At total depth Eddy County, New Mexico		9. WELL NO. 14	
14. PERMIT NO.		13. STATE N.M.	
DATE ISSUED		12. COUNTY OR PARISH Eddy	
15. DATE SPUDDED 3-15-72	16. DATE T.D. REACHED 3-22-72	17. DATE COMPL. (Ready to prod.) 4-5-72	18. ELEVATIONS (DF, RWB, BT, CR, ETC.)* 3449' GL
19. ELEV. CASINGHEAD 3449'	20. TOTAL DEPTH, MD & TVD 3495'		
21. PLUG, BACK T.D., MD & TVD 3495'		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY 0-3495'		24. ROTARY TOOLS CABLE TOOLS	
25. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 3109 - 3113' Penrose 3376 - 3382' Grayburg		26. WAS DIRECTIONAL SURVEY MADE No	
27. TYPE ELECTRIC AND OTHER LOGS RUN Densilog, Induction-Electrolog		28. WAS WELL CORED No	
29. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
12-3/4"	34#	716'	17-1/2"
5-1/2"	15.5#	3495'	7-7/8"
8-5/8"		1731'	11"
CEMENTING RECORD		AMOUNT PULLED	
600 sx. - circulated		None	
1100 sx. - circulated		None	
57 SX		1530	
30. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
31. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2-3/8"	3405'	3182'	
32. PERFORATION RECORD (Interval, size and number)			
3109 - 3113', 0.41", 12 holes			
3314 - 3318', 0.41", 12 holes			
33. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
3314 - 3318'		20,000 gal. gelled wtr. + 20,000# 20-40 sand + 500 gal. aci	
3109 - 3113'		20,000 gal. gelled wtr. + 20,000# 20-40 sand + 500 gal. aci	
34. PRODUCTION			
DATE FIRST PRODUCTION 4-5-72		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing	
WELL STATUS (Producing or shut-in) Producing			
DATE OF TEST 4-5-72	HOURS TESTED 24	CHOKE SIZE 18/64"	PROD'N. FOR TEST PERIOD →
FLOW. TUBING PRESS. 200#	CASING PRESSURE 900#	CALCULATED 24-HOUR RATE →	OIL—BBL. 25
GAS—MCF.		WATER—BBL.	
OIL GRAVITY-API (CORR.) 38°			
35. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented—pending connection by Phillips Petroleum			
TEST WITNESSED BY Bill Morgan			
36. LIST OF ATTACHMENTS Deviation Survey, 2 copies—logs			
37. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <u>Wald E. Harrison</u>		TITLE <u>Geologist</u>	
DATE <u>May 15, 1972</u>			

*(See Instructions and Spaces for Additional Data on Reverse Side)

NMOCD CASE 7136, EXHIBIT "F"
 Sec. 26-18S-30E, Eddy Co., N. M.

ACCUMULATIVE OIL PRODUCTION

	#8 Ginsberg A-26-18-30 Comp 11-15-71	#9 Ginsberg H-25-18-30 Comp 10-30-71	#13 Ginsberg G-26-18-30 Comp 2-21-72	#14 Ginsberg B-26-18-30 Comp 4-5-72
Thru 12-31-79	21,142	89,850	59,590	7,973
Jan. 80	29	367	380	105
Feb. 80	24	299	355	97
Mar. 80	26	319	339	92
Apr. 80	26	322	333	91
May 80	29	369	321	88
June 80	33	410	156	43
July 80	28	355	178	49
Aug. 80	28	346	273	74
Sep. 80	29	369	232	63
Oct. 80	20	249	40	11
Nov. 80	37	462	507	138
Dec. 80	31	388	272	74
TOTAL 1980	340	4355	3386	925
Thru 12-31-80	21,482	94,205	62,976	8,898

ARTHUR R. BROWN
101 E. Marland
Hobbs, New Mexico 88240
Office (505) 397-2767
Home (505) 392-5642

**PETROLEUM
ENGINEERING & REGULATORY
SERVICES**

1501 W. Missouri
Artesia, New Mexico 88210

JAN 12 1981
OIL CONSERVATION DIVISION
SANTA FE
JAMES A. KNAUF
1501 W. Missouri
Artesia, New Mexico 88210
Phone (505) 746-4138

Case 7136

January 5, 1981

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

Re: Application of Hanson Oil Corporation for an Amendment of
the Potash-Oil Area, Eddy County, New Mexico.

Gentlemen:

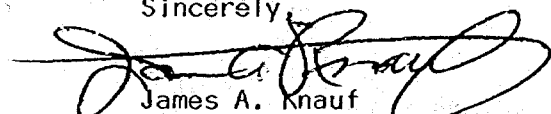
Hanson Oil Corporation is the owner of the oil and gas rights underlying the NE $\frac{1}{4}$ Sec. 26, T. 18 S., R. 30 E., Shugart Pool, Eddy County, New Mexico. The acreage is covered by Federal Oil and Gas Lease New Mexico 025503 and is within the Potash-Oil Area as designated in Order No. R-111-A, as amended.

The 160-acre tract is within the Wills-Weaver Mine Area, an isolated potash island in which mining operations were abandoned in 1971. The Wills-Weaver Area is located over 2 miles from the main portion of the Potash-Oil Area. See Exhibit "A".

Exhibit "B" shows the 160-acre tract in relation to the limits of the mined-out area of the Wills-Weaver Mine. The applicant has drilled four shallow wells in the NE $\frac{1}{4}$ Section 26, and is contemplating the drilling of one to three additional wells on each of the 40-acre spacing units in the 160-acre tract. We seek elimination of the 160-acre tract from the Potash-Oil Area.

Hanson Oil Corporation respectfully requests a hearing before the Division for an amendment of Order No. R-111-A to exclude the NE $\frac{1}{4}$ Section 26, T. 18 S., R. 30 E., Eddy County from the Potash-Oil Area, or in the alternative, for an exception to the casing-cementing requirements of Order No. R-111-A.

Sincerely,


James A. Knauf
Agent, HANSON OIL CORPORATION

Copies to:

Duval Corp., Box 511, Carlsbad
U.S.G.S., Carlsbad
U.S.G.S., Albuquerque
U.S.G.S., Roswell
U.S.G.S., Artesia
N.M.O.C.D., Artesia

EXHIBIT "A"
PORTION OF R-111-A AREA
HANSON OIL CORPORATION
NE 1/4 SEC. 26-18S-30E
EDDY COUNTY, NEW MEXICO

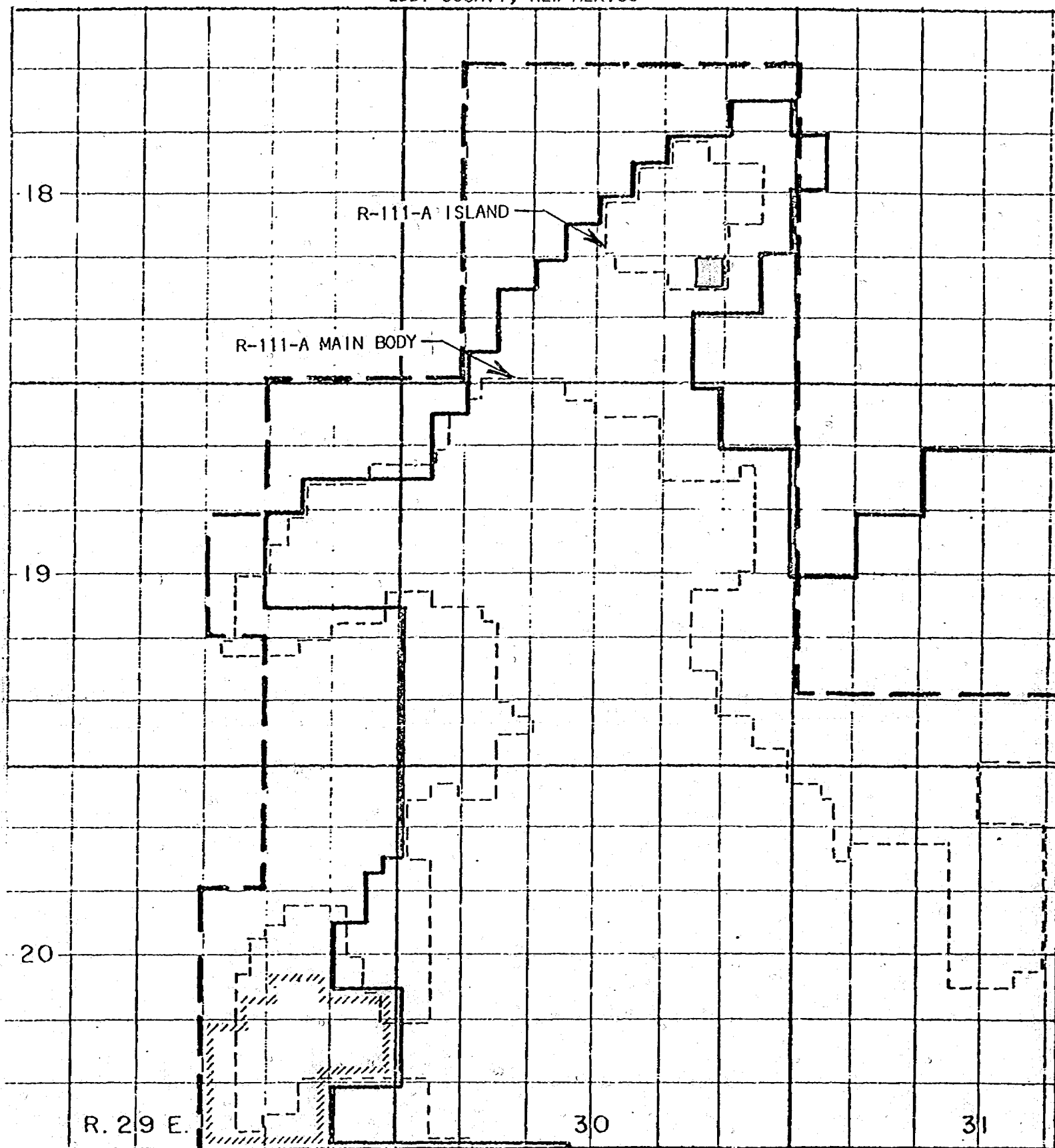
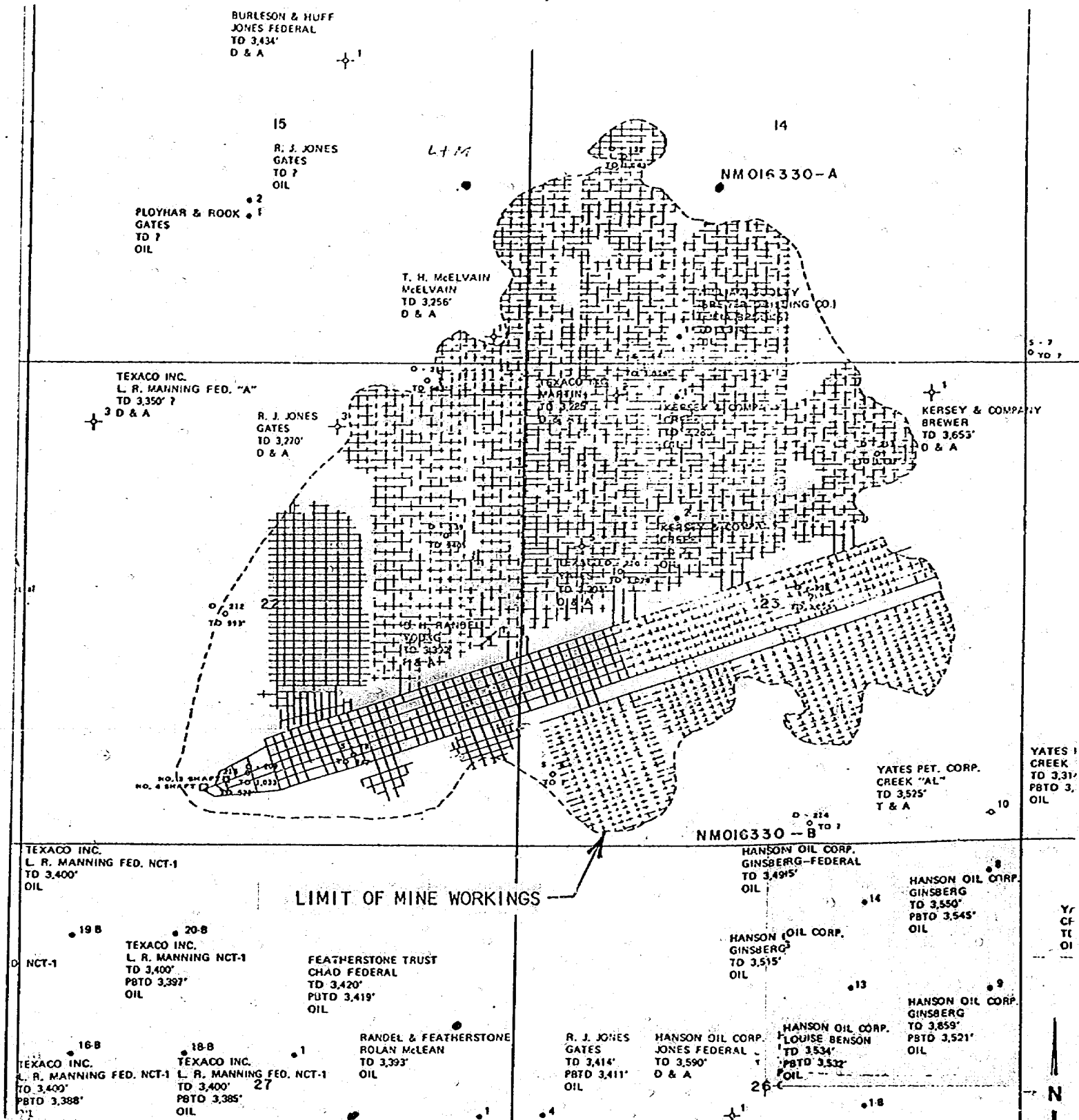


EXHIBIT "B"
MINE WORKINGS OF WILLS-WEAVER MINE
HANSON OIL CORPORATION
NE 1/4 SEC. 26-18S-30E
EDDY COUNTY, NEW MEXICO



ARTHUR R. BROWN
101 E. Marland
Hobbs, New Mexico 88240
Office (505) 397-2767
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Artesia, New Mexico 88210

JAMES A. KNAUF
1501 W. Missouri
Artesia, New Mexico 88210
Phone (505) 746-4138

Case 7136

RECEIVED

JAN 12 1981

January 5, 1981

O. C. D.
ARTESIA, OFFICE

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

Re: Application of Hanson Oil Corporation for an Amendment of
the Potash-Oil Area, Eddy County, New Mexico.

Gentlemen:

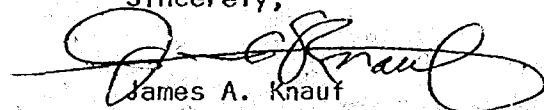
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Hanson Oil Corporation respectfully requests a hearing before the Division for an amendment of Order No. R-111-A to exclude the NE $\frac{1}{4}$ Section 26, T. 18 S., R. 30 E., Eddy County from the Potash-Oil Area, or in the alternative, for an exception to the casing-cementing requirements of Order No. R-111-A.

Sincerely,


James A. Knauf
Agent, HANSON OIL CORPORATION

Copies to:
Duval Corp., Carlsbad
U.S.G.S., Carlsbad
U.S.G.S., Albuquerque
U.S.G.S., Roswell
U.S.G.S., Artesia

BURLESON & HUFF
JONES FEDERAL
TD 3,434'
D & A

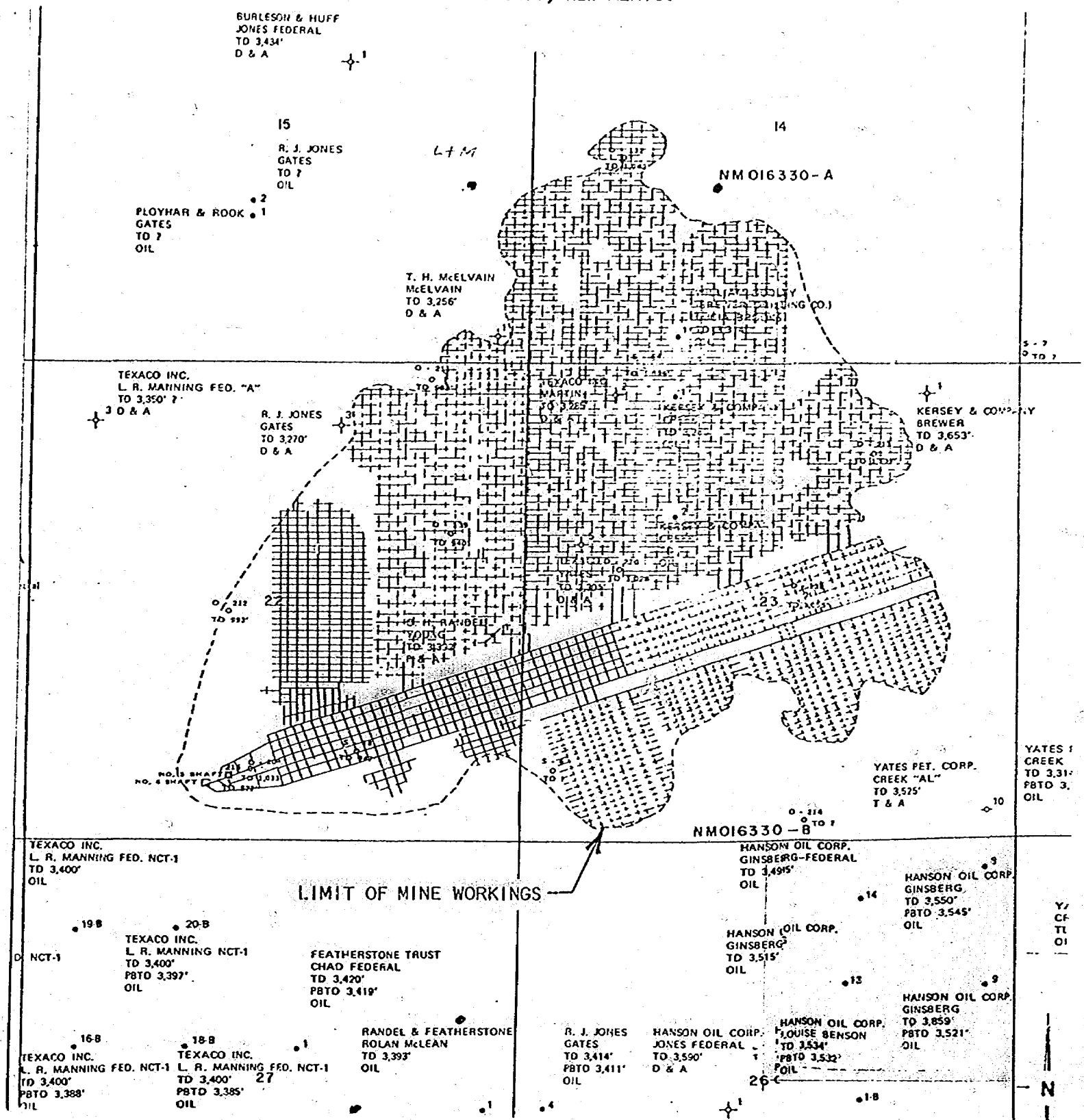
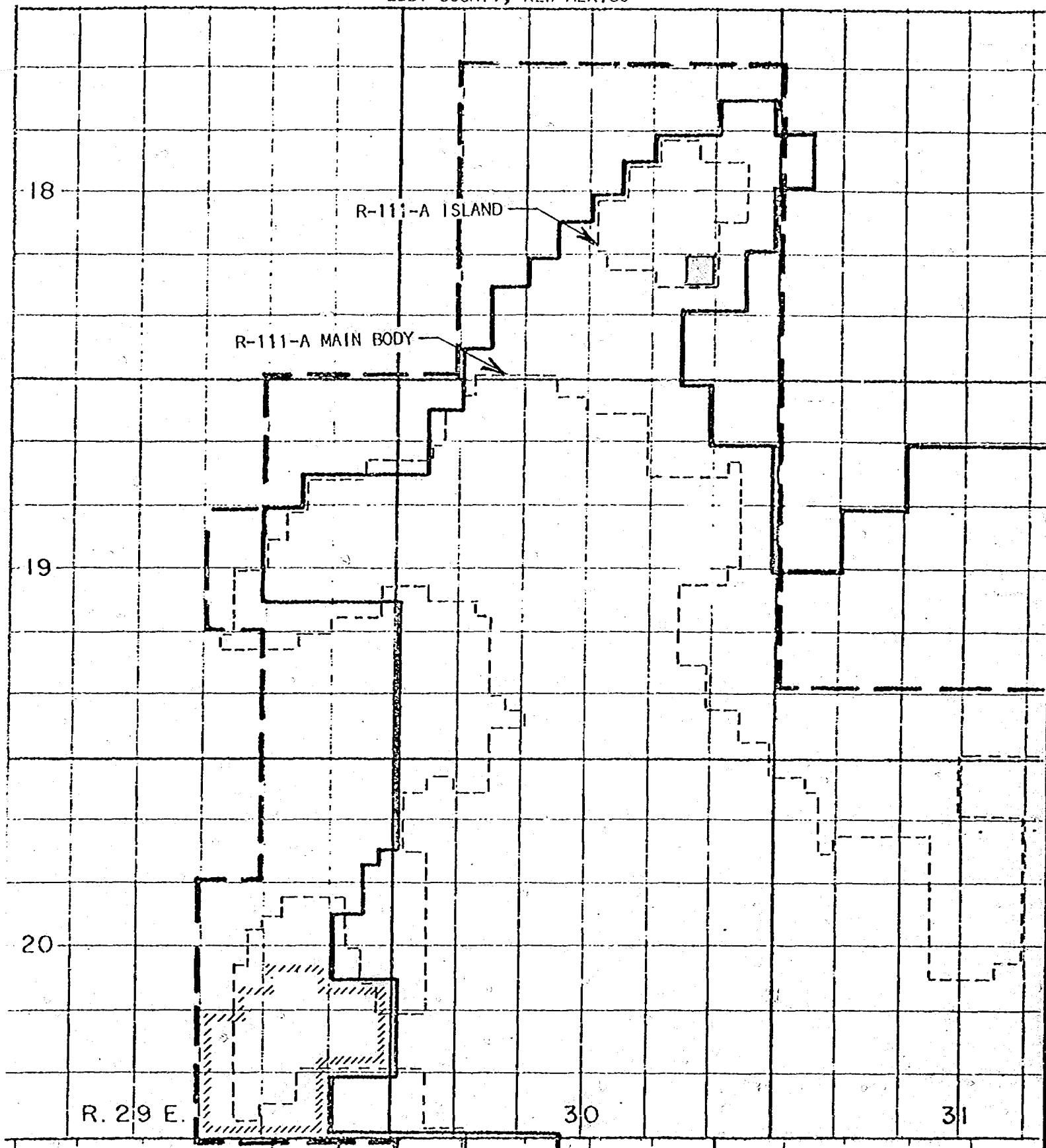


EXHIBIT "A"
PORTION OF R-111-A AREA
HANSON OIL CORPORATION
NE 1/4 SEC. 26-18S-30E
EDDY COUNTY, NEW MEXICO



Applicant #

Application of Hanson Oil Corp
for ~~an~~ an amendment of R-III-F
Eddy County NM
seeks the elimination NE/4
of 26-T18S-R30E from ~~the~~
the Potosi Oil Area

In the alternative applicant
seeks exception to the casing
and cementing rules of R-III-F for
its well ^{to be} drilled within the
NE/4 of said Section 26.

Phoned in by Jim Knaut
1-5-81

2 strings circulated
500' + or -
3500 Queen - 66

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7136
Order No. R-6587

APPLICATION OF HANSON OIL
CORPORATION FOR THE CONTRACTION OF THE POTASH-OIL AREA, OR IN THE
ALTERNATIVE, AN EXCEPTION TO THE CASING-CEMENTING RULES
OF R-III-A, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on ~~January~~ 28, 1981,
at Santa Fe, New Mexico, before Examiner Daniel S. Miller

NOW, on this _____ day of _____, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Hanson Oil Corporation, seeks
the contraction of the Potash-Oil Area as defined by Order
No. R-III-A, as amended, by the deletion of the NE/4 of
Section 26, Township 18 South, Range 30 East, NMPM, Eddy
County, New Mexico, or, in the alternative, applicant seeks
an exception to the casing-cementing rules prescribed
by Order No. R-III-A for wells it proposes to drill in
the NE/4 of said Section 26 to permit it to set surface casing
at at least 600 feet and production casing at total depth in the
Greensburg formation, circulating cement to the surface on both strings

(3) That ^{while} the evidence presented indicates that there are
^{present} no potash mining operations nor ^{probable remaining} deposits of commercial potash
ore in the subject area, there is insufficient geological and

engineering data available in the record of this case to justify
deletion of the subject lands from the Potash-Oil Area,
and the application for such deletion should be denied.

(4) That the proposed method of completion for shallow-
zone wells in the subject area should be safe and ^{should} not
result in endangerment of potash resources or operations,
provided however,

(5) That the production casing should be cemented with a volume of cement sufficient to circulate back to the surface.

(6) That the applicant should report the following both to the district office of the Division and the U.S.G.S. and may be required to circulate cement to the surface around the production casing:

(a) Any water flows encountered:

(b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

(7) That approval of the subject application will protect correlative rights, will prevent waste and will not cause the waste of potash.

(8) The application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, *Hanson Oil Corporation*, is hereby authorized an exception to the casing-cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit the completion of

several wells in the NE 1/4 of Section 26, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico by setting surface casing at a depth of at least 600 feet and production casing at total depth with a volume of cement calculated to be sufficient to circulate back to the surface.

PROVIDED HOWEVER, that the applicant shall report the following, both to the district office of the Division and the U.S.G.S.:

(a) Any water flows encountered; and

(b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

PROVIDED FURTHER, that the applicant may be required to re-cement the production casing to the surface if cement on said casing did not circulate to the surface.

(2) That the application to delete certain lands from the Potash-Oil Area is hereby denied.

-3-

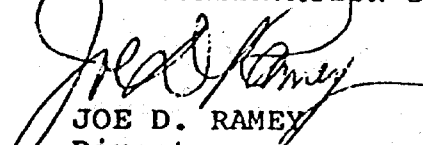
Case No. 1001

Order No. R-1001

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/