

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM, 87505



2004 AUG 24 PM 3 15

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Print or Type Name

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com

e-mail Address

8/24/04

Mike: I have
a Sept. 1 lease
expiration date,
so I need your
help. Jim

30-015-21980

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 24, 2004

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Chi Energy, Inc. applies for administrative approval of an unorthodox gas well location for the following well:

Well:	Valle Feliz Well No. 1
Location:	1455 feet FNL & 2130 feet FEL
Well Unit:	Lots 1-4 and S $\frac{1}{2}$ N $\frac{1}{2}$ (N $\frac{1}{2}$ equivalent) of Section 3, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico (319.86 acres)

Attached as Exhibit A is the original Form C-102 for the well. It was drilled in 1976-77 to a depth of 11434 feet, to test the Morrow formation, but was abandoned. See Exhibit B. The well's location was unorthodox at the time it was drilled.

The well will be re-entered to test the Wolfcamp formation (wildcat) at an approximate depth of 8425 feet. In addition, applicant may test the Strawn, Atoka, and Morrow formations.¹ Well spacing is 320 acres, with wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line.

The location is based on economics and surface use matters. Re-entering the well will be substantially less costly than drilling

¹ The well is in the Undesignated Happy Valley-Strawn Gas Pool, Undesignated Happy Valley-Atoka Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool.

a new well. In addition, the well is just outside the City of Carlsbad, and is located on subdivided land (Happy Valley Farms Subdivision). Thus, there are numerous residences to avoid. Finally, the well is near an existing road (the city truck bypass), thus minimizing building additional roads (Exhibit C).

A land plat is attached as Exhibit D. The unorthodox location is internal to the well unit, and thus there are no adversely affected interest offset owners to notify of the application.

Please contact me if you need any further information.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Chi Energy, Inc.

30-015-21980

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-1
Effective 1-1-6

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

Morris R. Antweil			Lease		Valle Feliz	Well No.	1
Section	3	Township	22 South	Range	26 East	County	Eddy
Section	3	Township	22 South	Range	26 East	County	Eddy
Actual Surface Location of Well:							
1455 feet from the North line and		2130 feet from the East line					
Producing Formation	Morrow	Pool	Undesignated		Dedicated Acreage:		
3220.4					319.76		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). See Reverse Side.
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation Application for Force Pooling
Hearing. Application for approval of Unorthodox Location.

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Tract 2	Tract 1	Tract 1	Tract 1
Tract 2	Tract 2	Tract 2	Tract 1
1455'		2130'	
RECEIVED		EXHIBIT A	
NOV 1 1976		Blumberg No. 5119	
O. C. C. ARTEBIA, OFFICE			

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

R. M. Williams

Name

R. M. Williams

Position

Agent

Company

Morris R. Antweil

Date

29 October, 1976

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

Date Surveyed

October 19, 1976

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No.

676

WORKING INTEREST OWNERSHIP

Tract 1 - Federal Lease No. 24944
Lots 1, 2, 3 and SE 1/4 NE 1/4
W. I. - 50% Texas Oil and Gas Corporation
50% Neilson Enterprises, Inc.

} New federal
leases issued
to Neilson Engr.
+ Chi.

Tract 2 - Various Small Boreage fee Leases
Lot 4, S/2 NW 1/4 and SE 1/4 NW 1/4
Includes approximately 2.69 acre unleased minerals
W. I. - 75% Mesa Petroleum Co.
25% Alan J. Enticell

} new fee leases issued to Chi

NO. OF COPIES RECEIVED	5
DISTRIBUTION	
SANTA FE	1
FILE	1 ✓
U.S.G.S.	2
LAND OFFICE	
OPERATOR	

Form C-105
Revised 11-1-76

NEW MEXICO OIL DEVIATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

JAN 25 1977

5a. Indicate Type of Lease
State ☐ Fee ☐
5. State Oil & Gas Lease No.

Durango of Mexico

D. C. C.

ARTERIA, OFFICE

10. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____
b. TYPE OF COMPLETION
NEW WELL ☐ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER _____

7. Unit Agreement Name

8. Farm or Lease Name
Valle Feliz

2. Name of Operator
Morris R. Antweil ✓

9. Well No.
1

3. Address of Operator
Box 2010, Hobbs, New Mexico 88240

10. Field and Pool, or Wildcat
Undesignated Mor

4. Location of Well

UNIT LETTER **G** LOCATED **1455** FEET FROM THE **North** LINE AND **2130** FEET FROM
East LINE OF SEC. **3** TWP. **22-S** RGE. **26-E** NMPM

12. County
Eddy

15. Date Spudded **30 Nov. 76** 16. Date T.D. Reached **5 Jan. 76** 17. Date Compl. (Ready to Prod.) **D&A 11 Jan 77** 18. Elevations (DF, RKB, RT, GR, etc.) **3220' GR** 19. Elev. Casinghead **3220'**

20. Total Depth **11,434'** 21. Plug Back T.D. **Surface** 22. If Multiple Compl., How Many **---** 23. Intervals Drilled By Rotary Tools **0-TD** Cable Tools **---**

24. Producing Interval(s), of this completion - Top, Bottom, Name
None 25. Was Directional Made
No.

26. Type Electric and Other Logs Run
Comp. Neutron-Density/Gamma Ray, DLL & MLL 27. Was Well Cored
No.

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./ FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PUL
13-3/8"	48#	403'	17-1/2"	400 sx & 117 yds ready-mix	No
9-5/8"	36#	2650'	12-1/4"	1200 sx	No

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SE

31. Perforation Record (Interval, size and number)			32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

33. PRODUCTION
Date First Production _____ Production Method (Flowing, gas lift, pumping - Size and type pump) _____ Well Status (Prod. or Shut-in) _____
Date of Test _____ Hours Tested _____ Choke Size _____ Prod'n. For Test Period _____ Oil - Bbl. _____ Gas - MCF _____ Water - Bbl. _____ Gas - Oil Ratio _____
Flow Tubing Press. _____ Casing Pressure _____ Calculated 24-Hour Rate _____ Oil - Bbl. _____ Gas - MCF _____ Water - Bbl. _____ Oil Gravity - API (Corr. _____

34. Disposition of Gas (Sold, used for fuel, vented, etc.) _____

35. List of Attachments
Deviation Record, DST Summary, Logs



36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED *Rm Williams* TITLE **Agent** DATE **24 Jan. 1977**

frequency well, a summary of the data shall be reported, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 11.5.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn <u>9898</u>	T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Salt _____	T. Atoka _____	T. Fictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	T. Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinbry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs <u>4759</u>	T. Wingate _____	T. _____
T. Wolfcamp <u>8425</u>	T. Barnett <u>11,402</u>	T. Chinle _____	T. _____
T. Penn. _____	T. Morrow <u>10,710</u>	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____	No. 4, from _____ to _____
No. 2, from _____ to _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, from _____ to _____

IMPORTANT WATER SANDS

include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet _____
No. 2, from _____ to _____ feet _____
No. 3, from _____ to _____ feet _____
No. 4, from _____ to _____ feet _____

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1880	1880	Surface rock, Anhydrite Salt				
1880	4760	2880	Sand, Anhydrite, Shale				
4760	8425	3665	Lime, Shale, Sand				
8425	10710	2285	Lime, Shale				
10710	11400	690	Sand, Lime, Shale				
11400	11439	34	Shale				

N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Superintendent
of the Survey

All distances must be from the outer boundaries of the Section

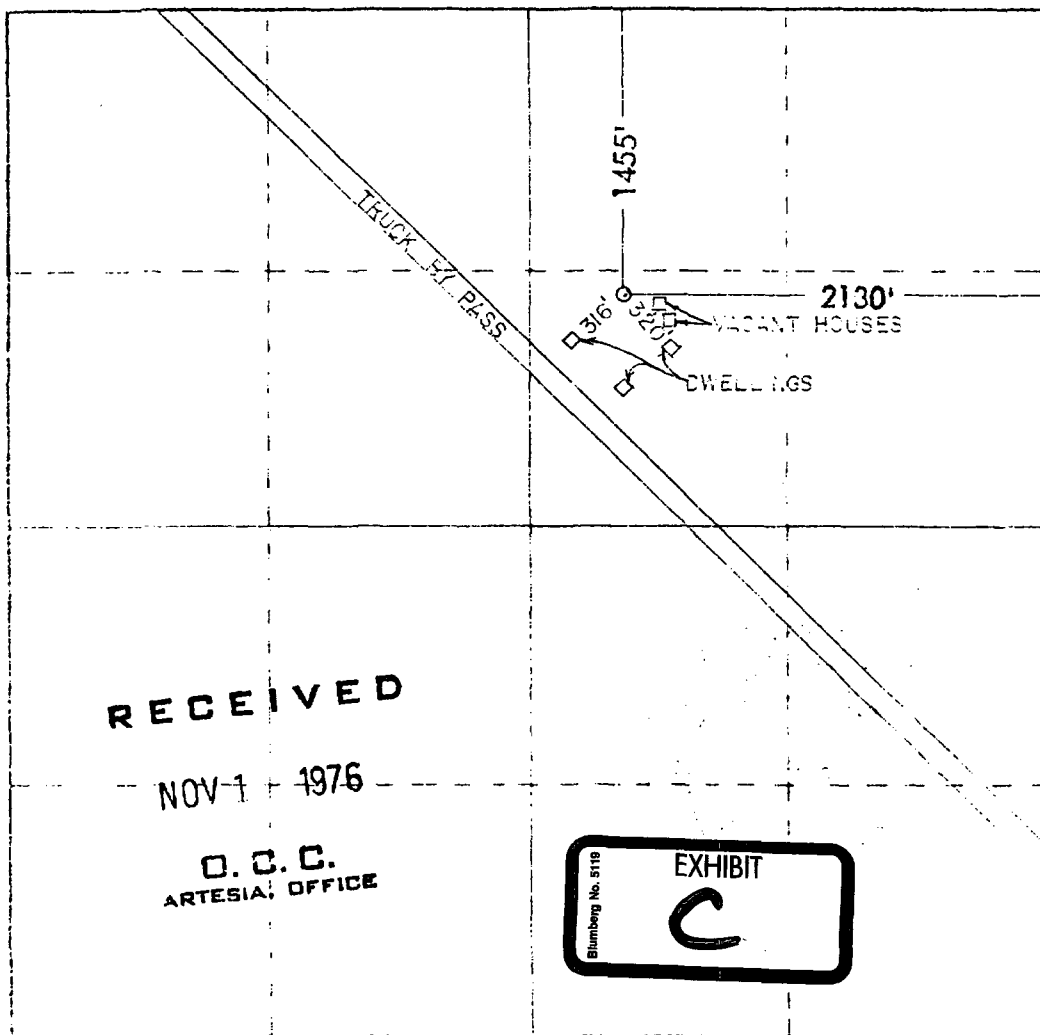
Leaseholder Morris R. Antweil			Lease Valle Pariz			Acres 1		
Section G	Range 3	Township 22 South	Range 26 East	County Eddy				
Section 1455			Section 2130			Section East		
Producing Formation 3220.4			Pool 1.0000			Estimated Acreage 1.0000		

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☐ Yes ☐ No If answer is "yes," type of consolidation _____

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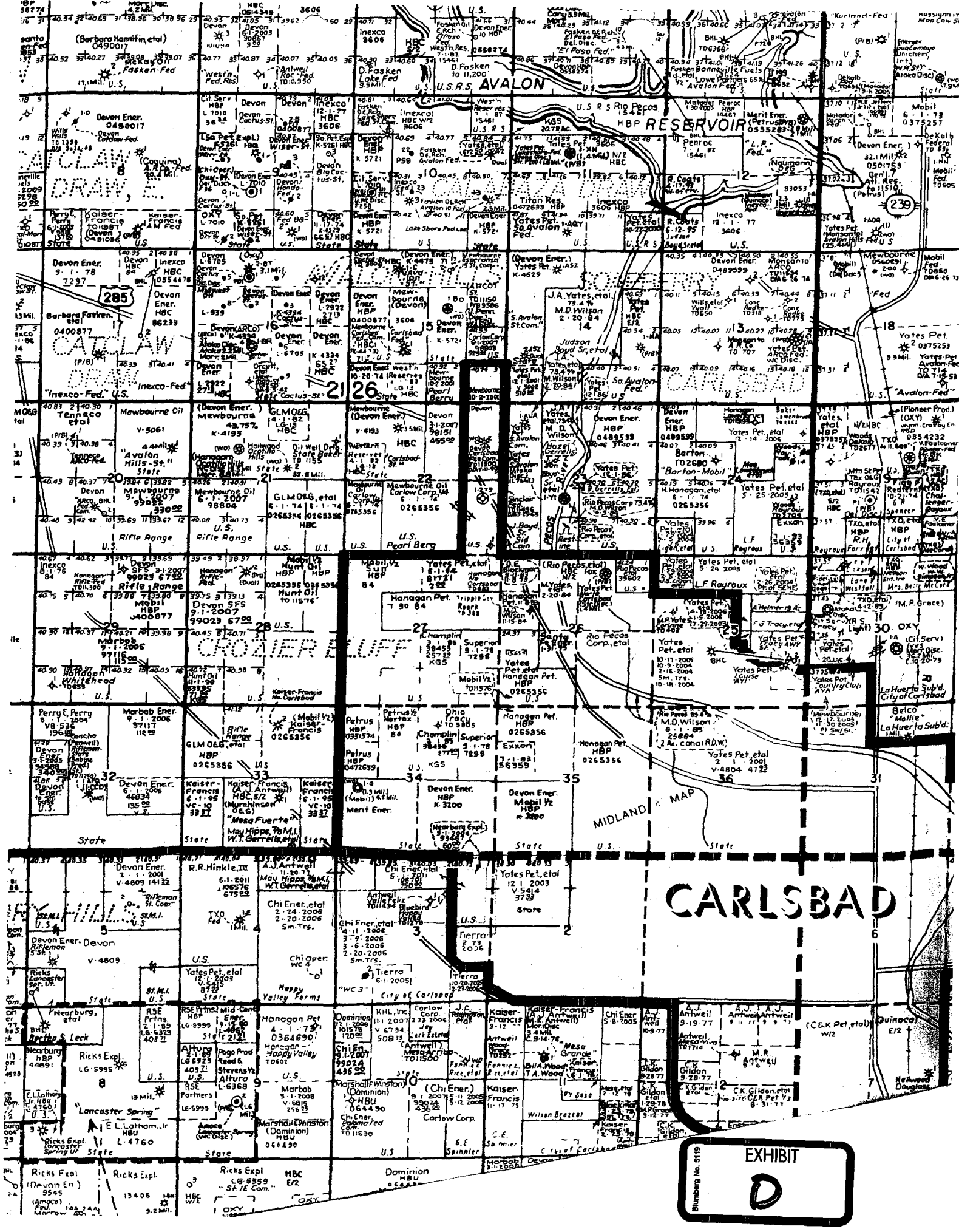
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

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

October 19, 1976

John W. West
Superintendent of the Survey



CARLSBAD

EXHIBIT
D

Shumbug No. 5119