

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



January 6, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Union Texas Petroleum Corporation
P.O. Box 2120
Houston, Texas 77252-2120

Attention: Ralph E. Stanley
Contract Analyst

Re: Administrative Order NFL-150

Dear Mr. Stanley:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Langlie Jal Unit Well No. 102 located 2630 feet from the South and West lines of Section 32, Township 24 South, Range 37 East, NMPM, Langlie Mattix Pool, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(2) Division Administrative Order No. NFL-100, dated October 11, 1984, shall remain in full force and effect until further notice.

(1) The applicant is hereby authorized to drill the Langlie Jai Unit Well No. 102 as described above, as an infill well on the existing 40-acre oil production unit comprising the NE/4 SW/4 (Unit K) of Section 32, Township 24 South, Range 37 East, MPM, Langlie Matix Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said production unit which cannot be effectively and efficiently drained by any existing well thereon.

IT IS THEREFORE ORDERED THAT:

(9) In order to permit effective and efficient drainage of said production unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

(8) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said production unit which cannot be so drained by any existing well within the unit.

(7) The drilling and completion of the well for which a finding is sought should result in the production of an additional 154,000 MCF of gas from the production unit which would not otherwise be recovered.

(6) Said unit is not being effectively and efficiently drained by the existing wells on the unit.

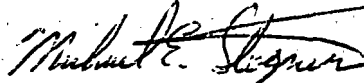
(5) Administrative Order No. NFL-100, dated October 11, 1984, authorized an infill well finding for said Langlie Jai Unit Well No. 99 on the aforementioned production unit. NFL-100 should remain in full force and not be affected by the entry of this order.

(4) A standard 40-acre oil production unit comprising the NE/4 SW/4 (Unit K) of Section 32, Township 24 South, Range 37 East, is currently dedicated to the Langlie Jai Unit Wells Nos. 20 and 99 also located in Unit K of said Section 32.

(3) The well for which a finding is sought is to be completed in the Langlie Matix Pool, and the standard spacing unit in said pool is 40 acres.

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

Sincerely,

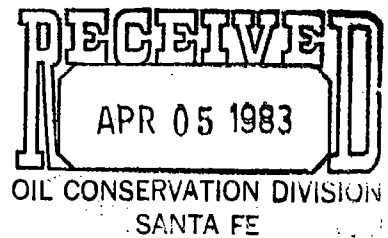
A handwritten signature in dark ink, appearing to read "Michael E. Stogner". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Michael E. Stogner,
Examiner

xc: N.M.D.C.D. - Hobbs
NFL-100 File

**Union Texas
Petroleum**

One Riverway
P. O. Box 2120
Houston, Texas 77252
(713) 960-7500



March 25, 1983

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael E. Stogner

Reference: Langlie-Jal 99
Lea County, New Mexico

Gentlemen:

Please find enclosed a copy of the permit to drill and a well plat for the subject well.

I hope that this will enable you to place our application in line for proper hearing procedures.

Yours truly,

UNION TEXAS PETROLEUM CORPORATION

Maria L Estruch
Maria L. Estruch
Natural Gas Operations

MLE:bm

Encl.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED
APR 05 1983

Form C-102
Supersedes C-128
Effective 1-1-65

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

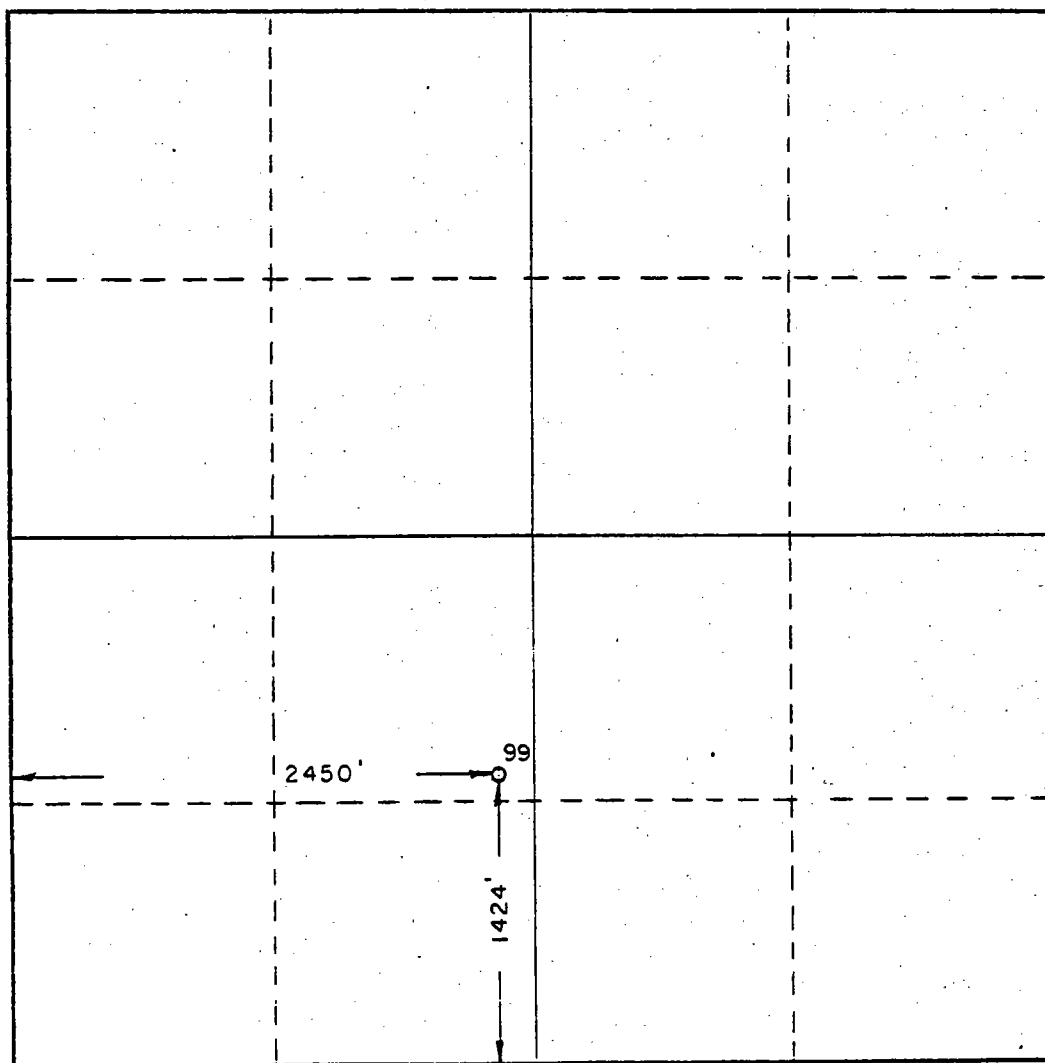
Operator Union Texas Petroleum Corp.		Lease Langlie-Jal Unit		Well No. 99
Unit Letter K	Section 32	Township 24-S	Range 37-E	County Lea
Actual Footage Location of Well: 1424 feet from the South line and 2450 feet from the West line				
Ground Level Elev. 3238.3	Producing Formation	Pool	Dedicated Acreage: Acres	

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

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

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

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



CERTIFICATION

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

Name

Position

Company

Date

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

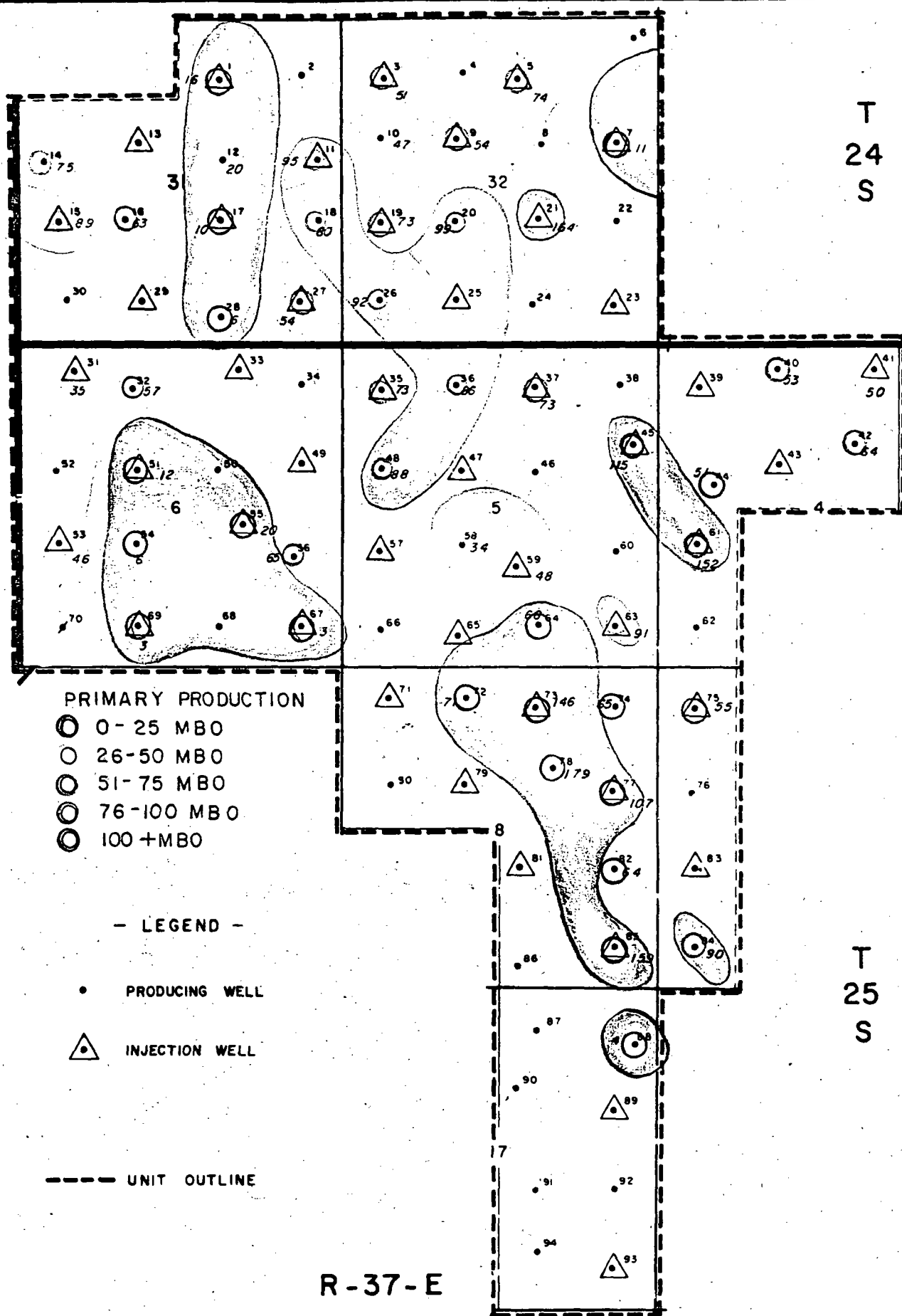
May 22, 1982

Registered Professional Engineer
and/or Land Surveyor

M. E. Shaws

Certificate No.

2189



UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

LANGLIE-JAL UNIT
LEA COUNTY, NEW MEXICO

PRIMARY PRODUCTION

SCALE IN FEET

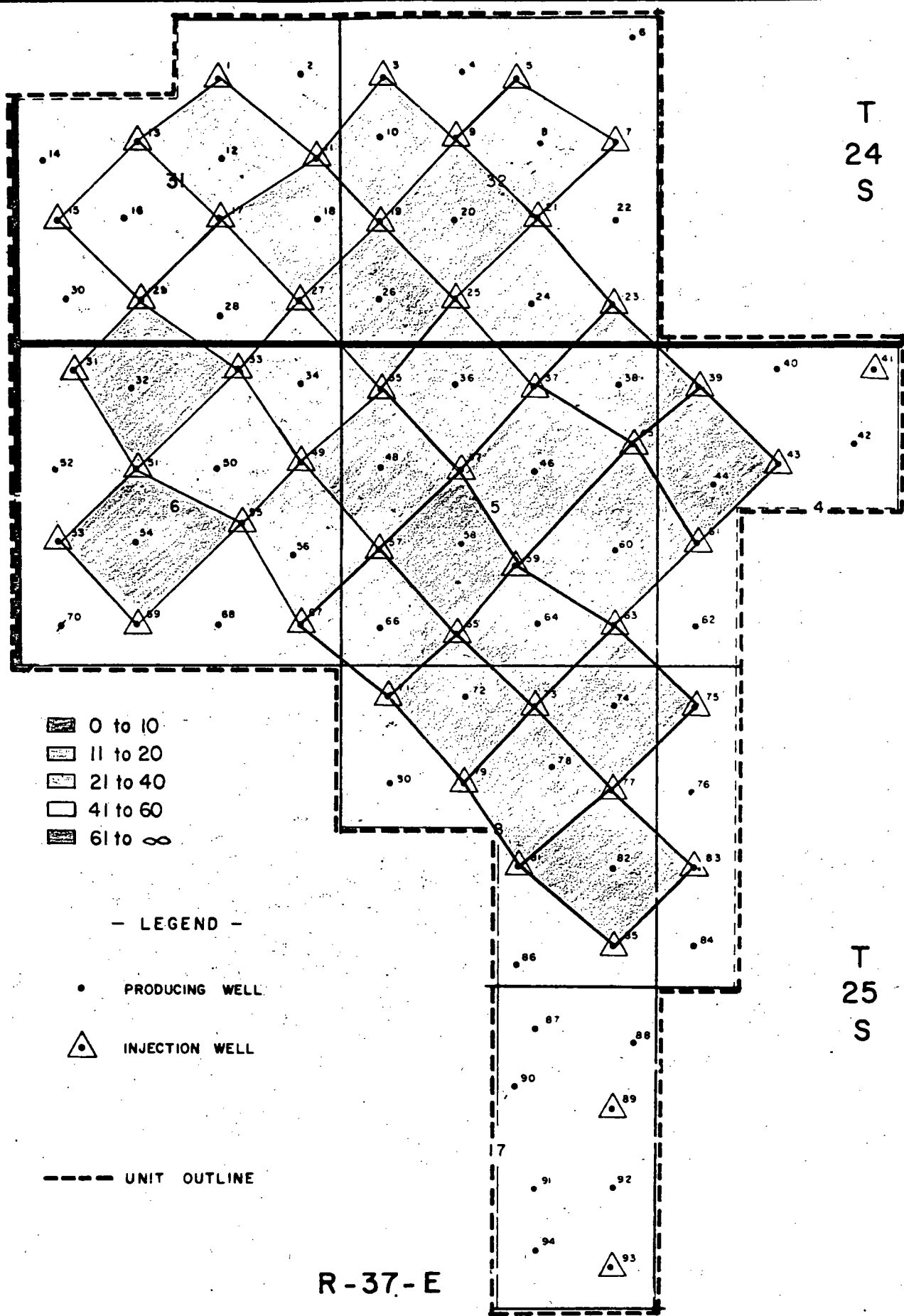


S.M.F.

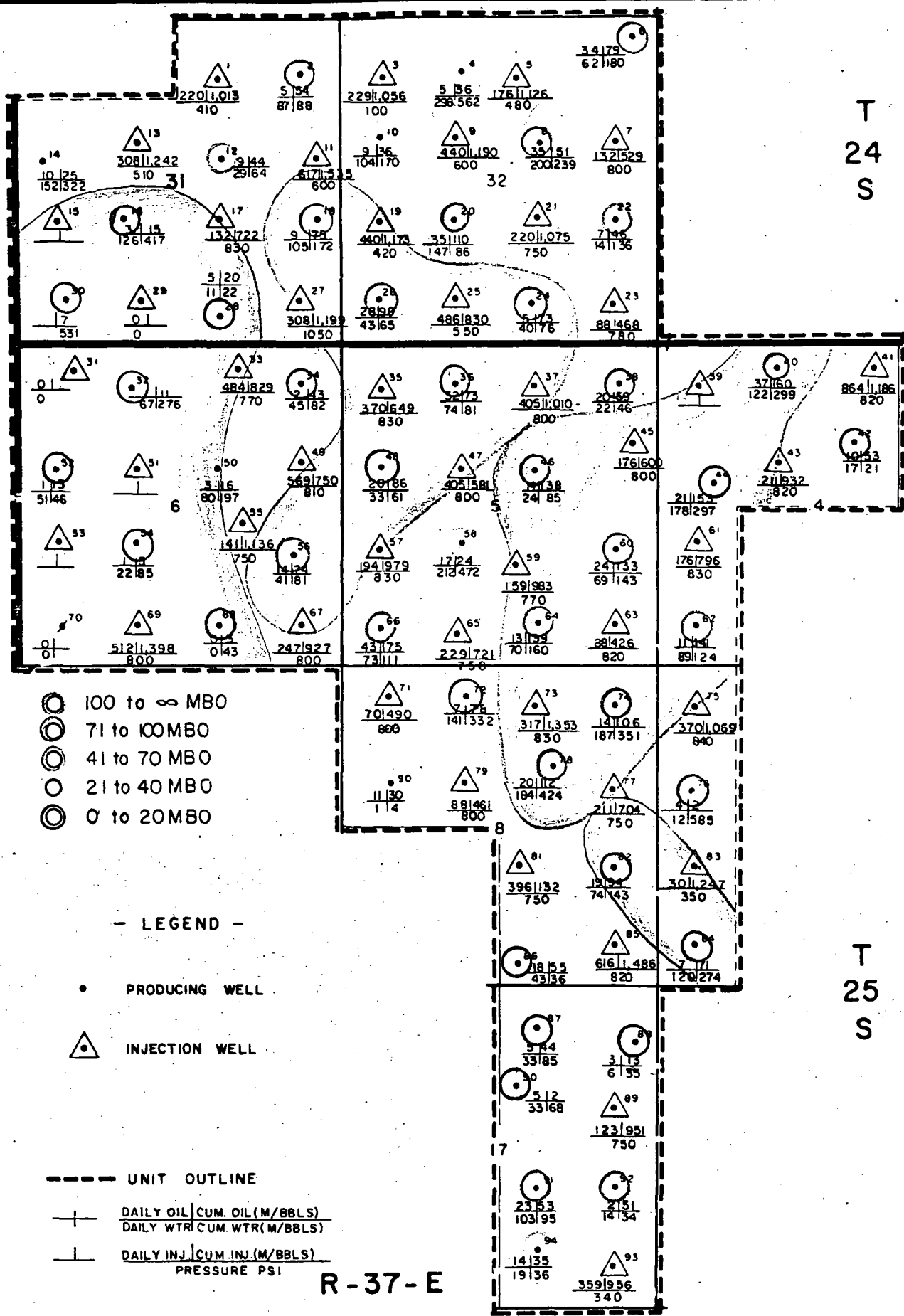
SOUTHWEST DIVISION

2/24/82

ATTACHMENT 1



UNION TEXAS PETROLEUM	
A DIVISION OF ALLIED CHEMICAL CORPORATION	
LANGLIE - JAL UNIT	
LEA COUNTY, NEW MEXICO	
WATER INJECTED / OIL PRODUCED	
SCALE IN FEET	
S. M. F.	SOUTHWEST DIVISION
	2/24/82



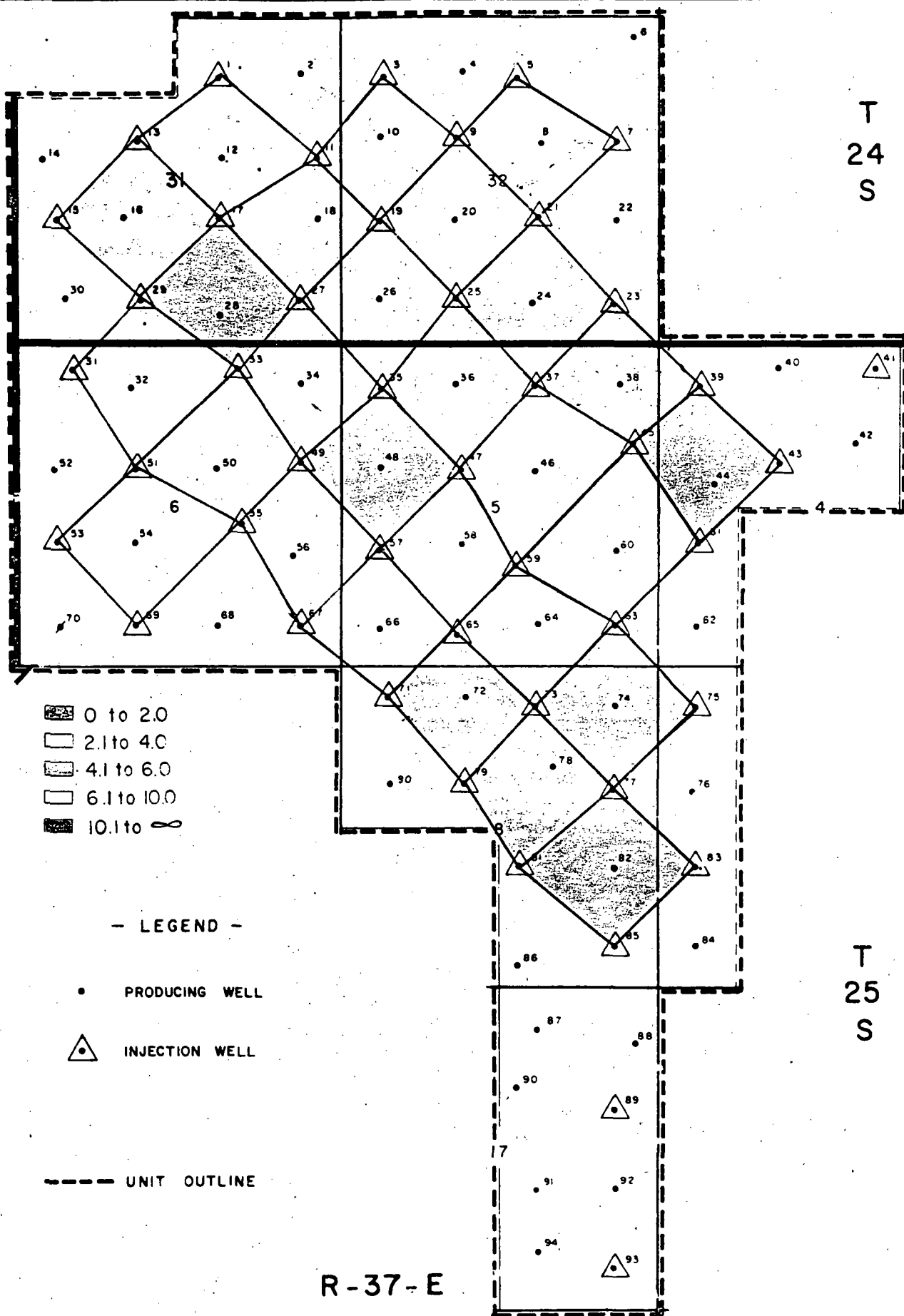
UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

LANGLIE - JAL UNIT
LEA COUNTY, NEW MEXICO

SECONDARY RECOVERY
Well Test Data
Month: July 81

SCALE IN FEET
2000 0 2000 4000

S.M.F. SOUTHWEST DIVISION 2/24/82



UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

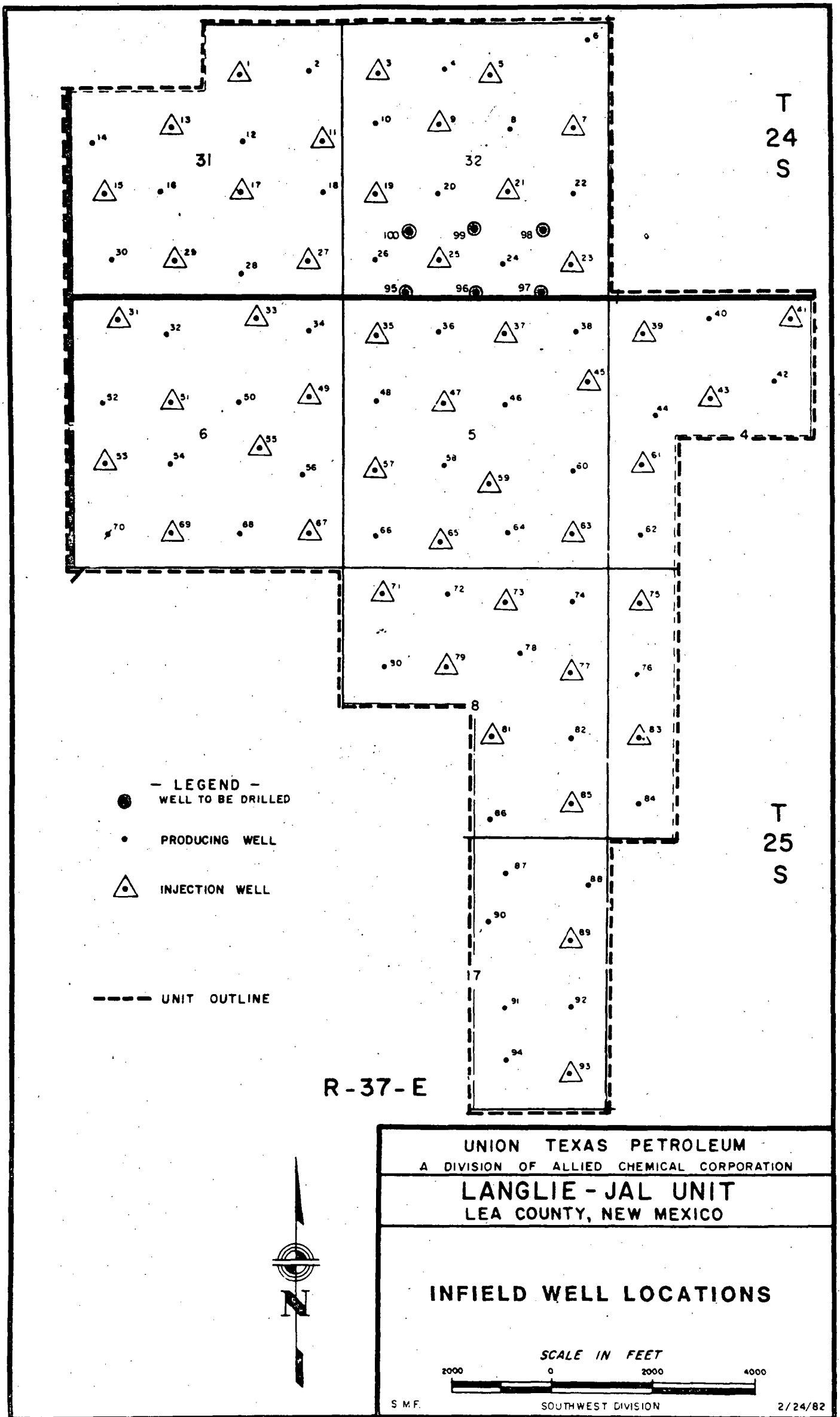
LANGLIE-JAL UNIT
LEA COUNTY, NEW MEXICO

WATER INJECTED
TOTAL FLUID PRODUCED

SCALE IN FEET

2000 0 2000 4000

S.M.F. SOUTHWEST DIVISION 2/24/82





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

July 21, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Union Texas Petroleum
1300 Wilco Building
Midland, Texas 79701

Attention: Richard Atchley

Correction
Administrative Order NSL-1545

Gentlemen:

Reference is made to your application for the amendment of three non-standard locations and the addition of three non-standard locations in Lea County, New Mexico, as follows:

Well No. 95-M located 140' FSL & 1250' FWL;
Well No. 96-N located 140' FSL & 2600' FWL;
Well No. 97-P located 140' FSL & 1200' FEL;
Well No. 98-I located 1422' FSL & 1200' FEL;
Well No. 99-K located 1424' FSL & 2650' FWL; and
Well No. 100-L located 1426' FSL & 1300' FWL,

all in Section 32, Township 24 South, Range 37 East,
Langlie-Jal Unit.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A


I. Operator Union Texas Petr. Corp. Well Name and No. Langlie-Jal Unit Well #99
Location: Unit K Sec. 32 Twp. 24S Rng. 37E Cty. Lea

II. THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Langlie-Mattix Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the NE/4 SW/4 of Sec. 32, Twp. 24S, Rng. 37 E, is currently dedicated to the Langlie-Jal Unit Well #20 located in Unit K of said section.
- (5) That this proration unit is (X) standard () nonstandard; if nonstandard, said unit was previously approved by Order No. NA.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 35,000 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
 - (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 this 11 day of October, 19 84.


DIVISION DIRECTOR

EXAMINER

Revised 2/13/84

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

ADMINISTRATIVE ORDER
NFL 100

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE PURSUANT TO SECTION 271.305(b) OF THE
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION
ORDER NO. R-6013

I.

Operator Union Texas Petroleum Corporation Well Name and No. Langlie-Jal Unit Well No. 99
Location: Unit K Sec. 32 Twp. 24 South Rng. 37 East Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the Langlie-Mattix Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the NE 1/4 SW 1/4 of Sec. 32, Twp. 24 South, Rng. 37 East, is currently dedicated to the Langlie-Jal Unit Well No. 20 located in Unit K of said section.

(5) That this proration unit is (☒) standard () nonstandard; if nonstandard, said unit was previously approved by Order No. NA.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 35,000 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(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 this _____ day of _____, 19____.

DIVISION DIRECTOR _____ EXAMINER _____

Langlie Jal 99

Pool:	Langlie Mattix (Queen)
Dedicated Acreage:	40 20 Acres
Location:	Section 32-K, TWP. 24-S, Range 37-E 1424' FSL and 2450' FWL
Spud Date:	7/18/82
Completion Date:	8/6/82



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

KING
OR

Union Texas Petroleum Corp.
P.O. Box 2120
Houston, Texas 77001

Attention: Steven Alton

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: Well head price ceiling
determination, NGPA of
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the sections(s) of the Natural Gas Policy Act of 1978 indicated below if your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION Lanqlie-Jal #99-K 32-24S-37E

SECTION(S) APPLIED FOR 103

DATE APPLICATION RECEIVED January 19, 1983

Please submit a L-101. On L-102 locate, identify and give a brief history on the other
APPLICATION INCOMPLETE well within the proration unit. Please obtain an infill
well finding pursuant to R-6013-A.

Sincerely,

DATE:

January 24, 1983

Michael E. Stogner

NOTE:

THIS FORM LETTER MUST ACCOMPANY TWO COPIES OF THE SUPPLEMENTARY INFORMATION.

4/11/83 *Please obtain an infill well finding pursuant to NMOCB
Order No. R-6013-A (attached).*

M. Stogner

EXHIBIT B

EFFECTIVE AND EFFICIENT DRAINAGE FINDING

1. SUBMIT A DETAILED DESCRIPTION OF THE CIRCUMSTANCES NECESSITATING DRILLING OF ADDITIONAL WELL(S) ON THE PRORATION UNIT FOR EACH WELL. (I.E., MECHANICAL DIFFICULTY, RESERVOIR CHARACTERISTICS).
2. PROVE THE PRORATION UNIT TO BE REASONABLY PRODUCTIVE (I.E., STRUCTURE MAP ILLUSTRATING GAS-WATER CONTACTS AND RESERVOIR LIMITS OR OFFSET PRODUCTION IN THE SAME RESERVOIR).
3. CALCULATE THE ORIGINAL RECOVERABLE GAS IN PLACE OF PRORATION UNIT (I.E., VOLUMETRIC CALCULATION USING RECOVERY FACTOR OR OTHER ACCEPTED ENGINEERING CALCULATIONS SUCH AS P/Z PLOT VS. CUMULATIVE PRODUCTION OF PRORATION UNIT). SHOW WORK.
4. PROVIDE CUMULATIVE PRODUCTION TO DATE OR ORIGINAL WELL ON PRORATION UNIT.
5. SUBMIT AN ESTIMATION OF FUTURE RECOVERY FROM ORIGINAL WELL IF THE ORIGINAL WELL IS STILL PRODUCTIVE. SHOW WORK
6. ESTIMATE THE REMAINING RECOVERABLE RESERVES THAT THE ORIGINAL WELL ON THE PRORATION UNIT IS NOT CAPABLE OF RECOVERING. SHOW WORK.
7. ESTIMATE THE RECOVERY OF EACH ADDITIONAL WELL.

LANGLIE JAL UNIT WELL NO. 99

1. A recent reservoir study indicated that porosity stringers in the Seven Rivers-Queen formations (the unitized interval) of the Langlie Jal Unit varied in quantity and quality from well to well. In order to decrease the discontinuity it was proposed that an infill well pilot project be undertaken. Infill drilling to decrease discontinuity thereby increasing flood efficiency has been successful in other areas and is expected to be so at the Langlie Jal Unit.
2. The infill drilling of Langlie Jal Unit Well No. 99 will be part of a project to increase well density from 40 acres per well and 80 acre 5-spot patterns to 20 acres per well and 80 acre 9-spot patterns with an option to go to 40 acre 5-spot patterns.
3. Based on an initial production of 10 BOPD, a GOR of 1900 and a unit production decline of 20%, reserves for this well are estimated at 18,250 BO and 35 MMCF gas.
4. The cumulative production from the Langlie Jal Unit Well No. 21 is 164 MBO (gas production not available). This well shares the standard 40 acre proration unit with Well No. 99.
5. There is no future production from Langlie Jal Unit Well No. 21. This well was converted to injection service on 5/23/72 to complete the 80 acre 5-spot patterns following unitization.
6. The estimate of remaining recoverable reserves, that the original well could not recover is 18,250 STBO and 35 MMCF gas.
7. The estimated recovery of the Langlie Jal Unit No. 99 is 27,400 STBO and 35 MMCF gas.

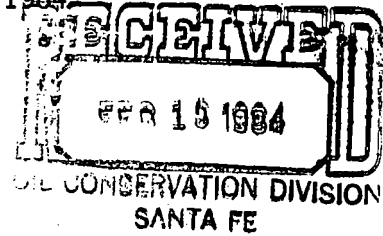
1/31/84
SMF/sf

**Union Texas
Petroleum**

One Riverway
P. O. Box 2120
Houston, Texas 77252
(713) 960-7500

February 8, 1984

New Mexico Dept. of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico 87501



Attn: Mr. Mike Stogner

RE: Langlie Jal 99

Dear Mike:

In order to comply with NMOCD Order No. R-6013-A, the responses have been broken into two parts:

- PART 1 - Answered by this office
- PART 2 - Answered by the district engineer.

The part answered by the district was based on the infill well format posed by the Texas Railroad Commission. This was done in order to provide more specific detail in our response.

I hope this will enable you to complete the filing process; however, if additional information is needed, please call me at (713) 960-7805.

Yours truly,

Ralph Stanley

Ralph Stanley
Natural Gas Operations

RES/kg

PBQ:0084:-1-

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

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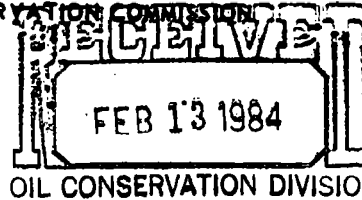
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30-025-27844

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U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-4-83

5A. Indicate Type of Lease

STATE ☒ FEE ☐

5. State Oil & Gas Lease No.

OIL CONSERVATION DIVISION

SANTA FE

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		Langlie-Jal Unit	
2. Name of Operator Union Texas Petroleum Corporation		8. Farm or Lease Name	
3. Address of Operator 1300 Wilco Bldg., Midland, Texas 79701		9. Well No. 99	
4. Location of Well UNIT LETTER <u>K</u> LOCATED <u>1424</u> FEET FROM THE <u>South</u> LINE AND <u>2450</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>32</u> TWP. <u>24-S</u> RGE. <u>37-E</u> NMPM		10. Field and Pool, or Wildcat Langlie Mattix (Queen)	
11. Proposed Depth 3700		10A. Formation Seven Rivers Queen	
11A. Kind & Status Plug. Head Blanket		12. County Lea	
21. Elevations (Show whether DF, RT, etc.) 3238.3 GR		22. Approx. Date Work will start -	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	800	600	Surface
7-7/8"	5-1/2"	14#	3700	700	Circulate

Propose to drill to depth of 3700' to the Seven Rivers-Queen Formation
Blow-out preventors - 2000 psi.

This C-101 submitted to correct location from 2650 FWL to 2450 FWL.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Richard H. Hickey Title Production Services Supr. Date 1-19-83

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

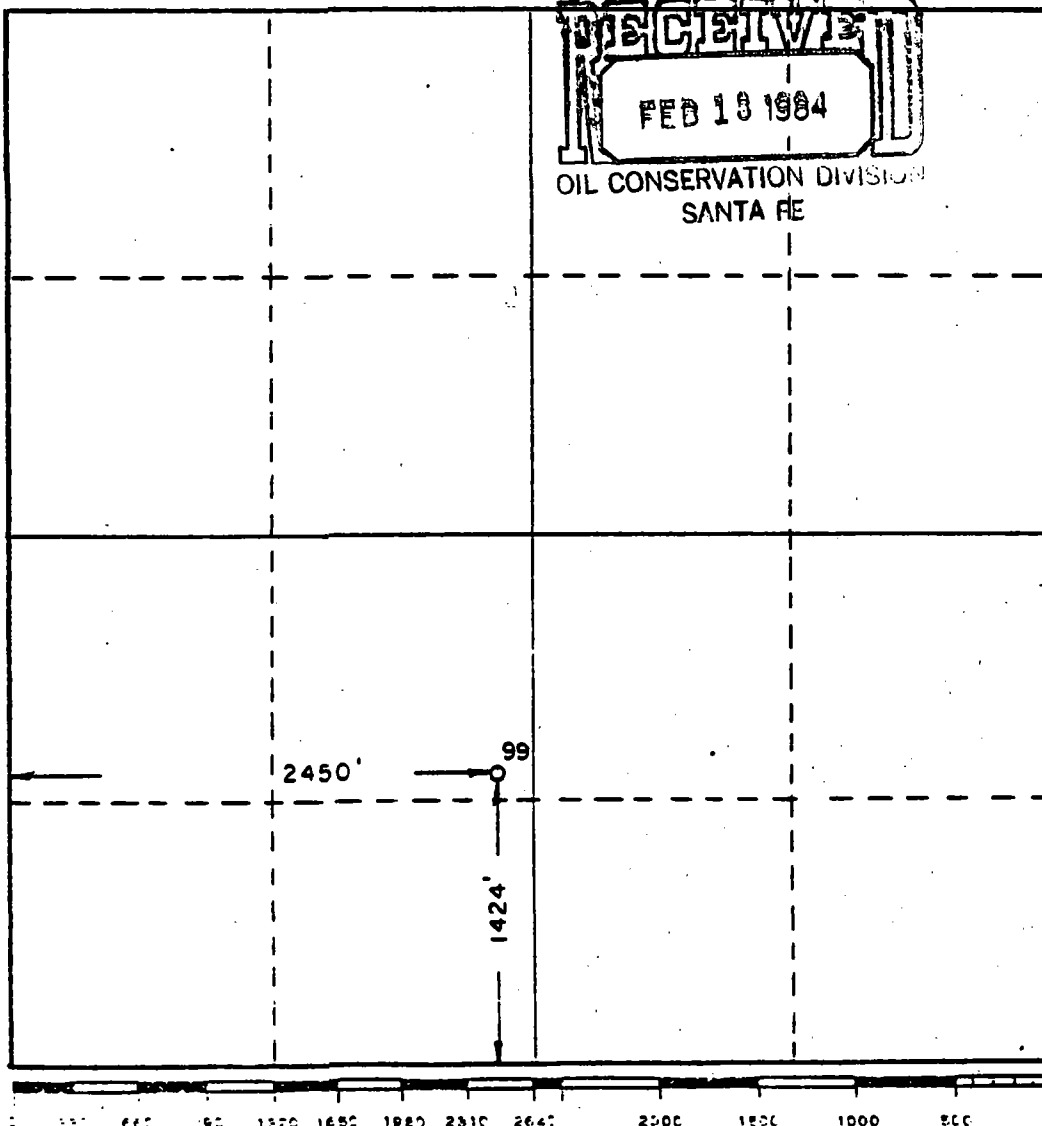
Operator Union Texas Petroleum Corp.			Lease Langlie-Jal Unit		Well No. 99
Unit Letter K	Section 32	Township 24-S	Range 37-E	County Lea	
Actual Footage Location of Well: 1424 feet from the South line and 2450 feet from the West line					
Ground Level Elev. 3238.3	Producing Formation		Pool	Dedicated Acreage: Acres	

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

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

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

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



CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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 _____

May 22, 1982

Registered Professional Engineer
and/or Land Surveyor

Mark E. Shover

Certificate No.

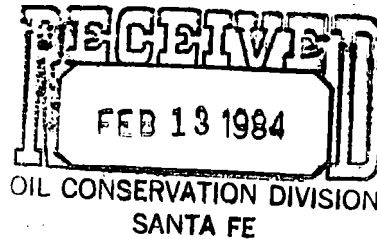
2189

**Union Texas
Petroleum**

One Riverway
P. O. Box 2120
Houston, Texas 77252
(713) 960-7500

-February 8, 1984

New Mexico Dept. of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Attn: Mr. Mike Stogner

RE: Langlie Jal 99

Dear Mike:

In order to comply with NMOCD Order No. R-6013-A, the responses have been broken into two parts:

- PART 1 - Answered by this office
- PART 2 - Answered by the district engineer.

The part answered by the district was based on the infill well format posed by the Texas Railroad Commission. This was done in order to provide more specific detail in our response.

I hope this will enable you to complete the filing process; however, if additional information is needed, please call me at (713) 960-7805.

Yours truly,

Ralph Stanley

Ralph Stanley
Natural Gas Operations

RES/kg

PBQ:0084:-1-

Langlie Jal 99

Pool:	Langlie Mattix (Queen)
Dedicated Acreage:	20 Acres
Location:	Section 32-K, TWP. 24-S, Range 37-E 1424' FSL and 2450' FWL
Spud Date:	7/18/82
Completion Date:	8/6/82

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Union Texas Petroleum Corp.
P.O. Box 2120
Houston, Texas 77001

Attention: Steven Alton

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: Well head price ceiling
determination, NGPA of
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the sections(s) of the Natural Gas Policy Act of 1978 indicated below if your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION Lanqlie-Jal #99-K 32-24S-37E

SECTION(S) APPLIED FOR 103

DATE APPLICATION RECEIVED January 19, 1983

Please submit a L-101. On L-102 locate, identify and give a brief history on the other
APPLICATION INCOMPLETE *well within the proration unit. Please obtain an infill*
well finding pursuant to R-6013-A.

Sincerely,

DATE:

January 24, 1983

Michael E. Stogner

NOTE:

THIS FORM LETTER MUST ACCOMPANY TWO COPIES OF THE SUPPLEMENTARY INFORMATION.

4/11/83 *Please obtain an infill well finding pursuant to NMOCD*
Order No. R-6013-A (attached).

M. Stogner

EXHIBIT B

EFFECTIVE AND EFFICIENT DRAINAGE FINDING

1. SUBMIT A DETAILED DESCRIPTION OF THE CIRCUMSTANCES NECESSITATING DRILLING OF ADDITIONAL WELL(S) ON THE PRORATION UNIT FOR EACH WELL. (I.E., MECHANICAL DIFFICULTY, RESERVOIR CHARACTERISTICS).
2. PROVE THE PRORATION UNIT TO BE REASONABLY PRODUCTIVE (I.E., STRUCTURE MAP ILLUSTRATING GAS-WATER CONTACTS AND RESERVOIR LIMITS OR OFFSET PRODUCTION IN THE SAME RESERVOIR).
3. CALCULATE THE ORIGINAL RECOVERABLE GAS IN PLACE OF PRORATION UNIT (I.E., VOLUMETRIC CALCULATION USING RECOVERY FACTOR OR OTHER ACCEPTED ENGINEERING CALCULATIONS SUCH AS P/Z PLOT VS. CUMULATIVE PRODUCTION OF PRORATION UNIT). SHOW WORK.
4. PROVIDE CUMULATIVE PRODUCTION TO DATE OR ORIGINAL WELL ON PRORATION UNIT.
5. SUBMIT AN ESTIMATION OF FUTURE RECOVERY FROM ORIGINAL WELL IF THE ORIGINAL WELL IS STILL PRODUCTIVE. SHOW WORK
6. ESTIMATE THE REMAINING RECOVERABLE RESERVES THAT THE ORIGINAL WELL ON THE PRORATION UNIT IS NOT CAPABLE OF RECOVERING. SHOW WORK.
7. ESTIMATE THE RECOVERY OF EACH ADDITIONAL WELL.

LANGLIE JAL UNIT WELL NO. 99

1. A recent reservoir study indicated that porosity stringers in the Seven Rivers-Queen formations (the unitized interval) of the Langlie Jal Unit varied in quantity and quality from well to well. In order to decrease the discontinuity it was proposed that an infill well pilot project be undertaken. Infill drilling to decrease discontinuity thereby increasing flood efficiency has been successful in other areas and is expected to be so at the Langlie Jal Unit.
2. The infill drilling of Langlie Jal Unit Well No. 99 will be part of a project to increase well density from 40 acres per well and 80 acre 5-spot patterns to 20 acres per well and 80 acre 9-spot patterns with an option to go to 40 acre 5-spot patterns.
3. Based on an initial production of 10 BOPD, a GOR of 1900 and a unit production decline of 20%, reserves for this well are estimated at 18,250 BO and 35 MMCF gas.
4. The cumulative production from the Langlie Jal Unit Well No. 21 is 164 MBO (gas production not available). This well shares the standard 40 acre proration unit with Well No. 99.
5. There is no future production from Langlie Jal Unit Well No. 21. This well was converted to injection service on 5/23/72 to complete the 80 acre 5-spot patterns following unitization.
6. The estimate of remaining recoverable reserves, that the original well could not recover is 18,250 STBO and 35 MMCF gas.
7. The estimated recovery of the Langlie Jal Unit No. 99 is 27,400 STBO and 35 MMCF gas.

1/31/84
SMF/sf

RECEIVED
FEB 16 1984
OIL CONSERVATION DIVISION

STATE ☒ FEE ☐**State Oil & Gas Lease No.**[illegible]

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	800	600	Surface
7-7/8"	5-1/2"	14#	3700	700	Circulate

This C-101 submitted to correct location from 2650 FWL to 2450 FWL.

Signed Richard H. H. H. Title Production Services Supr. Date 1-19-83

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122
Supersedes C-128
Effective 1-1-65

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

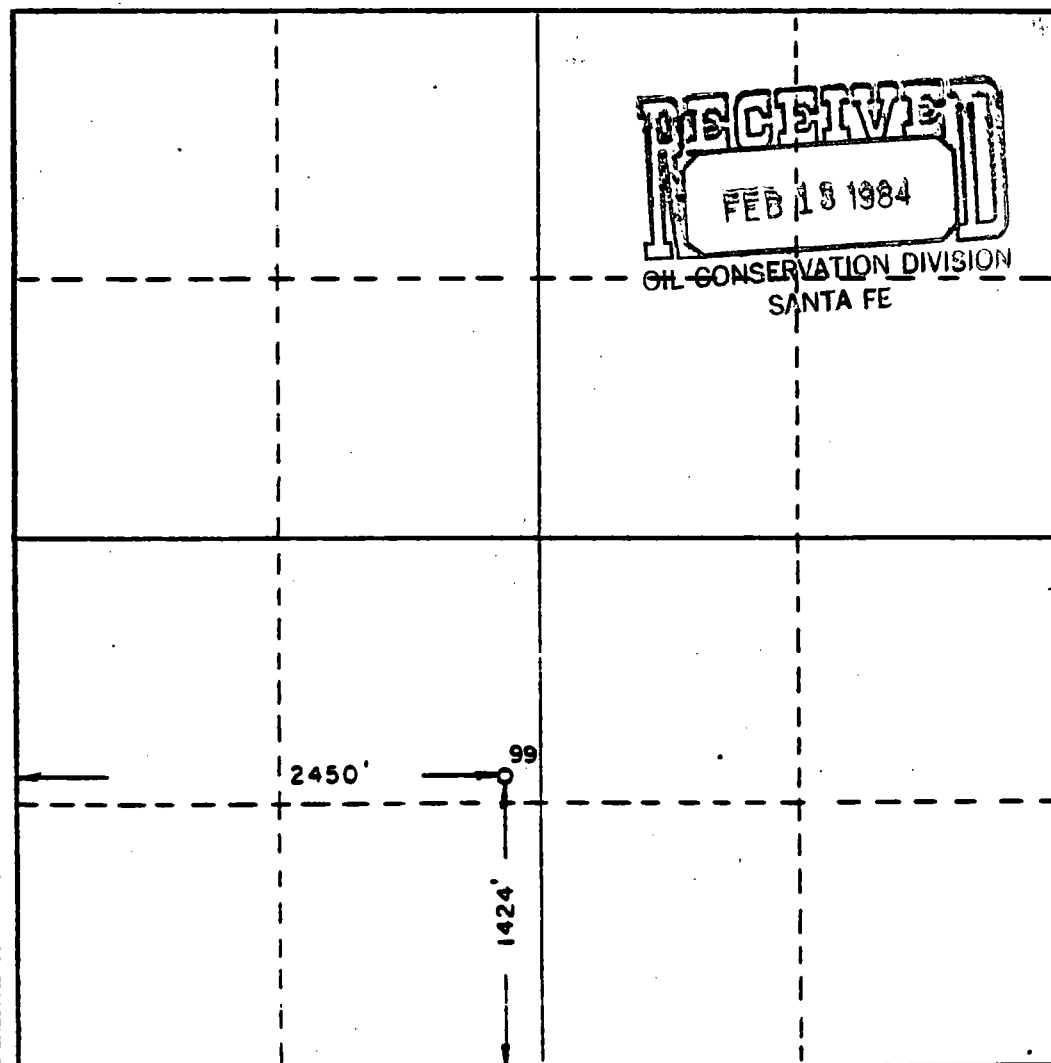
Operator Union Texas Petroleum Corp.			Lease Langlie-Jal Unit		Well No. 99
Unit Letter K	Section 32	Township 24-S	Range 37-E	County Lea	
Actual Footage Location of Well: 1424 feet from the South line and 2450 feet from the West line					
Ground Level Elev. 3238.3	Producing Formation		Pool	Dedicated Acreage: Acres	

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

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

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

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



CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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 _____

May 22, 1982

Registered Professional Engineer
and/or Land Surveyor

Mark E. Shaw

Certificate No.

2189

0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500 7000 7500 8000 8500 9000 9500 10000

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

RECEIVED
JULIAN 19 1983

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Union Texas Petroleum Corporation		Lease Langlie-Jal Unit		SANTA FE		Well No. 99
Unit Letter K	Section 32	Township 24-S	Range 37-E	County Lea		
Actual Footage Location of Well: 1424 feet from the South line and 2650 feet from the West line						
Ground Level Elev. 3238.3	Producing Formation Seven Rivers Queen		Pool Langlie Mattix (Queen)		Dedicated Acreage 28.40 Acres	

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

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

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

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

		Union Texas Petroleum Corporation Langlie Jal Unit Well No. 20 1980' FS + WL Spud: 10/31/39 Dual Completion A-85 Salma Cumulative as of 12/91 1747441 MCF Langlie-Mattix Cumulative as of 12/91 - 126793 MCF 214850 BO P+A Salma 2 2/29/78 Presently of Langlie Mattix Produce

CERTIFICATION

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

R. Atchley
Name

Richard Atchley

Position
Production Services

Company
Union Texas Pet. Corp.

Date
September 30, 1982

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
September 25, 1982

Registered Professional Engineer
and/or Land Surveyor

M. E. Evans

Date 1-13-83

EXAMINER

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

RECEIVED
PLATAN 19 1983

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Union Texas Petroleum Corporation		Lease Langlie-Jal Unit		SANTA FE		Well No. 99
Unit Letter K	Section 32	Township 24-S	Range 37-E	County Lea		
Actual Postage Location of Well 1424 feet from the South line and 2650 feet from the West line						
Ground Level Elev. 3238.3	Producing Formation Seven Rivers Queen		Pool Langlie Mattix (Queen)		Dedicated Acreage 28 40 Acres	

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

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

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

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

		Union Texas Petroleum Corporation Langlie Jal Unit Well No. 20 1980' FS + WL Spud: 10/31/39 Dual Completion A-85 Salmat Cumulative as of 12/91 1747441 MCF Langlie-Mattix Cumulative as of 12/81 - 126793 MCF 214850 BO P+A Salmat 2/29/78 Presently of Langlie Mattix Produce

CERTIFICATION

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

R. Atchley
Name

Richard Atchley

Position
Production Services

Company
Union Texas Pet. Corp.

Date
September 30, 1982

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
September 25, 1982

Registered Professional Engineer
and/or Land Surveyor

M. C. [Signature]

EXAMINED

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

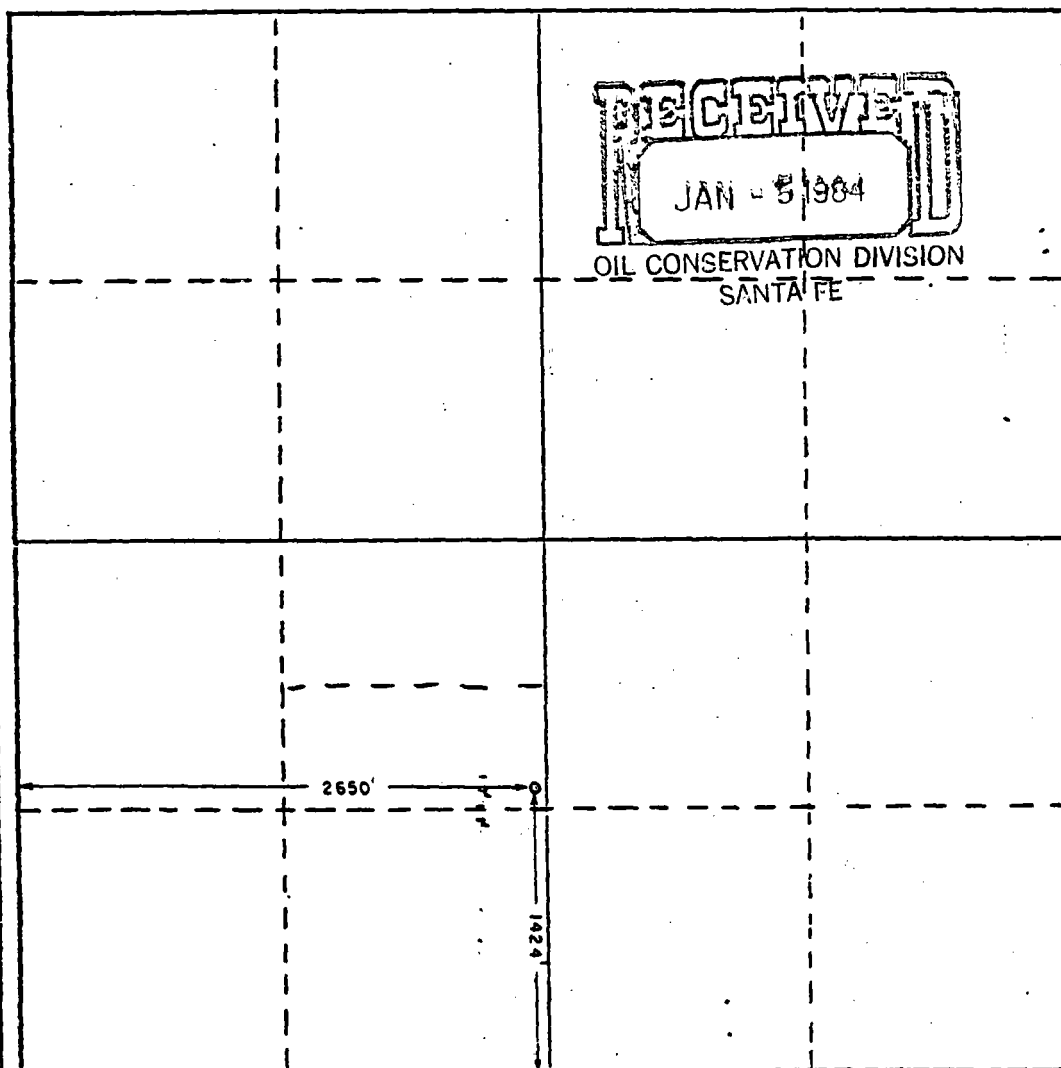
Operator Union Texas Petroleum Corporation			Lease Langlie-Jal Unit		Well No. 99
Unit Letter K	Section 32	Township 24-S	Range 37-E	County Lea	
Actual Footage Location of Well: 1424 feet from the South line and 2650 feet from the West line					
Ground Level Elev. 3238.3	Producing Formation Seven Rivers Queen		Pool Langlie Mattix (Queen)	Dedicated Acreage: 20 Acres	

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

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

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

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



CERTIFICATION

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

R. Atchley
Name

Richard Atchley
Position
Production Services

Company
Union Texas Pet. Corp.

Date
September 30, 1982

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
September 25, 1982

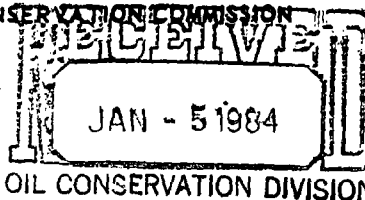
Registered Professional Engineer
and/or Land Surveyor

M. E. Lewis

Certificate No.
2189

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LE	
S.G.S.	
AND OFFICE	
PERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION



Form C-101
Revised 1-4-65

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name Langlie-Jal Unit	
8. Farm or Lease Name	
9. Well No. 99	
10. Field and Pool, or Wildcat Langlie Mattix (Queen)	
12. County Lea	
19. Proposed Depth 3700	10A. Formation Seven Rivers Queen
20. Rotary or C.T. Rotary	
21. Elevations (Show whether DT, RT, etc.) 3238.3 GR	21A. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor	
22. Approx. Date Work will start	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work	
Type of Well	DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>
OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>
Name of Operator Union Texas Petroleum Corporation	
Address of Operator 1300 Wilco Bldg., Midland, Texas 79701	
Location of Well UNIT LETTER <u>K</u> LOCATED <u>1424</u> FEET FROM THE <u>South</u> LINE <u>2450</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>32</u> TWP. <u>24-S</u> RGE. <u>37-E</u> NMPM	
23. PROPOSED CASING AND CEMENT PROGRAM	

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	800	600	Surface
7-7/8"	5-1/2"	14#	3700	700	Circulate

Propose to drill to depth of 3700' to the Seven Rivers-Queen Formation
Blow-out preventors - 2000 psi.

This C-101 submitted to correct location from 2650 FWL to 2450 FWL.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Richard H. Hickey Title Production Services Supr. Date 1-19-83

(This space for State Use)

ORIGINAL SIGNED BY EDDIE SEAY

APPROVED BY OIL & GAS INSPECTOR DATE MAR 30 1983

CONDITIONS OF APPROVAL, IF ANY:

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SANTA FE			
FILE			
U.S.G.S.			
LAND OFFICE			
OPERATOR			

JAN - 5 1984

OIL CONSERVATION DIVISION

1a. Type of Work						7. Unit Agreement Name Langlie-Jal Unit	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>						8. Farm or Lease Name	
2. Name of Operator Union Texas Petroleum Corporation						9. Well No. 99	
3. Address of Operator 1300 Wilco Bldg., Midland, Texas 79701						10. Field and Pool or Wildcat Langlie Mattix (Queen)	
4. Location of Well UNIT LETTER K LOCATED 1424 FEET FROM THE South LINE 2450 West 32 24-S 37-E AND FEET FROM THE LINE OF SEC. TWP. RGE. NMPM						12. County Lea	
				18. Proposed Depth 3700		19A. Formation Seven Rivers Queen	
				20. Rotary or C.T. Rotary			
21. Elevations (Show whether DF, RT, etc.) 3238.3 GR		21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor		22. Approx. Date Work will start -	

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	800	600	Surface
7-7/8"	5-1/2"	14#	3700	700	Circulate

This C-101 submitted to correct location from 2650 FWL to 2450 FWL.

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

Signed Richard A. Hickey Title Production Services Supr. Date 1-19-83

(This space for State Use)

ORIGINAL SIGNED BY EDDIE SEAY

APPROVED BY OIL & GAS INSPECTOR DATE MAR 30 1983
CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator Union Texas Petroleum Corporation			Lease Langlie-Jal Unit		Well No. 99
Unit Letter K	Section 32	Township 24-S	Range 37-E	County Lea	
Actual Postage Location of Well: 1424 feet from the South line and 2650 feet from the West line					
Ground Level Elev. 3238.3	Producing Formation Seven Rivers Queen		Pool Langlie Mattix (Queen)		Dedicated Acreage: 20 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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☐ Yes ☒ No If answer is "yes," type of consolidation _____

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

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

RECEIVED
JAN - 5 1984
OIL CONSERVATION DIVISION
SANTA FE

CERTIFICATION

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

Name
Richard Atchley
Position
Production Services
Company
Union Texas Pet. Corp.

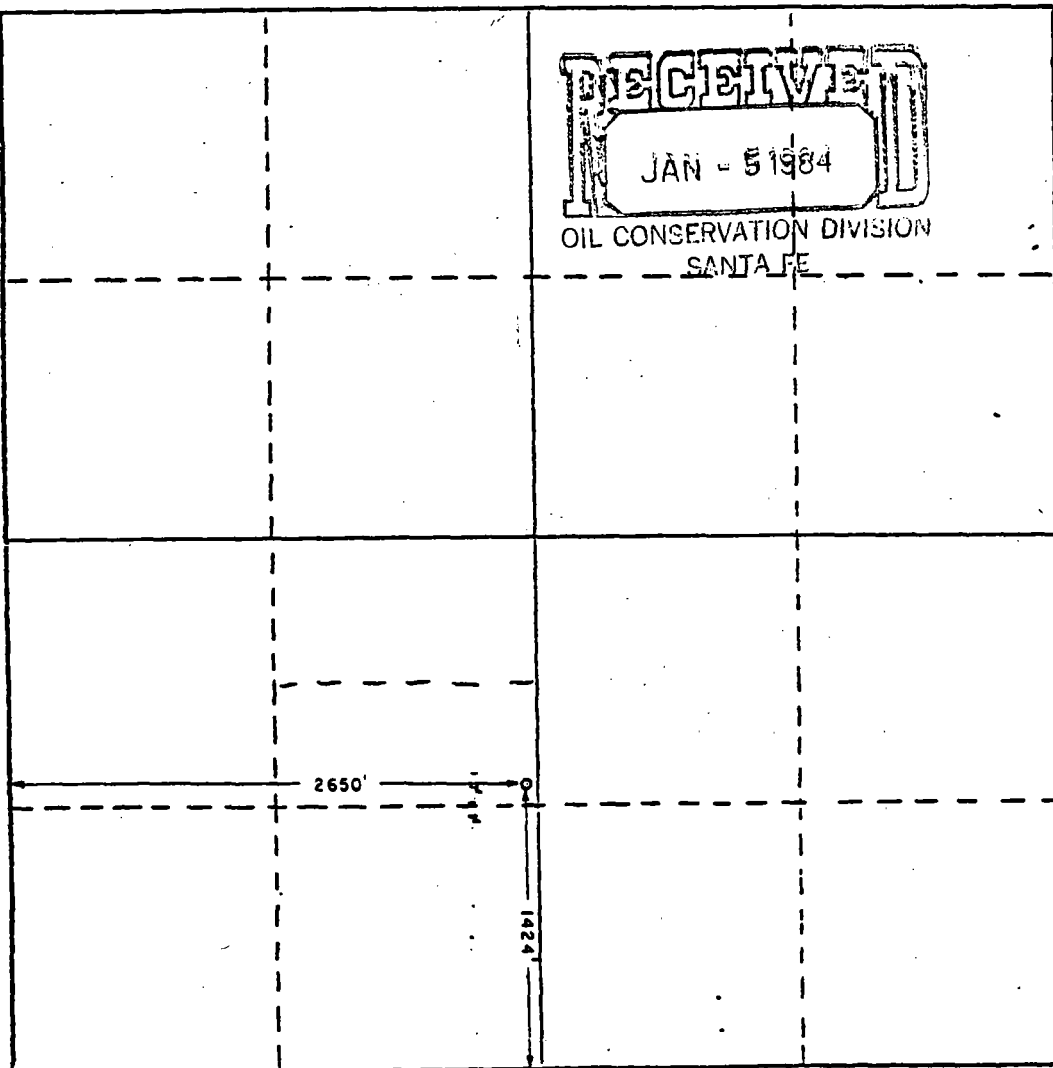
Date
September 30, 1982

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
September 25, 1982

Registered Professional Engineer
and/or Land Surveyor

M. E. [Signature]
Certificate No.
2189



ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



January 6, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Union Texas Petroleum Corporation
P.O. Box 2120
Houston, Texas 77252-2120

Attention: Ralph E. Stanley
Contract Analyst

Re: Administrative Order NFL-150

Dear Mr. Stanley:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Langlie Jal Unit Well No. 102 located 2630 feet from the South and West lines of Section 32, Township 24 South, Range 37 East, NMPM, Langlie Mattix Pool, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

8875

(3) The well for which a finding is sought is to be completed in the Langlie Matlix Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of Section 32, Township 24 South, Range 37 East, is currently dedicated to the Langlie Jal Unit Wells Nos. 20 and 99 also located in Unit K of said Section 32.

(5) Administrative Order No. NFL-100, dated October 11, 1984, authorized an Infill Well Finding for said Langlie Jal Unit Well No. 99 on the aforementioned proration unit. NFL-100 should remain in full force and not be effected by the entry of this order.

(6) Said unit is not being effectively and efficiently drained by the existing wells on the unit.

(7) The drilling and completion of the well for which a finding is sought should result in the production of an additional 154,000 MCF of gas from the proration unit which would not otherwise be recovered.

(8) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

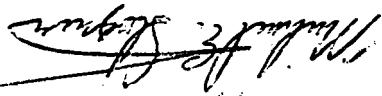
IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Langlie Jal Unit Well No. 102 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of Section 32, Township 24 South, Range 37 East, MMFM, Langlie Matlix Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) Division Administrative Order No. NFL-100, dated October 11, 1984, shall remain in full force and effect until further notice.

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

Sincerely,



Michael E. Stogner,
Examiner

xc: N.M.D.C.D. - Hobbs
NFL-100 File