

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

March 30, 1994



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Rachael Exploration Corporation  
c/o Terra Energy Ltd.  
1503 N. Garfield Rd.  
Traverse City, Michigan 49684

Attention: Craig J. Tester

*Administrative Order DD-91*

Dear Mr. Tester:

Under the provisions of General Rules 111 (C), (D) and (E) and 104 (F), Terra Energy Ltd. on behalf of the operator Rachael Exploration Corporation made application to the New Mexico Oil Conservation Division on March 14, 1994, for authorization to re-enter the existing E. P. Operating Company Federal "9" Well No. 1 and recomplete said well by side tracking off of the vertical wellbore and directionally drill to a pre-determined bottom-hole location in order to further test the Devonian formation for oil production, Chaves County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rules 111 (D) and (E) and 104 (F) of the Division General Rules and Regulations;
- (2) The E. P. Operating Company Federal "9" Well No. 1 (API No. 30-005-62293) was originally drilled in 1985 to a total depth of 9600 feet to test the Devonian formation for oil at a standard oil well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 9, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico. Said well subsequently tested "dry" and was properly plugged and abandoned;
- (3) The applicant/operator proposes to kick off vertical at a depth of approximately 7600 feet in a northeasterly direction and drill in such a manner as to bottom in the Devonian formation at a true vertical depth of approximately 9500 feet within 50 feet of a target point located 2360 feet from the South line and 245 feet from the West line of said Section 9;
- (4) The NW/4 SW/4 (Unit L) of said Section 9 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit;

- (5) Said test is not within a mile of any designated Devonian oil pool and is therefore classified as a wildcat oil well; therefore, said re-completion is subject to the Division's General Rules and Regulations governing wildcat oil well locations [see Rule 104.B(1)(a)] which requires wells to be no closer than 330 feet from the outer boundary of its designated 40-acre, more or less, drilling tract;
- (6) The proposed sidetracked bottom-hole recompletion is therefore considered to be unorthodox;
- (7) All of said Section 9 and the E/2 of off-setting Section 8 is included within a single lease issued by the U. S. Bureau of Land Management as Lease No. NM-54287; therefore, there are no off-set operators;
- (8) This application has met all the necessary requirements under Division General Rule 104.F and 111 and approval of such will serve to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights;
- (9) The operator should be required to determine the subsurface location of the kick-off point of the Federal "9" Well No. 1 prior to directional drilling and should subsequently be required to conduct an accurate wellbore survey during or upon completion of directional drilling operations from the kick-off point to total depth to determine its true depth and course; and,
- (10) The operator should be required to notify the supervisor of the Artesia District Office of the Division of the date and time said directional surveys are to be conducted so that they may be witnessed. The applicant should further be required to provide a copy of said directional surveys to the Santa Fe and Artesia District Offices of the Division upon said re-completion.

**IT IS THEREFORE ORDERED THAT:**

(1) Rachael Exploration Corporation, is hereby authorized to re-enter the existing E. P. Operating Company Federal "9" Well No. 1, located at a standard surface oil well location, 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 9, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico, and recomplete said well by side tracking off of the vertical wellbore and directionally drill in such a manner as to bottom in the Devonian formation at a true vertical depth of approximately 9500 feet within 50 feet of a target point located 2360 feet from the South line and 245 feet from the West line of said Section 9, being an unorthodox bottom-hole oil well location for said formation.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of said directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The NW/4 SW/4 (Unit L) of said Section 9 shall be dedicated to the well forming a standard 40-acre oil spacing and proration unit.

(5) 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

  
WILLIAM J. LEMAY  
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad

March 30, 1994

Rachael Exploration Corporation  
c/o Terra Energy Ltd.  
1503 N. Garfield Rd.  
Traverse City, Michigan 49684

Attention: Craig J. Tester

Administrative Order DD-\*91

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- (3) The applicant/operator proposes to kick off vertical at a depth of approximately 7600 feet in a northeasterly direction and drill in such a manner as to bottom in the Devonian formation at a true vertical depth of approximately 9500 feet within 50 feet of a target point located 2360 feet from the South line and 245 feet from the West line of said Section 9;

- (4) The NW/4 SW/4 (Unit L) of said Section 9 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit;
- (5) Said test is not within a mile of any designated Devonian oil pool and is therefore classified as a wildcat oil well; therefore, said re-completion is subject to the Division's General Rules and Regulations governing wildcat oil well locations [see Rule 104.B(1)(a)] which requires wells to be no closer than 330 feet from the outer boundary of its designated 40-acre, more or less, drilling tract;
- (6) The proposed sidetracked bottom-hole recompletion is therefore considered to be unorthodox;
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- (9) The operator should be required to determine the subsurface location of the kick-off point of the Federal "9" Well No. 1 prior to directional drilling and should subsequently be required to conduct an accurate wellbore survey during or upon completion of directional drilling operations from the kick-off point to total depth to determine its true depth and course; and,
- (10) The operator should be required to notify the supervisor of the Artesia District Office of the Division of the date and time said directional surveys are to be conducted so that they may be witnessed. The applicant should further be required to provide a copy of said directional surveys to the Santa Fe and Artesia District Offices of the Division upon said re-completion.

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a target point located 2360 feet from the South line and 245 feet from the West line of said Section 9, being an unorthodox bottom-hole oil well location for said formation.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad



# TERRA ENERGY LTD

1503 North Garfield Road  
Traverse City, Michigan 49684  
(616) 941-7919  
FAX: (616) 941-3426

OIL CONSERVATION DIVISION  
RECEIVED

'94 MAR 21 AM 8 39

OIL & GAS  
EXPLORATION AND PRODUCTION

March 14, 1994

Mr. Michael Stogner  
N.M.O.C.C.  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Rachael Federal 9 No. 1 Well  
Section 9, T13S, R29E  
Chaves County, New Mexico

Dear Mr. Stogner:

Please find enclosed information concerning the geological picture, and lease situation concerning the referenced permit application. This information is being sent to show just cause for drilling the proposed well at a non-standard spacing location. The geological map is a contour map on the top of the Devonian horizon. Wellbore data was incorporated into a 3D seismic shoot to come up with the structure to be evaluated by the test well. Shown on this map are the old dry hole to be re-entered and the proposed bottom hole location for this application.

The E/2 of Section 8 and all of Section 9 are part of a large lease from the Bureau of Land Management. The lease serial number is NM-54287. The proposed unit and all offsetting acreage is therefore under one lease and one common owner.

If any additional information is needed, please feel free to call me at (616) 941-7919.

Sincerely,

**TERRA ENERGY LTD.**

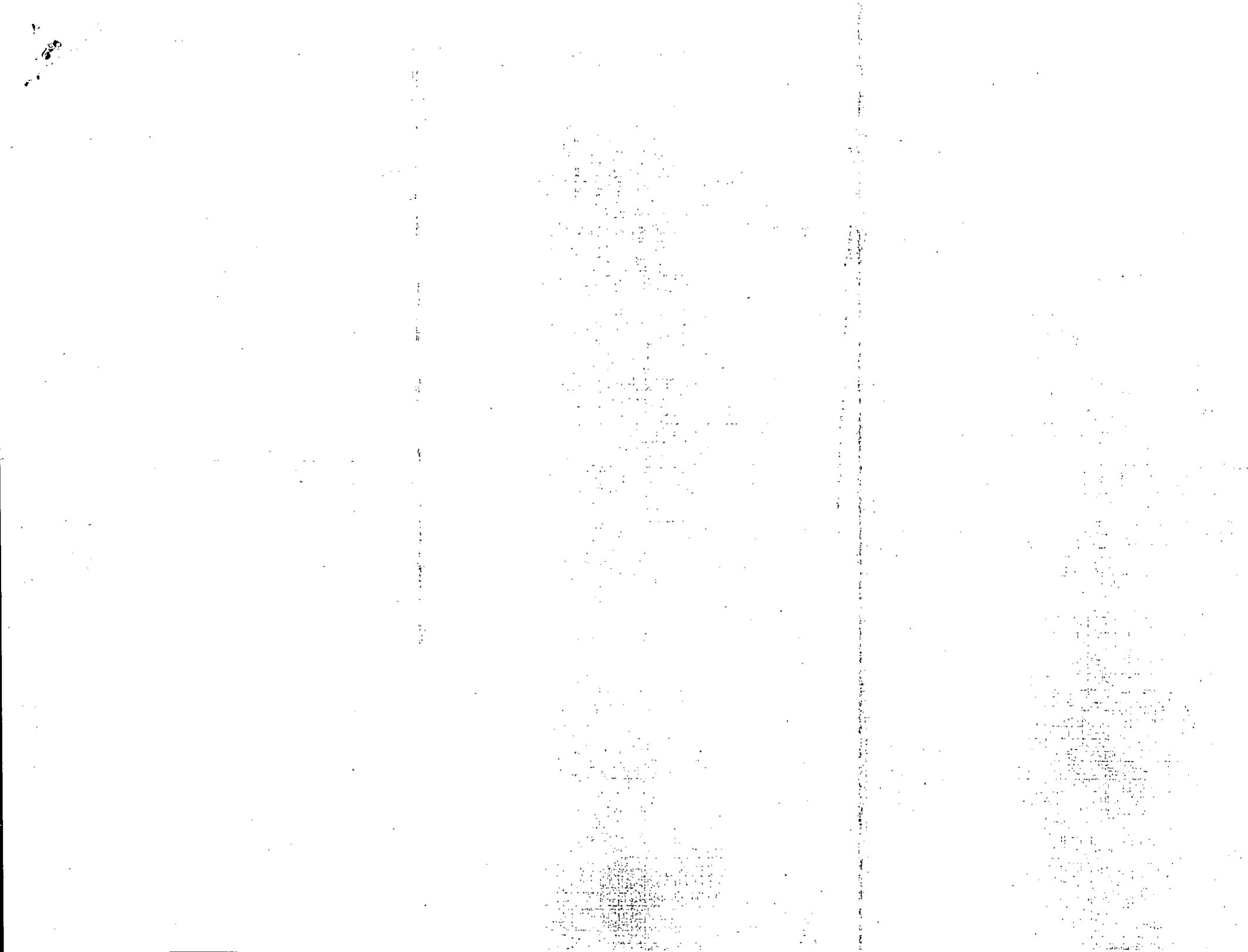
Craig J. Tester  
Vice President  
Exploration & Production

Enclosures

CJT:lld

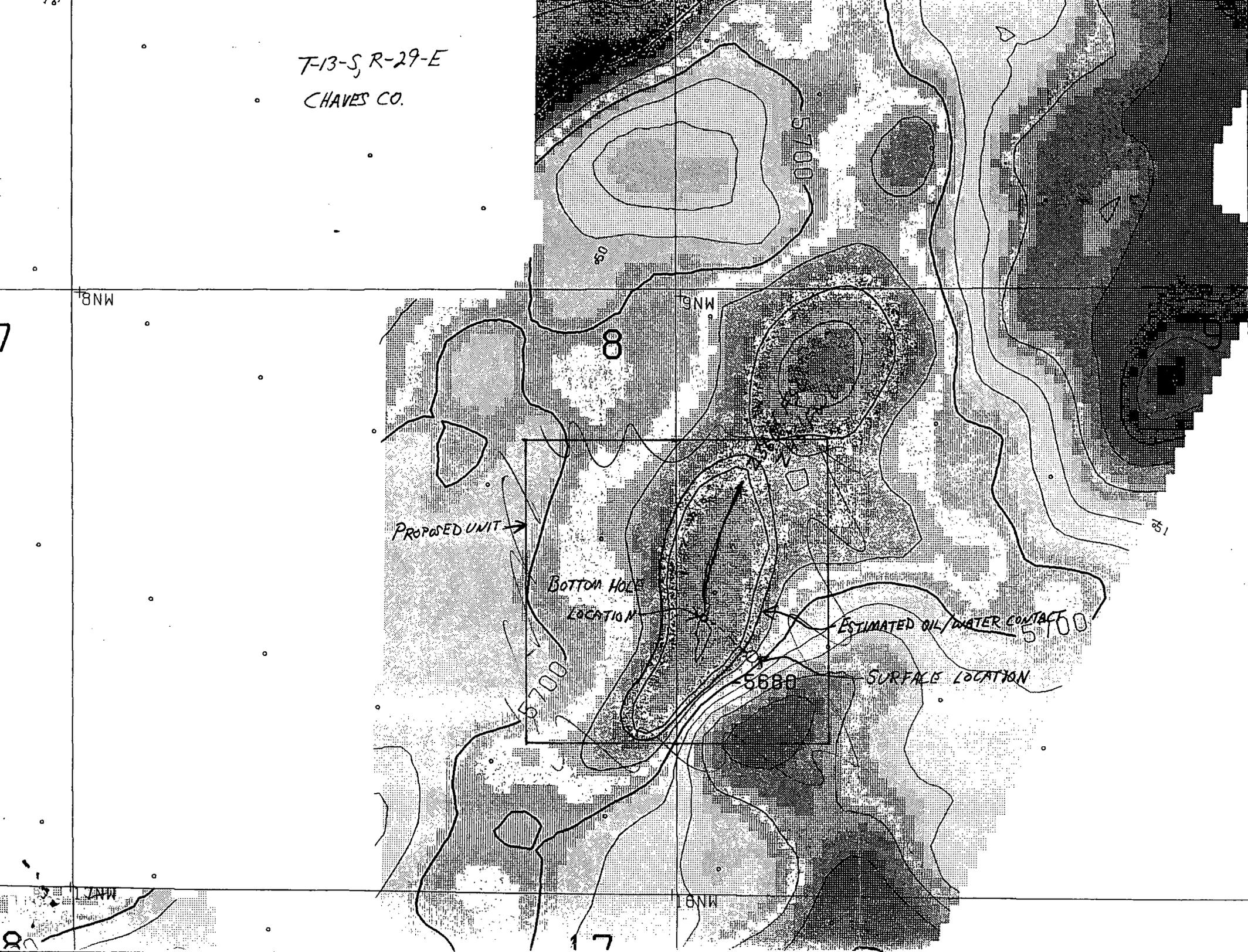
00004069.cjt

21  
320  
80  
240



T-13-S, R-29-E

CHAVES CO.





Form 3160-3  
(December 1990)

SUBMIT IN TRIPPLICATE\*  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
**DRILL**  RE-ENTRY  DEEPEN

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE BORE  MULTIPLE BORE

2. NAME OF OPERATOR  
 Rachael Exploration Corporation 616/941-7919

3. ADDRESS AND TELEPHONE NO.  
 1503 N. Garfield Rd. Traverse City, MI 49684

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 1900' FSL & 000' FWL  
 At proposed prod. zone 2360' FSL & 245' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 30 NE of Hagerman, NM

15. DISTANCE FROM NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest strig. well line, if any)  
 2360'

16. NO. OF ACRES IN LEASE  
 2040

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

18. COUNTY OR PARISH  
 Chaves

19. STATE  
 New Mexico

20. SURVAY OR CABLE TOOLS  
 Rotary

21. APPROVE WITH WITNESS WITH SIGNATURE  
 April 15, 1994

5. LEASE DESIGNATION AND SERIAL NO.  
 NM-90575

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.  
 Rachael Federal

9. AN WELL NO.  
 1

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. GEO., S. R. M., OR BLK. AND SURVEY OR AREA  
 Sec. 9-T13S-R29E

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE AND DATE	DEPTH	WEIGHT PER FOOT	CEMENTING METHOD	QUANTITY OF CEMENT
17 1/2"	13 3/8" H=10	48#	220'	CIP 200 40 "0" EQUIPMENT
11"	0 6/10" U EE	01#	0000'	1000 200 40 "0" EQUIPMENT
7 7/8"	5 1/2" J 66 N=80	17 & 20#	12,000'	700 SA "H" (300 BX @ 9600')

**Well Description:**  
 0' = 3000' cut brine w/gel to clean  
 5000' 10,000'. Out brine w/poly & starch. 8.8 3.2 ppg 00 00 W/L CONT. 10-15 CC

**NOO Description:**  
 A 5000 psi wp 11" Schaffer Type LWJ BOP, with a 5000 psi wp Cameron Spherical, will be installed on the 13 3/8" casing. Casing and BOP will be tested before drilling out with the 7 7/8" bit. BOP will be used as a 3000 psi wp system and will be tested daily. See exhibit "B".

Note: Propose to re-enter well, drill out plugs and will directional drill a new hole between 7000' and 8000'. Drilling will stop in the Devonian if well tests commercial and production equipment will be installed.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface location and measured and true vertical depths. Give blowout prevention program, if any.

24. George R. Smith Agent for: Rachael Expl. Corp. March 4, 1994

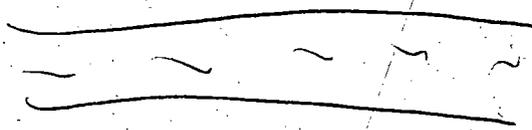
Post-It Fax Note 7671 Date 3/24/94 # of pages 1

To: Mike Stogner	From: George R. Smith
Co./Dept: NMOC	Co: Energy Adm Srv Co.
Phone # 827-5811	Phone # 623-4940
Fax # 827-3741	Fax # 623-5556

REVERSE SIDE

DATE

Reverse Side



JM

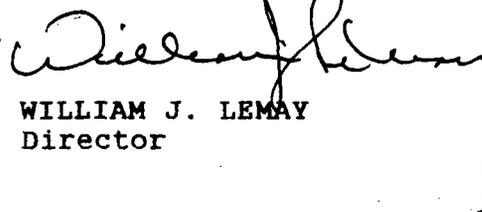
Talked w/ Craig J. Testin on  
3-24-99 will be submitting  
application stuff to complete their  
application.

Note to file

Case No. 9539  
Order No. R-8820  
Page No. 7

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

# TERRA ENERGY LTD

1503 North Garfield Road  
Traverse City, Michigan 49684  
(616) 941-7919

OIL & GAS  
EXPLORATION AND PRODUCTION

## FACSIMILE COVER SHEET

TO: MR MICHAEL STOGNER  
FROM: CRAIG YESTER  
DATE: 3/24/94

1 OF 2 PAGES (including cover page)

COMMENTS: I'M FORWARDING THE FRONT PAGE OF THE LEASE  
COVERING THE ACREAGE INVOLVED WITH OUR PROPOSED WELL,  
RACHAEL FEDERAL 9 NO. 1. AS CAN BE SEEN, THE EAST  
HALF OF SECTION 8 AND ALL OF SECTION 9 IS INCLUDED IN  
ONE LEASE. THIS LEASE HAS BEEN EXTENDED FROM OUR  
DRILLING TO THE SOUTH

CLIENT NAME: Craig  
FAX NUMBER: \_\_\_\_\_

PLEASE CALL: (616) 941-7919 IF UNABLE TO READ FAX

FAX NUMBERS:  
(616) 941-3426 (Accounting/Revenue/Land)  
(616) 929-0471 (Drilling/Production/Exploration/Geology)

**ORIGINAL**

**RECEIVED**  
BUR. OF LAND MGMT.  
N.M.S.O. SANTA FE

Form 3110-2  
(January 1978)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JAN 10 1983  
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

LEASE FOR OIL AND GAS  
(Sec. 17 Noncompetitive Public Domain Lease)  
Act of February 25, 1920 (41 Stat. 437), as amended (30 U.S.C. 181-263)

Name Edward D. Barham, M.D.  
Street 514-B E. Woodrow Wilson  
City Jackson, Mississippi 39216  
State  
Zip Code

NM 54287  
(Serial Number)

*22*

This oil and gas lease is issued for a period of ten (10) years to the above-named lessee pursuant and subject to the provisions of the Mineral Leasing Act and subject to all rules and regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

Lands included in the lease: State: New Mexico County: Chaves

T. 13 S., R. 29 E. NMPM

- Sec. 8: E $\frac{1}{2}$
- Sec. 9: All
- Sec. 17: NE $\frac{1}{4}$ , W $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$
- Sec. 18: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$
- Sec. 19: E $\frac{1}{2}$ SE $\frac{1}{4}$
- Sec. 20: W $\frac{1}{2}$ E $\frac{1}{2}$ , SW $\frac{1}{4}$

LANDS IN OFFER WERE NOT WITHIN  
A KNOWN GEOLOGIC STRUCTURE  
ON

JAN 21 1983

*Richard W. Melts*  
District Supervisor,  
Resource Evaluation  
For The Director  
Minerals Management Service

NOTED  
S/R 1/25/83  
MIP 2-11-83 DMG  
OG 2-10-83 BAAG  
USE  
COAL  
POT  
GEO  
MC

Containing a total of 2280.00

acres

(Regs. CFR 3103.3-2 Amended 2/19/82)  
Annual Rental-\$1. Per acre. \$ 2280.00  
for first 5 years. \$3 per acre thereafter.

This lease is issued to the successful drawee pursuant to his "Simultaneous Oil and Gas Entry Card" application filed under 43 CFR 3112, and is subject to the provisions of that application and those specified on the reverse side hereof.

Effective date of lease:

FEB 01 1983

THE UNITED STATES OF AMERICA

By *Martha A. Quinn*  
(Signature of Signing Officer)

Chief, Mineral Leasing Unit 1  
(Title)

JAN 27 1983

(Date)

*Edward D. Barham*  
Lessee's Signature

1/4/83  
Date

ANNUAL RENTALS AND OTHER DOCUMENTS  
WITH REMITTANCES ARE TO BE MAILED  
BY CERTIFIED MAIL TO: CASHIER UNIT,  
BUREAU OF LAND MANAGEMENT, P.O. BOX  
1449, SANTA FE, NEW MEXICO 87501

Form 3160-3  
(December 1990)

SUBMIT IN TRIPPLICATE\*  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> RE-ENTRY <input type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE ORIGINATOR AND SERIAL NO. NM-90575		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Rachael Exploration Corporation 616/941-7919			7. UNIT AGREEMENT NAME		
3. ADDRESS AND TELEPHONE NO. 1503 N. Garfield Rd. Traverse City, MI 49684			8. FARM OR LEASE NAME, WELL NO. Rachael Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL & 660' FWL At proposed prod. zone 2360' FSL & 245' FWL			9. AN WELL NO. 1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 30 NE of Hagerman, NM			10. FIELD AND POOL, OR WILDCAT Wildcat		
13. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest Orig. unit line, if any) 2360'		16. NO. OF ACRES IN LEASE 2040		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A		19. PROPOSED DEPTH 12,000'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GE, etc.) 3777.5 GL			22. APPROX. DATE WORK WILL START* April 15, 1994		

33. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
17 1/2"	13 3/8" H-40	48#	330'	Circ 320 sx "C" existing	
11"	8 5/8" K-55	24#	2300'	1200 sx Lite & "H" exist.	
7 7/8"	5 1/2" J-55 & N-80	17 & 20#	12,000'	750 sx "H" (500 sx @ 9600')	

**Mud Program:**

0' - 5600': Cut brine w/gel to clean:	Mud Wt. 9.0 ppg	Vis. 28	W/L Control No W/L cont.
5600' - 12,000': Cut brine w/poly & starch:	8.8-9.2 ppg	36-38	W/L cont. 10-15 cc

**BOP Program:**  
A 5000 psi wp 11" Schaffer Type LWS BOP, with a 5000 psi wp Cameron Spherical, will be installed on the 13 3/8" casing. Casing and BOP will be tested before drilling out with the 7 7/8" bit. BOP will be used as a 3000 psi wp system and will be tested daily. See exhibit "E".

Note: Propose to re-enter well, drill out plugs and will directional drill a new hole between 7500' and 8000'. Drilling will stop in the Devonian if well tests commercial and production equipment will be installed.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

34. SIGNED George R. Smith Agent for: Rachael Expl Corp. DATE March 4, 1994

Post-It™ Fax Note 7671	Date 3/24/94	# of pages 1
To Mike Stogner	From George R. Smith	
Co./Dept. NMOCD	Co. Energy Adm Srv Co.	
Phone # 827-5811	Phone # 623-4940	
Fax # 827-5741	Fax # 623-5556	

NOVAL DATE \_\_\_\_\_  
lose rights in the subject lease which would entitle the applicant to conduct operations thereon.

Reverse Side

THIS U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSON KNOWINGLY AND WILLFULLY TO MAKE TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENTS OR REPRESENTATIONS AS TO ANY MATTER WITHIN ITS JURISDICTION.



# TERRA ENERGY LTD

1503 North Garfield Road  
Traverse City, Michigan 49684  
(616) 941-7919

OIL & GAS  
EXPLORATION AND PRODUCTION

## FACSIMILE COVER SHEET

TO: Mike Stogner  
FROM: Craig Tester  
DATE: 3-14-94

1 OF 3 PAGES (including cover page)

COMMENTS: Originals are being mailed

CLIENT NAME: \_\_\_\_\_

FAX NUMBER: 505/827-5741

PLEASE CALL (616) 941-7919 IF UNABLE TO READ FAX

**TERRA ENERGY LTD**

1503 North Garfield Road  
Traverse City, Michigan 49684  
(616) 941-7919  
FAX: (616) 941-3426

March 14, 1994

OIL & GAS  
EXPLORATION AND PRODUCTION

Mr. Michael Stogner  
N.M.O.C.C.  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Rachael Federal 9 No. 1 Well  
Section 9, T13S, R29E  
Chaves County, New Mexico

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If any additional information is needed, please feel free to call me at (616) 941-7919.

Sincerely,

**TERRA ENERGY LTD.**

A handwritten signature in cursive script that reads "Craig J. Tester".

Craig J. Tester  
Vice President  
Exploration & Production

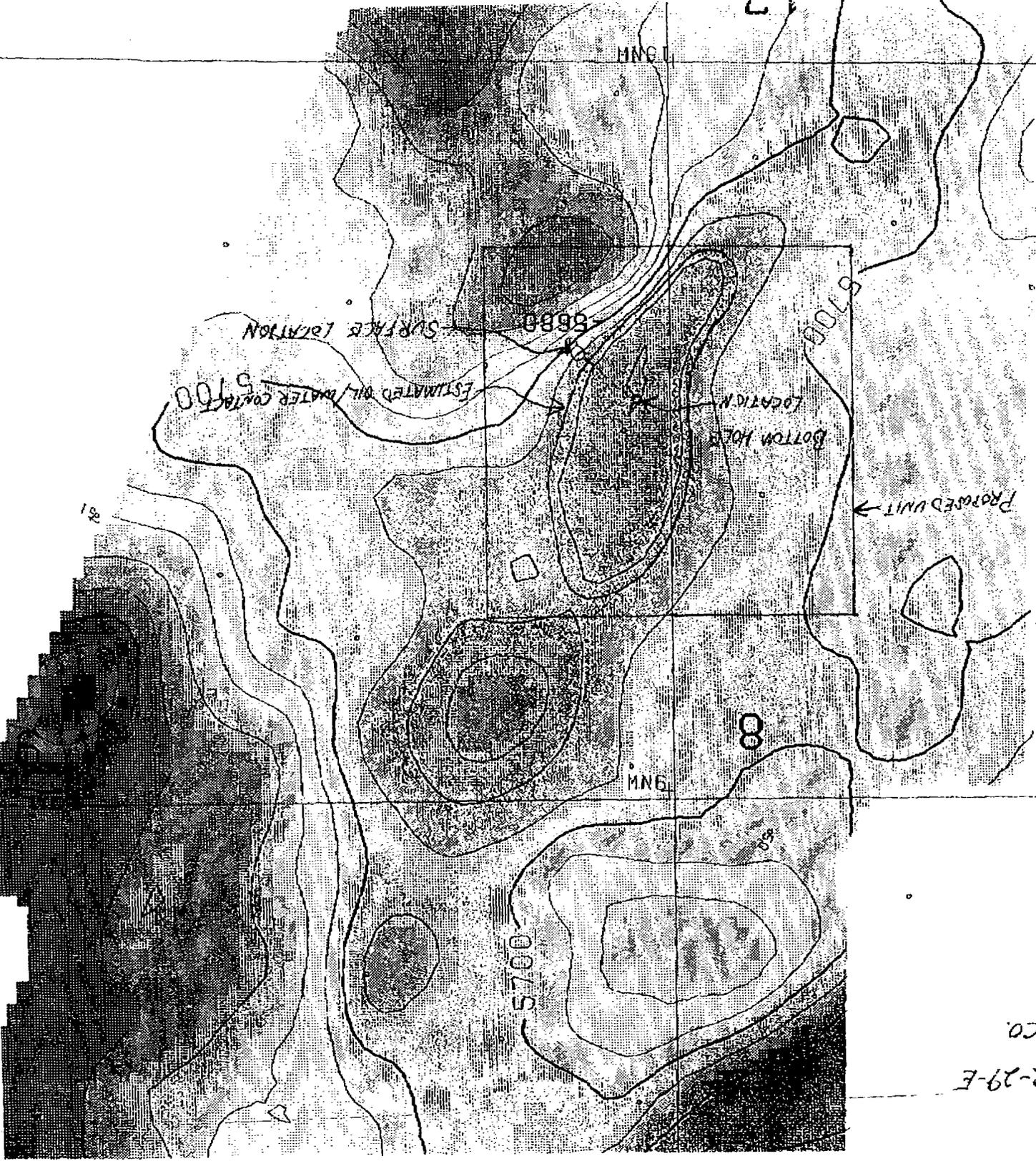
Enclosures

CJT:lld  
00004069.cjt

MN1

MN3

T-13-S-R-29-E  
CHAVES CO.



NM OIL CONS. COMMISSION  
Drawer DD UNITED STATES  
ARTESIAN WELL 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  GAS WELL  DRY

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEPEN  P&A

2. NAME OF OPERATOR  
E. P. Operating Company

3. ADDRESS OF OPERATOR  
7800 Stemmons Frwy., Suite 500, Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 1980' FSL & 660' FWL

At top prod. interval reported below  
At total depth Same

RECEIVED BY  
JAN 3 1986  
O.C.D.  
9/6/85

5. LEASE DESIGNATION AND SERIAL NO.  
NM 54287

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
NA

7. UNIT AGREEMENT NAME  
NA

8. FARM OR LEASE NAME  
Federal "9"

9. WELL NO.  
1

10. FIELD AND POOL OR WILDCAT  
Wildcat (Undesignated)

11. SEC. T. E. M. OR BLOCK AND SURVEY OR AREA  
Section 9, T13S-R29E

12. COUNTY OR PARISH  
Chaves  
13. STATE  
New Mexico

15. DATE SPUNDED 10-2-85  
16. DATE T.D. REACHED 11-3-85  
17. DATE COMPLETED (Ready to prod) P&A 11-6-85  
18. ELEVATIONS (DF, REB, RT, OR, ETC.)\* 3776' GR, 3788' RKB  
19. ELEV. CASINGHEAD 3776'

20. TOTAL DEPTH, MD & TVD 9600' KB  
21. PLUG, BACK T.D., MD & TVD P&A  
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)\*  
P&A

26. TYPE ELECTRIC AND OTHER LOGS RUN  
DLL/MSFL/GR/Cal LPT/CNL/GR/Cal BHC Sonic/GR/Cal

25. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	330'	17-1/2"	320 sx "C" Surface	
8-5/8"	24#	2300'	11"	1100 sx Lite	

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.\* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing 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.)  
TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records  
SIGNED C. H. Peoples TITLE Regional Drilling Manager DATE 11/11/85

BUREAU OF LAND MANAGEMENT  
POSWELL RESOURCES  
NOV 14 1985  
No

ACCEPTED FOR RECORD  
PETER W. CHESTER  
NOV 20 1985  
BUREAU OF LAND MANAGEMENT  
POSWELL RESOURCES AREA

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

**Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29: "Sacks Cement":** Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

### 37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
DST #1 San Andres	2475	2655	No recovery, IFP=ISIP=FFP=FSIP=13.5 psi No Cushion
DST #2 Devonian	9490	9508	Recovered 377' Drilling Mud, 3334' For- mation water IFP 392/828 psi ISIP 3302 psi FFP 871/1650 psi FSIP 3652 psi HP 4660 psi No Cushion  Times on Both Tests: IFP - 30 min., ISIP - 90 min., FFP - 60 min., FSIP - 180 min.

### 38.

### GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
San Andres	2498'	
Wolfcamp	6804'	
Strawn	8215'	
Atoka	8520'	
Mississippian	8890'	
Devonian	9468'	

RECEIVED  
 DEPARTMENT OF THE INTERIOR  
 GEOLOGICAL SURVEY  
 OFFICE OF RECORDS AND COMMUNICATIONS  
 WASHINGTON, D.C. 20548

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**FEDERAL OIL CONS. COMMISSION**  
 DRAWER DD  
 SUBMIT IN TRIPLICATE\*  
 Anticipation of future requirements on re-  
 verse side) 55210

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

57

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

<p>1. <input type="checkbox"/> OIL WELL    <input type="checkbox"/> GAS WELL    <input type="checkbox"/> OTHER    <b>DRY HOLE</b></p> <p>2. NAME OF OPERATOR <b>E. P. Operating Company</b></p> <p>3. ADDRESS OF OPERATOR <b>7800 Stemmons Frwy., Suite 500 - Dallas, Texas 75247</b></p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>1980' FSL &amp; 1660' FWL (NW/4 - SW/4)</b></p> <p>14. PERMIT NO. _____    15. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>3776' GR</b></p>	<p>5. LEASE DESIGNATION AND SERIAL NO. <b>NM- 54287</b></p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>NA</b></p> <p>7. UNIT AGREEMENT NAME <b>NA</b></p> <p>8. FARM OR LEASE NAME <b>Federal "9"</b></p> <p>9. WELL NO. <b>1</b></p> <p>10. FIELD AND POOL, OR WILDCAT <b>Wildcat (Undesignated) Devonian</b></p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Section 9, T13S-R29E</b></p> <p>12. COUNTY OR PARISH    13. STATE <b>Chaves    New Mexico</b></p>
---	---

RECEIVED BY  
 NOV 25 1985  
 1980 FSL & 1660 FWL  
 RECEIVED  
 NOV 25 1985  
 CONSERVATION DIVISION

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Drill Stem Test</u> <input checked="" type="checkbox"/>	
(Other) _____		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

This Sundry Notice is sent as a subsequent report of performing a drill stem test. On November 3, 1985 a drill stem test was performed in the Devonian formation through an interval from 9490 feet to 9508 feet. The following is a summary of the results:

- 30 minute IFP - opened with 1-1/2 inch blow in bubble bucket, closed with 1 psi
- 90 minute ISIP -
- 60 minute FFP - opened with 1 inch blow in bubble bucket steady throughout period.
- 180 minute FSIP -

Drill pipe recovery contained: 377' drilling mud; 3334' formation water  
 Sample Chamber contained: 0.271 cf gas at 21 psi; 300 cc's formation water  
 Pressures: IHP - 4659 psi; IFP - 392/828 psi; ISIP - 3302 psi; FFP - 871/1650 psi;  
 FSIP - 3652 psi; FHP - 4615 psi  
 BHT - 152°F

18. I hereby certify that the foregoing is true and correct

SIGNED C. H. Peoples TITLE Regional Drilling Manager DATE 11-12-85  
 C. H. Peoples

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD  
 PETER W. CHESTER  
 DATE \_\_\_\_\_

NOV 20 1985

BUREAU OF LAND MANAGEMENT  
 RESOURCE AREA

\*See Instructions on Reverse Side

**UNITED STATES DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

NM DIE CONS. COMMISSION  
DRAWER 88210  
SUBMIT IN TRIPPLICATE  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		RECEIVED BY	
2. NAME OF OPERATOR EP Operating Company		OCT 23 1985	
3. ADDRESS OF OPERATOR 7800 Stemmons Freeway, Dallas, Texas 75247		O. C. D.	
1. LOCATION OF WELL (Report location and in accordance with State requirements. See also space 17 below.) At surface		10. FIELD AND POOL, OR WILDCAT Wildcat (Undesignated)	
1980' FSL & 660' FWL (NW/4-SW/4)		11. SEC., T., R., M., OR BLK. AND SUBVY OR AREA Section 9, T13S-R29E	
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3776' GR	12. COUNTY OR PARISH Chaves	13. STATE New Mexico

**Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

**NOTICE OF INTENTION TO:**

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

**SUBSEQUENT REPORT OF:**

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <u>Drill Stem Test</u> <input checked="" type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

This Sundry Notice is sent as a subsequent report of performing a drill stem test. On October 8, 1985 a drill stem test was performed in the San Andres formation through an interval from 2655 feet to 2475 feet. The following is a summary of the results:

- 30 minute IFP - Opened with 2 bubbles to surface, then dead
- 90 minute ISIP
- 60 minute FFP - Opened with no blow and remained dead
- 180 minute FSIP

Had no drill pipe recovery, no sample chamber recovery.

BHT = 108° F

**Pressures:**

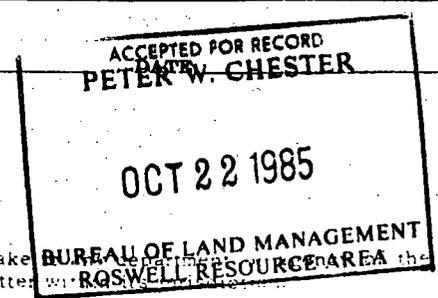
- IHP 1169.4 psi
- IFP 13.5 psi
- ISIP 13.5 psi
- FFP 13.5 psi
- FSIP 13.5 psi
- FHP 1169.4 psi



18. I hereby certify that the foregoing is true and correct

SIGNED C. H. Peoples TITLE Regional Drilling Manager DATE October 11, 1985  
C. H. Peoples  
(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:



\*See Instructions on Reverse Side

SF

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/>		RECEIVED BY	
2. NAME OF OPERATOR EP Operating Company		OCT 29 1985	
3. ADDRESS OF OPERATOR 7800 Stemmons Freeway, Suite 500 - Dallas, Texas 75247		ARTESIA OFFICE	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1980' FSL & 660' FWL (NW/4 - SW/4)		10. FIELD AND POOL, OR WILDCAT Wildcat (Undesignated)	
14. PERMIT NO.		12. COUNTY OR PARISH Chaves	
15. ELEVATIONS (Show whether DF, ST, GR, etc.) 3776' GR		13. STATE New Mexico	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

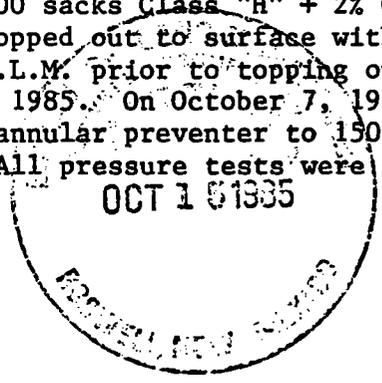
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) Spudding & Setting Casing <input checked="" type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The Federal "9" No. 1 well was spudded on October 2, 1985 at 4:00 p.m.. A 17-1/2 inch hole was drilled to 330 feet and a string of 13-3/8 inch, 48#, H-40, STC surface casing was run to 330 feet and was cemented to surface with 320 sacks Class "C" + 2% Calcium Chloride. Cement was circulated to surface. The surface casing was run and cemented into place on October 3, 1985. The BOP stack was nipped up and was satisfactorily tested to a pressure of 500 psi. Prior to drilling out, the surface casing was pressure tested to 500 psi. The pressure tests were performed on October 3, 1985.

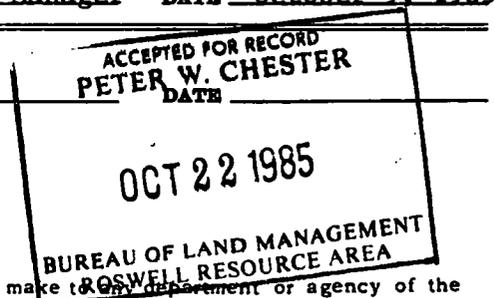
An 11 inch hole was drilled to a depth of 2300 feet and a string of 8-5/8 inch, 24#, K-55, ST&C intermediate casing was run to total depth and was cemented with 900 sacks "Lite" cement + 7#/sack salt + 0.1% D-46, tailed in with 200 sacks Class "H" + 2% Calcium Chloride. Cement was not circulated to surface but was topped out to surface with 100 sacks Class "H". Approval was orally obtained from the B.L.M. prior to topping out. Cementing of the intermediate was performed on October 6, 1985. On October 7, 1985 the ram preventers were pressure tested to 2500 psi, the annular preventer to 1500 psi. The intermediate casing was pressure tested to 600 psi. All pressure tests were satisfactory.



18. I hereby certify that the foregoing is true and correct

SIGNED C. H. Peeples TITLE Regional Drilling Manager DATE October 9, 1985

(This space for Federal or State office use)



APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES P. O. BOX 1680  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 ALBUQUERQUE, NEW MEXICO 88240

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 54287
2. NAME OF OPERATOR EP OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA
3. ADDRESS OF OPERATOR 7800 Stemmons Frwy., Suite 500, Dallas, Texas 75247		7. UNIT AGREEMENT NAME NA
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1980' FSL & 660' FWL (NW/4-SW/4)		8. FARM OR LEASE NAME FEDERAL "9"
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3776' GR	9. WELL NO. 1
		10. FIELD AND POOL, OR WILDCAT, OR WILDCAT, <sup>DEVIANION</sup> Wildcat (undesignated)
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 9, T13S-R29E
		12. COUNTY OR PARISH Chaves
		13. STATE New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Change Plans</u>	<input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

This is notification of a change in location construction. An approximate 90' x 90' caliche pit was dug due east of the proposed reserve pit. The pit is an average of 6' deep. The attached well site layout sheet (Exhibit "E") shows the caliche pit and dimensions. Oral approval was obtained from the Bureau of Land Management, Roswell, New Mexico on September 24, 1985. Bureau of Land Management representative was Mr. Skip Renchler.

0370-1135

18. I hereby certify that the foregoing is true and correct

SIGNED C. H. Peeples TITLE Regional Drilling Manager DATE October 1, 1985  
 (This space for Federal or State office use)

APPROVED BY S/Homer Meyer, Acting TITLE Area Manager DATE 10-2-85  
 CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

Approval Stipulation

EP Operating Co.  
1 Federal "9"  
1980'/FSL, 660'/FWL  
Sec. 9, T.13S., R.29E.

Sundry Notice Approval for Addition of Caliche Pit to Surface  
Use Plan

Upon abandonment of this well, all caliche removed from this pit will be scraped from the location and placed back into the pit. This stipulation is in addition to other stipulations which will be developed for surface reclamation at the time of abandonment.

Form 3160-3  
 (November 1983) BY  
 (formerly 9-331C)

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

SEP -9 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  DRILL  DEEPEN  PLUG BACK

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 EP Operating Company

3. ADDRESS OF OPERATOR  
 7800 Stemmons Frwy - Suite 500 - Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 1980' FSL & 660' FWL (NW/4 - SW/4)  
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 17-1/2 miles East-Northeast of Hagerman, N. M.

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
 1980'

16. NO. OF ACRES IN LEASE  
 2280'

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 NA

19. PROPOSED DEPTH  
 9700'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3776' GR

22. APPROX. DATE WORK WILL START\*  
 September 15, 1985

5. LEASE DESIGNATION AND SERIAL NO.  
 NM 54287

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 NA

7. UNIT AGREEMENT NAME  
 NA

8. FARM OR LEASE NAME  
 Federal "9"

9. WELL NO.  
 1

10. FIELD AND POOL, OR WILDCAT  
 Wildcat (Hagerman) (undesignated)

11. SEC., T., R., M., OR BLEK. AND SURVEY OR AREA  
 Section 9, T13S-R29E

12. COUNTY OR PARISH  
 Chaves

13. STATE  
 New Mexico

23. PROPOSED CASING AND CEMENTING PROGRAM

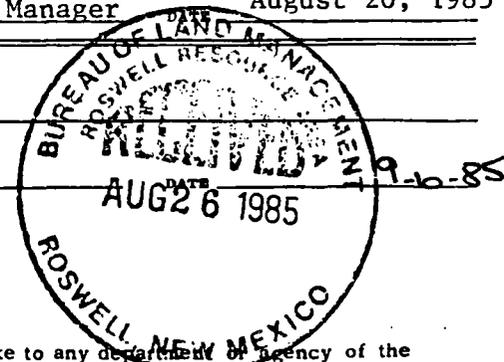
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	300'	469 cu. ft. Circulate to Surface
12-1/4"	8-5/8"	24#	2300'	2195 cu. ft. Circulate to Surface
7-7/8"	5-1/2"	17#	9700'	468 cu. ft. Cement top 7900'

Propose to drill a 17-1/2 inch hole to 300 feet, set 13-3/8 inch surface casing and cement to surface. A 13-3/8 inch, 3000 psi bradenhead and a 12 inch, 3000 psi annular preventer will be installed and tested. Drill a 12-1/4 inch hole to 2300 feet and set 8-5/8 inch intermediate casing and cement to surface. The 13-3/8 inch bradenhead will be removed and an 8-5/8 inch, 3000 psi bradenhead, 3000 psi double ram blowout preventer and a 3000 psi annular preventer will be installed and tested. Drill a 7-7/8 inch hole to a total depth of 9700 feet and run a suite of open-hole logs. Evaluate the logs. If productive, run a string of 5-1/2 inch casing to total depth and cement from 9700 feet to 7900 feet (an additional stage may be used to cover the ABO shale). If dry, plug and abandon according to the rules and regulations of the Minerals Management Service and the State of New Mexico.

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED C. H. Peoples TITLE Regional Drilling Manager DATE August 20, 1985  
 (This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY S/Levi Deike, Acting TITLE \_\_\_\_\_ DATE 19-10-85  
 CONDITIONS OF APPROVAL, IF ANY:



\*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-192  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

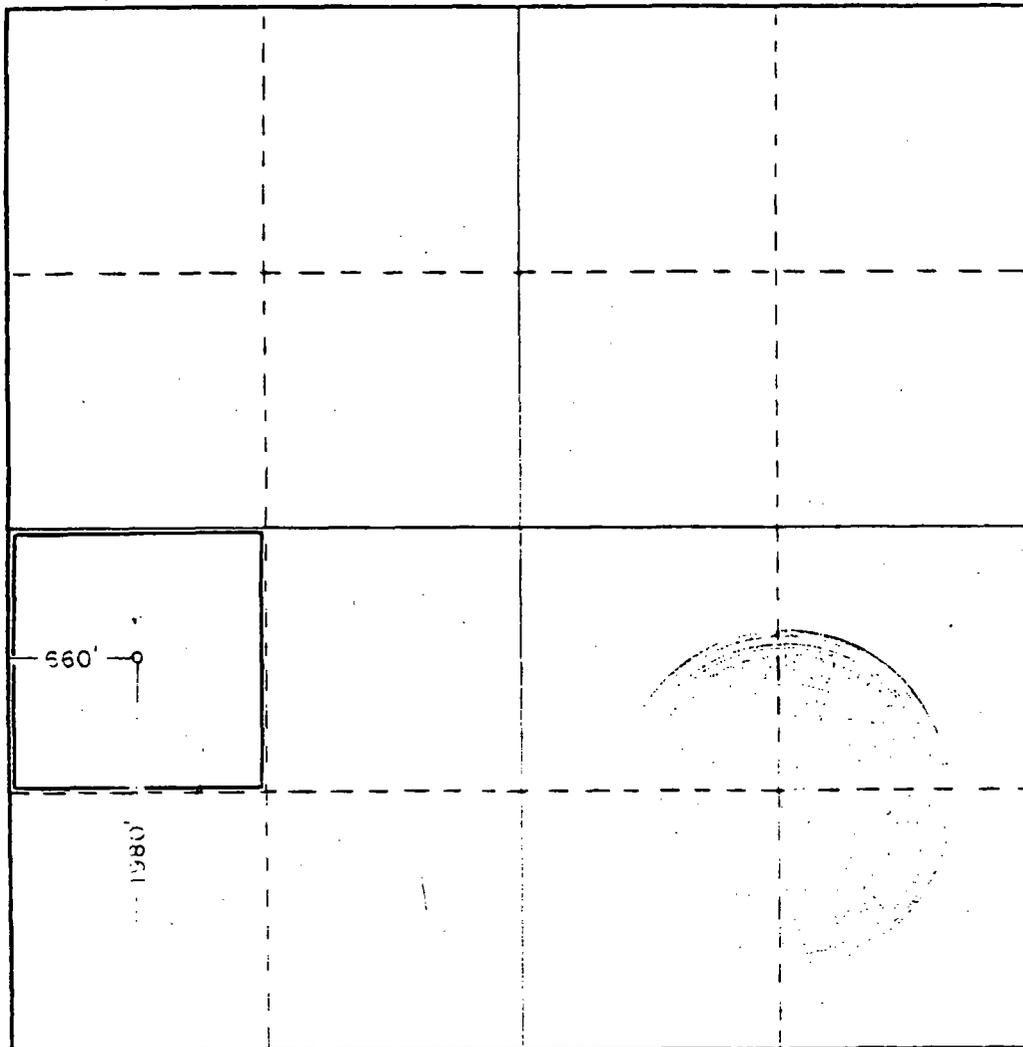
Operator EP Operating Company - formerly (ENSERCH EXPLORATION, INC.)		Lease FEDERAL 9			Well No. 1
Tract Letter L	Section 9	Township 13S	Range 29E	County CHAVES	
Actual Factise Location of Well: 1980 feet from the SOUTH line and 660 feet from the WEST line					
Ground Level Elev. 3775.5	Producing Formation Devonian		Pool Wildcat	Dedicated Acreage: 40 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.

*C. H. Peeples*  
Name

C. H. Peeples

Position  
Regional Drilling Manager

Company  
Enserch Exploration, Inc.

Date  
August 13, 1985

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  
7/9/85

Registered Professional Engineer  
and or Land Surveyor

*John W. West*

Certificate No. JOHN W. WEST, 676  
RONALD J. EIDSON, 3239

ENSERCH EXPLORATION, INC  
MINIMUM REQUIREMENTS FOR BLOW-OUT PREVENTION EQUIPMENT  
3000 psi W. P.

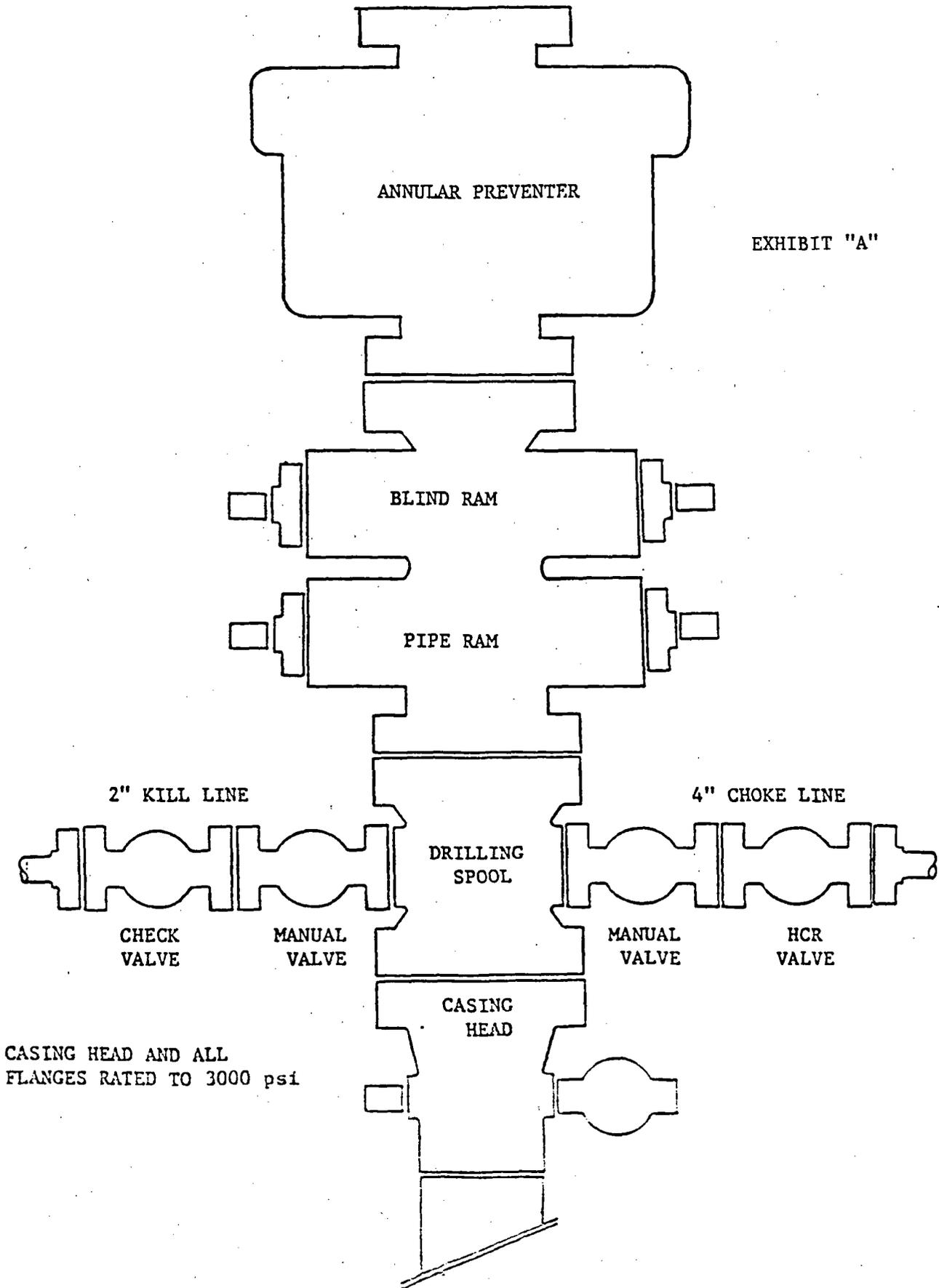


EXHIBIT "A"

MINIMAL REQUIREMENTS FOR CHOKE MANIFOLD

3000 psi W. P.

EXHIBIT "A" Continued

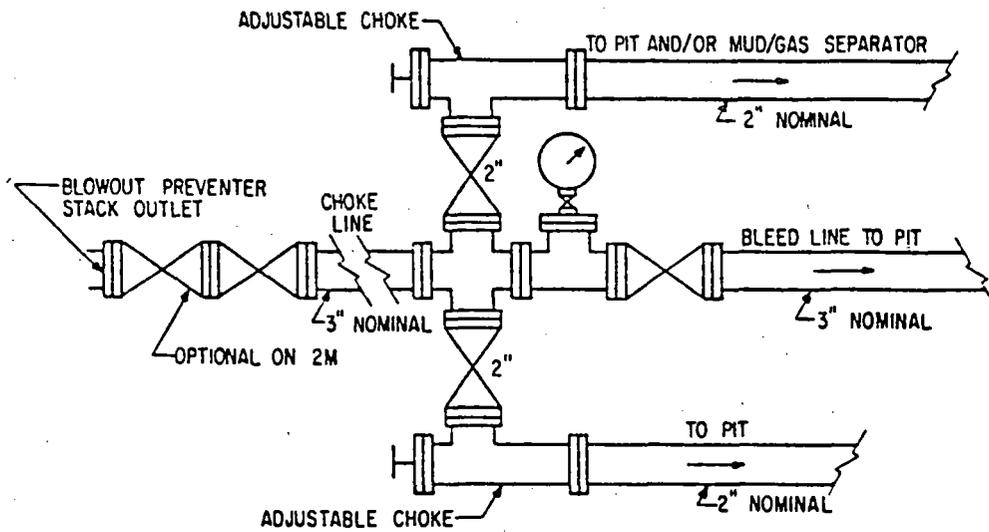


FIG. 3.A.1

TYPICAL CHOKE MANIFOLD ASSEMBLY  
FOR 2M AND 3M RATED WORKING  
PRESSURE SERVICE - SURFACE INSTALLATION

**WRS COMPLETION REPORT**

REISSUES SEC 9 TWP 13S RGE 29E  
PI# 30-T-0001 06/09/86 30-005-62293-0000 PAGE 1

NMEX CHAVES \* 1980FSL 660FWL SEC  
STATE COUNTY FOOTAGE SPCT

EP OPERATING WF WF  
OPERATOR WELL CLASS INIT FIN

1 FEDERAL "9"  
WELL NO. LEASE NAME

3788KB 3776GR WILDCAT  
OPER ELEV FIELD/POOL AREA

API 30-005-62293-0000  
LEASE TYPE NO. PERMIT OR WELL I.D. NO.

10/04/1985 11/06/1985 ROTARY D&A  
SPUD DATE COMP. DATE TYPE TOOL STATUS

9700 DEVONIAN HONDO DRLG 7 RIG SUB 11  
PROJ. DEPTH PROJ. FORM CONTRACTOR

DTD 9600 FM/TD DEVONIAN  
DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

LOCATION DESCRIPTION

16 MI NE HAGERMAN, NM

CASING/LINER DATA

CSG 13 3/8 @ 330 W/ 320 SACKS 01  
CSG 8 5/8 @ 2300 W/ 1100 SACKS 02

FORMATION TEST DATA

DST 1 2475- 2655 SN ANDRS 003  
INIT OP 30M IFP 92 FFP 92  
IFP 92 FFP 92  
ISIP 92 1H30M FSIP 92 3H IHP 1257 FHP 1257  
NO OTHER DETAILS  
NO FLUID RECOVERY

DST 2 9490- 9508 DEVONIAN 004  
REC 377.0 FT MUD 3334.0 FT FWTR  
REC 300.0 CC WTR  
INIT OP 30M IFP 392 FFP 828  
FINAL OP 1H IFP 871 FFP 1650  
ISIP 3302 1H FSIP 3652 3H IHP 4459 FHP 4615  
SPL REC .271 CFT GAS @ 21 PSI + 300 CC WTR CHL 25000  
PPM

DRILLING PROGRESS DETAILS

EP OPERATING  
1230 RIVER BEND DR STE 136

CONTINUED IC# 300057010485

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Prohibited



Petroleum Information  
CORPORATION

PI-WRS-  
Form No 1

REISSUES SEC 9 TWP 13S RGE 29E  
PI# 30-T-0001 06/09/86 30-005-62293-0000 PAGE 2

EP OPERATING  
1

FEDERAL "9"

WF WF

DRILLING PROGRESS DETAILS

DALLAS, TX 75247  
214-630-8711  
09/05 LOC/1985/  
10/10 DRLG 3600(SH)  
10/17 DRLG 6006 (SH)  
10/21 LOC  
10/24 DRLG 8135 (LM & SH)  
12/06 TD REACHED 11/01/85 RIG REL 11/06/85  
9600 TD  
COMP 11/6/85, D&A  
NO CORES, TWO DSTS  
06/04 REISSUE TO CORRECT DSTS  
REPLACEMENT FOR CT ISSUED 12/9/85



	00159E	00		DC	X'00'		
	00159F	00000A		DC	X'00000A'		
	0015A2	0D0001F8		DC	X'0D0001F8'	BL =1	
	0015A6	001F		DC	X'001F'		
363	0015A8	FFFF		DC	X'FFFF'		
	0015AA		GN=016	EQU	*		
	0015AA	F2 71 D 228 6 000		PACK	228(8,13),000(2,6)	TS=025	DNM=1-401
	0015B0	F9 10 D 22E C 098		CP	22E(2,13),098(1,12)	TS=031	LIT+0
	0015B6	58 FO C 088		L	15,088(0,12)	GN=017	
363	0015BA	07 DF		BCR	13,15		
	0015BC	58 FO C 008		L	15,008(0,12)	V(ILBDDSP0)	
	0015C0	05 1F		BALR	1,15		
	0015C2	0001		DC	X'0001'		
	0015C4	10		DC	X'10'		
	0015C5	000016		DC	X'000016'		
	0015C8	0C00014A		DC	X'0C00014A'	LIT+178	
	0015CC	0000		DC	X'0000'		
	0015CE	0F		DC	X'0F'		
	0015CF	000002		DC	X'000002'		
	0015D2	0D000200		DC	X'0D000200'	BL =3	
	0015D6	0000		DC	X'0000'		
364	0015D8	FFFF		DC	X'FFFF'		
	0015DA	58 10 C 044		L	1,044(0,12)	PN=010	
365	0015DE	07 F1		BCR	15,1		
	0015E0		GN=017	EQU	*		
	0015E0	92 FO 6 002		MVI	002(6),X'FO'	DNM=1-417	
	0015E4	D2 07 6 003 C 0B4		MVC	003(8,6),0B4(12)	DNM=1-432	LIT+28
	0015EA	D2 07 6 00E C 0B4		MVC	00E(8,6),0B4(12)	DNM=1-484	LIT+28
	0015F0	D2 08 6 01F C 0BC		MVC	01F(9,6),0BC(12)	DNM=2-19	LIT+36
	0015F6	D2 08 6 016 C 0BC		MVC	016(9,6),0BC(12)	DNM=2-0	LIT+36
	0015FC	D2 08 6 028 C 0BC		MVC	028(9,6),0BC(12)	DNM=2-35	LIT+36
	001602	D2 05 6 031 C 0B6		MVC	031(6,6),0B6(12)	DNM=2-51	LIT+30
	001608	D2 07 6 037 C 0B4		MVC	037(8,6),0B4(12)	DNM=2-67	LIT+28
367	00160E	D2 04 6 03F C 0AF		MVC	03F(5,6),0AF(12)	DNM=2-85	LIT+23
	001614	58 10 C 024		L	1,024(0,12)	PN=02	
368	001618	07 F1		BCR	15,1		
369							
	00161A	F3 42 6 059 6 101		UNPK	059(5,6),101(3,6)	DNM=2-312	DNM=3-484
370	001620	96 FO 6 05D		OI	05D(6),X'FO'	DNM=2-312+4	
	001624	F8 74 D 228 6 409		ZAP	228(8,13),409(5,6)	TS=025	DNM=6-185
	00162A	F0 40 D 22B 0 03E		SRP	22B(5,13),03E(0),0	TS=028	
	001630	D2 08 D 230 C 0C5		MVC	230(12,13),0C5(12)	TS2=1	LIT+45
	001636	DE 08 D 230 D 22B		ED	230(12,13),22B(13)	TS2=1	TS=028
	00163C	05 30		BALR	3,0		
	00163E	47 40 3 008		BC	4,008(0,3)		
	001642	92 40 D 23B		MVI	23B(13),X'40'	TS2=12	
	001646	D2 0A 6 061 D 231		MVC	061(11,6),231(13)	DNM=2-349	TS2=2