

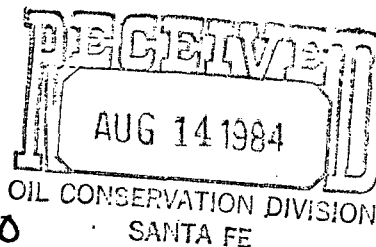
Santa Fe Energy Company

500 West Ohio 500 West Illinois
Midland, Texas 79701
915/687-3551

August 10, 1984



Mr. Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87501



NSL - 1890
RULE 104 F II
Release Immediately

Fee Lease

5/2 OF Sec. 27

Re: Lovelace No. 1
Sec. 27, T-22S, R-27E
Eddy County, New Mexico

Dear Sir: Undesignated Strawn Pool
Undesignated South Carlsbad Morrow Pool
Undesignated East Carlsbad Wolfcamp Pool
Santa Fe Energy Company is requesting administrative approval for an
unorthodox location due to geologic reasons:

Please find the enclosed seven (7) copies of the following:

1. Letter requesting administrative approval of unorthodox location
2. Platt showing acreage dedicated
3. Geologic exhibits
4. Form C-101
5. Form C-102

offsets have been
notified. Confirmed
by Pat Touss.
JSP

Six (6) copies of all of this has been send to the District Office in
Artesia.

Sincerely,

Billie Hood

Billie Hood
Senior Production Clerk

BH:dz-048

Enclosures

Undesignated

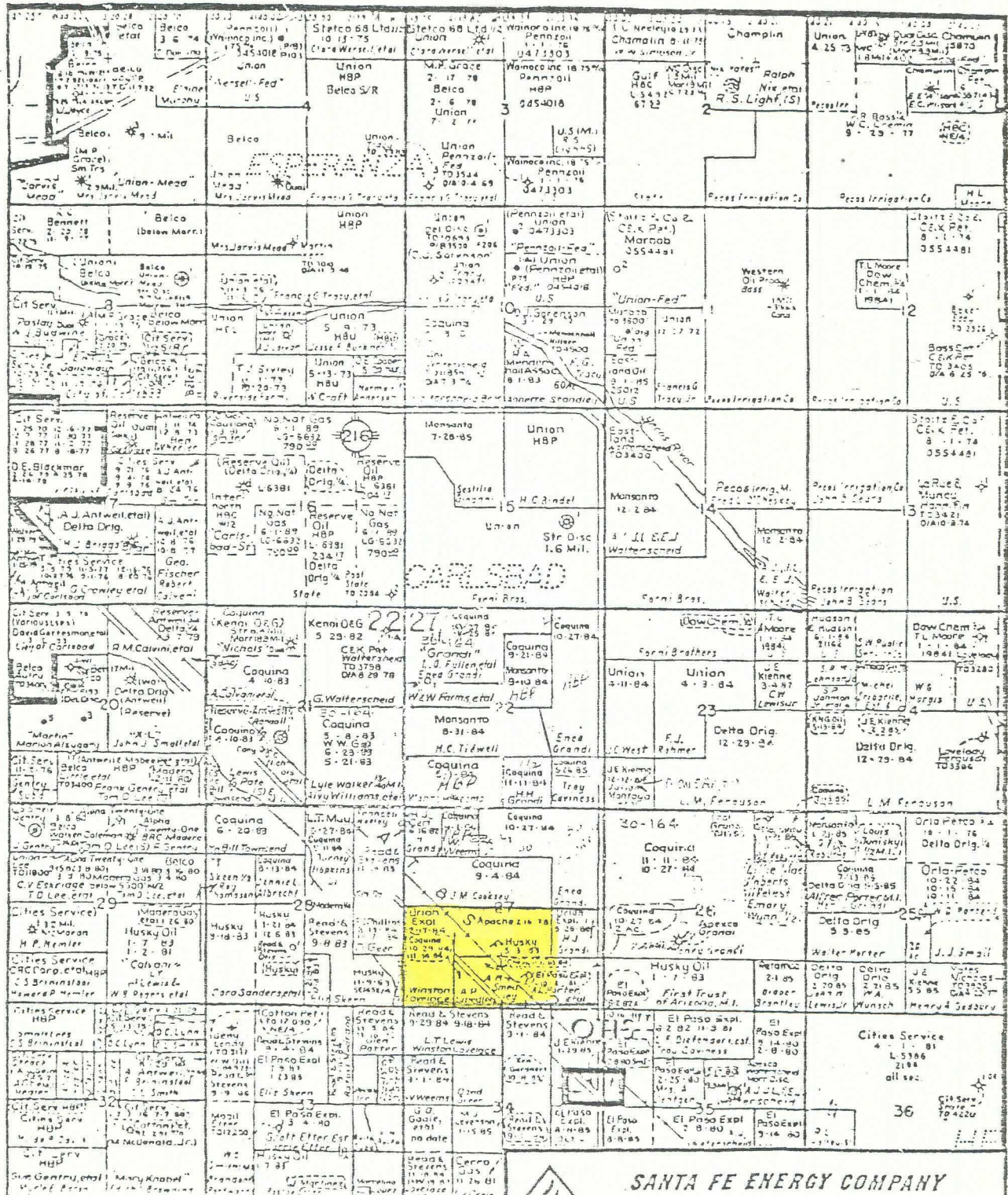
STRAWN ✓

South Carlsbad MORROW ✓

East Carlsbad Wolfcamp ✓



A Santa Fe Industries Company



Santa Fe Energy Company



500 West Ohio
Midland, Texas 79701
915/687-3551

August 10, 1984

Mr. Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
Box 2088
Santa Fe, NM 87501

Case 8344

RE: Geologic Exhibits
SFEC #1 Lovelace
Eddy County, NM

Dear Mr. Stamets:

Santa Fe Energy Company, Exploration Department, is proposing an unorthodox location (1439' FSL, 1090' FWL) in Section 27-22S-27E, Eddy County, NM. Reasons for this location are as follows:

1. Isopaching of clean Strawn carbonate indicates the carbonate bank trends in a northeast-southwest direction.
2. Santa Fe Energy Co.'s proposed unorthodox location (1439' FSL, 1090' FWL Section 27-22S-27E) is structurally on strike to the Santa Fe Energy No. 1 Weems, a successful Strawn well just completed for 37 MMCFGPD. A legal location of 1980' FSL, 1980' FWL of Section 27-22S-27E, would according to SFE's interpretation, be structurally down dip and too near the effective porosity limit of the carbonate bank. (See map 1)
3. The proposed unorthodox location (1439' FSL, 1090' FWL Section 27-22S-27E) would also be in a more favorable position for Morrow sand development than would a legal location (See map 2)

The location Santa Fe Energy Company has proposed is the most logical one based upon knowledge of carbonate bank trends, good reservoir conditions, and production data in extending gas production to the southeast in the South Carlsbad Field.

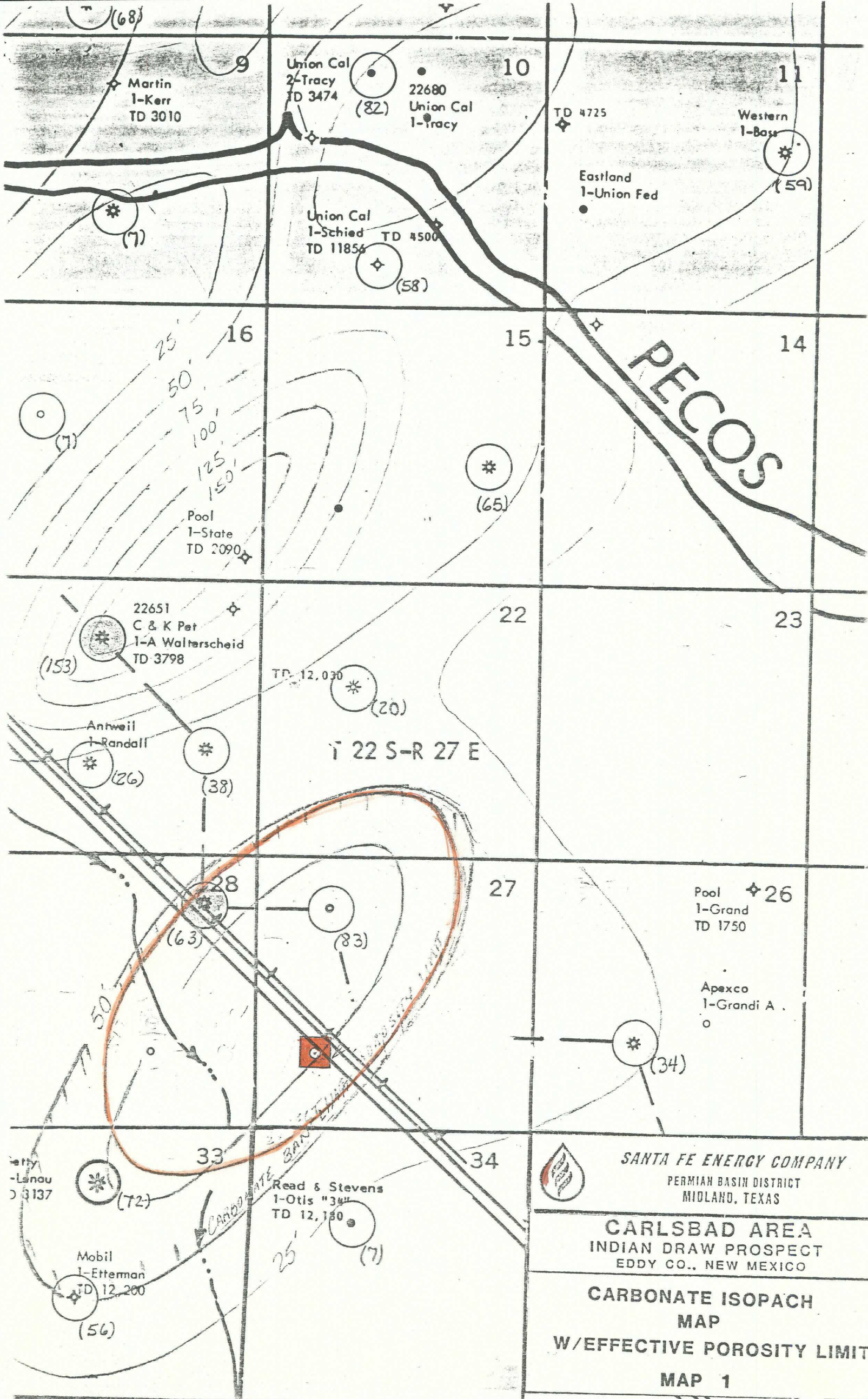
Yours truly,

Vernon D. Dyer
Acting Exploration Manager

ccs

enclosure

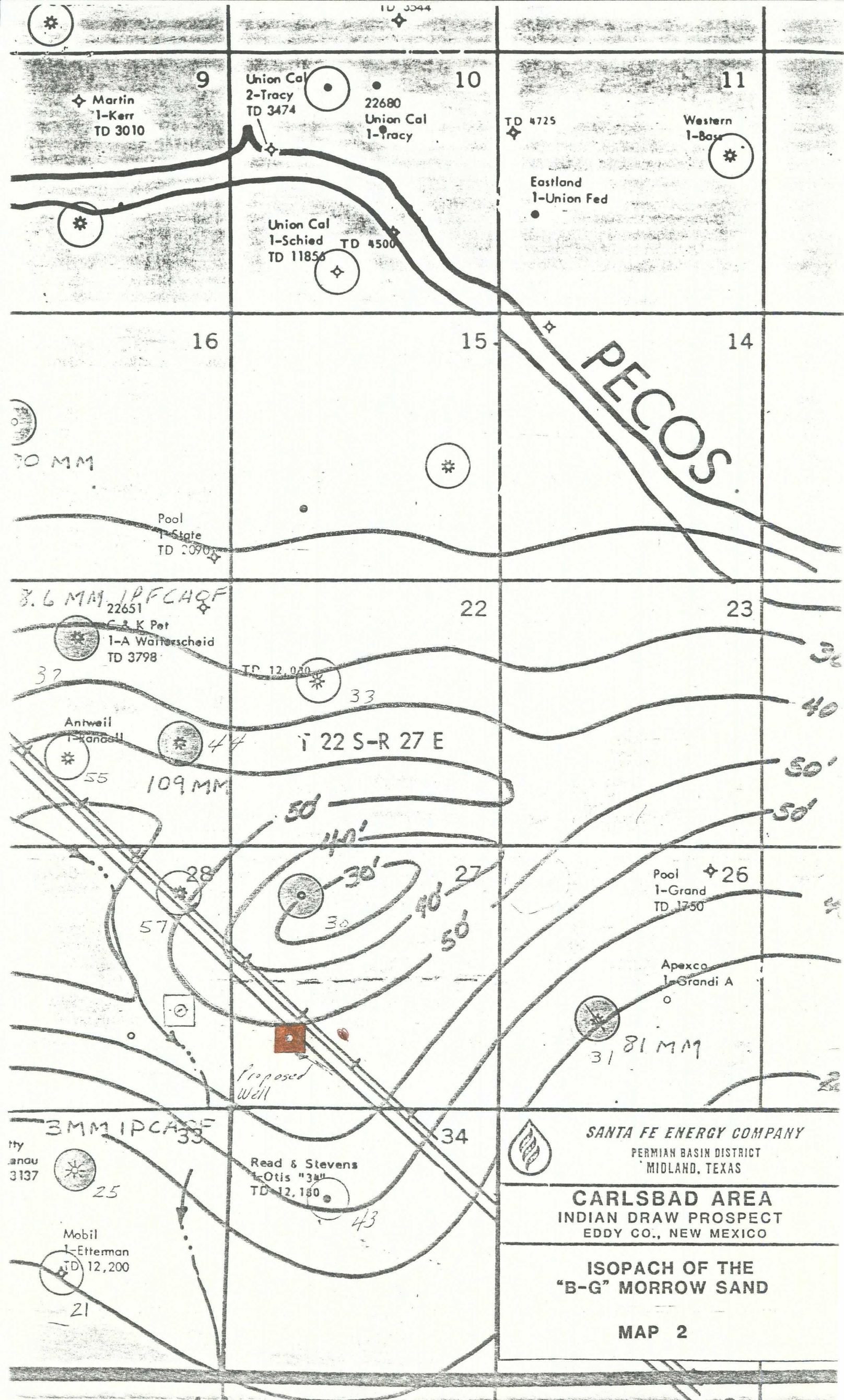




SANTA FE ENERGY COMPANY
PERMIAN BASIN DISTRICT
MIDLAND, TEXAS

CARLSBAD AREA
INDIAN DRAW PROSPECT
EDDY CO., NEW MEXICO

CARBONATE ISOPACH
MAP
W/EFFECTIVE POROSITY LIMIT
MAP 1



NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease
STATE ☐ FEE ☒
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator Santa Fe Energy Company		8. Farm or Lease Name Lovellace
3. Address of Operator 500 W. Ohio, Midland, TX 79701		9. Well No. 1
4. Location of Well UNIT LETTER L LOCATED 1090 FEET FROM THE West LINE AND 1439 FEET FROM THE South LINE OF SEC. 27 TWP. 22S RGE. 27E NMPM		10. Field and Pool, or Wildcat S. Carlsbad Morrow
11. Elevations (Show whether DT, RT, etc.) 3115.3		12. County Eddy
21A. Kind & Status Plug. Bond Blanket	19. Proposed Depth 12,200'	19A. Formation Morrow
21B. Drilling Contractor To be determined	20. Rotary or C.T. Rotary	22. Approx. Date Work will start Sept. 1, 1984

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	61.0	600'+	650+	Surface
12 1/4"	9 5/8"	36.0	5500'+	2600+	Surface
7 7/8"	5 1/2"	20.0	12000'+	850+	7800'+

Move on location and rig up rotary tools. Drill 17 1/2" hole to 600'+. Run and cement 13 3/8" casing. Wait on cement until 500 psi compressive strength obtained (Rule 2). Drill 12 1/4" hole to 5500'+. Run and cement 9 5/8" casing. Wait on cement until 500 psi compressive strength obtained (Rule 2). Drill 8 1/2" hole to 10,500'. Reduce hole size to 7 7/8" and drill to 12,200'. Run logs and/or drill stem tests. Either run and cement 5 1/2" production casing or plug and abandon as per NMOCC Rules & Regulations.

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 Billie Hood Billie Hood Title Sr. Production Clerk Date 8-10-84

(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.

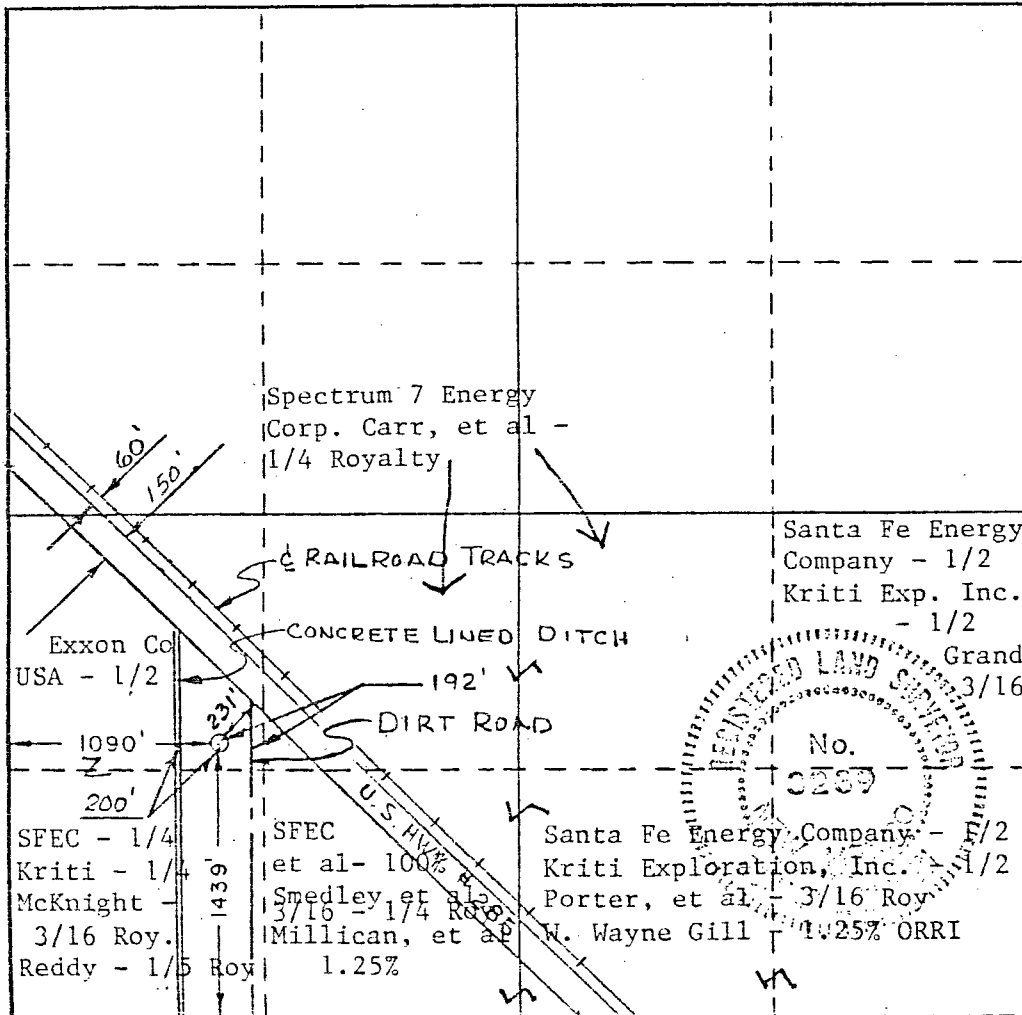
Operator Santa Fe Energy Company			Lease Lovelace		Well No. 1
Unit Letter L	Section 27	Township 22 South	Range 27 East	County Eddy	
Actual Footage Location of Well: 1439 feet from the South line and 1090 feet from the West line					
Ground Level Elev. 3115.3	Producing Formation Morrow		Pool Undesignated S. Carlsbad		Dedicated Acreage: 320 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 Designation of Consolidated Gas
Leasehold Estate

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.

Mike Burton

Name
Mike Burton

Position
Sr. Drilling Engineer

Company
Santa Fe Energy Company

Date
8/10/84

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
August 2, 1984

Registered Professional Engineer and/or Land Surveyor
Ronald J. Eidson

Certificate No. **JOHN W. WEST 876**
PATRICK A. ROMERO 8883
Ronald J. Eidson 3239

Santa Fe Energy Company



500 West Illinois
Midland, Texas 79701
915/687-3551

August 31, 1984

Re: OD-NM-601,274
Lovelace #1 Well
S/2 Sec. 27, T-22-S,
R-27-E, Eddy County, NM
Indian Draw Prospect
Carlsbad Area

New Mexico State Land Office
310 Santa Fe Trail
Santa Fe, New Mexico 87501

ATTN: Gilbert Quintana

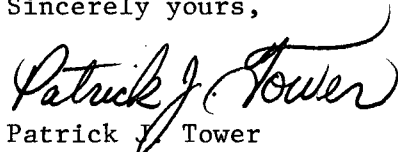
Dear Mr. Quintana:

In reference to our phone conversation, enclosed please find the additional data you requested in the form of a Porosity Map covering the Second Strawn Carbonate Zone under the referenced well. This should justify Santa Fe Energy Company's request for an unorthodox location on the referenced well.

Should you require any additional information in order to expedite the administrative approval process, please do not hesitate to call me collect at (915) 687-3551.

Your assistance in this matter is very much appreciated.

Sincerely yours,


Patrick J. Tower
Landman

PJT/efw
1 Encl a/s

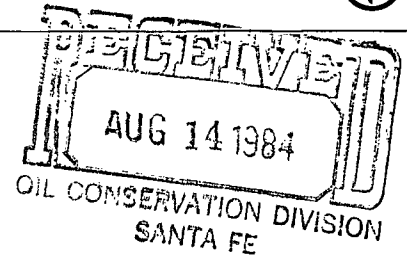
cc: Bill Schaefer - Exploration Manager
Vernon Dyer - District Landman



Santa Fe Energy Company

500 West Ohio
Midland, Texas 79701
915/687-3551

August 10, 1984



Mr. Joe D. Ramey, Director
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87501

Re: Lovelace no. 1
Sec. 27, T-22S, R-27E
Eddy County, New Mexico

Gentlemen:

Santa Fe Energy Company requests administrative approval of an unorthodox location for a 12,200'± Morrow test to be drilled 1090' FWL, 1439' FSL, Section 27, T-22S, R-27E, Eddy County, New Mexico.

The reasons for this request are geologic. The relevant geologic exhibits are enclosed.

All offset operators have been notified by certified or registered mail of this request for administrative approval of an unorthodox location.

Sincerely,

Billie Hood

Billie Hood
Senior Production Clerk

BH:dz-049

Enclosures

