

Santa Fe Energy Company



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

By *JAG*

September 6, 1984

OIL CONSERVATION DIVISION

SEP 10 1984

RECEIVED

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-1903  
RULE 104 F II  
Release Sept. 30, 1984

Re: Henry No. 1  
Sec. 26, T-22S, R-27E  
Eddy County, New Mexico

*1/2 SEC 26 Dedicated*

Dear Sir:

*Fee Lease*

*660 FNL AND 990 FWL,  
SEC. 26, T22S, R27E*

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

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-090

Enclosures



# Santa Fe Energy Company



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

September 6, 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: Henry No. 1  
Sec. 26, 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 990' FWL, 660' FNL, Section 26, 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  
Senior Production Clerk

BH:dz-049

Enclosures



PS Form 3811, July 1982

• **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
 Show to whom and date delivered ..... \$  
 Show to whom, date, and address of delivery ..... \$

2.  RESTRICTED DELIVERY ..... \$  
(The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL \$** \_\_\_\_\_

3. **ARTICLE ADDRESSED TO:**  
 Delta Drilling Company  
 3100 North "A"  
 Midland, Texas 79701

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
 REGISTERED       INSURED      P 458 354 585  
 CERTIFIED       COD  
 EXPRESS MAIL

**(Always obtain signature of addressee or agent)**

I have received the article described above.  
**SIGNATURE**     Addressee     Authorized agent  
*Pearlie Jackson*

5. **DATE OF DELIVERY**      **POSTMARK**  
 9-10 84      (may be on reverse side)  
 10  
 1984

6. **ADDRESSEE'S ADDRESS** (Only if requested)

7. **UNABLE TO DELIVER BECAUSE:**      7a. **EMPLOYEE'S INITIALS**  
 \_\_\_\_\_      *[Signature]*

RETURN RECEIPT

★ GPO: 1982-379-593

PS Form 3811, July 1982

• **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
 Show to whom and date delivered ..... \$  
 Show to whom, date, and address of delivery ..... \$

2.  RESTRICTED DELIVERY ..... \$  
(The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL \$** \_\_\_\_\_

3. **ARTICLE ADDRESSED TO:**  
 Monsanto Oil Company  
 1300 One First City Center  
 500 W. Texas, Midland, Texas 79701

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
 REGISTERED       INSURED  
 CERTIFIED       COD      P 458 354 586  
 EXPRESS MAIL

**(Always obtain signature of addressee or agent)**

I have received the article described above.  
**SIGNATURE**     Addressee     Authorized agent  
*Sue [Signature]*

5. **DATE OF DELIVERY**      **POSTMARK**  
 \_\_\_\_\_      (may be on reverse side)  
 10  
 1984

6. **ADDRESSEE'S ADDRESS** (Only if requested)

7. **UNABLE TO DELIVER BECAUSE:**      7a. **EMPLOYEE'S INITIALS**  
 \_\_\_\_\_      \_\_\_\_\_

RETURN RECEIPT

★ GPO: 1982-379-593

# Santa Fe Energy Company



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

September 7, 1984

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

RE: Geological Exhibits  
SFEC #1 Henry  
Eddy County, NM

Dear Mr. Stamets:

Santa Fe Energy Company, Exploration Department, is proposing an unorthodox location (660' FNL, 990' FWL) in Section 26-22S-27E, Eddy County, NM. Reasons for this location are as follows:

1. The Apexco Henri Grandi No. 1 (1880' FSL, 1980' FWL, Section 26-22S-27E) tested a considerable amount of formation water from the Morrow formation during drilling and completion. This well is down-dip to the proposed Henry location and was found to be non-commercial and wet from the Morrow (See Map 1). Santa Fe Energy Company's proposed location is structurally approximately 100 feet updip to the Apexco well in the Morrow formation. It is Santa Fe Energy Company's interpretation that the requested unorthodox location will be far enough up structure at the Morrow level to be above any gas/water contacts.
2. The "Nichols Sand" is one of Santa Fe Energy Co's major objectives in the Morrow formation. From the interpretation, (see Map 2) the "Nichols Sand" is probably best developed in the northwest corner than any other place in Section 26. This interpretation further supports the unorthodox location.

The location Santa Fe Energy Company has proposed is the most logical one based upon knowledge of the Morrow formation in the South Carlsbad Field.

Yours truly,

Steve Johnston  
Geologist

cys  
attachment



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

5A. Indicate Type of Lease  
STATE  FEDERAL

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <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 Henry
3. Address of Operator 500 W. Illinois, Midland, TX 79701		9. Well No. 1
4. Location of Well UNIT LETTER <u>D</u> LOCATED <u>990</u> FEET FROM THE <u>West</u> LINE AND <u>660</u> FEET FROM THE <u>North</u> LINE OF SEC. <u>26</u> TWP. <u>22S</u> RGE. <u>27E</u> NMPM		10. Field and Pool, or Wildcat <u>Under</u> S. Carlsbad Morrow
		12. County Eddy
		19. Proposed Depth 12,200'
		19A. Formation Morrow
		20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 3096.0	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor To be determined
		22. Approx. Date Work will start October, 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 9-6-84

(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 <b>SANTA FE ENERGY CO.</b>		Lease <b>HENRY</b>		Well No. <b>1</b>
--	--	-----------------------	--	----------------------

Unit Letter <b>D</b>	Section <b>26</b>	Township <b>22S</b>	Range <b>27E</b>	County <b>EDDY</b>
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Actual Footage Location of Well:  
**990** feet from the **WEST** line and **660** feet from the **NORTH** line

Ground Level Elev. <b>3096.0</b>	Producing Formation <b>MORROW</b>	Pool <b>UNDES. SO. CARLSBAD MORROW</b>	Dedicated Acreage: <b>320</b> Acres
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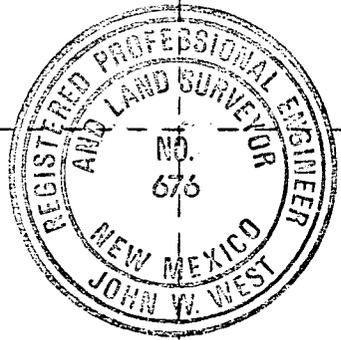
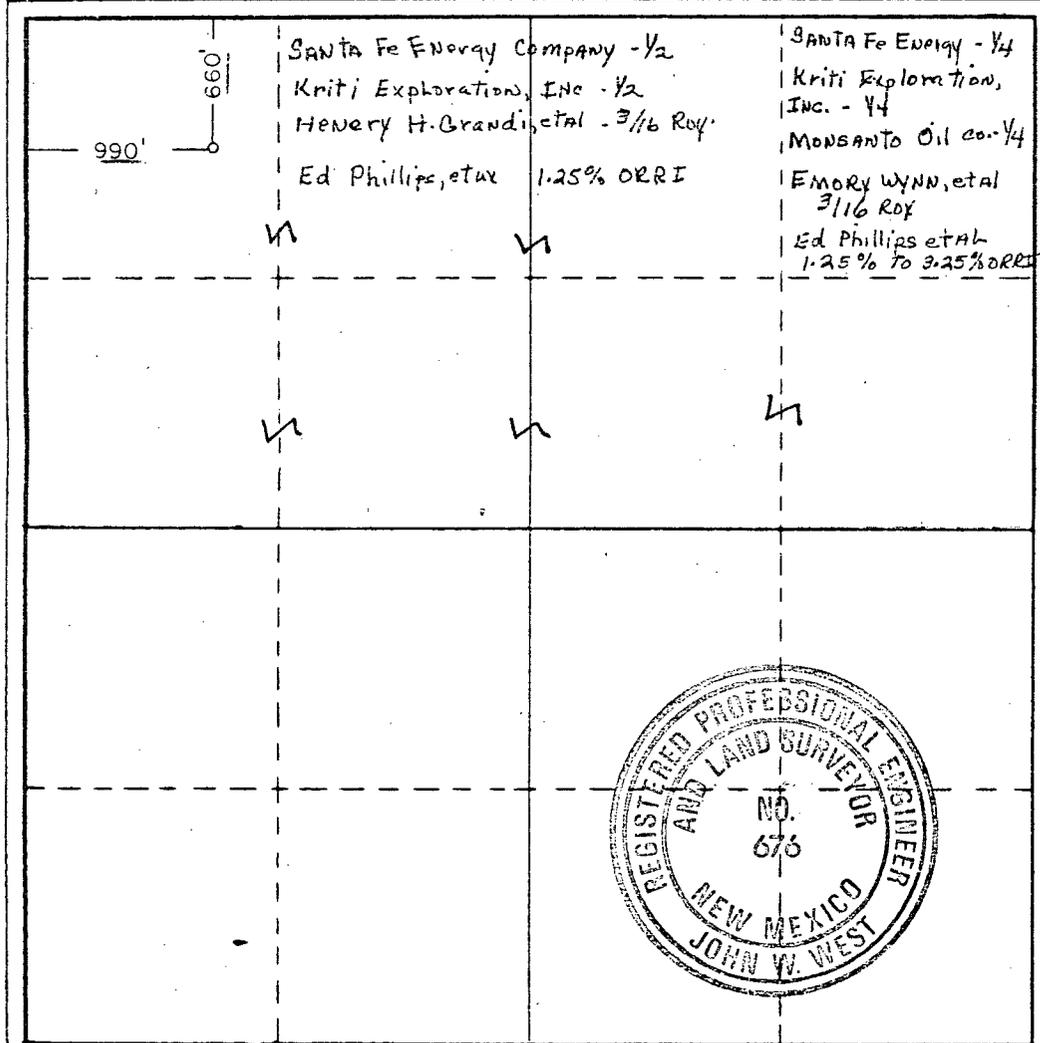
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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**

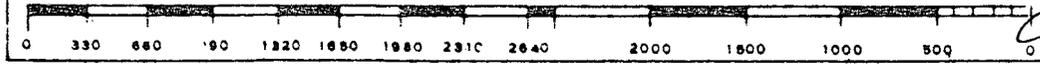
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Mike Burton*

Name <b>MIKE BURTON</b>
Position <b>SR DRILLING ENG</b>
Company <b>SANTA FE ENERGY</b>
Date <b>SEPT. 7, 1984</b>

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 <b>9/1/84</b>
Registered Professional Engineer and/or Land Surveyor <i>John W. West</i>
Certificate No. <b>JOHN W. WEST, 676</b> <b>RONALD J. EIDSON, 3239</b>



Santa Fe Energy Company



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

September 26, 1984

Re: OD-NM-601,282  
Henry No. 1  
660' FNL and 990' FWL  
Sec. 26, T-22-S, R-27-E,  
Eddy County, New Mexico  
Indian Draw Prospect  
Carlsbad Area

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

ATTN: Gilbert Quintana

Gentlemen:

Pursuant to conversation with Mr. Quintana, enclosed please find copies of the executed Waiver Letters from the offset operators to the above referenced well. As you will note, Exxon has not signed the Waiver Letter as of yet, however, their Land Department has advised Santa Fe Energy Company that they did not plan to object to our proposed location.

Hopefully this information will assist you in your determination on granting administrative approval to the above well location.

Sincerely yours,

  
Patrick J. Tower  
Landman

PJT/efw  
Encls a/s



Santa Fe Energy Company



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

September 25, 1984

Re: OD-NM-601,282  
Henry #1  
Waiver Letter  
Eddy County, New Mexico

Retamco, Inc.  
P.O. Box 33450  
San Antonio, Texas 78233

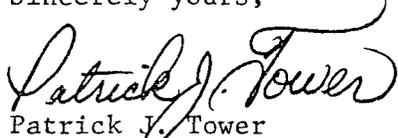
ATTN: Land Department

Gentlemen:

In response to your letter of September 12, 1984, please be advised that Santa Fe Energy Company is not agreeable to providing your company with the drilling reports, logs, or any other pertinent well information on the referenced well. Inasmuch as Santa Fe's unorthodox location moves away from your acreage, we feel that it is unlikely that Santa Fe's Henry No. 1 will drain your acreage. Since Santa Fe will not agree to your request, it is your company's prerogative whether to agree to Santa Fe's location or not. In this regard, please find enclosed two additional waiver letters for your execution and return to the Commission and to this office.

Should you have any questions, please advise.

Sincerely yours,

  
Patrick J. Tower  
Landman

PJT/efw  
2 Encls a/s



Santa Fe Energy Company

RETURN THIS COPY TO:  
SANTA FE ENERGY CO.



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

September 6, 1984

Re: OD-NM-601,282  
Henry #1  
Waiver Letter  
Eddy County, New Mexico

Retamco, Inc.  
P.O. Box 33450  
San Antonio, Texas 78233

ATTN: Land Department

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,300' Morrow test well to be drilled 990' FWL and 660' FNL in Section 26, T-22-S, R-27-E, Eddy County, New Mexico, with the North Half (N/2) of said section to be the proration unit. (Plat attached for your convenience).

Santa Fe Energy Company would appreciate your responding to this waiver as quickly as possible as we plan to spud the well as soon as the paperwork is in order. Please send one executed copy to:

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

and return the copy so marked to us.

Yours very truly,

*Patrick J. Tower*  
Patrick J. Tower  
Landman

PJT/efw  
1 Atch a/s

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST: ~~X~~

By: *Stephen M. Gose, III*  
Stephen M. Gose III  
Title: Vice President, Geology

Date: 9-12-84

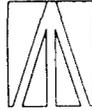
Company: Retamco Operating, Inc.

cc: William Schaefer - Exploration Manager  
Vernon Dyer - District Landman  
Hugh Boyt - Production Manager

\* provided well data is furnished to ROT







# RETAMCO OPERATING, INC.

September 12, 1984

Santa Fe Energy Company  
500 West Illinois  
Midland, Texas 79701

Attention: Patrick J. Tower

WAS	BLC
KS	NG
DB	MS
VDD	DRFT
PT 9-20	CCS
HB	MIS
MB	BEW
FILE	

RE: OD-NM-601, 282  
Henry #1  
Waiver Letter  
Eddy County, New Mexico

Gentlemen:

As consideration for signing the attached Waiver, please send us copies of all drilling reports, logs and other pertinent well information on the Henry #1 Well.

Very truly yours,

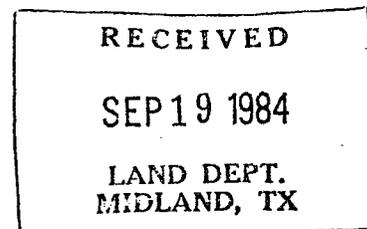
RETAMCO OPERATING, INC.

Stephen M. Gose III  
Vice President, Geology

MG:yrv

Enclosure

RF



Santa Fe Energy Company



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

September 6, 1984

Re: OD-NM-601,282  
Henry #1  
Waiver Letter  
Eddy County, New Mexico

Exxon Company, U.S.A.  
P.O. Box 1600  
Midland, Texas 79702-1600

ATTN: Douglass C. Robison

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,300' Morrow test well to be drilled 990' FWL and 660' FNL in Section 26, T-22-S, R-27-E, Eddy County, New Mexico, with the North Half (N/2) of said section to be the proration unit. (Plat attached for your convenience).

Santa Fe Energy Company would appreciate your responding to this waiver as quickly as possible as we plan to spud the well as soon as the paperwork is in order. Please send one executed copy to:

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

and return the copy so marked to us.

Yours very truly,

*Patrick J. Tower*  
Patrick J. Tower  
Landman

PJT/efw  
1 Atch a/s

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

cc: William Schaefer - Exploration Manager  
Vernon Dyer - District Landman  
Hugh Boyt - Production Manager





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

September 6, 1984

Re: OD-NM-601,282  
Henry #1  
Waiver Letter  
Eddy County, New Mexico

Monsanto Oil Company  
1300 One First City Center  
500 West Texas  
Midland, Texas 79701

ATTN: Marianne Giles

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,300' Morrow test well to be drilled 990' FWL and 660' FNL in Section 26, T-22-S, R-27-E, Eddy County, New Mexico, with the North Half (N/2) of said section to be the proration unit. (Plat attached for your convenience).

Santa Fe Energy Company would appreciate your responding to this waiver as quickly as possible as we plan to spud the well as soon as the paperwork is in order. Please send one executed copy to:

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

and return the copy so marked to us.

Yours very truly,

Patrick G. Tower  
Landman

PJT/efw  
1 Atch a/s

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

By:   
J. D. COBB, JR.  
Title: REGIONAL EXPLORATION MANAGER

Date: SEPTEMBER 13, 1984

Company: MONSANTO OIL COMPANY

cc: William Schaefer - Exploration Manager  
Vernon Dyer - District Landman  
Hugh Boyt - Production Manager



WAS	BLC
KS	NG
DB	MS
VDD	DRFT
PT 9-14	CS
HB	EFW
MJS	FILE



September 13, 1984

RECEIVED
SEP 14 1984
LAND DEPT.
MIDLAND, TX

West Texas Production Division

Santa Fe Energy Company  
 500 West Illinois  
 Midland, Texas 79701

ATTN: Patrick J Tower

Re: OD-NM-601,282  
 Henry No. 1  
 Waiver Letter  
 Eddy County, New Mexico

Dear Mr. Tower:

Reference is made to the above subject. Attached is the DeltaUS executed Request for Administrative Approval of Santa Fe Energy's Company unorthodox location for the Henry No. 1 well. We are also forwarding one copy of this waiver to the State of New Mexico as requested.

Sincerely,

Danny B. Ford  
 Division Production Manager

sso02.soib  
 Attachment  
 cc: State of New Mexico  
 D. V. Emery  
 John Coon



Santa Fe Energy Company

500 West Illinois  
Midland, Texas 79701  
915/687-3851

September 6, 1984

Re: OD-NM-601,282  
Henry #1  
Waiver Letter  
Eddy County, New Mexico

Delta Drilling Company  
West Texas Production Division  
3100 North "A"  
Midland, Texas 79701

ATTN: Danny B. Ford

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,300' Morrow test well to be drilled 990' FWL and 660' FNL in Section 26, T-22-S, R-27-E, Eddy County, New Mexico, with the North Half (N/2) of said section to be the proration unit. (Plat attached for your convenience).

Santa Fe Energy Company would appreciate your responding to this waiver as quickly as possible as we plan to spud the well as soon as the paperwork is in order. Please send one executed copy to:

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

and return the copy so marked to us.

Yours very truly,

Patrick J. Tower  
Landman

PJT/efw  
1 Atch a/s

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

By:  Danny B. Ford

Date: 9/13/84

Title: Division Production Manager

Company: DeltaUS Corporation

cc: William Schaefer - Exploration Manager  
Vernon Dyer - District Landman  
Hugh Boyt - Production Manager







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

September 6, 1984

Mr. L. A. Clements  
Supervisor and Oil & Gas Inspector  
District II  
Oil Conservation Division  
Energy and Minerals Department  
P. O. Drawer DD  
Artesia, NM 88210

Re: Henry No. 1

Dear Mr. Clements:

Enclosed please find six (6) copies of Santa Fe Energy Company's application to drill the above well. Also enclosed is one copy of the letter requesting administrative approval of unorthodox location.

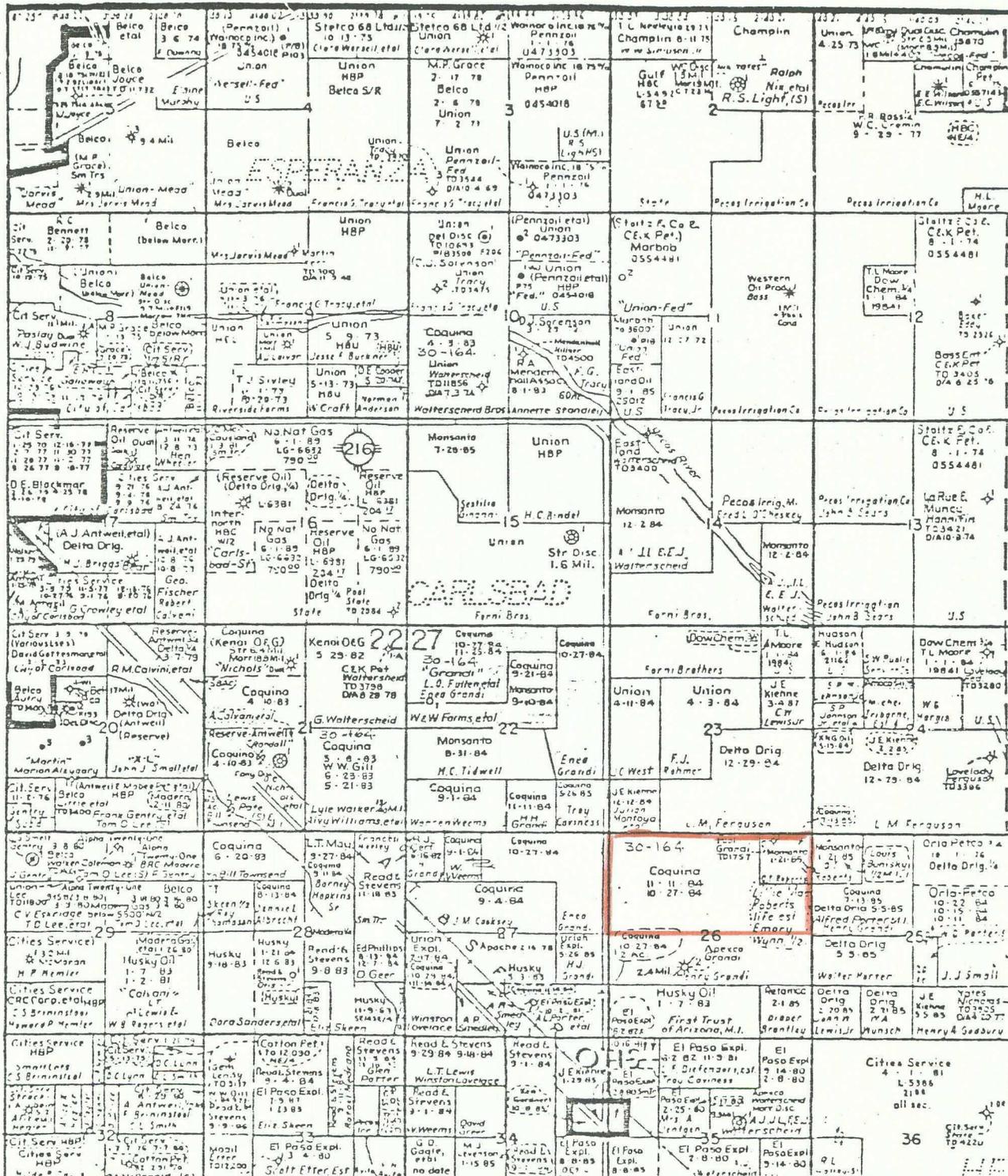
Sincerely,

Billie Hood  
Senior Production Clerk

BH:dz-089

Enclosures






**SANTA FE ENERGY COMPANY**  
 PERMIAN BASIN DISTRICT  
 AMARILLO, TEXAS

**CARLSBAD AREA**  
 Eddy Co., New Mexico

**INDIAN DRAW PROSPECT**  
 (SFEC-Coquina)

Scale: 1"=4000' Date: 2-83

T  
22  
S