

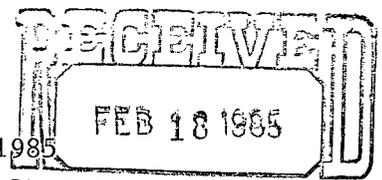
Release March 13 1985

By Dec



Santa Fe Energy Company

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



February 13, 1985

OIL CONSERVATION DIVISION
SANTA FE

OK - KJF

NSL-2002

DUKE-104 F(II)

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

Re: Henry No. 2
Section 22-22S-27E
Eddy County, New Mexico

Dear Sir:

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. Plat showing acreage dedicated
- 3. Geologic exhibits
- 4. Form C-101
- 5. Form C-102

*South Carlsbad Morrow Pool
East Carlsbad Wolfcamp Pool
Carlsbad Strawn Gas Pool*

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

Sincerely.

Billie Hood

Billie Hood
Senior Production Clerk

/cc
enclosures

Santa Fe Energy Company



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

February 13, 1985

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

Re: Henry No. 2
Section 22-22S-27E
Eddy County, New Mexico

Gentlemen:

Santa Fe Energy Company requests administrative approval of an unorthodox location for a 12,100'± Morrow test to be drilled 990' FEL, 1570' FSL, Section 22, T-22S, R-27-E, 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:cc

enclosures



Santa Fe Energy Company



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

February 13, 1985

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 #2 Henry
Eddy County, NM

Dear Mr. Stamets:

Santa Fe Energy Company, Exploration Department, is proposing an unorthodox location 1570' FSL, 990' FEL, Section 22, T22S, R27E, Eddy County, New Mexico.

The proposed well will test the major objective Morrow Sandstones and secondary objective Strawn and Wolfcamp Carbonates. The Lower Morrow "Henry Sand" is one of Santa Fe Energy Co's major objectives in the Morrow formation (Map 1). The Santa Fe #1 Henry (660' FNL, 990' FWL, Section 26, T22S, R27E) penetrated 16' of "Henry Sand" that had 8' of effective porosity. The sand was perforated and potentialled for a CAOF of 2.1 MMCFGPD.

The "Henry Sand" is interpreted to have been deposited within a dip-oriented distributary channel that carried water from west to east across the area (Maps 1 and 2). The porosity encountered in the Henry #1 well is thought to be part of a point-bar that was deposited along this trend. Subsurface control suggests that the proposed location will be on depositional trend and will encounter the up-dip edge of the "Henry Sand" point bar porosity.

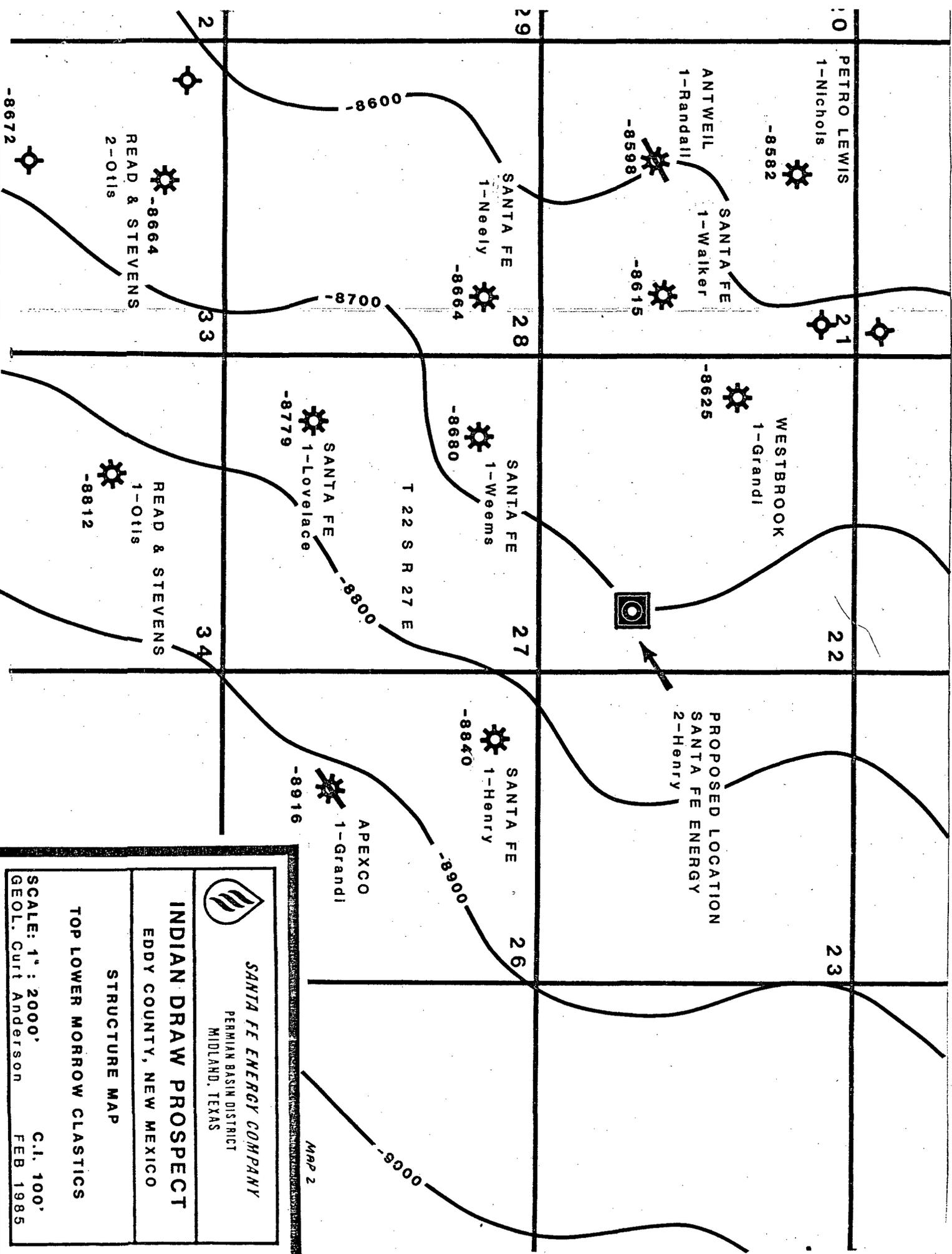
The location Santa Fe Energy Company has proposed is the most logical one based upon knowledge of the Morrow formation in the South Carlsbad field.

Yours truly,

Curtis A. Anderson

cys509





MAP 2

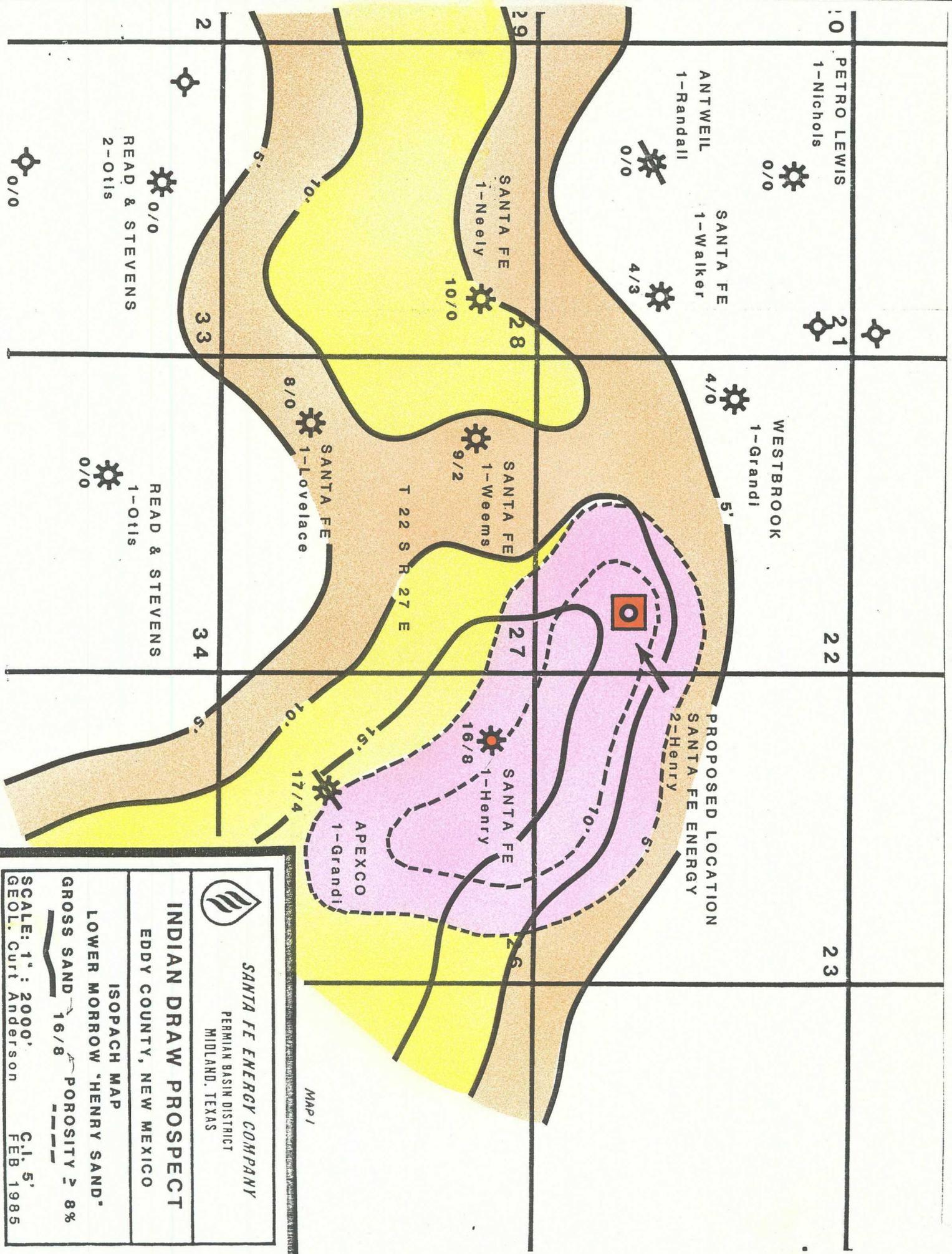


SANTA FE ENERGY COMPANY
 PERMIAN BASIN DISTRICT
 MIDLAND, TEXAS

INDIAN DRAW PROSPECT
 EDDY COUNTY, NEW MEXICO

STRUCTURE MAP
 TOP LOWER MORROW CLASTICS

SCALE: 1" = 2000' C.I. 100'
 GEOL. Curt Anderson FEB 1985



 <p>SANTA FE ENERGY COMPANY PERMIAN BASIN DISTRICT MIDLAND, TEXAS</p>
<p>INDIAN DRAW PROSPECT EDDY COUNTY, NEW MEXICO</p>
<p>ISOPACH MAP LOWER MORROW 'HENRY SAND'</p>
<p>GROSS SAND 16/8 POROSITY ≥ 8%</p>
<p>SCALE: 1" = 2000' GEOLOGICAL: Curt Anderson C-1, 5' FEB 1985</p>

MAP 1

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

February 8, 1985

Mr. V. H. Westbrook
P. O. Box 2264
Hobbs, NM 88240

RE: OD NM 617,010
Henry #2
Waiver Letter
Eddy County, NM

Dear Mr. Westbrook:

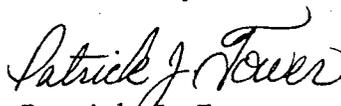
This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,100' Morrow test well, with secondary potential in the Strawn and Wolfcamp. The location of this Test will be 1570' FSL and 990' FEL in Section 22, T-22-S, R-27-E, Eddy County, New Mexico, with the South Half (S/2) of said section to be the proration unit, as to the Morrow and Strawn Formations. In the event this Henry #2 is completed as a Wolfcamp producer, then it is planned to establish an East Half (E/2) proration unit as to said formation. This is necessary due to the fact that the Grandi #1 well is currently producing from the Wolfcamp formation with the West Half (W/2) of said Section prorated thereto. (A Plat is attached for your convenience).

Santa Fe Energy Company would appreciate your responding to this waiver as quickly as possible. Currently our plans are 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, NM 87501

and return the copy so marked to us.

Yours truly,


Patrick J. Tower
Senior Landman

cys436
attachment

BY SIGNATURE HERETO, I HAVE NO OBJECTION TO THE GRANTING OF A PERMIT TO DRILL AT THE ABOVE SPECIFIED LOCATION FOR THE ABOVE SPECIFIED FORMATIONS AND HEREBY WAIVE OBJECTION AND NOTICE OF HEARING ON THIS APPLICATION.

By _____
V. H. Westbrook

Date _____

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

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

February 8, 1985

Partnership Properties Co.
Petro-Lewis Tower
P. O. Box 2250
Denver, CO 80201

Attention: Sam Moore

RE: OD NM 617,010
Henry #2
Waiver Letter
Eddy County, NM

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,100' Morrow test well, with secondary potential in the Strawn and Wolfcamp. The location of this Test will be 1570' FSL and 990' FEL in Section 22, T-22-S, R-27-E, Eddy County, New Mexico, with the South Half (S/2) of said section to be the proration unit, as to the Morrow and Strawn Formations. In the event this Henry #2 is completed as a Wolfcamp producer, then it is planned to establish an East Half (E/2) proration unit as to said formation. This is necessary due to the fact that the Grandi #1 well is currently producing from the Wolfcamp formation with the West Half (W/2) of said Section prorated thereto. (A Plat is attached for your convenience).

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State of New Mexico
P. O. Box 2088
Santa Fe, NM 87501

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Yours truly,

Patrick J. Tower
Patrick J. Tower
Senior Landman

cys436
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By _____ Date _____

Title:
Company:

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

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

February 8, 1985

Union Oil Company
P. O. Box 671
Midland, TX 79701

Attention Land Department

RE: OD NM 617,010
Henry #2
Waiver Letter
Eddy County, NM

Gentlemen:

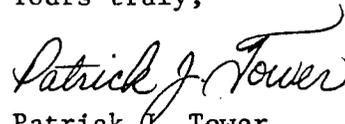
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Division, Energy and Minerals Department
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87501

and return the copy so marked to us.

Yours truly,



Patrick G. Tower
Senior Landman

cys436
attachment

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By _____ Date _____

Title:
Company:

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

Santa Fe Energy Company



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

Re: Henry #2
1570' FSL & 990' FEL
Section 22, T-22-S,
R-27-E, Eddy County, NM

This 11th day of February, 1985, I, H. Rene' Moulinet, have received on behalf of Union Oil Company of California, a copy of that certain waiver request letter dated February 8, 1985 from Santa Fe Energy Company pertaining to the referenced well and location.

RECEIVED

FEB 11 1985

MIDLAND DISTRICT LAW.

Santa Fe Energy Company



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

February 8, 1985

DeltaUS Corporation
West Texas Production Division
3100 North "A"
Midland, TX 79701

Attention: Rod Woodard

RE: OD NM 617,010
Henry #2
Waiver Letter
Eddy County, NM

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,100' Morrow test well, with secondary potential in the Strawn and Wolfcamp. The location of this Test will be 1570' FSL and 990' FEL in Section 22, T-22-S, R-27-E, Eddy County, New Mexico, with the South Half (S/2) of said section to be the proration unit, as to the Morrow and Strawn Formations. In the event this Henry #2 is completed as a Wolfcamp producer, then it is planned to establish an East Half (E/2) proration unit as to said formation. This is necessary due to the fact that the Grandi #1 well is currently producing from the Wolfcamp formation with the West Half (W/2) of said Section prorated thereto. (A Plat is attached for your convenience).

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

and return the copy so marked to us.

Yours truly,

Patrick J. Tower
Patrick J. Tower
Senior Landman

cys436
attachment

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By *[Signature]*
Title: *Retiring Div. Prod. MGR*
Company: *Delta US Corp*

Date *2/11/85*

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





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

February 8, 1985

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

Attention Land Department

RE: OD NM 617,010
Henry #2
Waiver Letter
Eddy County, NM

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,100' Morrow test well, with secondary potential in the Strawn and Wolfcamp. The location of this Test will be 1570' FSL and 990' FEL in Section 22, T-22-S, R-27-E, Eddy County, New Mexico, with the South Half (S/2) of said section to be the proration unit, as to the Morrow and Strawn Formations. In the event this Henry #2 is completed as a Wolfcamp producer, then it is planned to establish an East Half (E/2) proration unit as to said formation. This is necessary due to the fact that the Grandi #1 well is currently producing from the Wolfcamp formation with the West Half (W/2) of said Section prorated thereto. (A Plat is attached for your convenience).

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

and return the copy so marked to us.

Yours truly,

Patrick J. Tower, Sr. Landman

cys436
attachment

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By J. D. Cobb, Jr.

Date 2-11-85

J. D. COBB, JR.

Title: REGIONAL EXPLORATION MANAGER
Company: Monsanto Oil Company

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



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

February 8, 1985

Spectrum 7 Energy Corporation
P. O. Box 10626
Midland, TX 79702

Attention J. David Williams

RE: OD NM 617,010
Henry #2
Waiver Letter
Eddy County, NM

Gentlemen:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a 12,100' Morrow test well, with secondary potential in the Strawn and Wolfcamp. The location of this Test well will be 1570' FSL and 990' FEL in Section 22, T-22-S, R-27-E, Eddy County, New Mexico, with the South Half (S/2) of said section to be the proration unit, as to the Morrow and Strawn Formations. In the event this Henry #2 is completed as a Wolfcamp producer, then it is planned to establish an East Half (E/2) proration unit as to said formation. This is necessary due to the fact that the Grandi #1 well is currently producing from the Wolfcamp formation with the West Half (W/2) of said Section prorated thereto. (A Plat is attached for your convenience).

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

and return the copy so marked to us.

Yours truly,

Patrick J. Tower
Patrick J. Tower
Senior Landman

cys436
attachment

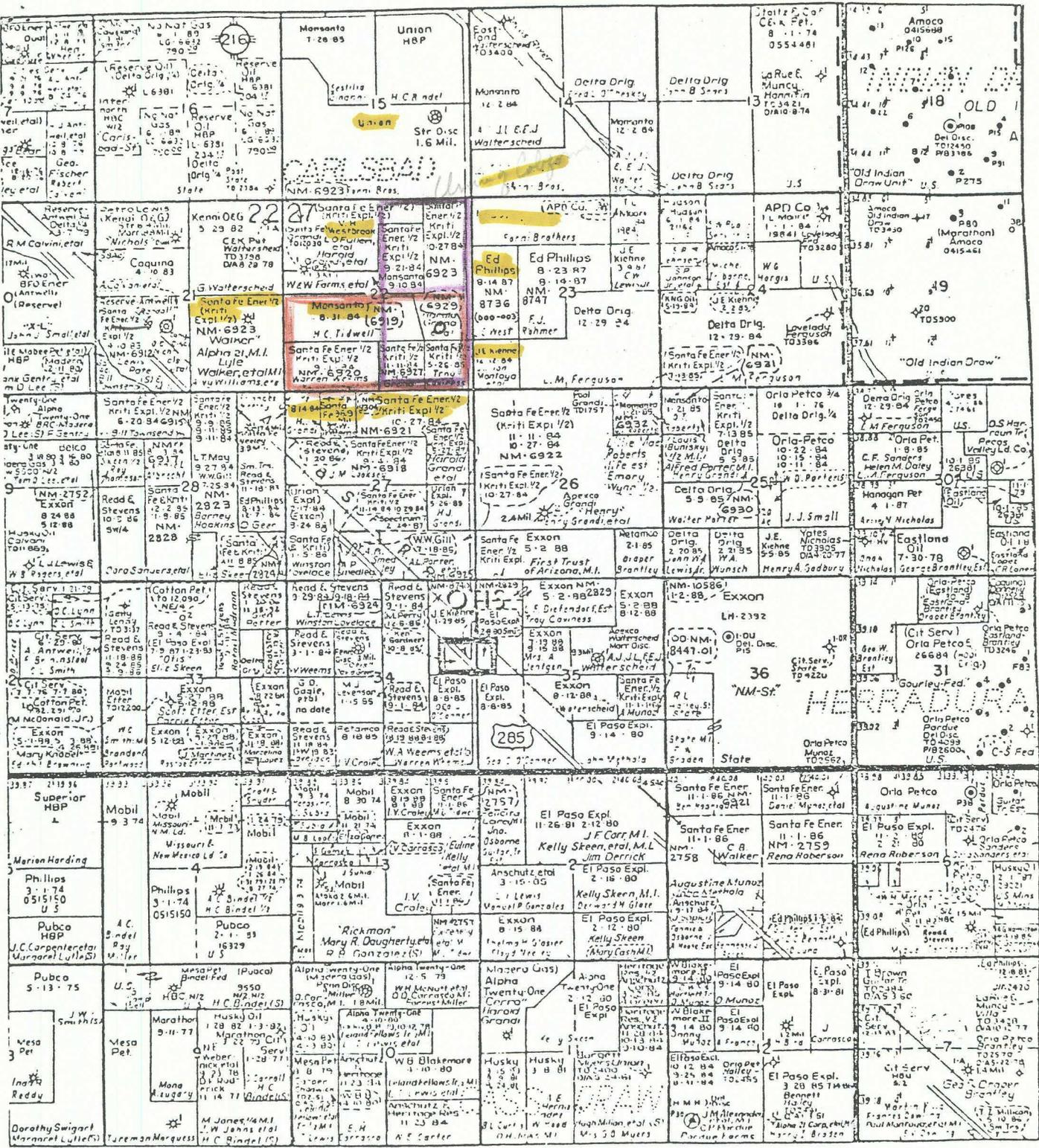
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By *David Walker*

Date 2/11/85

Title:
Company: Spectrum 7 Energy Corporation

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



- Strawn-Morrow Proration Unit
- Wolfcamp Proration Unit
- Location



SANTA FE ENERGY COMPANY
 PERMIAN BASIN DISTRICT
 MIDLAND, TEXAS

CARLSBAD AREA (16)
 Eddy Co., New Mexico

INDIAN DRAW PROSPECT
 (NM-23)

Scale: 1" = 4000'

DATE: 10-84

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

5A. Indicate Type of Lease
STATE FCC

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well 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"/>		8. Farm or Lease Name HENRY
2. Name of Operator Santa Fe Energy Company		9. Well No. 2
3. Address of Operator 500 W. Illinois, Suite 500, Midland, Texas 79701		10. Field and Pool, or Wildcat Undes. S. Carlsbad Mor...
4. Location of Well UNIT LETTER <u>I</u> LOCATED <u>990</u> FEET FROM THE <u>East</u> LINE AND <u>1570</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>22</u> TWP. <u>22S</u> RGE. <u>27E</u> NMPM		12. County Eddy
19. Proposed Depth 12,100		19A. Formation Morrow
20. Rotary or C.T. rotary		
21. Elevations (Show whether DF, RT, etc.) 3098.3	21A. Kind & Status Plug. Bond blanket-Current	21B. Drilling Contractor TBD
22. Approx. Date Work will start as soon as possible		

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"	48.0	200	210	surface
12-1/4"	10-3/4"	45.5	2100	540	surface
9-1/2"	7-5/8"	26.40 & 29.70	8960	410	6960
6-1/2"	5"	18.0	8660-12,100	580	8660

Move on location. Drill 17-1/2" hole to 200'. Run and cement 13-3/8" casing. WOC until 500 psi compressive strength obtained (Option 2). Nipple up annular preventor. Test preventor and casing to 600 psi. Drill 12-1/4" hole to 2100'. Run and cement 10-3/4" casing. WOC until 500 psi compressive strength obtained. Nipple up 5000psi BOP stack and choke manifold. Test to 1500 psi. Test casing to 1500 psi. Drill 9-1/2" hole to 8960'. Log. Run and cement 7-5/8" casing. WOC until 500 psi compressive strength obtained. Test BOP and choke manifold to 5000 psi. Drill 6-1/2" hole to 12,100'. Log. Run drillstem test if appropriate. Either plug and abandon or run and cement 5" liner.

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 Michael R. Burton Sr. Michael R. Burton Sr. Drilling Engineer Date 2/13/85

(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.

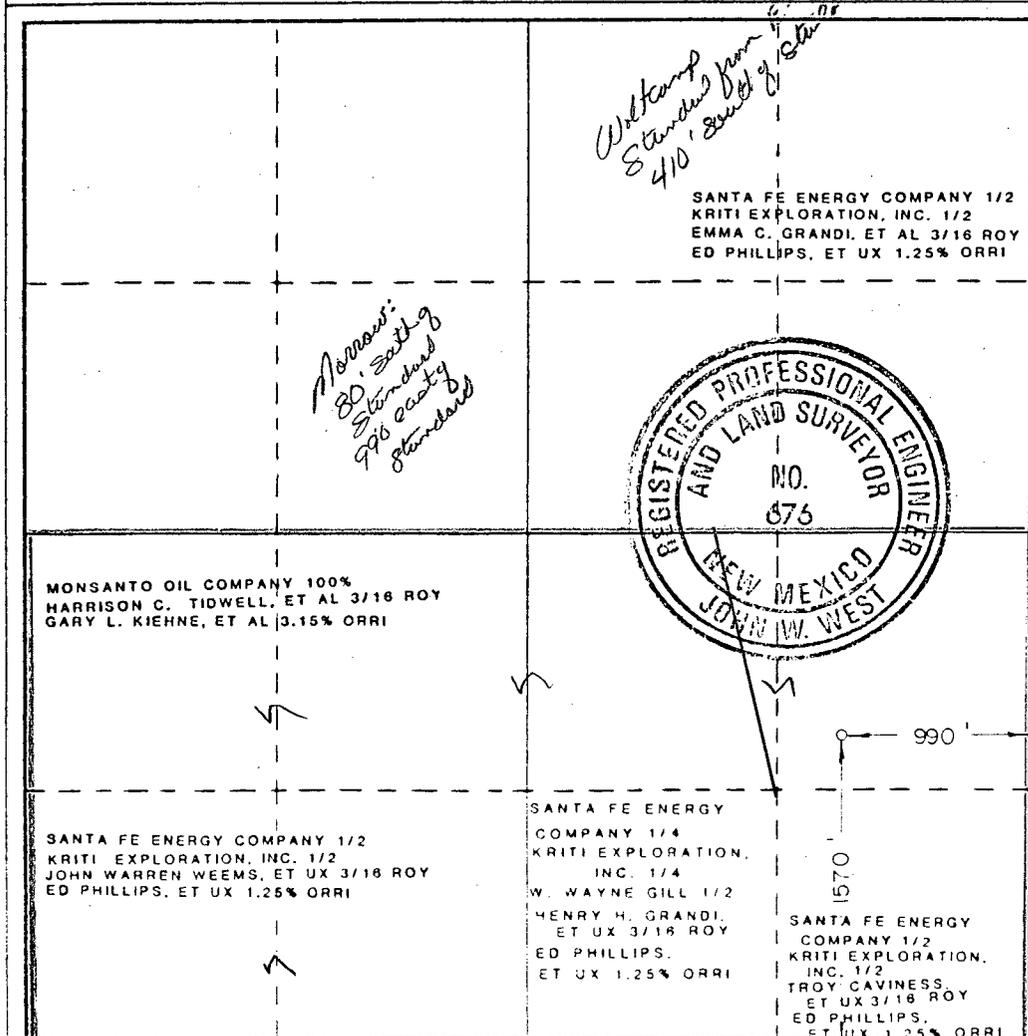
Operator SANTA FE ENERGY CO.		Lease HENRY			Well No. 2
Unit Letter I	Section 22	Township 22S	Range 27E	County EDDY	
Actual Footage Location of Well: 1570 feet from the SOUTH line and 990 feet from the EAST line					
Ground Level Elev. 3098.3	Producing Formation Morrow	Pool Undes. S. Carlsbad Morrow			Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Co.
Date	2/13/85

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	2/13/85
Registered Professional Engineer and/or Land Surveyor	<i>John W. West</i>

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

