

Release Immediately
No Offsets

By DEC

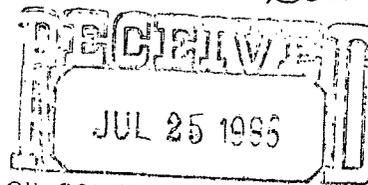
A. R. KENDRICK on behalf of S.E.R.H. Inc.

Box 516 • Aztec, New Mexico 87410 • (505) 334 2535

July 23, 1985

NSL-2104
RULE-104(AI)

Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501



OIL CONSERVATION DIVISION
SANTA FE

160 Acre dedication
SE14 Seduro 20

Re: Application for Non-Standard Location

Gentlemen:

We respectfully request approval of the non-standard location of the S.E.R.H., Inc. Navajo Nation 20 #1 well located 1190' FSL 2510' FEL of Section 20, T27N, R19W, a Beautiful Mountain Mississippian Gas Pool extension in San Juan County.

Division Order R-5745, dated June 15, 1978, resulting from Case No. 6240, approved the location for oil production from the Pennsylvanian formation (40 acres).

All wells shown on Exhibit B are operated by S.E.R.H., Inc. under an Operating Agreement with the minerals owner, the Navajo Tribe of Indians. Therefore, there are no offset operators. The Navajo Tribe of Indians has been notified of this application by certified mail with this mailing.

If further information is needed, please contact me.

Yours very truly,

AR Kendrick

A. R. Kendrick

160 Acres ded.
SE14

Enclosures

xc: Navajo Tribe of Indians
c/o Bureau of Indian Affairs
Navajo Area Office
Box M
Window Rock, Arizona 86515

Remarks: Division Order No. R-5745, dated June 15, 1978 approved this non-standard location for production in the Pennsylvanian Oil Pool. This order authorizes the non-standard location for the Beautiful Mountain Mississippian Gas Pool.

S.E.R.H., Inc.
Box 312
Otis, Kansas 67565

Oil Conservation Division,
1000 Rio Brazos Road
Aztec, New Mexico 87410

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6240
Order No. R-5745

APPLICATION OF BASS ENTERPRISES PRODUCTION
COMPANY FOR AN UNORTHODOX OIL WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 7, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of June, 1978, the Division Director,
having considered the testimony, the record, and the recommenda-
tions of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Bass Enterprises Production Company, seeks approval of an unorthodox oil well location for its Navajo 20 Well No. 1 to be drilled at a point 1190 feet from the South line and 2510 feet from the East line of Section 20, Township 27 North, Range 19 West, NMPM, to test the Barker Creek-Pennsylvanian formation, San Juan County, New Mexico.
- (3) That the SW/4 SE/4 of said Section 20 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.
- (6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic

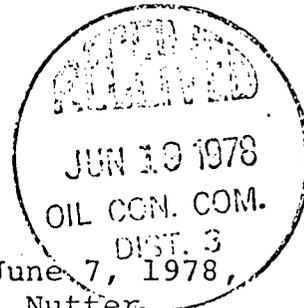


EXHIBIT A

Case No. 6240
Order No. R-5745

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.

IT IS THEREFORE ORDERED:

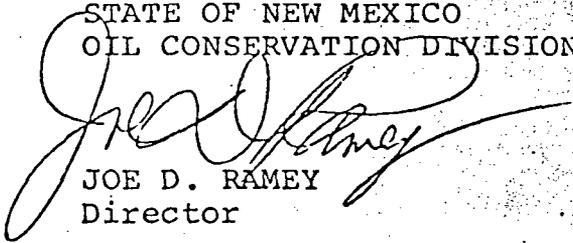
(1) That an unorthodox oil well location for the Barker Creek-Pennsylvanian Pool is hereby approved for the Bass Enterprises Production Company Navajo Well No. 1 to be drilled at a point 1190 feet from the South line and 2510 feet from the East line of Section 20, Township 27 North, Range 19 West, NMPM, San Juan County, New Mexico.

(2) That the SW/4 SE/4 of said Section 20 shall be dedicated to the above-described well.

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

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

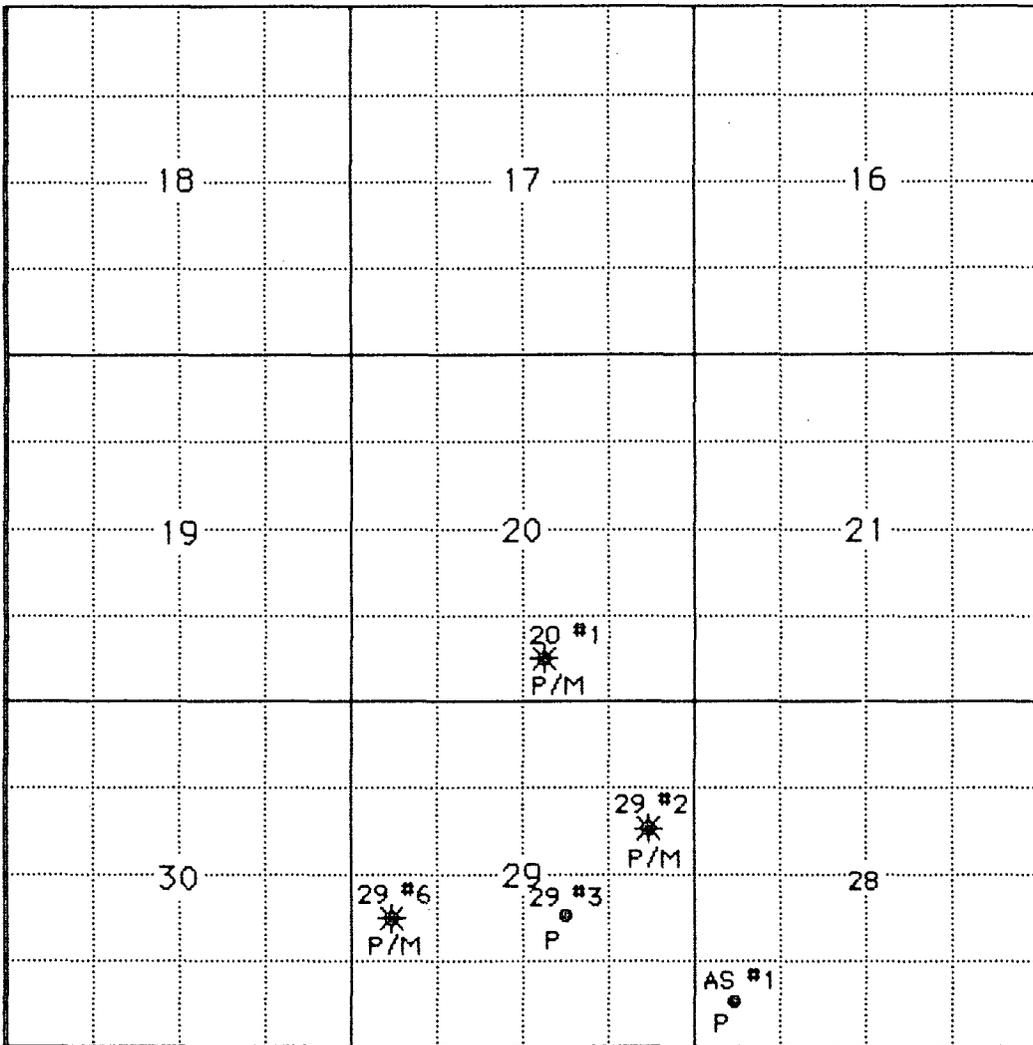
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/

R 19 W



LEGEND

- = OIL WELL
- ★ = OIL/GAS DUAL COMPLETION
- P = BIG GAP PENNSYLVANIAN OIL WELL
- P/M = BEAUTIFUL MOUNTAIN MISSISSIPPIAN GAS WELL

EXHIBIT B



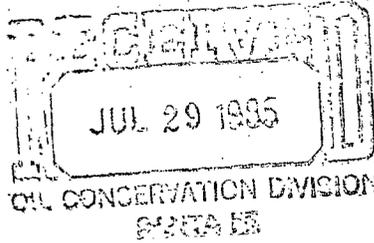
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 7-25-85



RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 7-24-85

for the J.E.R.H. Inc. Navajo Nation 20 #1 0-20-27N-19W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]