



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

August 30, 1990

Meridian Oil, Inc.
21 Desta Drive
Midland, TX 79705

Attention: Robert L. Bradshaw

*RE: Unorthodox gas well location, Farnsworth "4" Well No. 11,
480' FNL - 990' FWL (Unit D) 4-T26S-R37E, Rhodes
Yates Seven Rivers Gas Pool, Lea County, New Mexico.*

Dear Mr. Bradshaw:

In reviewing the subject application, it was found that Meridian intends to also complete the Farnsworth "4" Well No. 12 located 1650' FNL - 890' FWL (Unit E) of said Section 4 (see copy of C-103 and C-102 attached). Before I may proceed with processing your application, please inform me as to Meridian's intent with the Rhodes Pool in the NW/4 of this section at this time. I have also enclosed copies of Division Memorandums dated July 27, 1988 and August 3, 1990 which address the subject of having two wells dedicated to a single gas spacing unit in unprorated gas pools.

Should you have any questions, please contact me. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad

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OIL CONSERVATION DIVISION

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SANTA FE, NEW MEXICO 87504
(505) 827-5800

MEMORANDUM

TO: ALL OPERATORS
FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*
SUBJECT: RULE 104 C II OF THE GENERAL RULES AND
REGULATIONS
DATE: AUGUST 3, 1990

On July 27, 1988, we sent a memorandum to all operators to explain the Division's procedures for ensuring compliance with the above rule in handling applications for additional wells on existing proration units. The procedures are primarily applicable in unprorated gas pools.

The final paragraph of the July 27 memo reads as follows:

"Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced."

Additional explanation of the intent of the above paragraph is set out below:

Application to produce both wells continuously and concurrently will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

Requests to produce the wells alternately (one well shut-in while the other produces) may be submitted for administrative handling. The request should set out the length of the producing and shut-in cycles for each well (a one month minimum is suggested), the proposed method for ensuring compliance with the proposed producing and shut-in schedules, and the reasons for the request. Notice should be provided to offset operators in the usual manner, allowing a 20-day waiting period. The application should be sent to Santa Fe with a copy to the appropriate District office.



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OIL CONSERVATION DIVISION

GARREY CARRUTHERS
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SANTA FE, NEW MEXICO 87504
(505) 827-5800

MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: JULY 27, 1988

There has been some confusion about interpretation of the subject rule. In each paragraph of sections (a), (b) and (c) the rule states:

"Unless otherwise provided in special pool rules, each development well for a defined gas pool shall be located on a tract..."

My interpretation of this sentence is that each well is to be located on its own individual specified unit and an additional well is not authorized simply by meeting the set back requirements of the rule.

This interpretation is necessary to prevent waste from the drilling of unnecessary wells and to protect correlative rights of all parties in the pool. Since the prorated pools have special pool rules the subject rules have greater impact on unprorated gas. Unprorated does not mean unregulated. Allowables are not issued in unprorated pools and the only method available to protect correlative rights is the control of well density and locations. Added well density required because of special geological situations can be addressed by special pool rules after notice and hearing.

Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

dr/

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

CONSERVATION DIVISION
RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells) 3D-025-11938	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No. LC-054668	
7. Lease Name or Unit Agreement Name Farnsworth 4	
8. Well No. 12	
9. Pool name or Wildcat Rhodes (Yates Seven Rivers)	
10. Proposed Depth 2960'	
11. Formation Yates	
12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 2987' GR., 2993' DF.	
14. Kind & Status Plug. Bond Blanket	
15. Drilling Contractor FWA Drilling Co.	
16. Approx. Date Work will start 22 February 1990	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>					
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>					
2. Name of Operator Meridian Oil Inc.					
3. Address of Operator 21 Desta Dr., Midland, TX 79705					
4. Well Location Unit Letter E : 890 Feet From The West Line and 1650 Feet From The North Line Section 4 Township 26 South Range 37 East NMPM Lea County					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	335'	300 sx	Surface
7 7/8"	5 1/2"	14#	3285'	300 sx	1600'

The present productive zone is the Queen (perforated from 3222'-3229' w/28 shots). It was originally completed in 1961.

PROPOSAL: Set CIBP @ 2990' and dump bail 30' of cmt on top by wireline. Planned Yates perforations are 2800'-2910'; top of Yates is 2619' and top of Seven Rivers is 2845' by electric logs. Planned stimulation is by using 40,000 gal. CO2 foam w/55,000# sand pumped through 2 7/8" tubing w/a treating packer set @ 2700'.

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.

SIGNATURE Robert L. Bradshaw TITLE Sr. Staff Env./Reg. Spec. DATE 2/02/90

TYPE OR PRINT NAME Robert L. Bradshaw TELEPHONE NO. 915/686-5678

(This space for State Use)

APPROVED BY [Signature] DISTRICT 1 SUPERVISOR DATE FEB 08 1990

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

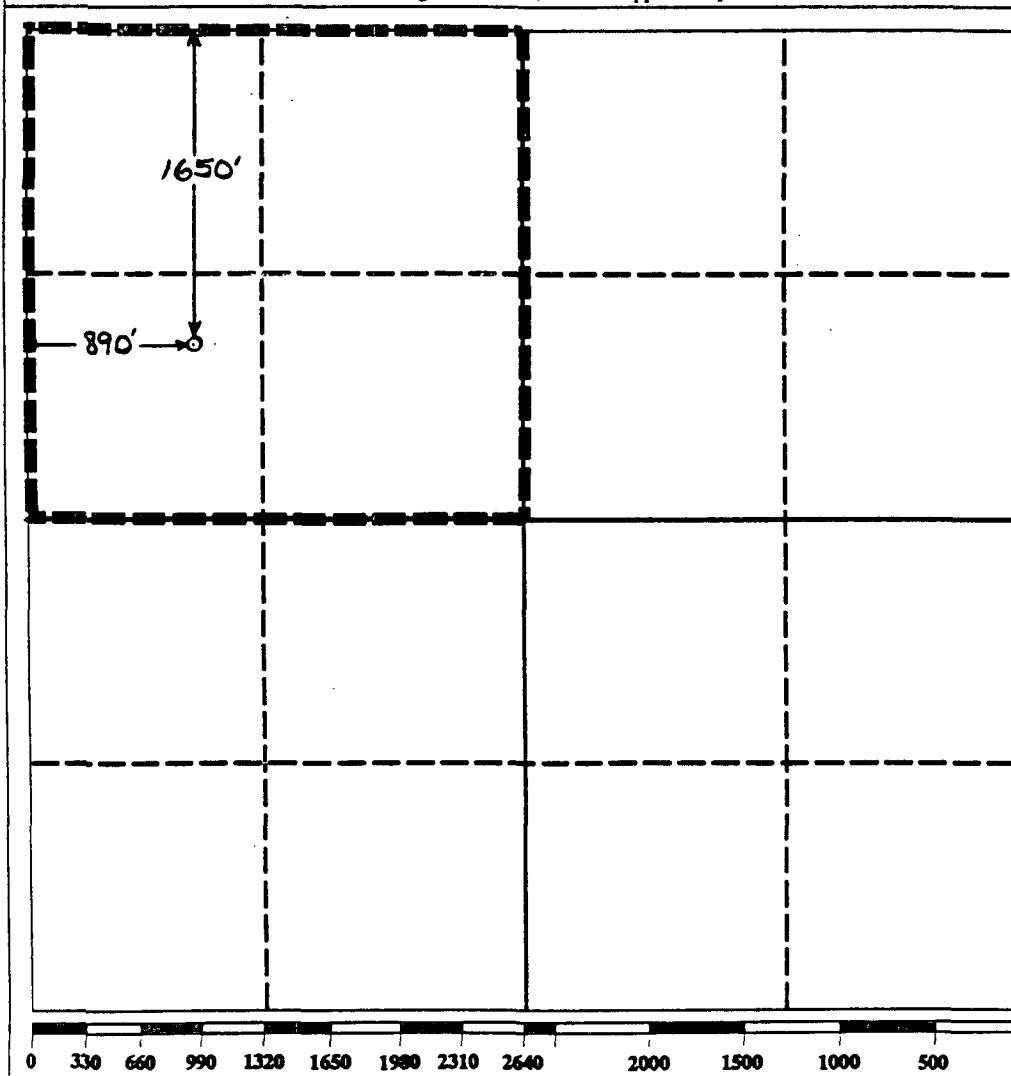
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.			Lease Farnsworth 4		Well No. 12
Unit Letter E	Section 4	Township 26 South	Range 37 East	County Lea	
Actual Footage Location of Well: 890 feet from the West line and 1650 feet from the North line					
Ground level Elev. 2987'	Producing Formation Yates		Pool Rhodes	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Robert L. Bradshaw
Signature

Robert L. Bradshaw

Printed Name

Sr. Staff Env./Reg. Spec.

Position

Meridian Oil Inc.

Company

05 February 90

Date

SURVEYOR CERTIFICATION

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

Signature & Seal of
Professional Surveyor

Certificate No.

0-711090-00

Farnsworth 4 #12
1650' FNL 890' FWL Sec. 4 26S 37E
Langlie Mattix TRvs Qn G+bg Field
Lea County, NM

2/1/90 bla

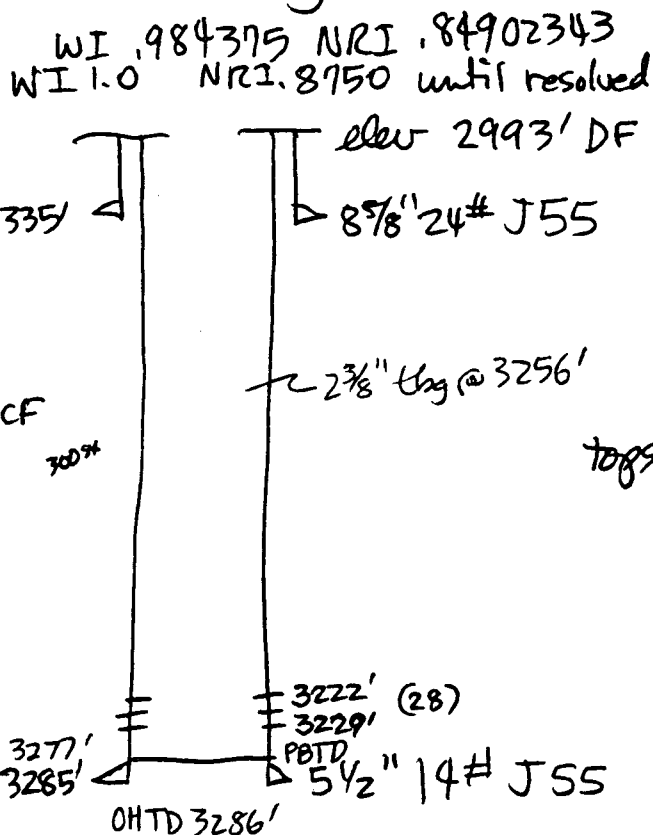
40 ac

dored 3220-86'
6/61 perf 3222'-3229' (28)
a 250 g MA
f 10 Mg / 10 M# sd

IP 86 BO 44 BW 28°
198 MCF

1975 TA'd 2.5 BO 96 BW 21 MCF

no CIP or CSG tests



tops Yates 2619'
7R 2845'
Qn 3221'

Lane Wells Logged

Yates porosity top 2619'

2800'-2824'	24'
2868'-2886'	18'
2890'-2910'	20'
	62'

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'90 SEP 10 AM 9 17

September 4, 1990

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Unorthodox Gas Well Location
Farnsworth "4" Well No. 11
480' FNL & 990' FWL Sec. 4, T26S, R37E
Rhodes (Yates, 7 Rivers)
Lea County, NM

Dear Mr. Stogner:

I have received your August 30, 1990, letter regarding the above referenced application. Our current plans are to recomplete Well No. 11 and, if successful, plug and abandon (P & A) Well No. 12. All data indicates Well No. 11 will be successful; therefore, I request you continue processing the referenced application, noting our intent to P & A Well No. 12.

If you need other information, please contact me at (915) 686-5678.

Sincerely,



Robert L. Bradshaw
Sr. Staff Env./Reg. Specialist

RLB/bn

xc: Well File
B.L. Adams
D.D. McBee



OIL CONSERVATION DIVISION
RECEIVED

'90 SEP 20 AM 8 41

September 17, 1990

Mr. Mike Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

SE

Re: Unorthodox Location
Farnsworth "4" NO. 11
Unit D, Sec. 4, T26S, R37E
Lea County, NM

NSL-2886

Dear Mr. Stogner:

By letter dated August 24, 1990, I requested authorization to recomplete the referenced well in what will be an unorthodox location. The only offset operator is Chevron, U.S.A., Inc. Attached is a waiver of objection statement signed by Chevron.

If you need anything else to complete this request, please contact me at (915) 686-5678.

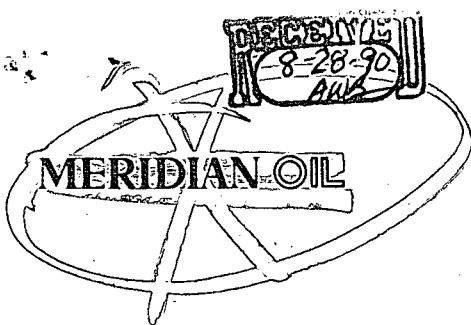
Sincerely,

Robert L. Bradshaw
Senior Staff Env/Reg Specialist

RLB/bn

attachments

xc: Well File
D.D. McBee
OCD - Hobbs



August 24, 1990

OIL CONSERVATION DIVISION
RECEIVED
'90 SEP 19 AM 8 38

SE

Mr. A.W. Bohling
Chevron, U.S.A., INC.
P.O. Box 1150
Midland, TX 79702

Re: Unorthodox Location
Farnsworth "4" NO. 11
Unit D, Sec. 4, T26S, R37E
Lea County, NM

Dear Mr. Bohling:

Meridian Oil Inc. proposes to recomplete the referenced well from the Langlie Mattix (7R, Q, GB) to the Rhodes (Yates, 7R). When this is accomplished, the location which is 480' FNL and 990' FWL will become an unorthodox location. We are requesting the Oil Conservation Division to administratively approve this unorthodox location. As the only off-set operator to this proration unit, I am requesting you to sign three (3) copies of the waiver and return them to me in the attached self-addressed/stamped envelope.

If you have any question, please contact me at (915) 686-5678.

Sincerely,

Robert L. Bradshaw
Sr. Staff Env./Reg. Specialist

RLB/bn

enclosure
attachment (3)

xc: Well File
OCD - Santa Fe
D.D. McBee

August 24, 1990

Mr., Mike Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Unorthodox Location
Farnsworth "4" No. 11
Unit D, Sec. 4, T26S, R37E
Lea County, NM

Dear Mr. Stogner:

Chevron, U.S.A., Inc. has been notified by Meridian Oil Inc. that their plans to recomplete the referenced well from the Langlie Mattix (7R, Q, GB) to the Rhodes (Yates, 7R) will result in an unorthodox location. As an off-set operator, we waive objections to the Oil Conservation Division administratively approving the unorthodox location as requested.

Sincerely,

Chevron, U.S.A., Inc.

by: Alan W. Bohling - Production Engineer
date: September 17, 1990

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 28 AM 9 35

August 24, 1990

Mr. Mike Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Unorthodox Location
Farnsworth "4" NO. 11
Unit D, Sec. 4, T26S, R37E
Lea County, NM

Dear Mr. Stogner:

The referenced well is currently completed in the Langlie Mattix (7R, Q, GB) in an orthodox location. We propose to recompleate the well in the Rhodes (Yates, 7R). Rule 104.C.II(a) requires a gas well to be located "...not closer than 660 feet to any outer boundary...". This well is 480' from the north line of Sec. 4 and is, therefore, unorthodox.

There are no other wells in the NW/4 of Sec. 4 that are completed in the Rhodes (Yates, 7R). We are our own off-set in all but one area - the SE/4 of Sec. 32 to the northwest of this proration unit. That operator will be notified of this application by certified mail (copy attached). I am also attaching a well bore diagram and brief history of the well. An application to plug back and recompleate the well has been sent to the Bureau of Land Management in Carlsbad, New Mexico.

If other information is needed, please contact me at (915) 686-5678.

Sincerely,



Robert L. Bradshaw
Senior Staff Env/Reg Specialist

RLB/bn

attachments

xc: Well File
D.D. McBee

MERIDIAN OIL

August 24, 1990

Mr. A.W. Bohling
Chevron, U.S.A., INC.
P.O. Box 1150
Midland, TX 79702

Re: Unorthodox Location
Farnsworth "4" NO. 11
Unit D, Sec. 4, T26S, R37E
Lea County, NM

Dear Mr. Bohling:

Meridian Oil Inc. proposes to recomplete the referenced well from the Langlie Mattix (7R, Q, GB) to the Rhodes (Yates, 7R). When this is accomplished, the location which is 480' FNL and 990' FWL will become an unorthodox location. We are requesting the Oil Conservation Division to administratively approve this unorthodox location. As the only off-set operator to this proration unit, I am requesting you to sign three (3) copies of the waiver and return them to me in the attached self-addressed/stamped envelope.

If you have any question, please contact me at (915) 686-5678.

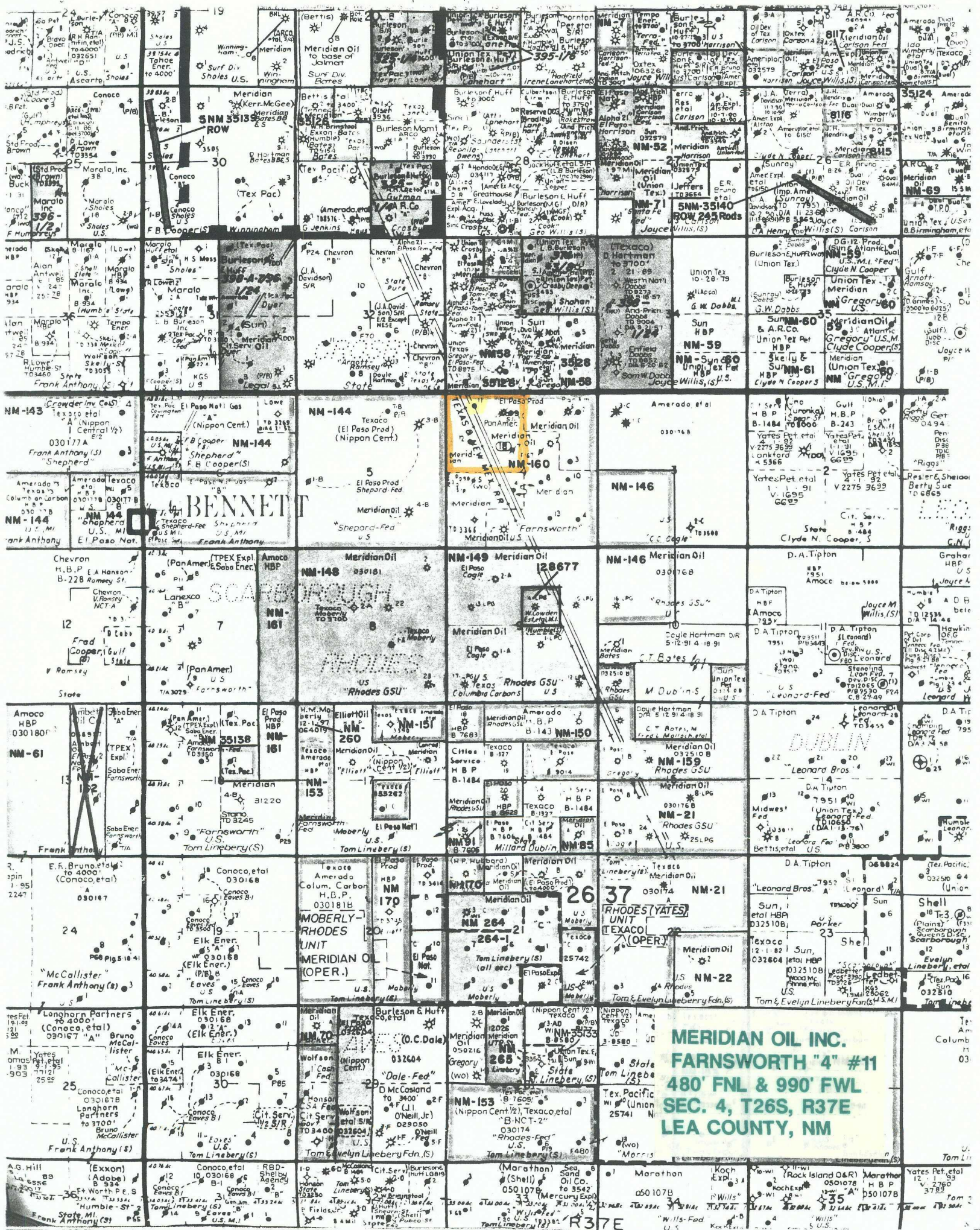
Sincerely,

Robert L. Bradshaw
Sr. Staff Env./Reg. Specialist

RLB/bn

enclosure
attachment (3)

xc: Well File
OCD - Santa Fe
D.D. McBee



Farnsworth 4 #11
 480' FNL 990' FWL Sec. 4 T26S 37E
 Langlie Matrix TRVs on Grly Field
 Lea County, NM

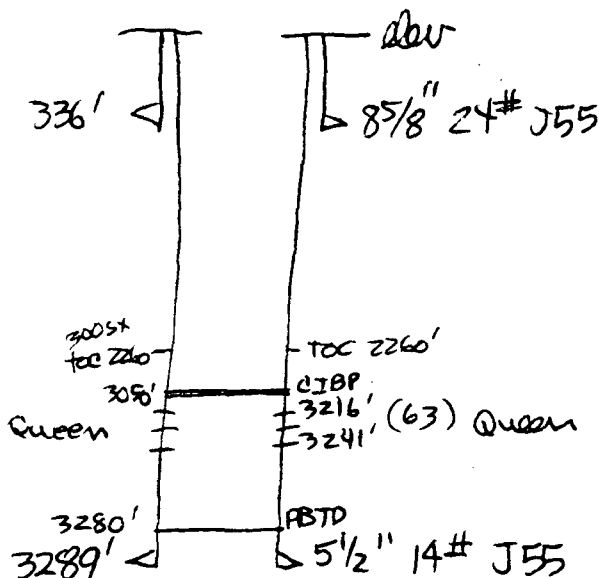
2/1/90 bla

0-711091-00

WI .984375 NRI .84902343

40 ac

5/61 perf 3216-22' (22) 4sgf
 3230-41' (41)
 a 500g mud acid @ 1000psi
 f 20Mg 20M# sd 34bpm
 3000psi
 IP ES BO 26 BW 107 MCF
 29.7°



Yates top 2614'
 712 2856'
 Queen 3212'

968 TA'd notly in hole

3/83 set pkr 3210' PI 2bpm 200psi
 csg holes 3114'-3177'

3/83 pkr @ 2924' csg above tstd to 500psi

8/83 102 jt lbg SN 3242 P 6 BO 120 BW OMCF
 statz FL 1509' from surface
 pumping FL 843' above SN

9/83 set CIBP @ 3050' tstd tstd wtr

Yates top 2613'

Yates porosity

2804'-2848'	42'
2880'-2894'	14'
2900'-2920'	20'
	<hr/> 76'