

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

February 14, 1994

FACSIMILE (915) 688-1514

State of New Mexico
Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, NM 87501
ATTN: William LeMay, Director

FEB 15 1994

**REF: Non-Standard Location
State K #11**

Und. **Vacuum (Drinkard) Pool
Lea County, New Mexico**

Dear Mr. LeMay:

As per our conversation February 11, subject well information is being furnished to start the 20 day clock for approval of a non-standard location. Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting authority to complete the subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

The following items are being submitted in triplicate, in support of this request:

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. requests this non-standard location be administratively approved.



**Environmental
Awareness**

The offset operators are being furnished a copy of this application by certified mail as their notification and a request for waivers is also being made at this time to reduce the 20-day waiting period.

If there is any question, please contact me at 915-688-2584.

Sincerely,

A handwritten signature in cursive script, reading "Kaye Pollock-Lyon".

Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures, certified)

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

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)

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type Of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

STATE K

2. Name of Operator

MOBIL PRODUCING TX & NM INC.*

8. Well No.

11

3. Address of Operator

*MOBIL EXPLORATION & PRODUCING US INC AS AGENT FOR MPTM, BOX

9. Pool name or Wildcat

VACUUM (DRINKARD)

4. Well Location

Unit Letter I : 1400 Feet From The SOUTH Line and 360 Feet From The EAST Line

Section 31

Township 17-S

Range 35-E

NMPM LEA

County

10. Proposed Depth
8200

11. Formation
DRINKARD

12. Rotary or C.T.
ROTARY

13. Elevations (Show whether DF, RT, GR, etc.)
GL - 3974

14. Kind & Status Plug. Bond

15. Drilling Contractor

16. Approx. Date Work will start
02-20-94

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11	8-58	24	1480	450 CL C	
7-7/8	5-1/2	17	8150/8200	920 CL H	

SEE ATTACHED DRILLING SUMMARY, CASING DIAGRAM AND CEMENT DETAIL FOR
ADDITIONAL INFORMATION

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

Kaye Pollock-Lyon

TITLE

ENV. & REG. TECHNICIAN

DATE

02-09-94

TYPE OR PRINT NAME

KAYE POLLOCK-LYON

TELEPHONE NO. 915-688-258

(This space for State Use)

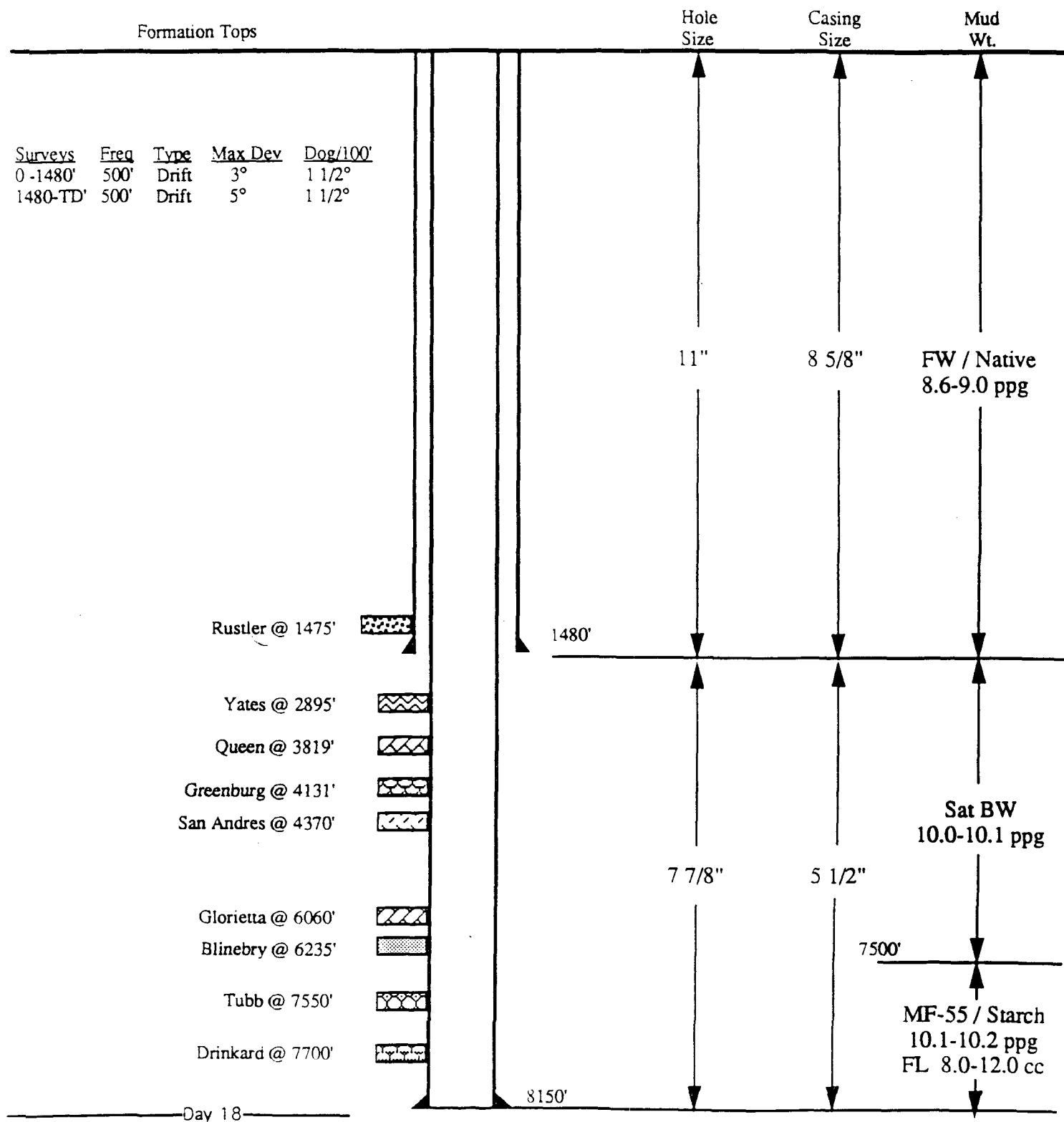
APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

State "K" #12, #11 DRILLING SUMMARY

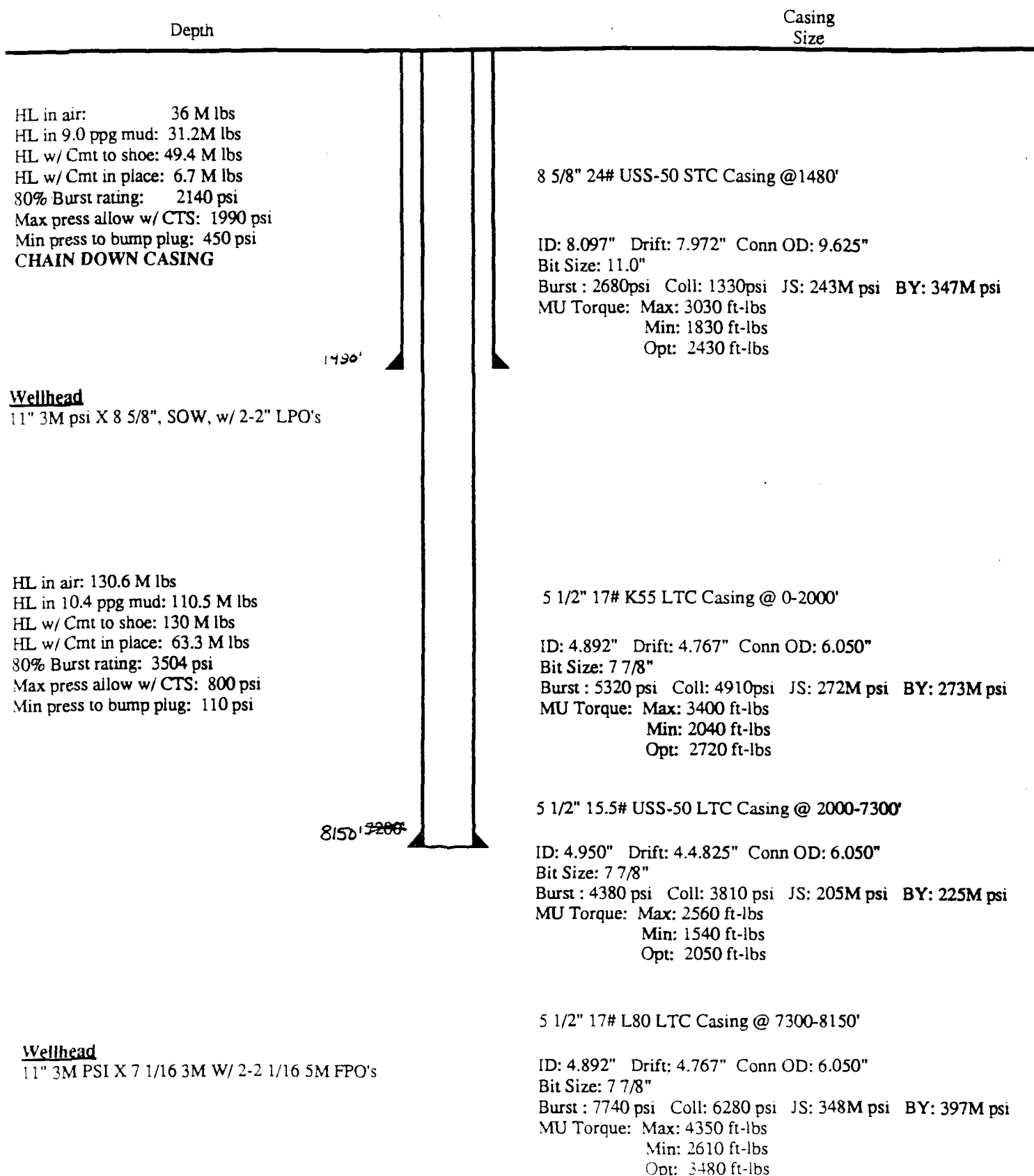


Log Type	Interval
CNL-ARI	6000-TD
FMI	7700-TD
Sonic-Cal	TD- Surri

Mud Logger
5000'-TD

STATE "K" #12, #11

CASING DIAGRAM



STATE "K" #12, #11

CEMENTING DETAIL

SURFACE

8 5/8" 24# USS-50 STC Casing @ 1480'

Casing Running Order

- Float Shoe
- 1 jt 8 5/8" casing
- Float Collar (Thread Lock from FC down)

Centralizers:

- 1 - 5' above shoe
- 1 - 5' float collar
- 1 - every fourth collar to Surface
- Total: 11- centralizers
- 2-stop collars

Surface

Spacer: 25 bbls FW

*Lead: 250 sx "C" + 4% D20 + 2% S1 + 0.25 pps D29

*Tail: 200 sx "C" + 2% S1 + 0.25 pps D29

	<u>Lead</u>	<u>Tail</u>
Weight (ppg)	13.5	14.8
Yield (cf/sx)	1.74	1.32
Mix Water (gps)	9.11	6.32
Thick Time (hrs:min)	≥ 3:20	≥ 2:00
Free Water (cc/30 min)	≤ 1%	≤ 1%
Fluid Loss (cc's)	NC	NC
12 Hr Comp Strength	≥ 500	≥ 700
72 Hr Comp Strength	≥ 1500	≥ 1500
Top of Cement	0	500'

* Est. volumes based on gauge hole + 100% excess.
Run fluid or mechanical caliper to determine exact volumes.

- 1) Chain Down Casing
- 2) Circ. one hole vol. prior to cementing.
- 3) Displace cement w/ FW @ 6-7 bpm. **DO NOT OVERDISPLACE**
- 4) If cement does not circ. to surface, contact Drlg. Supt. and the NMOC.
- 5) Test casing to 1500 psi.
- 6) **WAIT MIN 8 HRS PRIOR TO DRILL OUT**

PRODUCTION

5 1/2" 17 K55 LTC Casing @ 0-2000'
5 1/2" 15.5# USS50 STC Casing @ 2000-7300'
5 1/2" 17# L80 LTC Casing @ 7300-8150'

Casing Running Order

- Float Shoe
- 2 jts 5 1/2" casing
- Float Collar (Thread Lock from FC down)

Centralizers:

- 1 - 5' above shoe
- 1 - 5' above float collar
- 1 - every third collar
- Total: 27- centralizers
- 2- stop collars

Production

Spacer: 25 bbls FW

**Lead: 670 sx 35/65 (Poz/H) + 6% D20 + 5% D44 + 0.25 pps D29

**Tail: 250 sx "H" + .025 pps D29

	<u>Lead</u>	<u>Tail</u>
Weight (ppg)	12.8	16.4
Yield (cf/sx)	1.96	1.06
Mix Water (gps)	10.46	4.34
Thick Time (hrs:min)	≥ 3:00	≥ 2:39
Free Water (cc/30 min)	≤ 1%	≤ 1%
Fluid Loss (cc's)	NC	NC
12 Hr Comp Strength	≥ 400	≥ ***
72 Hr Comp Strength	≥ ***	≥ ***
Top of Cement	3700'	7500'

** Est volumes based on gauged hole size or 50% excess. Run log caliper for actual volumes. Use 25% excess for open hole x 5 1/2" casing annulus.

- 1) Reciprocate casing 15'-20' while conditioning hole
- 2) Circ. one hole vol. prior to cementing.
- 3) Displace cement w/ FW @ 4-6 bpm. **DO NOT OVERDISPLACE**
- 4) WOC 8 hrs. ND BOP & cut casing to install tubing head.

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

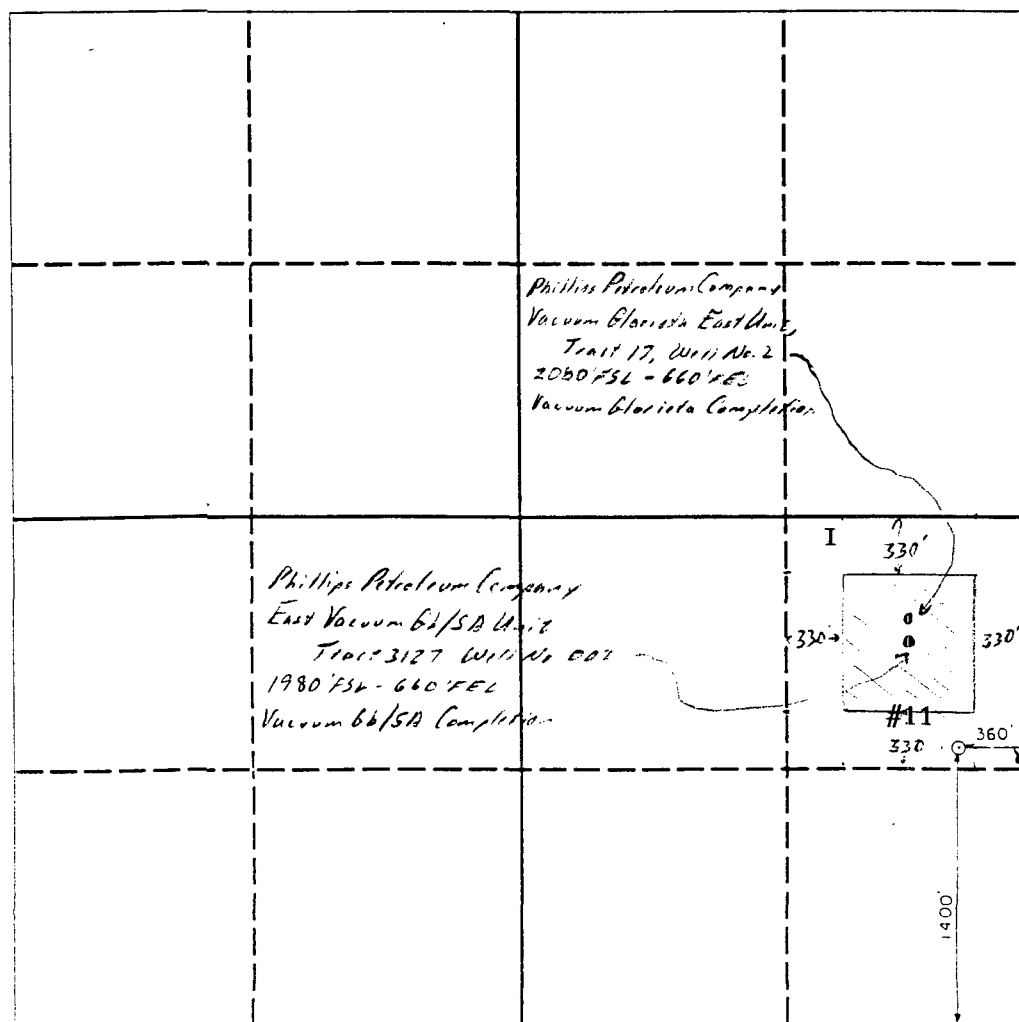
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Mobil Exploration & Producing, U.S.			Lease State "k"		Well No. 11
Unit Letter I	Section 31	Township 17-S	Range 35-E	County NMPM	Lea
Actual Footage Location of Well: 1400 feet from the South line and 360 feet from the East line					
Ground level Elev. 3974'	Producing Formation Drinkard		Pool Vacuum	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 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.

Kaye Pollock-Lyon
Signature

Kaye Pollock-Lyon

Printed Name

Env & Reg Technician

Position Mobil Prod TX & NM Inc.*

*Mobil Expl & Prod US Inc. as

Company agent for MPTM

Date

02-14-94

SURVEYOR CERTIFICATION

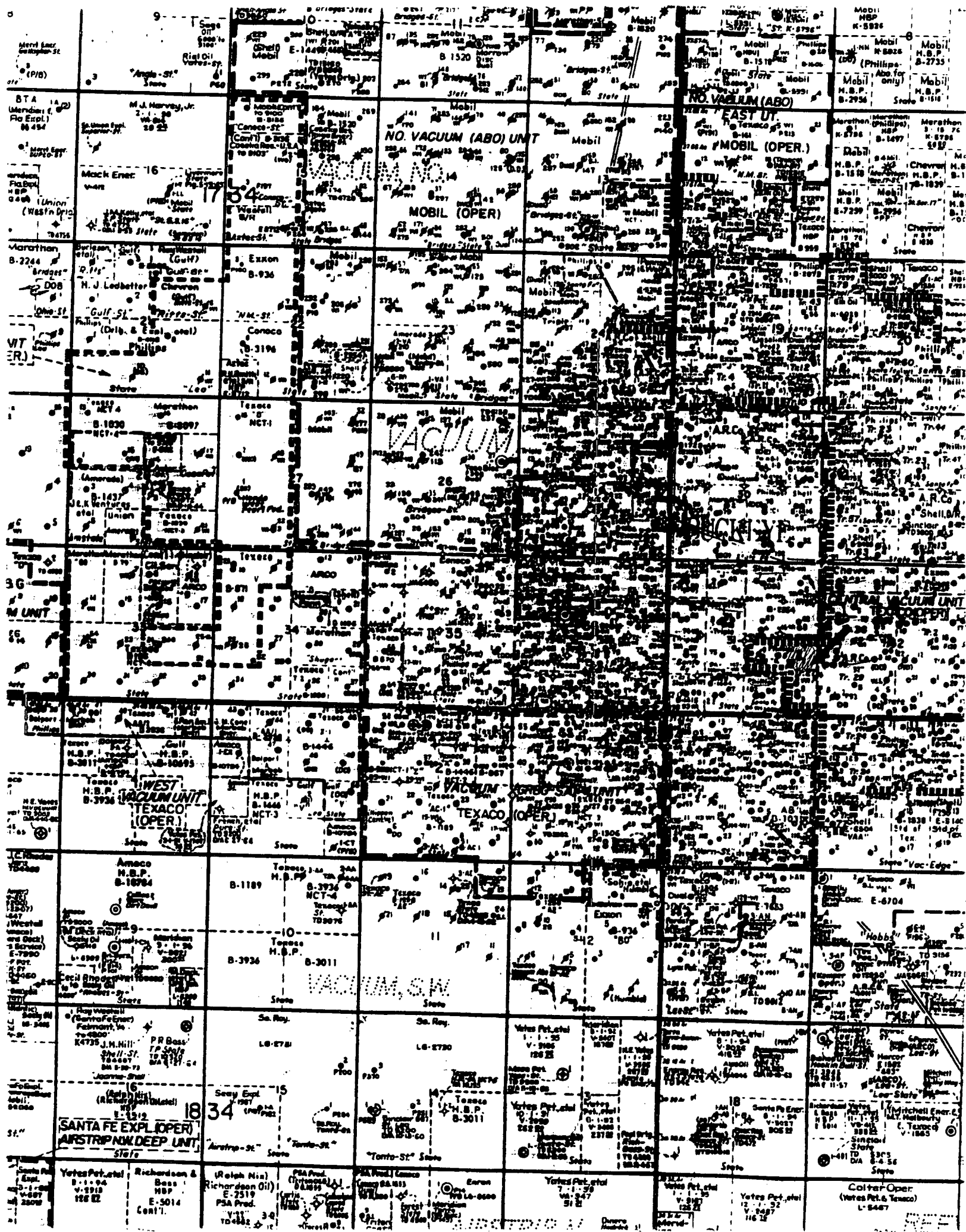
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

January 21, 1994

Signature & Seal of
Professional Surveyor

J. A. Newton
Certificate No.
5109



Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

Certified Mail # P 322 152 764
Mailed 02-14-94

February 14, 1994

FACSIMILE (915) 688-1514

Phillips
4001 Penbrook Avenue
Odessa, TX 79762
ATTN: James Welin

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear James:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

Attached are the following items for your review in support of this request.

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Phillips agrees there is no objection to subject well being drilled as a non-standard location.

Phillips

Date: _____

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

Certified Mail # P 322 152 765
Mailed 02-14-94

February 14, 1994

Marathon
P.O. Box 552
Midland, TX 79702-0552
ATTN: W.L. Ransbottom

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Mr. Ransbottom:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

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Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

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If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Marathon agrees there is no objection to subject well being drilled as a non-standard location.

Marathon

Date: _____

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

Certified Mail # P 322 152 766
Mailed 02-14-94

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

February 14, 1994

Texaco
P.O. Box 3109
Midland, TX 79702
ATTN: David Kane

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear David:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

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Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Texaco agrees there is no objection to subject well being drilled as a non-standard location.

Texaco

Date: _____

Mobil Exploration & Producing U.S. Inc.

Certified Mail # P 322 152 767
Mailed 02-14-94

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

February 14, 1994

Chevron
P.O. Box 1150
Midland, TX 79702
ATTN: A.W. Bohling

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Mr. Bohling:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

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Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Chevron agrees there is no objection to subject well being drilled as a non-standard location.

Chevron

Date: _____

Mobil Exploration & Producing U.S. Inc.

Certified Mail # P 322 152 768
Mailed 02-14-94

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

February 14, 1994

Shell
P.O. Box 576
Houston, TX 77001
ATTN: Donnie Champlin

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Mr. Champlin:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

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**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

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Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Shell agrees there is no objection to subject well being drilled as a non-standard location.

Shell

Date: _____

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

Certified Mail # P 322 152 769
Mailed 02-14-94

February 14, 1994

ARCO
P.O. Box 1610
Midland, TX 79702
ATTN: Thaila Gilbs

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Ms. Gilbs:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

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**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

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Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, ARCO agrees there is no objection to subject well being drilled as a non-standard location.

ARCO

Date: _____

3971T

OW

3970

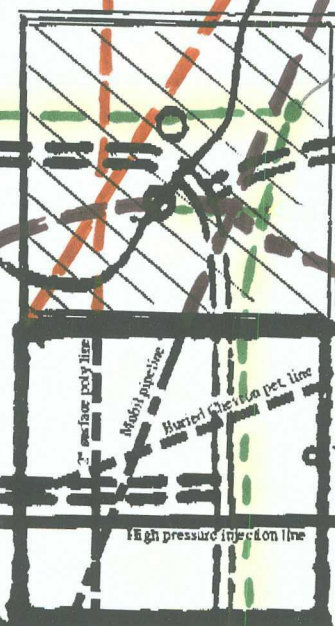
31

RED = 2" POLY LINE
GREEN = HI LINE
BROWN = PIPE LINE

RED
RED
BROWN
GREEN
BROWN

PHILLIPS
PIPELINE
BROWN

State K: #11



3973

AT 175

+ 3966



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

February 17, 1994

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

Mobil Exploration and Producing U.S., Inc.
P.O. Box 633
Midland, TX 79702-0633

Attention: Kay Pollock-Lyon

**RE: Administrative application for unorthodox oil well location. State "K"
Well No. 11, 1400' FSL - 360' FEL (Unit I) of Section 31, Township 17
South, Range 35 East, NMPM, Undesignated Vacuum Drinkard Pool,
Lea County, New Mexico.**

Dear Mrs. Pollock-Lyon:

Your application for the subject well was received by the Division on February 15, 1994. The required twenty-day waiting period will lapse on March 7, 1994, provided your application is complete. My initial review of the application indicates additional information will be required before this application can be released.

Attached is a copy of Division Memorandum No. 1-90 indicating the required information needed to adequately process your request.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
Jim Morrow, Chief Engineer - OCD Santa Fe



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

No. 1-90

MEMORANDUM

TO: All Operators

FROM: William J. LeMay, Director *WJL*

SUBJECT: Administrative Applications for Unorthodox Locations

DATE: March 21, 1990

Division Memorandum No. 3-89, dated March 24, 1989, advised the industry that the OCD would no longer automatically approve unopposed unorthodox location applications. Unorthodox locations can be approved administratively in accordance with the Rules and Regulations or applicable special pool rules if surface conditions truly prevent the use of a legal location and if directional drilling to a legal location is not feasible.

Topographic conditions which will be considered to justify an unorthodox location include such traditional factors as terrain features (steep slopes, arroyos, etc.) which make drilling impractical. In addition, approval may be given to avoid archeological sites which may not be disturbed without substantial mitigation, incompatible surface uses such as buildings, recreation areas, etc. Applications should fully document the reason an unorthodox location is required.

The attached guidelines state the minimum information which should be submitted with applications for administrative approval of unorthodox locations. Failure to provide the necessary information will probably result in processing delays.

If the surface of the proration unit or proposed drill site is controlled by a Federal Surface Management Agency, a copy of the application must be sent to the appropriate agency office.

If there are legal locations within the proration unit which are drillable, but the operator chooses not to drill those locations for geological reasons the application cannot be approved administratively and a hearing will be required.

NEW MEXICO OIL CONSERVATION DIVISION

SUBMITTAL GUIDELINES FOR ADMINISTRATIVE APPROVAL OF NON-STANDARD LOCATION APPLICATIONS

- I. If the well is located on Federal or Indian Lands, the Federal Surface Management Agency must be notified and an on-site inspection conducted prior to filing the application. If an Application for Permit to drill or a Notice of Staking has been prepared, a copy must be submitted.
- II. Completed C-102 showing the well location, proration unit, leases within the unit and other required information.
- III. Land plat showing offset operators and working interest owners and any offsetting wells producing from the same pool or formation.
 - A. This information may be shown on the topo map if it does not impair the readability of the map.
 - B. The operator should certify that the information is current and correct.
- IV. **Original or clear copy of topographic map, preferably 7.5 minute quad, showing contours and other mapped features impacting the location, with the following information marked thereon (In order to be able to adequately show all of the necessary surface conditions it may be necessary to enlarge the relevant portion of the topo map to provide room for detail):**
 - A. The proposed well location and proration unit;
 - B. An outline of the orthodox drilling windows as provided in the applicable rules for the subject application;
 - C. The location of any wells to any formation within the area of the proration unit and a statement as to whether an existing pad can be ~~used to drill the proposed well~~;
- V. **An enlargement of the topo map showing the subject area with the applicable additional information:**
 - A. ~~Terrain features~~ not shown on the map which make an orthodox location unusable;
 - B. Proposed access roads and pipelines if they affect the location selection;
 - C. The location of any surface uses which prevent use of a legal location;

- D. The location of any archeological sites identified in the archeological survey;
 - E. The location and nature of any other surface conditions which prevent the use of an orthodox location.
-
- VI. If archeological sites are a reason for the unorthodox location request, a copy of the archeological survey, or a summary, identifying sites which cannot be disturbed or which must have any disturbance mitigated. In addition, the location of such areas should be marked on the enlarged topo so they can be clearly identified.
 - VII. A narrative report of any on-site inspection of the potential locations. If such on-site has resulted in elimination of legal locations due to surface conditions, such information should also be noted on the enlarged topo.
 - VIII. A statement of why directional drilling to reach a legal bottom-hole location is not feasible.
 - IX. An affidavit that notice has been sent to all parties entitled thereto, under the Divisions Rules and Regulations with return receipt cards showing date of receipt of notice.

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

February 22, 1994

State of New Mexico
Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, NM 87501
ATTN: Michael E. Stogner

**REF: Non Standard Location
State K #11
Vacuum (Drinkard) Pool
Lea County, New Mexico**

Dear Michael:

As per your request dated February 17, 1994, the following information and attachments for above referenced non-standard well location are furnished:

Surface Location construction map, dated 01-19-94, by Michael J. Newton, Surveyor, indicating interfering pipelines, lease roads, pit constraints

Directional drilling would be cost prohibitive:

Current Drilling Costs for non-standard location: \$315,000

vs

Directional Drilling Cost Estimate for standard location: 395,000

An Additional Cost of 80,000

Topo map of surface, showing roads/pipelines and also terrain features which make an orthodox location inaccessible

Waivers from all offsets giving their approval to this application without 20 day waiting period

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing Texas and New Mexico Inc. is currently drilling the State K #12 and has the same rig scheduled to move on

94 FEB 23 PM 8 39
RECEIVED
OIL CONSERVATION DIVISION



**Environmental
Awareness**

this location if timing is justifiable. We would appreciate any assistance in getting this application processed as quickly as possible, due to the rig availability.

If there is any question, please contact me at 915-688-2584.

Sincerely,



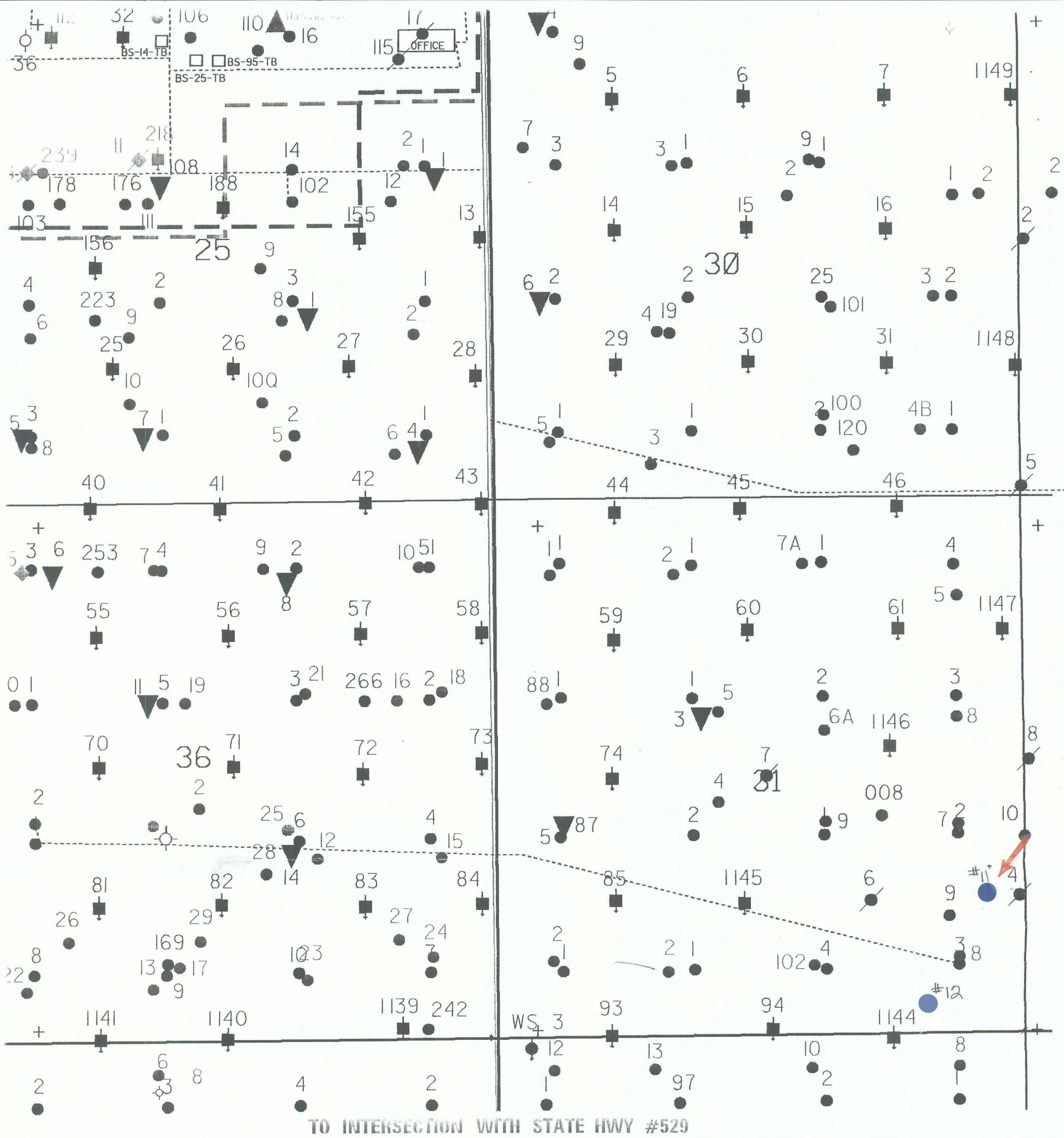
Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s

Attachments

OIL CONSERVATION DIVISION
RECEIVED
FEB 28 AM 8 39 '94



Legend

- San Andres
- Glorietta
- ◆ Blinebry
- Abo
- ▼ Wolfcamp
- ▲ Upper Penn
- Middle Penn
- ☼ Atoka
- ☼ Atoka Morrow

Mobil Exploration & Producing U.S. Inc.
Midland Division

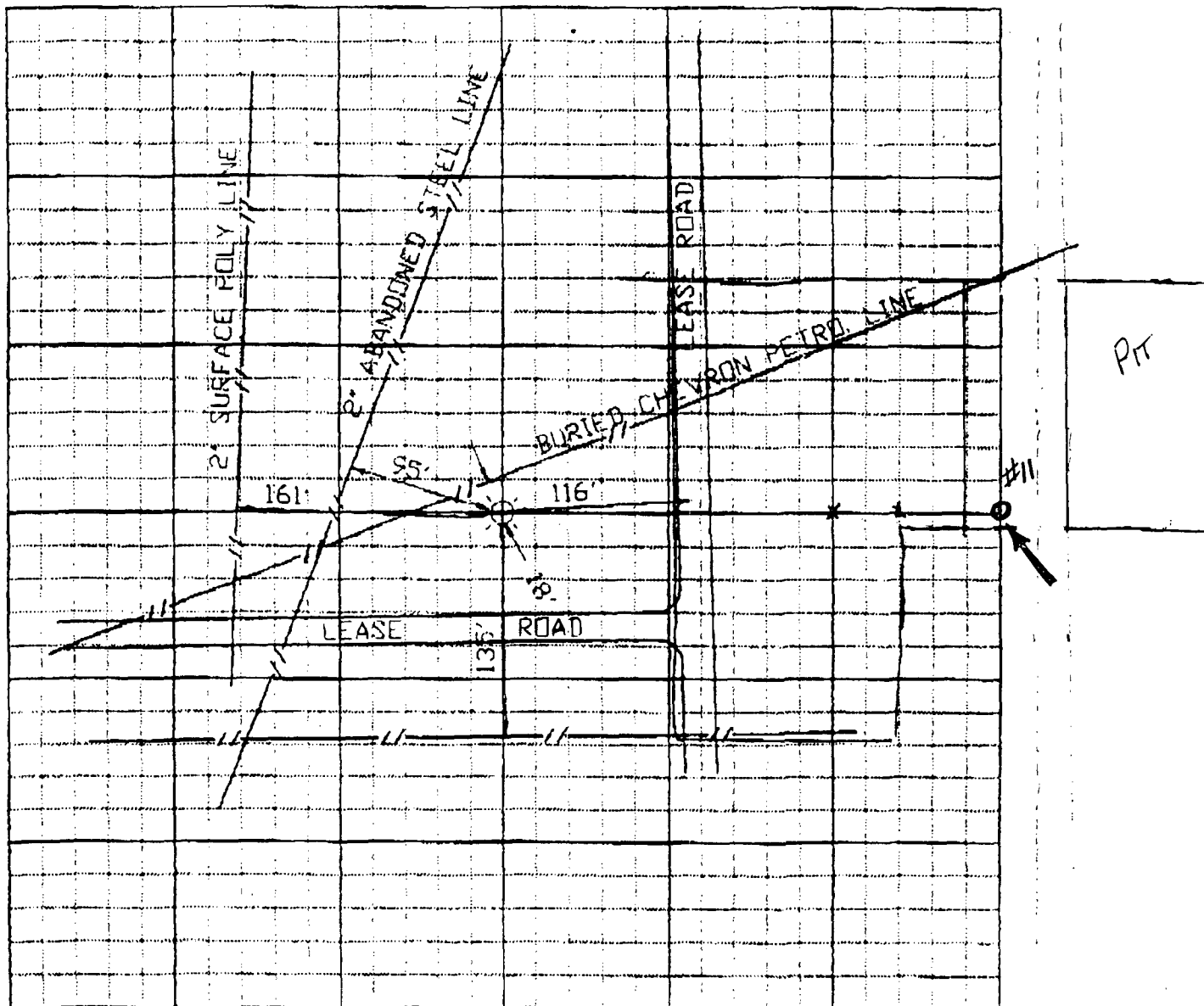
VACUUM FIELD

LEA COUNTY, NEW MEXICO

BRIDGES STATE LEASES BUCKEYE AREA PRODUCTION/ROAD MAP

CIVIL ENGINEERING GROUP
LOCATION CONSTRUCTION/DRILLING HAZARDS

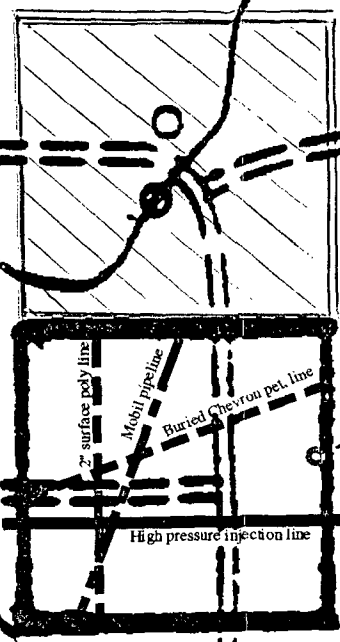
WELL NO 11 FIELD STATE "K"
COUNTY LEA STATE TEXAS
BY MICHEL J. NEWTON DATE JANUARY 19, 1994
SECTION 31
STAKED 1400' FOL 360 660' FOL
BLOCK T-17-S
SURVEY R-35-E



SCALE: 1" = 100'

3971T

OW
3970-



State K #11

3973

175

+ 3966-

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

Certified Mail # P 322 152 769
Mailed 02-14-94

February 14, 1994

ARCO
P.O. Box 1610
Midland, TX 79702
ATTN: Thaila Gilbs

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Ms. Gilbs:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

Attached are the following items for your review in support of this request.

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

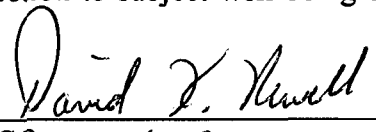
Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, ARCO agrees there is no objection to subject well being drilled as a non-standard location.



ARCO Sr. Engineer

Date: 2-15-94

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

Certified Mail # P 322 152 767
Mailed 02-14-94

February 14, 1994

Chevron
P.O. Box 1150
Midland, TX 79702
ATTN: A.W. Bohling

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Mr. Bohling:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

Attached are the following items for your review in support of this request.

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician


Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Chevron agrees there is no objection to subject well being drilled as a non-standard location.


Chevron
Petroleum Engineers

Date: February 15, 1994

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

Certified Mail # P 322 152 765
Mailed 02-14-94

February 14, 1994

Marathon
P.O. Box 552
Midland, TX 79702-0552
ATTN: W.L. Ransbottom

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Mr. Ransbottom:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

Attached are the following items for your review in support of this request.

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.

RECEIVED

FEB 15 1994

MARATHON OIL COMPANY
LAND DEPARTMENT
MIDLAND, TEXAS



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

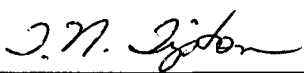
Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Marathon agrees there is no objection to subject well being drilled as a non-standard location.



Marathon

Date: 2/22/94

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

Certified Mail # P 322 152 764
Mailed 02-14-94

February 14, 1994

FACSIMILE (915) 688-1514

RECEIVED

Phillips
4001 Penbrook Avenue
Odessa, TX 79762
ATTN: James Welin

FEB. 15 1994

LAND SECTION
PHILLIPS PETROLEUM CO.
ODESSA, TEXAS

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear James:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

Attached are the following items for your review in support of this request.

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Phillips agrees there is no objection to subject well being drilled as a non-standard location.



Phillips

Date: 16 FEBRUARY 1994

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

Certified Mail # P 322 152 768
Mailed 02-14-94

February 14, 1994

FACSIMILE (915) 688-1514

Shell
P.O. Box 576
Houston, TX 77001
ATTN: Donnie Champlin

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear Mr. Champlin:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

Attached are the following items for your review in support of this request.

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician

Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Shell agrees there is no objection to subject well being drilled as a non-standard location.



Shell

Date: 2/15/94

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 633
MIDLAND, TEXAS 79702-0633

MIDLAND SOUTH ASSET TEAM
ENVIRONMENTAL, REGULATORY &
LOSS PREVENTION

FACSIMILE (915) 688-1514

Certified Mail # P 322 152 766
Mailed 02-14-94

February 14, 1994

Texaco
P.O. Box 3109
Midland, TX 79702
ATTN: David Kane

**REF: Non-Standard Location
State K #11
Vacuum (Drinkard)
Lea County, New Mexico**

Dear David:

Mobil Exploration & Producing U.S. Inc. as agent for Mobil Producing TX & NM Inc., is requesting waivers from all offsets for the drilling of subject well in the Vacuum (Drinkard) Pool at a non-standard location under the provisions of Rule 104 (F)(4). Well #11 is located in Unit I, 1400 feet from the south line and 360 feet from the east line of Section 31, T 17-S, R 35-E, Lea County, New Mexico. The waiver is signed below by company representative.

Well #11 is to be a new drill. This well violates the spacing requirements for an oil well since it is less than 330 feet from the quarter quarter section of the 40 acre proration unit.

Attached are the following items for your review in support of this request.

- 1) Form C-101, Application for Permit to Drill, Deepen or Plug-Back;
- 2) Form C-102, Well Location & Acreage Dedication Plat;
- 3) Map showing offset operators;
- 4) Copy of Certified Letter to Offset Operators.

Mobil Exploration & Producing US Inc. is requesting this non-standard location be administratively approved.



**Environmental
Awareness**

State K #11 Waiver
Vacuum (Drinkard) Pool
Lea County, New Mexico

Please return the original that is being mailed to you this date in the enclosed self-addressed envelope to us as soon as possible. Thank you for your assistance and quick response.

If there is any question, please contact me at 915-688-2584.

Sincerely,



Kaye Pollock-Lyon
Environmental & Regulatory Technician


Mobil Exploration & Producing US Inc.
as agent for
Mobil Producing TX & NM Inc.

KPL:s
Enclosures

cc: Oil Conservation Division - Hobbs
Offset Operators (w/Enclosures)

WAIVER

In accordance with Rule 104 (F) (4), by signing this waiver, Texaco agrees there is no objection to subject well being drilled as a non-standard location.


Texaco

Date: 2/16/94



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

February 23, 1994

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

ANITA LOCKWOOD
CABINET SECRETARY

Mobil Exploration and Production U. S., Inc.
P. O. Box 633
Midland, Texas 79702-0633

Attention: Kay Pollock-Lyon

Re: *Administrative Application for an Unorthodox
Oil Well Location.
State "K" Well No. 11
1400' FSL - 360' FEL (Unit 1) of Section 31,
Township 17 South, Range 35 East, NMPM,
Undesignated Drinkard Pool, Lea County, New
Mexico.*

Dear Mrs. Pollock-Lyon:

I am in receipt of your supplemental information for the subject application. This application remains incomplete. As you are aware the Drinkard formation is subject to the Divisions General Rules and Regulations concerning spacing for oil wells, see Rule 104.C(1).

Referring again to Division Memorandum 1-90, part IV.B, asks that the applicant submit a plat with "*an outline of the orthodox drilling windows as provided in the applicable rules for the subject application*". Please refer now to the attached C-102, where I have provided this information by way of a shaded box within the subject 40-acre oil spacing and proration unit. I have transferred this "shaded box " or "orthodox drilling window" to your enlarged topo map of the area. I was unable to interpret the reason for the box provided? Regardless. With the information that I have furnish you, please now provide me with the required explanation as to why a well can not be drilled within this "standard window".

Please contact me at (505) 827-5811 should you have any questions.

Sincerely,

Michael E. Stogner
Chief Hearing Examiner/Engineer

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
Jim Morrow, Chief Engineer - OCD Santa Fe
William J. LeMay, Director - OCD Santa Fe

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

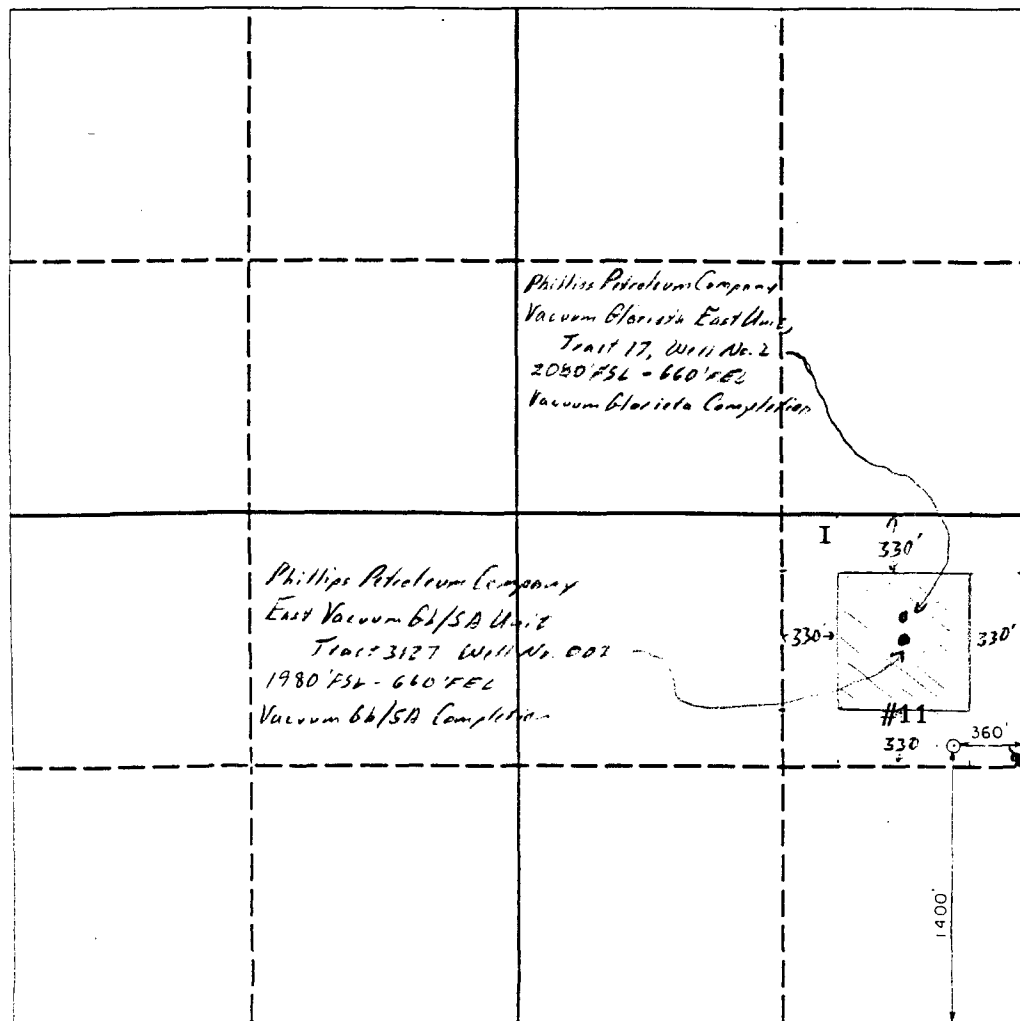
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Mobil Exploration & Producing, U.S.			Lease State "k"		Well No. 11
Unit Letter I	Section 31	Township 17-S	Range 35-E	County NMPM	Lea
Actual Footage Location of Well: 1400 feet from the South line and 360 feet from the East line					
Ground level Elev. 3974'	Producing Formation Drinkard	Pool Vacuum	Dedicated Acreage: 40 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.

Signature *Kaye Pollock-Lyon*

Printed Name
Kaye Pollock-Lyon

Env & Reg Technician

Position Mobil Prod TX & NM Inc.*

*Mobil Expl & Prod US Inc. as
Company agent for MPTM

Date

02-14-94

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

January 21, 1994

Signature & Seal of
Professional Surveyor

Certificate No.

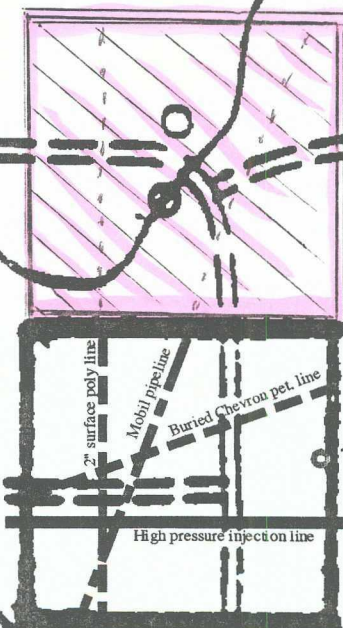
5109

3971T

OW

3970

31



State K #11

3973

175

3966

(3) All Counties except Lea, Chaves, Eddy, Roosevelt, San Juan, Rio Arriba and Sandoval.

- (a) Any wildcat well which is projected as an oil well in any county other than Lea, Chaves, Eddy, Roosevelt, San Juan, Rio Arriba, and Sandoval Counties shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the U.S. Public Land Surveys, or on a governmental quarter-quarter section or lot and shall be located not closer than 330 feet to any boundary of such tract.
- (b) Any wildcat well which is projected as a gas well to a formation and in an area which, in the opinion of the Division representative approving the application to drill, may reasonably be presumed to be productive of gas rather than oil shall be located on a drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U.S. Public Land Surveys, and shall be located not closer than 660 feet to any outer boundary of such tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

C. ACREAGE AND WELL LOCATION REQUIREMENTS FOR DEVELOPMENT WELLS

(1) Oil Wells, All Counties.

- (a) Unless otherwise provided in special pool rules, each development well for a defined oil pool shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the U.S. Public Land Surveys, or on a governmental quarter-quarter section or lot, and shall be located not closer than 330 feet to any boundary of such tract nor closer than 330 feet to the nearest well drilling to or capable of producing from the same pool, provided however, only tracts committed to active secondary recovery projects shall be permitted more than four wells.

(2) Lea, Chaves, Eddy and Roosevelt Counties.

- (a) Gas Wells. Unless otherwise provided in special pool rules, each development well for a defined gas pool in a formation younger than the Wolfcamp formation, or in the Wolfcamp formation which was created and defined by the Division prior to November 1, 1975, or in a Pennsylvanian age or older formation which was created and defined by the Division prior to June 1, 1964, shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section being a legal subdivision of the U.S. Public Land Surveys, and shall be located not closer than 660 feet to any outer boundary of such tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary nor closer than 1320 feet to the nearest well drilling to or capable of producing from the same pool.
- (b) Unless otherwise provided in the special pool rules, each development well for a defined gas pool in the Wolfcamp formation which was created and defined by the Division after November 1, 1975, or of Pennsylvanian age or older which was created and defined by the Division after June 1, 1964, shall be located on a designated drilling tract consisting of 320 surface contiguous acres, more or less, comprising any two contiguous quarter sections of a single



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

No. 1-90

MEMORANDUM

TO: All Operators

FROM: William J. LeMay, Director *WJL*

SUBJECT: Administrative Applications for Unorthodox Locations

DATE: March 21, 1990

Division Memorandum No. 3-89, dated March 24, 1989, advised the industry that the OCD would no longer automatically approve unopposed unorthodox location applications. Unorthodox locations can be approved administratively in accordance with the Rules and Regulations or applicable special pool rules if surface conditions truly prevent the use of a legal location and if directional drilling to a legal location is not feasible.

Topographic conditions which will be considered to justify an unorthodox location include such traditional factors as terrain features (steep slopes, arroyos, etc.) which make drilling impractical. In addition, approval may be given to avoid archeological sites which may not be disturbed without substantial mitigation, incompatible surface uses such as buildings, recreation areas, etc. Applications should fully document the reason an unorthodox location is required.

The attached guidelines state the minimum information which should be submitted with applications for administrative approval of unorthodox locations. Failure to provide the necessary information will probably result in processing delays.

If the surface of the proration unit or proposed drill site is controlled by a Federal Surface Management Agency, a copy of the application must be sent to the appropriate agency office.

If there are legal locations within the proration unit which are drillable, but the operator chooses not to drill those locations for geological reasons the application cannot be approved administratively and a hearing will be required.

NEW MEXICO OIL CONSERVATION DIVISION

SUBMITTAL GUIDELINES FOR ADMINISTRATIVE APPROVAL OF NON-STANDARD LOCATION APPLICATIONS

- I. If the well is located on Federal or Indian Lands, the Federal Surface Management Agency must be notified and an on-site inspection conducted prior to filing the application. If an Application for Permit to drill or a Notice of Staking has been prepared, a copy must be submitted.
- II. Completed C-102 showing the well location, proration unit, leases within the unit and other required information.
- III. Land plat showing offset operators and working interest owners and any offsetting wells producing from the same pool or formation.
 - A. This information may be shown on the topo map if it does not impair the readability of the map.
 - B. The operator should certify that the information is current and correct.
- IV. Original or clear copy of topographic map, preferably 7.5 minute quad, showing contours and other mapped features impacting the location, with the following information marked thereon (In order to be able to adequately show all of the necessary surface conditions it may be necessary to enlarge the relevant portion of the topo map to provide room for detail):
 - A. The proposed well location and proration unit;
 - B. An outline of the orthodox drilling windows as provided in the applicable rules for the subject application;
 - C. The location of any wells to any formation within the area of the proration unit and a statement as to whether an existing pad can be used to drill the proposed well;
- V. An enlargement of the topo map showing the subject area with the applicable additional information:
 - A. Terrain features not shown on the map which make an orthodox location unusable;
 - B. Proposed access roads and pipelines if they affect the location selection;
 - C. The location of any surface uses which prevent use of a legal location;

- D. The location of any archeological sites identified in the archeological survey;
 - E. The location and nature of any other surface conditions which prevent the use of an orthodox location.
-
- VI. If archeological sites are a reason for the unorthodox location request, a copy of the archeological survey, or a summary, identifying sites which cannot be disturbed or which must have any disturbance mitigated. In addition, the location of such areas should be marked on the enlarged topo so they can be clearly identified.
 - VII. A narrative report of any on-site inspection of the potential locations. If such on-site has resulted in elimination of legal locations due to surface conditions, such information should also be noted on the enlarged topo.
 - VIII. A statement of why directional drilling to reach a legal bottom-hole location is not feasible.
 - IX. An affidavit that notice has been sent to all parties entitled thereto, under the Divisions Rules and Regulations with return receipt cards showing date of receipt of notice.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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HOBBS DISTRICT OFFICE

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2-21-94

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL X _____
NSP _____
SWD _____
WFX _____
PMX _____

NSL-3356

Gentlemen:

I have examined the application for the:

Mobil Producing Tx-NM Inc State K #11-I 31-17-35
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed