

Office
(915) 680-3993

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(915) 680-5152

David A. Metts
Oil and Gas
203 West Wall, Suite 301
Midland, Texas 79701

FAX TRANSMITTAL

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Michel Stagner RE: #1-16 State of
New Mexico
(RE. Jones Oxford)
DATE: 6/25/99
FAX NO: _____ TIME: _____

FROM:

NAME: David M.

NUMBER OF PAGES BEING TRANSMITTED: 6 (INCLUDES COVER PAGE)
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COMMENTS: Thank you for assistance!

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241 1000

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 80, Aztec, NM 88311-0710

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat
Property Code	Property Name STATE 16	Well Number 1
OGRID No. 180970	Operator Name L.E. JONES OPERATING, INC.	Elevation 4215

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	10 S	34 E		845	SOUTH	1170	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>SPC NME NAD 27 Y-884608 X-752227</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>James P. "Phil" Srinson</i> Signature</p> <p>James P. "Phil" Srinson Printed Name</p> <p>Agent for L.E. Jones Title</p> <p>6-24-99 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>Date Surveyed: 6/19/99 Signature of Professional Surveyor: <i>Gary Edson</i> Professional Surveyor: 12041</p> <p>Certificate No. 12041 GARY EDSON NACON MCGRAID</p>

Market I
PO Box 1980, Hobbs, NM 88241-1980
Market II
PO Drawer DD, Aramis, NM 88211 0719
Market III
1000 Rio Brazos Rd., Aztec, NM 87410
Market IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-10

Revised February 10, 199

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: L. E. Jones Operating, Inc. P.O. Box 1185 Duncan, OK 73534		OGRID Number 180930 AST Number 30-0
Property Code	Property Name State "16"	Well No. 1

1 Surface Location

U/L or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
M	16	10-S	34-E		845	South	1170	West	Lea

2 Proposed Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County

Proposed Fuel 1
Wildcat

Proposed Fuel 2

Work Type Code	Well Type Code	Cable/Rotary	Lease Type Code	Ground Level Elevation
N	O	R	S	4216'
Mudlog	Proposed Depth	Formation	Contractor	Spud Date
No	11,500'	Sprawn	Jones Drilling	7-1-99

3 Proposed Casing and Cement Program

Note Size	Casing Size	Casing weight/foot	Setting Depth	Seals of Cement	Estimated TOC
17 1/2"	13 3/8"	48	400'	400	Circ. to Surface
12 1/4"	8 5/8"	24 & 32	4100'	400	3100'
7 7/8"	5 1/2"	17	11,500'	700	8500'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the date on the previous production lease and proposed new production lease. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Rig up rotary tools. Set 13 3/8" casing @ 400', cement to surface, WOC 12 hours. NU annular BOP and test casing and BOP to 600psi. Set 8 5/8" casing @ 4100', WOC 12 hours, and NU 5M double ram BOP with annular. Test casing to 2000 psi. Drill to a TD of 11,500'. Run logs and evaluate for completion or P&A in a manner consistent with State regulations.

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

Signature: *James P. "Phil" Stinson*

Printed Name: James P. "Phil" Stinson

Title: Agent for L.E. Jones Operating

Date: Phone: 915 682 53.3

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Continued on Approval

Number: 2

**DAVID A. METTS
OIL & GAS
203 WEST WALL, STE. 301
MIDLAND, TEXAS 79701**

June 25, 1999

Michel Stogner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: L.E. Jones Operating, Inc. #1-16
State of New Mexico (wildcat)
(M) Sec. 16-10~~S~~-34E
1170' FWL & 845' TSL
Lea County, New Mexico

Mr. Stogner:

The attached map is a portion of a 3 D geophysical map, which delineates the Cisco Reef mass on which the proposed location is situated. The contour interval is 10' and the scale is 1" = 1000'.

Seismic data indicates a Cisco Reef development approximately 500+ feet below the top of the Bough "C" formation and is located along the eastern edge of the Vada Bough "C" field. The reef development is approximately 350' thick and does not produce in this portion of Lea County. The reef trend appears to be developed in a narrow north-south alignment, which generally coincides with the regional Pennsylvanian structural strike.

MICHEL STOGNER
OIL CONSERVATION DIVISION
PAGE 2

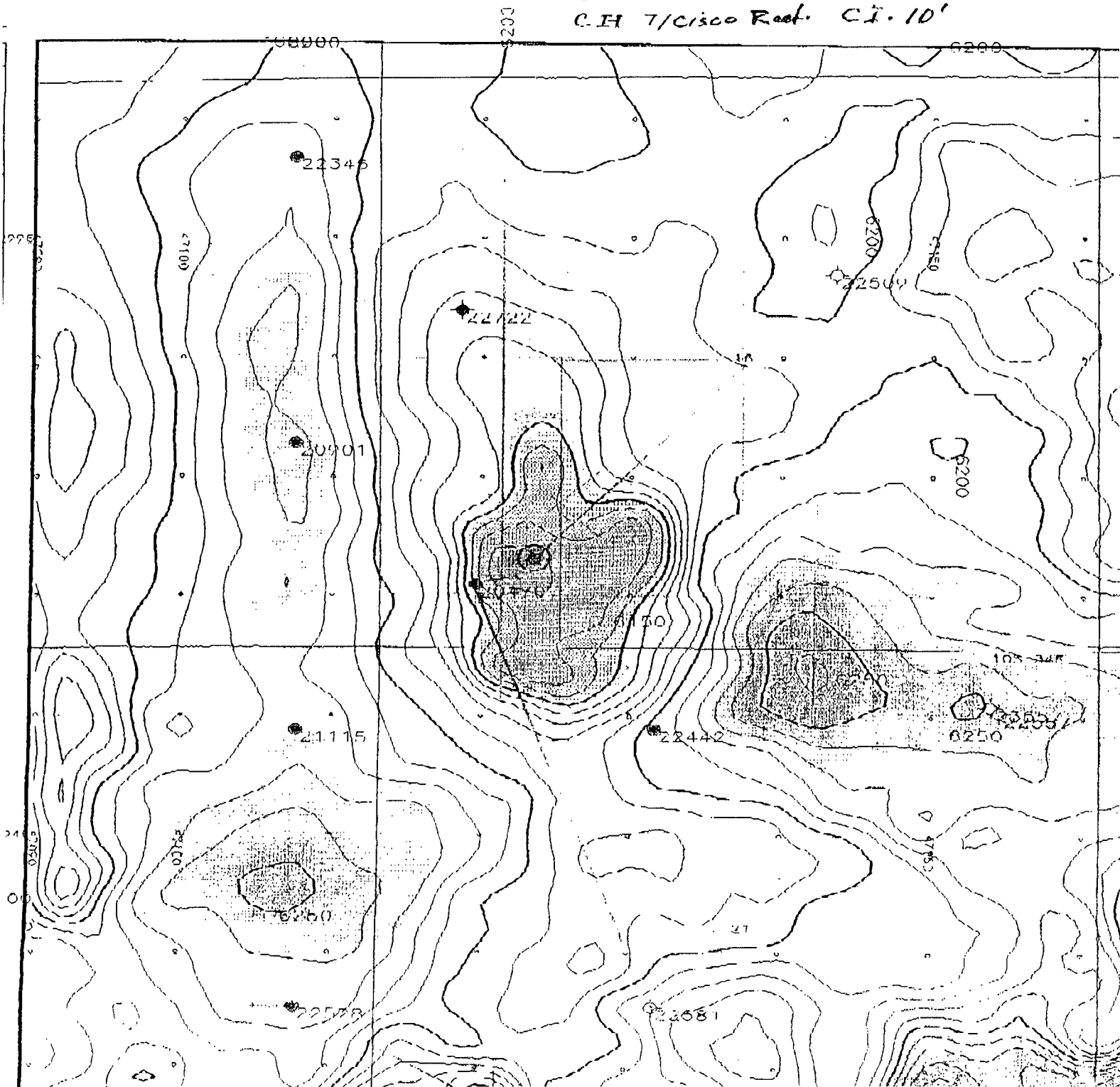
The Strawn formation also appears to be reefoidal and slightly offset to the east of the Cisco development; therefore, we plan to drill the Jones #1-16 Stage of New Mexico to 11,500' in order to test both potential reef masses.

If you should have any questions regarding this geological interpretation please contact me at 1-915-688-3999.

Very truly yours,


David A. Metts

C.H. 7/Cisco Reef. C.I. 10'



Office
(915) 688-3999

Fax
(915) 688-5152

David A. Metts

Oil and Gas
203 West Wall, Suite 301
Midland, Texas 79701

FAX TRANSMITTAL

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Michel Stagner

RE: #1-16 state of

New Mexico

(RE. Jones of Ardola)

DATE: 6/25/99

FAX NO: _____

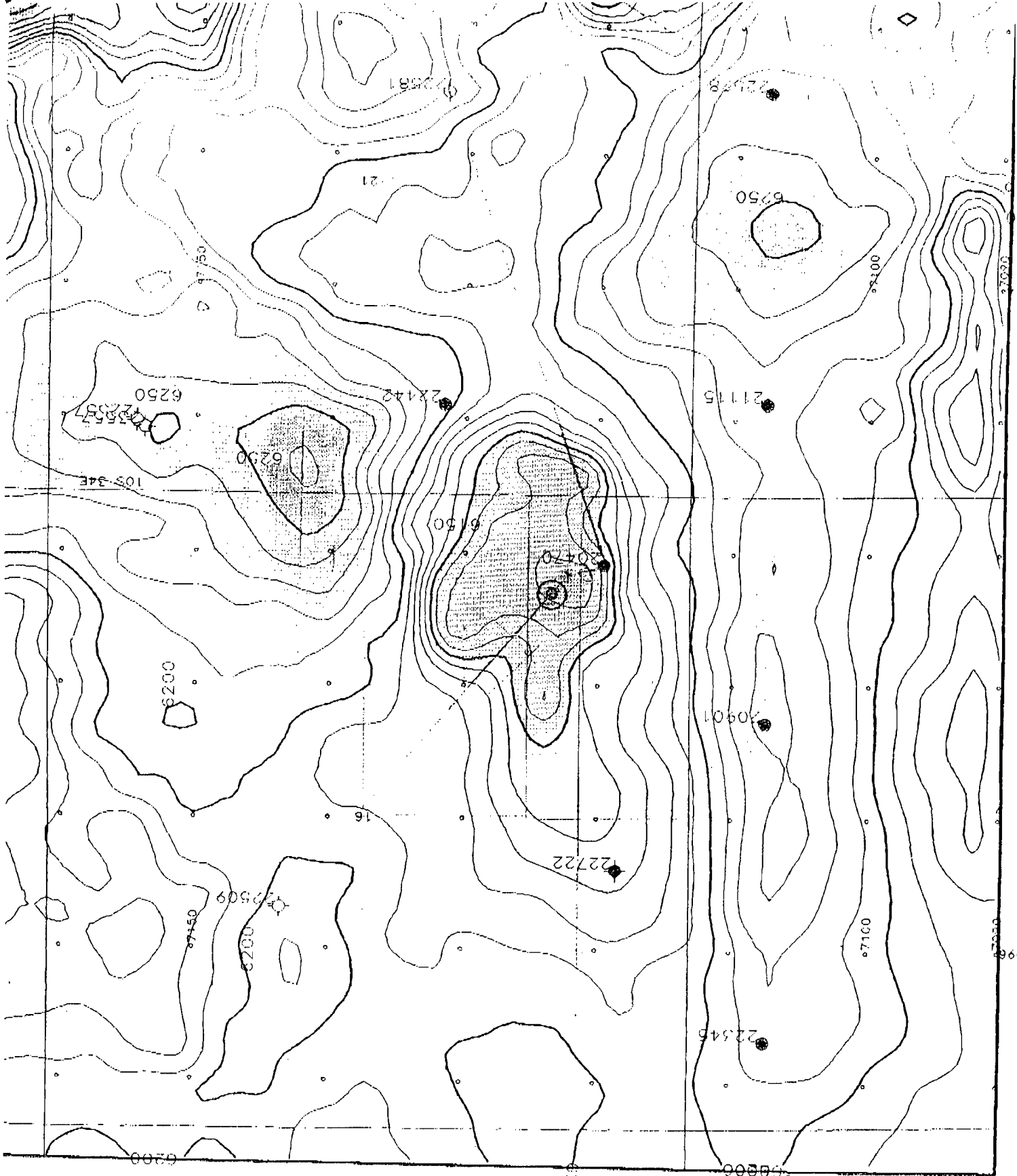
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Scale 1"=1000'
CI T/Cisco Ref.

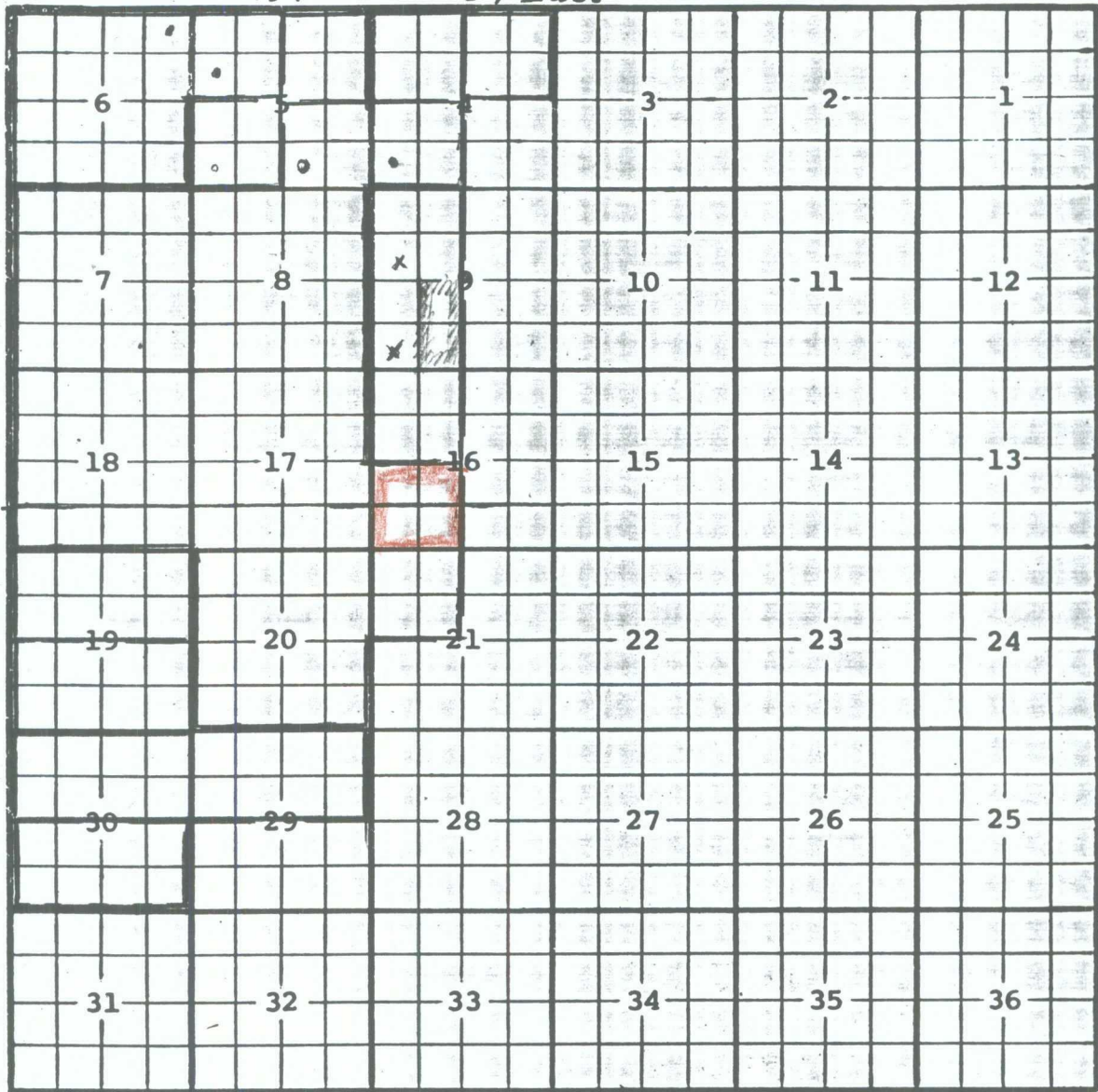
COUNTY Lea

POOL Vada-Pennsylvanian

TOWNSHIP 10 South

RANGE 34 East

NMPM



Ext: $\frac{NW}{4}$ Sec. 5; All Sec. 6 (R-3411, 6-1-68) - $\frac{SW}{4}$ Sec. 5 (R-3455, 8-1-68)
 - $\frac{SW}{4}$ Sec. 4; $\frac{SE}{4}$ Sec. 5; All Secs. 7 & 8; $\frac{SW}{4}$ Sec. 16; All Secs. 17, 18, & 20; $\frac{NW}{4}$ Sec. 21 (R-3472, 9-1-68)
 - $\frac{N}{2}$ Sec. 19 (R-3505, 10-1-68) - $\frac{N}{2}$ Sec. 29; $\frac{N}{2}$ Sec. 30 (R-3562, 12-1-68) - $\frac{W}{2}$ Sec. 9;
 - $\frac{NW}{4}$ Sec. 16; $\frac{S}{2}$ Sec. 19; $\frac{S}{2}$ Sec. 30 (R-3662, 2-1-69) - $\frac{NE}{4}$ Sec. 5 (R-3731, 5-1-69)
 - $\frac{NW}{4}$ Sec. 4 (R-3780, 7-1-69) - $\frac{NE}{4}$ Sec. 4 (R-3818, 9-1-69)

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION06/25/99 16:34:32
OGOMES -TPEY
PAGE NO: 1

Sec : 16 Twp : 10S Rng : 34E Section Type : NORMAL

D 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	C 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	B 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRO	A 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRC
E 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	F 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	G 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRO	H 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRC

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

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OG5SECTONGARD
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OGOMES -TPEY
PAGE NO: 2

Sec : 16 Twp : 10S Rng : 34E Section Type : NORMAL

L 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	K 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	J 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRO	I 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRC
M 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	N 40.00 CS V05488 0000 03/04 CHRISTENSEN PETRO	O 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRO	P 40.00 CS V05487 0000 03/04 CHRISTENSEN PETRC

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

VADA-PENNSYLVANIAN POOL
Lea County, New Mexico

Order No. R-3179-A, Adopting Temporary Operating Rules for the Vada-Pennsylvanian Pool, Lea County, New Mexico, October 15, 1967.

Order No. R-3179-A supersedes Order No. R-3179, adopting temporary operating rules for the field.

Order No. R-3179-B, September 12, 1968, makes permanent the rules adopted in Order No. R-3179-A.

Special depth bracket allowable of 382 barrels per day established as top unit allowable, Order No. R-4429, October 27, 1972.

Application of Midwest Oil Corporation for an amendment to Order No. R-3179, Lea County, New Mexico.

CASE NO. 3513
Order No. R-3179-A

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a. m. on September 27, 1967, at Santa Fe, New Mexico before Examiner Elvis A. Utz.

NOW, on this 4th day of October, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-3179, dated January 18, 1967, temporary Special Rules and Regulations were promulgated for the Vada-Pennsylvanian Pool, Lea County, New Mexico, providing for 80-acre spacing units, limited well locations, and an 80-acre proportional factor of 4.77 for allowable purposes, and providing that said temporary rules be reconsidered at an examiner hearing to be held in January, 1968.

(3) That the applicant, Midwest Oil Corporation, seeks amendment of the temporary Special Rules and Regulations promulgated by Order No. R-3179 to provide for 160-acre spacing units and the establishment of a 160-acre proportional factor of 4.77 for allowable purposes.

(4) That the applicant also seeks to have said rules and regulations, as proposed, made permanent.

(5) That the evidence presented indicates the establishment of 160-acre spacing units and a 160-acre proportional factor of 4.77 in the Vada-Pennsylvanian Pool for a temporary period of one year only is warranted.

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the temporary Special Rules and Regulations promulgated by Order No. R-3179 should be amended to provide for 160-acre spacing units and the establishment of a 160-acre proportional factor of 4.77 for allowable purposes.

(7) That the temporary Special Rules and Regulations promulgated by Order No. R-3179, as amended by this order, should continue in effect for a period of one year from the effective date of this order to allow the operators in the subject pool to gather additional reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(8) That this case should be reopened at an examiner hearing in September, 1968, at which time the operators in the subject pool may appear and show cause why the Vada-Pennsylvanian Pool should not be developed on less than 160-acre spacing units and to show cause why the 160-acre proportional factor of 4.77 assigned to the subject pool should or should not be retained.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Vada-Pennsylvanian Pool, Lea County, New Mexico, promulgated by Order No. R-3179, are hereby amended to read in their entirety as follows, effective October 15, 1967:

SPECIAL RULES AND REGULATIONS
FOR THE
VADA-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Vada-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Land Surveys.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (158 through 162 acres) shall be assigned a proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 160 acres.

(VADA-PENNSYLVANIAN POOL - Cont'd.)

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Vada-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before October 15, 1967.

(2) That each well presently drilling to or completed in the Vada-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof shall, after October 15, 1967, receive an allowable in the same proportion to a standard 160-acre allowable for the pool as the acreage presently dedicated to the well bears to 160 acres, until Form C-102 dedicating 160 acres to the well has been filed with the Commission, or until a non-standard unit containing less than 160 acres has been approved.

(3) That this case shall be reopened at an examiner hearing in September, 1968, at which time the operators in the subject pool may present the results of interference tests and other pertinent evidence to show cause why the subject pool should not be developed on less than 160-acre spacing units and to show cause why the 160-acre proportional factor of 4.77 assigned to the subject pool should or should not be retained.

(4) That Order No. R-3179 entered by the Commission on January 18, 1967, is hereby superseded.

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

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

STATELINE-ELLENBURGER POOL
(Allowable Assignments Extended)
Lea County, New Mexico

Order No. R-2943-A, Extending the Allowable Assignment Provisions of Order No. R-2943 for the Stateline-Ellenburger Pool, Lea County, New Mexico, January 18, 1967.

In the Matter of Case No. 3277 Being Reopened by the Oil Conservation Commission on its Own Motion to Consider the Necessity for the Continuance of the Special Allowables Assigned to Wells in the Stateline-Ellenburger Pool, Lea County, New Mexico.

CASE NO. 3277
Order No. R-2943-A

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on January 4, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of January, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2943, dated August 6, 1965, the Commission established the top unit allowable for wells on a standard proration unit in the Stateline-Ellenburger Pool, Lea County, New Mexico, as 330 barrels of oil per day so long as a discovery allowable remained in effect in the Texas portion of the pool.

(3) That said Order No. R-2943, also provided that upon discontinuance of the discovery allowable in the Texas portion of the pool, the top unit allowable for wells in the Stateline-Ellenburger Pool, Lea County, New Mexico, would be determined in accordance with Rule 505 of the Commission Rules and Regulations.

(4) That the discovery allowable is still in effect in the Texas portion of said pool and will remain in effect until on or about May 2, 1967.

(5) That the allowable provisions of Order No. R-2943 should be continued in effect through April 30, 1967.

(6) That effective May 1, 1967, the top unit allowable for wells in the subject pool should be determined in accordance with Rule 505 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the allowable provisions of Order No. R-2943 are hereby continued in effect through April 30, 1967.

(2) That effective 7:00 a.m. May 1, 1967, the top unit allowable for wells in the Stateline-Ellenburger Pool, Lea County, New Mexico, shall be determined in accordance with Rule 505 of the Commission Rules and Regulations.

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

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

NORTHEAST BAGLEY-WOLFCAMP POOL
Lea County, New Mexico

Order No. R-3184, Adopting Temporary Operating Rules for the Northeast Bagley-Wolfcamp Pool, Lea County, New Mexico, February 1, 1967.

Order No. R-3184-A, February 12, 1968, makes permanent the rules adopted in Order No. R-3184.

Application of Southern Natural Gas Company
for Special Rules, Lea County, New Mexico.

CASE NO. 3520
Order No. R-3184

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on January 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.