

2/28/01 3/20/01 MS KN NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

106049000

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

A. Phil Ryan
Print or Type Name

A. Phil Ryan
Signature

Commission Coordinator
Title

2/27/01
Date



February 27, 2001

GOV - STATE AND LOCAL
Unorthodox Location
Mexico 'J' #27
Dollarhide Ellenburger
Lea County, New Mexico

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Michael,

*We have a rig in
approx 10-15 days. If you
could get to this as soon
as possible.*

*Thank you,
Phil*

ILLEGIBLE

Attention: Mr. Michael E. Stogner

Gentlemen:

An exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 165' FSL and 2320' FEL, Unit Letter "O" of Section 32, T-24-S, R-38-E.

The location of the Mexico 'L' #27 was chosen to maximize recovery of Ellenburger hydrocarbons while avoiding zones of reservoir depletion surrounding producers in the Dollarhide Ellenburger field. This location is non-standard because it encroaches on the lease line between Texaco's Mexico 'J' and Mexico 'L' state leases and encroaches on the quarter-quarter section line that is within Texaco's Mexico 'J' lease. ~~The working interest ownership and royalty ownership of the Texaco Mexico 'J' lease are identical to those of the Texaco Mexico 'L' lease.~~

The positioning of the Mexico 'J' #27 is based on two factors: (1) location relative to the other Ellenburger producers (Mexico 'J' #2 and #4, Mexico 'L' #3 and #4), and (2) location of the well relative to the Ellenburger structure.

The Ellenburger wells nearest to the proposed location share a similar production history. The wells were drilled in the early 1950's and were completed in multiple zones within the Ellenburger Formation over the next 20 years until the Ellenburger reservoir was abandoned. At the time, the Ellenburger reservoir was viewed as a single reservoir under a strong water drive. The production strategy was to complete low in the Ellenburger, and produce until the oil production decreased significantly (approaching 100 BOPD) and the water production increased

significantly (approaching 50-150 BWPD). At that time the lower zone was squeezed off, and the Ellenburger was recompleted further uphole to reduce water production. Over the next several decades, our understanding of the Ellenburger reservoir has improved significantly. What we once thought of as a single reservoir is now known to be vertically compartmentalized (due to karsting) into several independent reservoirs each with its own water drive. Under this model, a significant amount of producible hydrocarbons remains within each partially depleted proration unit of the Dollarhide Ellenburger field. By drilling this well at a location equidistant from previous Ellenburger producers, we maximize our chances of recovering these producible hydrocarbons.

Because we were unable to resolve the Ellenburger on our 3-D seismic, we used a structure map made on the top of the Simpson Group as a proxy for the Ellenburger structure (see attached map). Because of the strong water drive within the Ellenburger, the location of the Mexico 'J' #27 was chosen to be at the highest structural position possible on the proration unit while avoiding surface obstructions.

There are no 'affected offset operators' to this location.

If there are any questions, please feel free to contact me at (915) 688-4606.

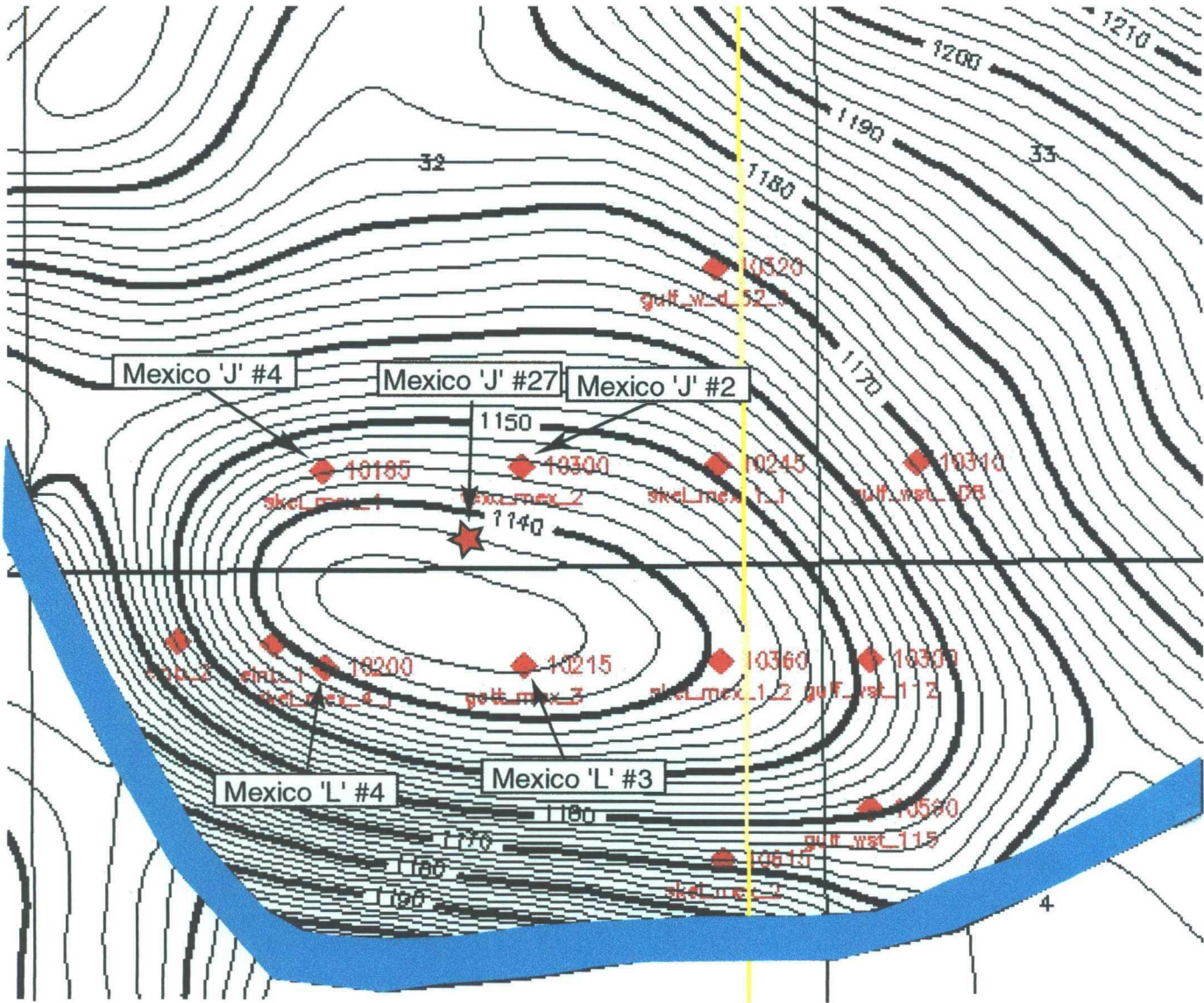
Yours very truly,



A. Phil Ryan
Commission Coordinator

Attachments: cc: OCD Hobbs, NM

Structure Map on top of Simpson Group
in Dollarhide Ellenburger Field



The Mexico 'J' #27 is on the same proration unit as the Mexico 'J' #2 (to the NE). Only the Mexico 'L' #4 is still producing from the Ellenburger.

Red dots are existing wells in the Dollarhide Ellenburger field.

Red star is proposed location for the Mexico 'J' #27.

Thick, blue line represents the faults bounding this structure.

Contours are in milliseconds. Contour interval = 2 milliseconds.

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

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

Instructions on back

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

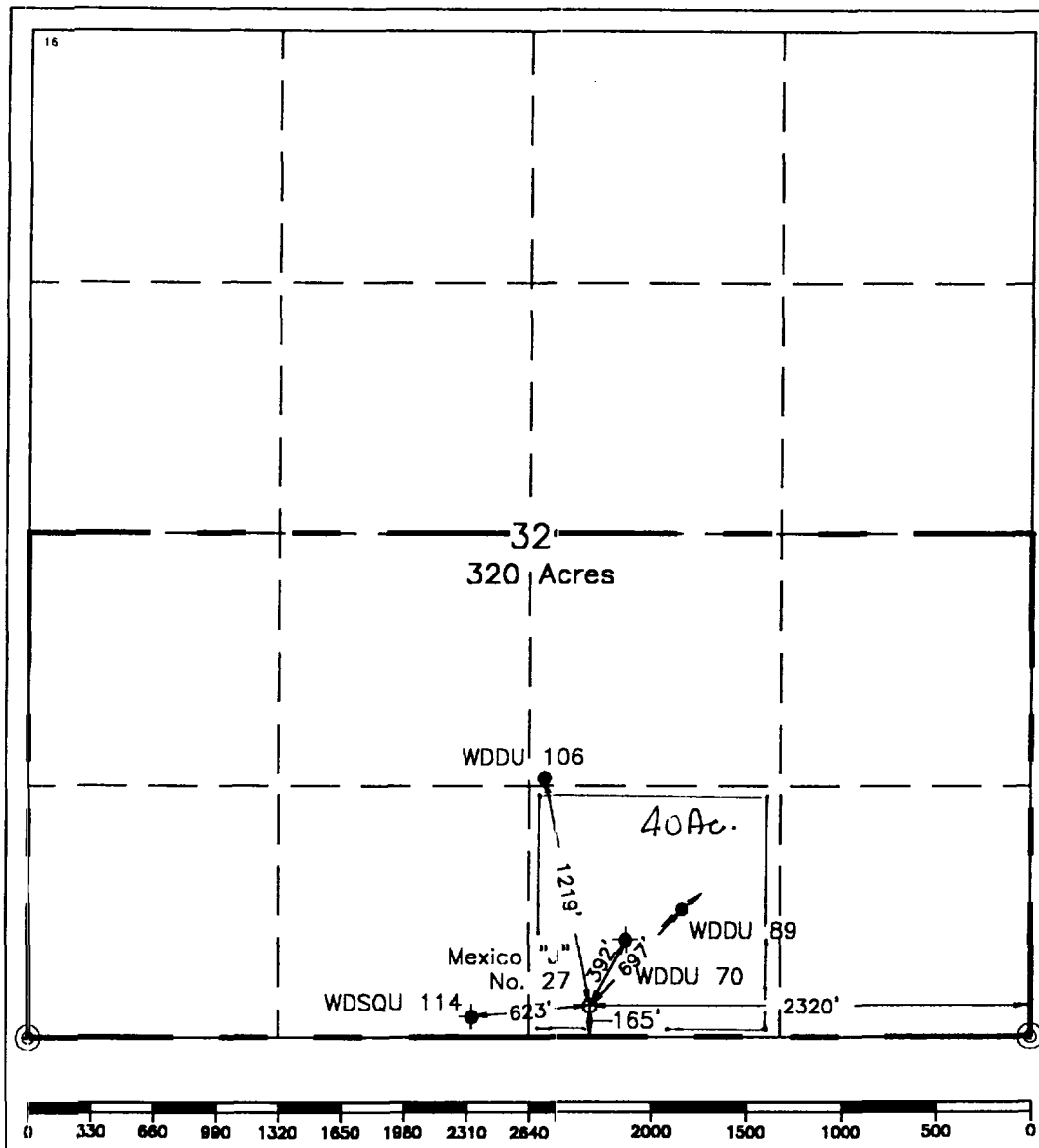
¹ API Number		² Pool Code		³ Pool Name Dollarhide Ellenburger, Fusselman, Devonian	
⁴ Property Code		⁵ Property Name Mexico "J"			⁶ Well Number 27
⁷ OGRID No.		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 3152'

¹⁰ Surface Location									
UL or lot no. 0	Section 32	Township 24-S	Range 38-E	Lot Idn	Feet from the 165'	North/South line South	Feet from the 2320'	East/West line East	⁷ County Lea

¹¹ 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	⁷ County

¹² Dedicated Acres 40	¹³ Joint or infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>¹⁶ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>A. Phil Ryan</i></p> <p>Printed Name A. Phil Ryan</p> <p>Position Commissioner Coordinator</p> <p>Company Texaco Expl. & Prod. Inc.</p> <p>Date February 22, 2001</p> <p>¹⁷ 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 knowledge and belief.</p> <p>Date Surveyed February 21, 2001</p> <p>Signature & Seal of Professional Surveyor <i>John S. Piper</i></p> <p>Certificate No. 7254 John S. Piper</p> <p>Sheet</p>
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○ = Staked Location • = Producing Well ↗ = Injection Well ↖ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 426750.12 (1927=426693.92)		Easting 928704.29 (1927=887516.33)	
Latitude 32°10'01.275" (1927=32°10'00.839")		Longitude 103°04'53.340" (1927=103°04'51.704")	
Zone East	North American Datum 1983/92	Combined Grid Factor 0.9999352	Coordinate File Dollar83.cr5
Drawing File		Field Book	

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

03/26/01 10:42:11
OGOMES -TQJ5

API Well No : 30 25 12386 Eff Date : 04-01-1994 WC Status : A
Pcol Idn : 18050 DOLLARHIDE;DEVONIAN
OGRID Idn : 962 ARCH PETROLEUM INC
Prop Idn : 14451 WEST DOLLARHIDE DEVONIAN UNIT

Well No : 110
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : 2	5	25S	38E	FTG	666 F N FTG	1780 F E	A
Lct Identifier:							
Dedicated Acre:							
Lease Type : S							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD
OG6IWCM INQUIRE WELL COMPLETIONS

03/26/01 10:42:29
OGOMES -TQJ5

API Well No : 30 25 12388 Eff Date : 05-01-2000 WC Status : S
Pool Idn : 18620 DOLLARHIDE;FUSSELMAN
OGRID Idn : 22351 TEXACO EXPLORATION & PRODUCTION INC
Prop Idn : 10997 MEXICO L

Well No : 024
GL Elevation: 3158

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 2	5	25S	38E	FTG 816 F N FTG 1780 F E	A	

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/26/01 10:36:19
OGOMES -TQJ5
PAGE NO: 1

Sec : 32 Twp : 24S Rng : 38E Section Type : NORMAL

D 40.00 CS B09613 0002 CENTRAL RESOURCES U U 04/10/52 A A A A	C 40.00 CS B09613 0002 CENTRAL RESOURCES U U 04/10/52 A A A A	B 40.00 CS B09613 0002 CENTRAL RESOURCES U 04/10/52 A A C	A 40.00 CS B09613 0002 CENTRAL RESOURCES U 04/10/52 A
E 40.00 CS B09613 0002 CENTRAL RESOURCES U U 04/10/52 P A A A A A	F 40.00 CS B09613 0002 CENTRAL RESOURCES U U 04/10/52 A A A A	G 40.00 CS B09613 0002 CENTRAL RESOURCES U U 04/10/52 A A	H 40.00 CS B09613 0002 CENTRAL RESOURCES U U 04/10/52 P A A

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/26/01 10:36:25
OGOMES -TQJ5
PAGE NO: 2

Sec : 32 Twp : 24S Rng : 38E Section Type : NORMAL

L 40.00 CS B09311 0001 TEXACO EXPLORATIO U U 09/10/51 A A A A A A	K 40.00 CS B09311 0001 TEXACO EXPLORATIO U U 09/10/51 P A A A A A	J 40.00 CS B09311 0001 TEXACO EXPLORATIO U U 09/10/51 A A A A A A	I 40.00 CS B09311 0001 TEXACO EXPLORATIC U U 09/10/51 P A A A A A
M 40.00 CS B09311 0001 TEXACO EXPLORATIO U U 09/10/51 A A A A A A	N 40.00 CS B09311 0001 TEXACO EXPLORATIO U U 09/10/51 A A A A A A	O 40.00 CS B09311 0001 TEXACO EXPLORATIO U U 09/10/51 P A A C	P 40.00 CS B09311 0001 TEXACO EXPLORATIC U U 09/10/51 A A A A

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

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION03/26/01 10:37:06
OGOMES -TQJ5
PAGE NO: 1

Sec : 05 Twp : 25S Rng : 38E Section Type : NORMAL

4 40.37 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 A A A A A	3 40.38 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 A A A A A	2 40.40 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 A A A A A A A	1 40.41 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 A A A A
E 40.00 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 A A	F 40.00 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 A A A A	G 40.00 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 P A A	H 40.00 CS B09312 0006 TEXACO EXPLORATIO U U 09/10/51 A A

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/26/01 10:37:14
OGOMES -TQJ5
PAGE NO: 2

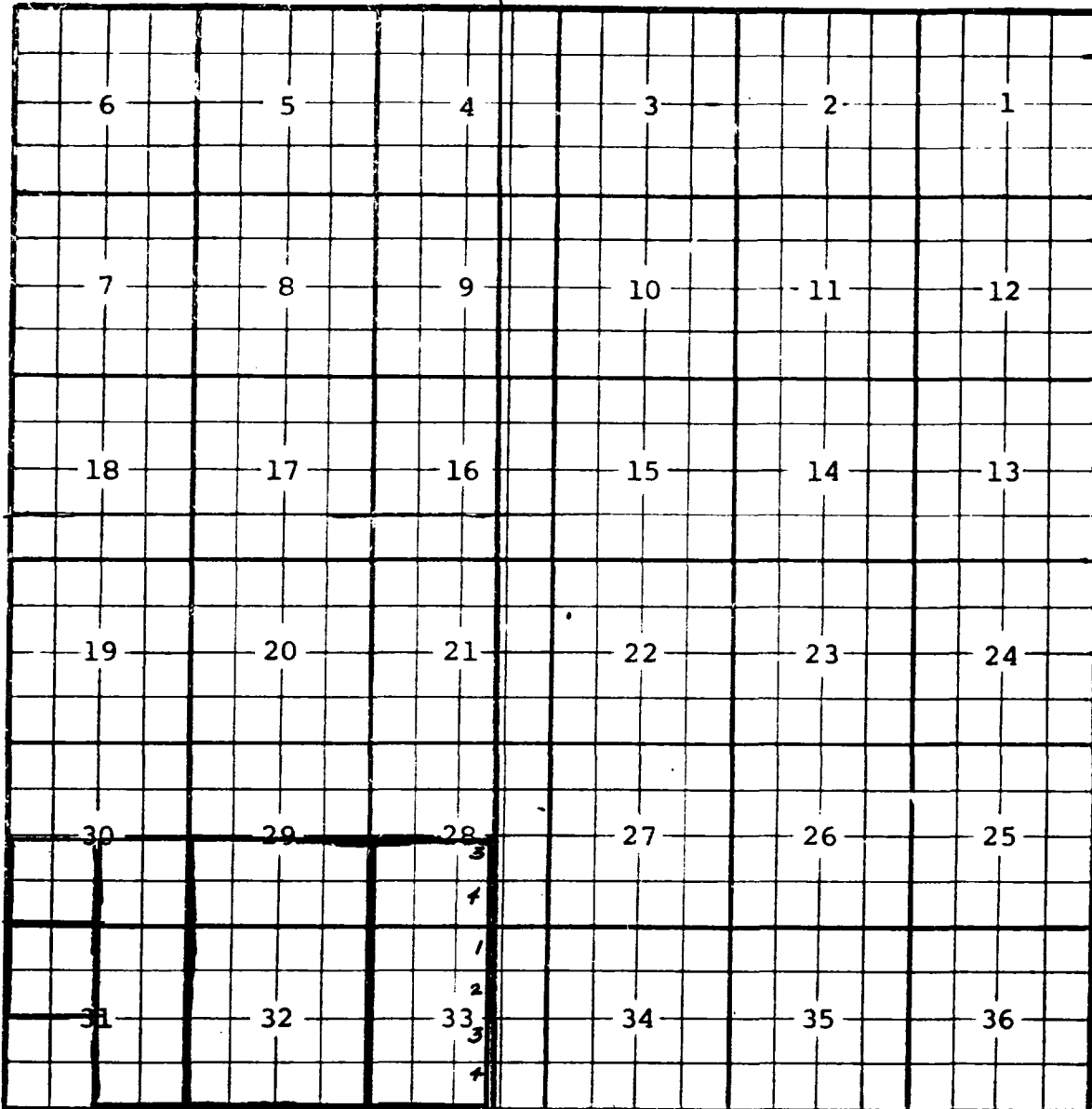
Sec : 05 Twp : 25S Rng : 38E Section Type : NORMAL

L 40.00 Federal owned U A	K 40.00 Federal owned U A	J 40.00 Federal owned U	I 40.00 Federal owned U U A A
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

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

COUNTY LeaPOOL Dollarhide - DevonianTOWNSHIP 24 SouthRANGE 38 East

NMPM



Description: Lots 3 & 4 $\frac{SW}{4}$ Sec. 28; Lots 1, 2, 3, 4 $\frac{W}{4}$ Sec. 33 (R-167)

Ext: $\frac{S}{2}$ Sec. 29; All Sec. 32 (R-184) - $\frac{SE}{4}$ Sec. 30; $\frac{E}{2}$ Sec. 31 (R-219)

Name change - West Dollarhide - DEV to Dollarhide - Devonian (R-328, 6-10-53)

- $\frac{SW}{4}$ Sec. 30 (R-4304, 6-1-72) - $\frac{NW}{4}$ Sec. 31 (R-4351, 8-1-72)

COUNTY *Lea*

POOL

*Dollarhide - Ellenburger*TOWNSHIP *24 South*RANGE *38 East*

NMFM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: $\frac{SE}{4}$ Sec. 32 (R-124, 1-8-52)Ext. $\frac{W}{2}$ Sec. 33 (R-136) - Lots 1, 2, 3 & 4 Sec. 33 (R-142) - $\frac{SW}{4}$ Sec. 32 (R-175)- Name change (R-328) - $\frac{E}{2}$ Sec. 31 (R-4304, 6-1-72)

COUNTY LeaPOOL Dollarhide - FusselmanTOWNSHIP 24-SouthRANGE 38-East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33 ¹ 33 ² 33 ³ 33 ⁴	34	35	36

Description: $\frac{1}{2}$ Sec. 31; Sec. 32; Lots 1, 2, 3, 4 & $\frac{1}{2}$ Sec. 33, (R-157).

Name change - (R-328).

Ext: $\frac{SE}{4}$ Sec. 30 (Q-4258, 3-1-72)