

NSP - 1035A



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

11/17/98

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 \_\_\_\_\_  
NSP X \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Gray Petroleum Mgmt Co StateX #1-E 2-245-36e  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Recommend approval.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

Chris Williams

Chris Williams  
Supervisor, District 1

/ed

NSP 12/3/98



**Gruy Petroleum Management Co.**

600 East Las Colinas Blvd. • Suite 1200 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450  
Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

*A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company*

Date: November 10, 1998

New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe New Mexico 87505  
Attn: Ms. Lori Wrotenberg

NOV 13 1998

Re: Gruy Petroleum Management Co.  
State X No. 1 re-entry  
160 acre Non-Standard Jalmat Gas Pool SPU  
NW/4 Sec. 2, T-24S-R34E  
Lea County New Mexico

Dear Ms. Wrotenberg:

Gruy Petroleum Management Co. requests administrative approval of the referenced non-standard proration unit under Division General Rule 104(D)(2)(b). The NW/4 of section 2-24S-36E will be dedicated to the proposed re-entry of the State X No. 1 well. Cities Service Oil Company drilled the State X No. 1 at this location in 1949. Surface casing was set and then the well was plugged and abandoned. The NW/4 of section 2 was previously approved by Administrative Order NSP-1035, as a non-standard proration unit for the now plugged Citgo AS State No. 1. We anticipate that our re-entry of the State X No. 1 well will result in a completed gas well, at a standard location in the Jalmat Gas Pool.

We are enclosing for your reference a copy of our application to drill, and Form C-102, along with an SPU list and color-coded plat depicting the proration units surrounding our proposed location. In compliance with Division General Rule 104(D)(2)(d) we have sent a copy of this application by certified mail to all owners of gas operating rights in the immediately surrounding Jalmat Gas Pool SPU's.

Your consideration in this matter is appreciated. If you have any questions or need additional information, please advise.

Yours truly,

*Zeno Farris*

Zeno Farris  
Manager, Operations Administration

CC: OCD Hobbs

Ms. Lori Wrotenbery  
New Mexico Oil Conservation Division  
November 11, 1998

### NOTICE TO OFFSET OPERATORS

The copies of the following documents:

1. November 10, 1998 Letter to Ms. Lori Wrotenbery, New Mexico Oil Conservation Division concerning the assignment of a non-standard proration unit for the proposed State X No. 1 in Lea County, New Mexico.
2. List of SPU offsetting the unit proposed for the State X No. 1 and corresponding plat.
3. New Mexico Form C-101, Application for Permit to Re-enter the State X No. 1, filed by Gruy Petroleum and approved September 10, 1998.
4. New Mexico Form C-102, Well Location and Acreage Dedication Plat on the subject well.

were sent November 11, 1998 by certified mail, return receipt requested, to the following offset Operators:

Mobil Producing Texas  
& New Mexico, Inc.  
P. O. Box 633  
Midland, TX 79702

OXY USA, Inc.  
P. O. Box 50250  
Midland, Texas 79707

Cross Timbers Oil Company  
810 Houston, Ste. 2000  
Fort Worth, TX 76102

Conoco, Inc.  
10 Desta Drive, Ste. 100 W  
Midland, TX 79702

Chevron USA Inc.  
P. O. Box 1150  
Midland, TX 79702

Altura Energy, LTD  
P. O. Box 4294  
Houston, TX 77210-4294

Doyle Hartman  
P. O. Box 10426  
Midland, TX 79702

James A. Davidson  
P. O. Box 494  
Midland, TX 79702

Lewis B. Burleson, et al  
Stephen L. Burleson  
LBB State Z Trust  
The New Mexico Company  
P. O. Box 2479  
Midland, TX 79702

Texaco Exploration & Production, Inc.  
P. O. Box 3109  
Midland, TX 79702

Tennison Oil Company  
8140 Walnut Hill Lane, Ste. 601  
Dallas, TX 75231

Z 582 766 437

US Postal Service

**Receipt for Certified Mail**

Mobil Producing Texas  
& New Mexico, Inc.  
P. O. Box 633  
Midland, TX 79702

Z 582 766 438

US Postal Service

**Receipt for Certified Mail**

OXY USA, Inc.  
P. O. Box 50250  
Midland, Texas 79707

Z 582 766 439

US Postal Service

**Receipt for Certified Mail**

Cross Timbers Oil Company  
810 Houston, Ste. 2000  
Fort Worth, TX 76102

Z 582 766 440

US Postal Service

**Receipt for Certified Mail**

Conoco, Inc.  
10 Desta Drive, Ste. 100 W  
Midland, TX 79702

Postage	\$ .55
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	1.10
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.00</b>
Postmark or Date	

Z 582 766 441

US Postal Service

**Receipt for Certified Mail**

Chevron USA Inc.  
P. O. Box 1150  
Midland, TX 79702

Z 582 766 443

US Postal Service

**Receipt for Certified Mail**

Doyle Hartman  
P. O. Box 10426  
Midland, TX 79702

Z 582 766 444

US Postal Service

**Receipt for Certified Mail**

James A. Davidson  
P. O. Box 494  
Midland, TX 79702

Z 582 766 445

US Postal Service

**Receipt for Certified Mail**

Texaco Exploration & Production, Inc.  
P. O. Box 3109  
Midland, TX 79702

Postage	\$ .55
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.00</b>
Postmark or Date	

Z 582 766 446

US Postal Service

**Receipt for Certified Mail**

Tennison Oil Company  
8140 Walnut Hill Lane, Ste. 601  
Dallas, TX 75231

Z 582 766 442

US Postal Service

**Receipt for Certified Mail**

Altura Energy, LTD  
P. O. Box 4294  
Houston, TX 77210-4294

Z 582 766 447

US Postal Service

**Receipt for Certified Mail**

Lewis B. Burleson, et al  
P. O. Box 2479  
Midland, TX 79702

Postage	\$ .55
Certified Fee	1.35
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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.00</b>
Postmark or Date	

PS Form 3800, April 1995

PS Form 3800, April 1995

PS Form 3800, April 1995

**List of Offset SPU's**  
**GRUY PETROLEUM MANAGEMENT CO.**  
**State X No. 1**  
**Jalmat Gas Pool**

OFFSET SPU	COLOR CODE	Well Name	Location	OPERATOR	ACERAGE DESCRIPTION	ACRES	SPU
1	Red	W B Guthrie No. 1 (INA) W B Guthrie No. 2 (INA) W B Guthrie No. 3 (P&A)	O-34-23-36 I-34-23-36 J-34-23-36	Mobile et al	SE/4 Sec. 34 T-23S-R-36E	160	Non-Standard
2	Green	Stevens A 35 No. 1 (INA) Stevens A 35 No. 2 (INA)	J-35-23-36 L-35-23-36	Conoco et al	SW/4, W/2SE/4, SE/4SE/4 Sec. 35	280	Non-Standard
3	Lt. Blue	New Mexico Z State 1 (ACT) New Mexico Z State 2 (ACT) New Mexico Z State 5 (ACT)	H-2-24-36 A-2-24-36 B-2-24-36	Lewis B Burleson et al	T-23S-R-36E NE/4 Sec. 2 T-24S-R-36E	160	Non-Standard
4	Yellow	Citgo AS State No. 1 (P&A) State X No. 1 (Proposed)	C-2-24-36 E-2-24-36	Gruy Pet. Management Co.	NW/4 Sec. 2 T-24S-R-36E	160	Non-Standard
5	Orange	State T No. 1 (ACT) State T No. 2 (P&A)	I-2-24-36 O-2-24-36	Texaco Exploration	SE/4 Sec. 2 T-24S-R-36E	160	Non-Standard
6	Brown	Cooper State No. 1 (ACT) Cooper State No. 2 (INA) State Y No. 1 (Proposed)	N-2-24-36 K-2-24-36 L-2-24-36	Gruy Pet. Management Co.	SW/4 Sec. 2 T-24S-R-36E	160	Non-Standard
7	Purple	None in Jalmat Gas		Texaco Exploration	SE/4 Sec. 3 T-24S-R-36E	160	Non-Standard
8	Dk. Blue	Vaughn B 3 No. 4 (ACT)	H-3-24-36	Tennison Oil Company	NE/4 Sec. 3 T-24S-R-36E	160	Non-Standard



## **NOTICE TO OFFSET OPERATORS**

**IN COMPLIANCE WITH NMOCD GENERAL RULE 104(D)(2)(d), THIS IS YOUR NOTICE THAT AFFECTED PARTIES, WITH STANDING, MUST FILE WRITTEN OBJECTIONS, WITH THE NMOCD, WITHIN TWENTY (20) DAYS OF THE MAILING TO YOU OF THIS NOTICE AND NON-STANDARD SPU APPLICATION.**

PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Revised October 18, 1994  
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**

<sup>1</sup> Operator Name and Address. GRUY PETROLEUM MANAGEMENT COMPANY P.O. BOX 140907. IRVING, TEXAS 75014-0907		<sup>2</sup> OGRID Number 162683
		<sup>3</sup> API Number 30-025-09498
<sup>4</sup> Property Code 23660	<sup>5</sup> Property Name STATE "X"	<sup>6</sup> Well No. 1

**<sup>7</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	2	24S	36E		1980'	NORTH	660'	WEST	LEA

**<sup>8</sup> Proposed 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

<sup>9</sup> Proposed Pool 1 JALMAT TANSILL, YATES, 7 RIVERS GAS (79240)	<sup>10</sup> Proposed Pool 2
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<sup>11</sup> Work Type Code E	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3377'
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 3869'	<sup>18</sup> Formation TAN, YATES, 7R's	<sup>19</sup> Contractor UNKNOWN	<sup>20</sup> Spud Date WHEN APPROVED

**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11 1/4"	8 5/8"	24	1262'	600	Circulated *
7 7/8"	5 1/2"	15.5	3869'	1000	Circulate

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

- \* 1. This is a re-entry a 11 1/4" hole was drilled to 1266'. 38 joints of 8 5/8" 24# J-55 casing was run and cemented with 600 Sx. of cement, cement circulated to surface.
2. Move in Rat-hole unit and drill out surface plug and set anchors.
3. Move in well service unit rig up reverse unit with steel tanks, drill out plugs with 7 7/8" bit and clean out hole to old total depth (3869).
4. Run logs and 5 1/2" J-55 15.5# ST&C casing. Cement with 1000 Sx. of cement, circulate cement to surface.
5. Perforate selected zones and complete as a gas well.

Re-Entry

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Joe T. Janica*

Printed name: Joe T. Janica

Title: Agent

Date: 09/09/98

Phone: 505-200-0110

**OIL CONSERVATION DIVISION**

Approved by: *[Signature]*

Title: *[Signature]*

Approval Date: SEP 10 1998

Expiration Date:

Conditions of Approval:

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-025-09498</u>	Pool Code 79240	Pool Name JALMAT TANSILL, YATES, 7RIVERS GAS
Property Code <u>23660</u>	Property Name STATE "X"	Well Number 1
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT COMPANY	Elevation 3377'

<sup>10</sup> Surface Location

UL or lot no. E	Section 2	Township 24S	Range 36E	Lot Idn	Feet from the 1980'	North/South line NORTH	Feet from the 660'	East/West line WEST	County LEA
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<sup>11</sup> 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
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<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature Joe T. Janica Printed Name Agent Title 09/09/98 Date	
	<sup>18</sup> 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 belief.  Date of Survey Signature and Seal of Professional Surveyer:	
	Certificate Number	