

Exploration Division
403 Wall Towers West
Midland, Texas 79701
Phone (915) 682-3711



C. F. Keller
Exploration Manager

January 26, 1978

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. D. S. Nutter, Chief Engineer

Re: #1 Diamond Mound Federal, 9000' Morrow Test
1980' FSL & 660' FWL Section 1, 16S, 27E,
Eddy County, New Mexico

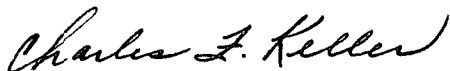
Gentlemen:

Please accept this letter as our waiver of any objections to Mesa Petroleum Co.'s proposed non-standard drilling unit comprised of Lots 13 and 14 and the SW 160 acres of Section 1, 16S, 27E, Eddy County, New Mexico. Northern is the operator of the #1 Vandagriff Federal, a shut-in gas well located 2560' FNL & 1980' FWL of said Section 1. We are also working interest partners with Mesa in the captioned well.

Please advise if anything further is needed in this regard.

Very truly yours,

NORTHERN NATURAL GAS COMPANY



Charles F. Keller
Authorized Agent

SC

xc: Mesa Petroleum Co.
1000 Vaughn Building
Midland, Texas 79701

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Mesa Petroleum Co

3. ADDRESS OF OPERATOR

1000 Vaughn Building - Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

1980' FSL & 660' FWL

At proposed prod. zone

Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8½ miles SE of Lake Arthur

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2985'

16. NO. OF ACRES IN LEASE

1099.56

17. NO. OF ACRES ASSIGNED
TO THIS WELL

240

19. PROPOSED DEPTH

9000'

20. ROTARY OR CABLE TOOLS

Rotary (Warton Drilling Co.)

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR 3597'

22. APPROX. DATE WORK WILL START*

February 1, 1978

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13-3/8"	48#	350	400 sx - Circ to surface
11"	8-5/8"	24#	1700	400 sx - Circ to surface
7-7/8"	4-1/2"	11.6#	9000	Sufficient to cover all pay

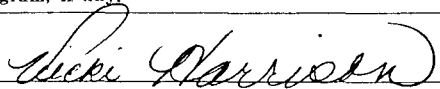
Propose to drill 17½" hole to approximately 350' without BOPs. After cementing 13-3/8" casing and nipping up 12" API 3000 psi BOPs, will drill 11" hole to approximately 1700' using brine as drilling fluid. Will cement 8-5/8" casing to surface, then drill 7-7/8" hole to total depth using same BOP arrangement as before (hydraulic ram, blind and annular bag). Maximum mud weight should not exceed 9.2 PPG based upon offset well data. See attached reports for other details.

Operator's gas is dedicated to Northern Natural Gas Company.

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED



TITLE

Agent

DATE

Jan. 20, 1978

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

XC: JLF, JWH, JWJ, MEC, USGS, RHN, FILE, W.I. OWNERS



January 26, 1978

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: D. S. Nutter, Chief Engineer

Re: #1 Diamond Mound Federal, 9000' Morrow Test
1980' FSL & 660' FWL Section 1-16S-27E
Eddy County, New Mexico
Mesa OP 05-NM-0947-4

NSP-1086
NSP immediate
Rule 104 D2

Gentlemen:

With reference to our pending application for permit to drill and telephone conversation with Mr. Nutter this date, this is to formally state in writing our telephoned request for approval of a non-standard drilling unit. Our pending application dated January 20, 1978 designates a 240 acre drilling unit comprised of Lots 13 & 14 and SW $\frac{1}{4}$ of the captioned section. We received a call today from Mr. James A. Knauf, USGS District Engineer in Artesia, advising that the permit cannot be approved until (1) the well name is changed (originally filed as #2 Vandagriff Federal) and (2) approval is obtained from your office for the non-standard drilling unit. The new well name, as shown in the caption of this letter, is #1 Diamond Mound Federal.

We respectfully ask for administrative approval of our proposed designation of acreage for the captioned well's drilling unit as soon as possible. Please be advised that Mesa Petroleum Co., owner of an undivided interest, is the administrator of the leases covering all Section 1 and the offset Sections 2, 11 and 12, T-16-S, R-27-E. In support of our request for administrative approval, we are enclosing a letter from Northern Natural Gas Company, operator of the #1 Vandagriff Federal well offsetting our proposed location, waiving any objection to the proposed non-standard drilling unit. Also, as a matter of interest, Northern Natural will be our partner in drilling the captioned well.

We will greatly appreciate expeditious handling of this matter, including a phone call to Mr. Knauf advising of your approval as soon as possible. We have contracted for a drilling rig to move onto this location during the first week of February, 1978. Please advise if there are any questions.

Very truly yours,

Robert H. Northington
Robert H. Northington

RHN:wp
Enclosure

Copies: James A. Knauf
Northern Natural Gas Company
Olen F. Featherstone

