

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL AND GAS CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF T. H. McELVAIN OIL & GAS PROPERTIES
FOR A NON-STANDARD PRORATION UNIT
AND AN UNORTHODOX OIL WELL LOCATION
IN THE GALLUP FORMATION UNDER ITS
MILLER B WELL NO. 6.

A P P L I C A T I O N

Applicant, T. H. McElvain Oil & Gas Properties, hereby asks the Oil and Gas Conservation Division for Administrative Approval of a non-standard proration unit and an unorthodox oil well location in the Gallup formation under its Miller B Well No. 6 and in support thereof states:

1. Applicant is the operator of the Miller B Well No. 6 located 1460 feet from the North line and 2285 feet from the East line (Unit G) of Section 12, Township 24 North, Range 7 West, N.M.P.M., in an undesignated Dakota Oil Pool, Rio Arriba County, New Mexico.
2. The Miller B Well No. 6 was initially drilled as a gas well, but upon completion in the Dakota Formation produced as an oil well.
3. By Order No. R-5904 entered January 16, 1979, the Oil and Gas Conservation Division allowed the Miller B Well No. 6 to produce from the Dakota Formation in an unorthodox location as an oil well.
4. By Order No. R-6111 entered September 19, 1979, the Oil and Gas Conservation Division authorized the commingling of Gallup and Dakota production within the wellbore of the Miller B Well No. 6.
5. Due to legal complications beyond the applicant's control, commingling has not been possible until the present time and will only be possible if a non-standard proration unit is approved.
6. By Order No. R-5353-G entered August 31, 1981, the Oil and Gas Conservation Division increased the size of a standard oil proration unit within the Devils Fork-Gallup Associated Pool to 160 acres rather than 80 acres.

Rec'd 2-12-82
RAS

~~1293~~

NSP
Rule 4 (a) R5353
80-acres
W/2 NE Sec 12
3-14-82

7. The Miller B Well No. 6 was producing less than one (1) BOPD in July, 1980, when the rods parted. It is not economically feasible for applicant to re-work this well unless the Gallup formation is opened to the wellbore and commingled with the existing Dakota production.

8. Applicant proposes to dedicate the W/2NE/4 of Section 12 to the Gallup production from said well and to produce the Gallup from the existing wellbore of the Miller B Well No. 6 located at an unorthodox Gallup location within the non-standard Gallup proration unit (see attached plat-Exhibit A).

9. Applicant this day served notice of this application on all offset operators and owners within the NE/4 of Section 12 whose acreage is not included in said non-standard proration unit (see attached plat-Exhibit B). These parties are set out on the attached list which is complete to the best of applicant's knowledge (see Exhibit C).

10. The granting of this application will prevent waste and protect correlative rights.

T. H. McELVAIN OIL & GAS PROPERTIES

By George B. Broome
George B. Broome
Geological Engineer

Executed this 12th day of February, 1982.

I, George B. Broome, acknowledge that I served a confirmed copy of this application on all offset operators listed in Exhibit C, herein, by Certified Mail, Return Receipt, this 12th day of February, 1982

George B. Broome

AMENDED WELL LOCATION AND ACREAGE DEDICATION PLAT

Supervisors
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

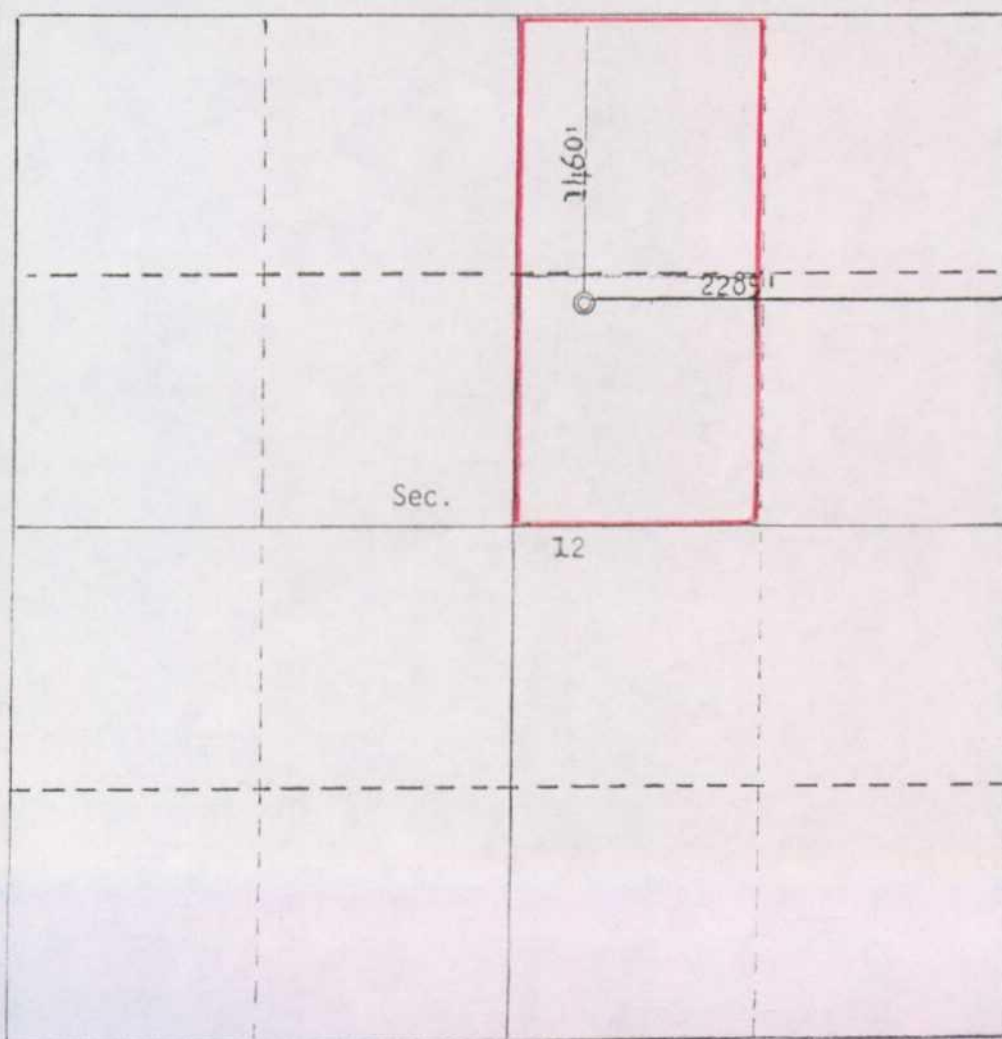
| | | | | | |
|--|---|----------------------------|--|-----------------------------------|--|
| Owner T. H. McElvain Oil & Gas Properties | | Lease Miller "B" | | Well No. 6 | |
| Section Letter G | Section 12 | Township 24N | Range 7W | County Rio Arriba | |
| Actual Footage Location of Well: 1160 feet from the North line and 2285 feet from the East line | | | | | |
| Ground Level Elev. 6809 | Producing Formation Dakota Gallup | | Pool Devils Fork Gallup Associated | Dedicated Acreage 40 80 | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name Jack F. Ellledge
Position Agent
Company T. H. McElvain Oil & Gas
Date 3-20-78

Resubmitted 11/10/78

By George Brown Engr.

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

November 28, 1977

Registered Professional Engineer and/or Land Surveyor

Fred B. Kern, Jr.

Certificate No.

1000

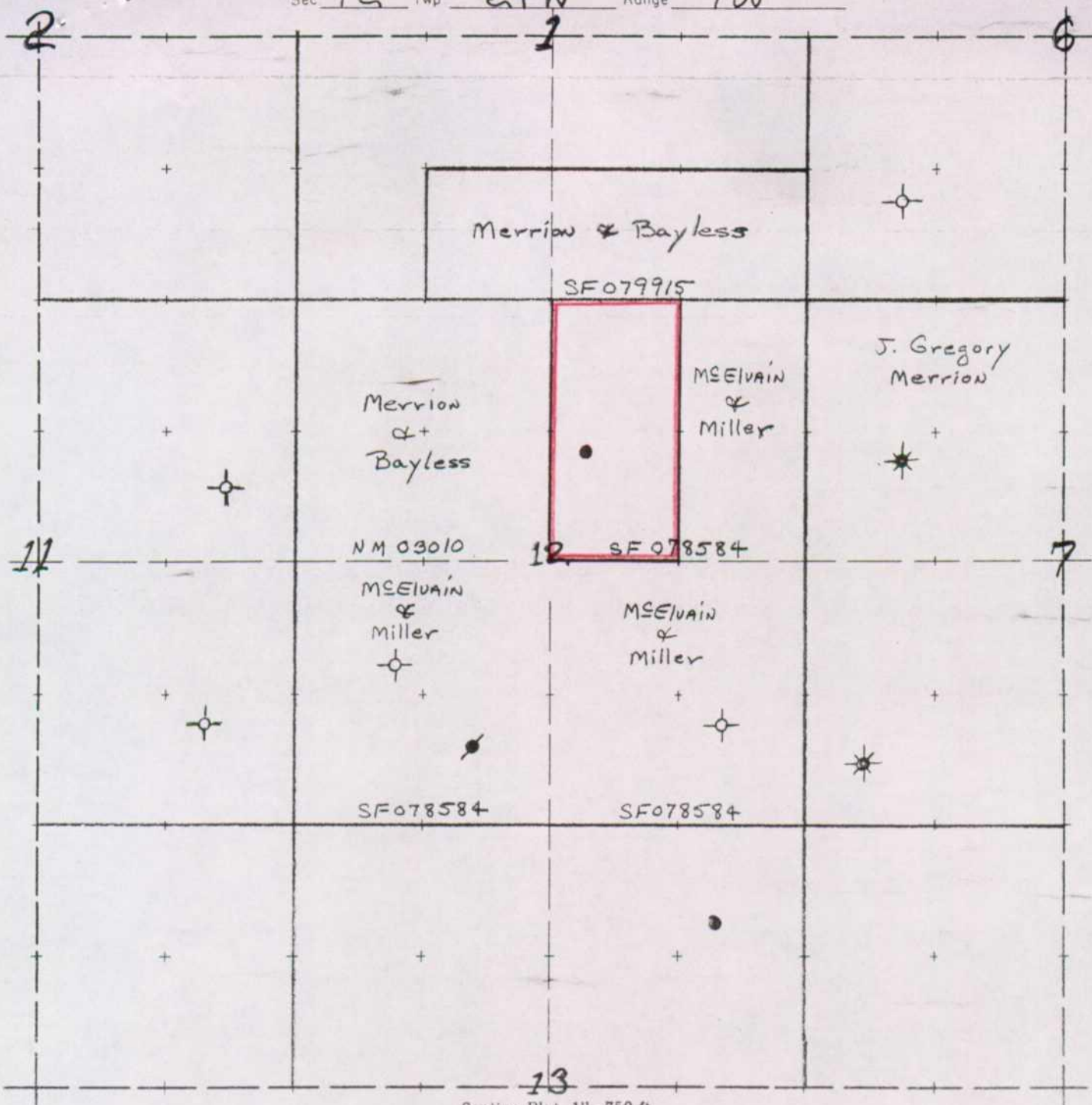
Rio Arriba

New Mexico

COUNTY

STATE

Sec 12 Twp 24N Range 7W



Plat Showing Gallup wells offsetting the Miller B No. 6 well located in Unit G - Sec. 12, T-24N, R-7W, Rio Arriba Co., New Mexico and showing offset owners to proposed non-standard proration unit and unworthodox well location.

Proposed proration unit outlined in red.

EXHIBIT C

DIRECT AND DIAGONAL OFFSET OPERATORS AND OWNERS
WITHIN THE NE/4 OF SECTION 12, T-24-S, R-7-W,
WHOSE ACREAGE IS NOT INCLUDED IN SAID NON-
STANDARD PRORATION UNIT.

Mr. James M. Raymond, Individually and
as Trustee for the Mast and Gay Trusts
and
Mabelle McElvain Miller
P.O. Box 1445
Kerrville, Texas 78028

Merrion and Bayless
P.O. Box 1541
Farmington, New Mexico 87401

Recd 2-12-82
RHS

T. H. McELVAIN OIL & GAS PROPERTIES

T. H. McELVAIN, JR., MANAGER

220 SHELBY STREET

P. O. Box 2148

SANTA FE, NEW MEXICO 87501

TELEPHONE 982-1985

AREA CODE 505

CATHERINE B. McELVAIN

CATHERINE M. HARVEY

T. H. McELVAIN, JR.

February 12, 1982

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, N.M. 87501

Attn: Joe D. Ramey
Director

Re: Miller B Well No. 6
N/2 of Section 12, T-24-N, R-7-W
Rio Arriba County, New Mexico

Dear Sir:

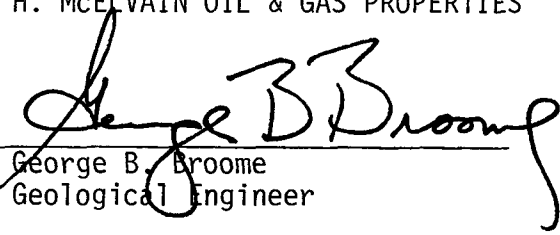
Enclosed herewith is our application in triplicate for a non-standard proration unit and an unorthodox oil well location in the Gallup formation under the above captioned well.

We hereby request administrative approval of this application. Should anything further be required, please advise immediately.

Very truly yours,

T. H. McELVAIN OIL & GAS PROPERTIES

By


George B. Broome
Geological Engineer

GBB/k
Encl.