

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST MESQUITE SWD, INC., SUSPENDING MESQUITE'S AUTHORITY TO INJECT INTO THE EXXON STATE NO. 8 UNDER ORDER SWD-180 UNTIL MESQUITE SHOWS THAT THE INJECTED FLUIDS ARE NOT ESCAPING TO UNAUTHORIZED INJECTION ZONES; REQUIRING COMPLIANCE WITH ORDER NO. SWD-180 AND RULE 19.15.9.703 NMAC AND REQUEST FOR EXPEDITED HEARING; EDDY COUNTY, NEW MEXICO

Case No. 14136

IN THE MATTER OF MESQUITE SWD, INC.'S APPLICATION NO. PKVR0817936301
TO AMEND PERMIT SWD-180

Case No. 14178

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2008 SEP 9 PM 1 28

MESQUITE SWD, INC.'S MOTION TO QUASH EMERGENCY ORDER NO. E-37

Mesquite SWD, Inc. ("Mesquite") submits its Motion to Quash Emergency Order No. E-

37. In support of its Motion, Mesquite states:

I. Introduction

On May 9, 2008, the New Mexico Oil Conservation Division ("NMOCD") issued Emergency Order No. E-37 (shutting in the Exxon State No. 8 well) due to alleged violations of Order No. SWD-180. **Emergency Order No. E-37.** Emergency Order No. ER-37 mistakenly alleges that Mesquite violated Order No. SWD-180 by using the Exxon State No. 8 well to dispose of fluids at a depth of 694 feet. *Id.* However, the NMOCD amended Order No. SWD-180 in 1977 by approving an Application to Drill the Exxon State No. 8 to a depth of 700 feet. Accordingly, Mesquite is in full compliance with Order No. SWD-180 and no legal basis supports Emergency Order No. E-37.

II. Legal Standard

A motion to quash should be granted when a court or administrative agency enters an order unsupported by law. *See, State v. Heinsen*, 2005-NMSC-35, ¶s 2, 4-5, 138 N.M. 441, 444-445 (affirming the quash of a order granting an appeal based on a non-appealable, non-final order); *Charles P. Young, Co. v. Anaya*, 119 N.M. 449, 451; 891 P.2d 1203, 1205 (1995) (affirming the quash of improperly issued subpoenas).

The NMOCD has statutory jurisdiction to “enforce effectively” the provisions of the Oil and Gas Act and other New Mexico laws “relating to the conservation of oil and gas.” NMSA § 70-2-6(A). An operator who “conducts any activity pursuant to a permit, administrative order or other written authorization” from the NMOCD must comply with the terms, conditions, and provisions of such authorization. 19.15.1.141 NMAC. When an operator has failed to comply with the terms, conditions and provisions of the NMOCD’s authorization, the NMOCD may issue an emergency order and sanctions. *See, id.*; 19.15.14.1225 NMAC; 19.15.14.1227(B) NMAC. Conversely, an emergency order issued when an operator has complied with all of the terms, conditions and provisions of its authorization from the NMOCD lacks a legal basis and should be quashed. *See, 19.15.1.141 NMAC; 19.15.14.1225 NMAC; and 19.15.14.1227(B) NMAC.*

In a compliance proceeding, the NMOCD bears the burden of demonstrating that the operator against whom the NMOCD has brought the emergency order has violated a specific rule or order. *See 19.15.14.1227(B) NMAC* (The NMOCD may seek a compliance proceeding “for violation of... any rule or order” issued pursuant to the Oil and Gas Act.). The NMOCD cannot support an emergency order against an operator who has not violated any terms, conditions, or provisions of its authorization from the NMOCD. *See id.* Emergency orders issued without a

valid legal basis should be quashed. *See, Anaya*, 119 N.M. 449, 451; 891 P.2d 1203, 1205; *Heinsen*, 2005-NMSC-35, ¶s 2, 4-5, 138 N.M. 441, 444-445.

III. Argument

Mesquite has complied with the terms, conditions and provisions of Order No. SWD-180, as amended. Consequently, Emergency Order No. E-37 lacks a legal basis to shut in the Exxon State No. 8. Emergency Order No. ER-37 mistakenly states that Mesquite violated Order No. SWD-180 by using the Exxon State No. 8 to dispose of salt water at a depth of 694 feet. Emergency Order No. E-37, ¶s 5, 8. However, when it issued Emergency Order No. ER-37, the NMOCD failed to consider the subsequent amendment to Order No. SWD-180 allowing the Exxon State No. 8 to be drilled to a depth of 700 feet. See Application to Drill, Deepen and Plug Back, Approved February 18, 1977, attached as Ex. A. A brief history of the Exxon State No. 8 demonstrates that the NMOCD authorized the well to be drilled to a depth of 700 feet on February 18, 1977:

- APD approval does not consist of SWD approval.*
- 1) From approximately May 18, 1976 to October 12, 1976, Order No. R-5217 authorized A.H. Rains, the original operator of the Exxon State No. 8, to operate the Pure State No. 1 well as a salt water disposal well. *SWD* **See Order R-5217, attached as Ex. B.**
 - 2) Mr. Rains determined that the Pure State No. 1 could be used as a production well and submitted an application to change the purpose of the Pure State No. 1 and to substitute another or additional well under the same lease as a saltwater disposal well. On October 12, 1976, the NMOCD entered Order No. R-5217-A approving Mr. Rains' application to use the Pure State No. 1 well as a production well. **See Order R-5217-A, attached as Ex. C.**
 - 3) Order No. R-5217-A further authorized the "Secretary-Director of the Commission... to approve such additional or substitute injection wells at orthodox or unorthodox locations within the applicant's Pure State Lease." **Ex. C, Order No. R-5217-A, p. 2, ¶ 2.**
 - 4) To obtain approval for additional or substitute injection wells, Order No. R-5217-A required Mr. Rains to submit an application to the Commission. *Id.* The Order provided that the Commissioner-Director had the authority to administratively

approve such application if the NMOCD did not receive any objections within 20 days. *Id.*

- 5) On December 13, 1976, pursuant to Order No. R-5217-A, Mr. Rains submitted an application to operate the Exxon State No. 8 as a salt water injection well within the Pure State Lease. Order No. SWD-180, first unnumbered paragraph.
- 6) On December 31, 1976, Mr. Joe D. Ramey, the Secretary-Director of the NMOCD at that time, administratively approved Mr. Rains' application by issuing Order No. SWD-180. Order No. SWD-180, p. 3. Order No. SWD-180 approved the Exxon State No. 8 to a depth of "approximately 570 feet to approximately 600 feet." Order No. SWD-180, p. 1.
- 7) On February 8, 1977, Mr. Rains submitted an "Application for Permit to Drill, Deepen, or Plug Back" for the Exxon State No. 8, using a Form C-101, consistent with the provisions of Order R-5217-A. *See Ex. A.* The application identified the Exxon State No. 8 as the well to be drilled and identified the permit to be modified as "SWD 180." *Id.* On February 18, 1977, Mr. W.A. Gressett of the NMOCD administratively approved Mr. Rains' application to drill the well to 700 feet, again consistent with the authority to act administratively pursuant Order No. R-5217-A. *See id.; Ex. C, Order No. R-5217-A, p. 2, ¶ 2.* This approval, pursuant to the authority granted by Order R-5217-A, demonstrates that the Exxon State No. 8 has been approved to a depth of 700 feet. No
- 8) On March 7, 1977, seventeen (17) days after the NMOCD's approval of Mr. Rains' application to deepen the Exxon State No. 8 to 700 feet, the Artesia Daily Press published notice that the NMOCD had approved the Exxon State No. 8 to a depth of 700 feet. **Artesia Daily Press, Oil Patch Report, March 7, 1977, attached as Ex. D.**
- 9) On November 25, 1977, Mr. Rains filed the Well Completion or Recompletion Report and Log, Form C-105, showing that the Exxon State No. 8 was completed to a depth of 694 feet. A handwritten note on the lower right-hand corner of this form confirms that this completion log is associated with "SWD #180," the permit for the Exxon State No. 8. **Well Completion or Recompletion Report and Log, November 25, 1977, attached as Ex. E.**

The record demonstrates conclusively that the NMOCD amended Order No. SWD-180 to allow the operator of the Exxon State No. 8 to dispose of salt water at a depth of 700 feet. Consequently, Emergency Order No. E-37 shutting in the Exxon State No. 8 was improvidently entered and should be quashed.

IV. Conclusion

For the reasons set forth above, Mesquite requests that that the Division Examiner enter an order quashing Emergency Order No. E-37 and allow the Exxon State No. 8 to operate pursuant to Order SWD No. 180, as amended and modified by the NMOCD on February 18, 1977.

Respectfully submitted,

HINKLE, HENSLEY, SHANOR & MARTIN, LLP



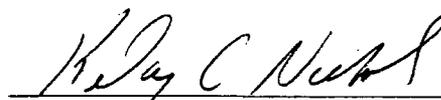
Thomas M. Hnasko
Kelcey C. Nichols
Post Office Box 2068
Santa Fe, NM 87504-2068
505.982.4554

Attorneys for Applicant Mesquite SWD, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this on this 9th day of September, 2008, I sent a true and correct copy of the foregoing and *Mesquite SWD, Inc.'s Motion to Quash Emergency No. Order E-37* via postage prepaid first class mail and electronic mail to:

Mr. Sonny Swazo, Esq.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505



Kelcey C. Nichols

30-015-25055

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NEW MEXICO OIL CONSERVATION COMMISSION

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FEB 15 1977

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEDERAL

6. State Oil & Gas Lease No.
E-2597

7. Unit Agreement Name
B

8. Form or Lease Name
EXAMIN STATE

9. Well No.
S

10. Field and Pool, or Wildcat
MAGRUDER-YATES

12. County
EDDY

19. Proposed Depth
600' - 700'

19A. Formation
LIME

20. Industry or C.T.
RETURN

O.C.C.

APPLICATION FOR PERMIT TO ~~DRILL~~ **DRILL, DEEPEN, OR PLUG BACK**

14. Type of Work
DRILL DEEPEN PLUG BACK

6. Type of Well
OIL WELL GAS WELL OTHER **WATER DISPOSAL** SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
A. H. RAINB

3. Address of Operator
BOX 427 CARLSBAD, N.M. 88220

4. Location of Well
UNIT LETTER **O** LOCATED **L268** FEET FROM THE **SOUTH** LINE
AND **2632** FEET FROM THE **EAST** LINE OF SEC. **15** TWP. **21S** RGE. **29E** N.M.P.M.

11. Township (show whether DP, RL, etc.)
327E

21A. Blow & Control Plug Used
BLANKET

21B. Drilling Contractor
R. D. RAINB

22. Approx. Date work will start
MAY 1977

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
1 1/2"	8 5/8"	24	175'	CIRCULATED	
7 7/8"	5 1/2"	14	600' approx.	"	

PROPOSED TO DRILL 1 1/2" HOLE TO A DEPTH OF 600 - 700'
AND SET 5 1/2" CASING AND CIRCULATE CEMENT TO TOP OF
SURFACE

SWD 180

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES **5-18-77**

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed **A. H. Rainb** Title **O.P.E. R.A.I.N.B.** Date **2-8-77**

APPROVED BY **W. A. Gressett** TITLE **SUPERVISOR, DISTRICT II** DATE **FEB 18 1977**

CONDITIONS OF APPROVAL, IF ANY: **Notify N.M.O.C.C. in sufficient time to witness cementing**

Entered May 18, 1976

JSP

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5681
Order No. R-5217

APPLICATION OF A. H. RAINS FOR
SALT WATER DISPOSAL, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 12, 1976,
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 18th day of May, 1976, 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 the applicant, A. H. Rains, is the operator of
the Pure State Well No. 1, located in Unit J of Section 15,
Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool,
Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Yates formation, with
injection into the open-hole interval from approximately 540
feet to 551 feet.

(4) That the injection should be accomplished through
2 3/8-inch tubing installed in a packer set at approximately
535 feet; that the casing-tubing annulus should be filled with
an inert fluid; and that a pressure gauge or approved leak
detection device should be attached to the annulus in order to
determine leakage in the casing, tubing, or packer.

(5) That the operator should notify the supervisor of
the Artesia district office of the Commission of the date
and time of the installation of disposal equipment so that the
same may be inspected.

EXHIBIT

B

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-2-
Case No. 5681
Order No. R-5217

(6) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(7) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, A. H. Rains, is hereby authorized to utilize its Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool, Eddy County, New Mexico, to dispose of produced salt water into the Yates formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 525 feet, with injection into the open-hole interval from approximately 540 feet to 551 feet;

PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid, and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the operator shall notify the supervisor of the Artesia district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(3) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(4) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

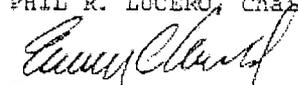
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

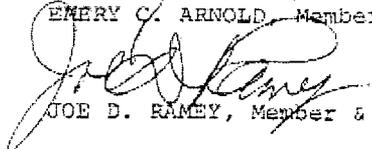
-3-
Case No. 5681
Order No. R-5217

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

dr/

Entered October 12, 1976

JCR

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5753
Order No. R-5217-A

APPLICATION OF A. H. RAINS FOR
AMENDMENT OF ORDER NO. R-5217,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of October, 1976, 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 Commission Order No. R-5217 dated May 18, 1976, the applicant, A. H. Rains, was granted authority to utilize his Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool, Eddy County, New Mexico, as a salt water disposal well for water production from said Pure State Lease.
- (3) That it now appears that said Pure State Well No. 1 may be better utilized as a producing well.
- (4) That the applicant seeks the amendment of Order No. R-5217 to provide an administrative procedure for the approval of substitute or additional salt water disposal wells on said Pure State Lease in Section 15, Township 21 South, Range 27 East, Magruder-Yates Pool, Eddy County, New Mexico.
- (5) That the applicant is the only operator in said Magruder-Yates Pool.
- (6) That approval of the application may result in greater recovery of oil from said Pure State Lease, will not cause waste, will not violate correlative rights, and will not endanger fresh waters provided that proper well construction and monitoring procedures are required.

EXHIBIT

tabbles

C

-2-
Case No. 5753
Order No. R-5217-A

(7) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order (1), (2), and (3), of Commission Order No. R-5217 are hereby amended to read in their entirety as follows:

"(1) That the applicant, A. H. Rains, is hereby authorized to utilize his Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool, Eddy County, New Mexico, to dispose of produced salt water into the Yates formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 535 feet, with injection into the open-hole interval from approximately 540 feet to 551 feet.

"(2) The Secretary-Director of the Commission is hereby authorized to approve such additional or substitute injection wells at orthodox and unorthodox locations within the boundaries of applicant's Pure State Lease as may be necessary to handle produced water therefrom, provided said wells are located no closer than 660 feet to the outer boundary of said lease nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary. To obtain such approval, the operator shall file proper application with the Commission, which application shall include the following:

(a) A plat showing the location of the proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

(b) A schematic drawing of the proposed disposal well which fully describes the casing, tubing, perforated interval, and depth.

(c) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval of the application upon receipt of waivers from offsetting operators.

"(3) That terms and conditions of approval of any disposal well under provisions of this order shall be as follows:

(a) That the casing-tubing annulus shall be filled with an inert fluid, and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped

-3-
Case No. 5753
Order No. R-5217-A

with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(b) That the operator shall notify the supervisor of the Artesia district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

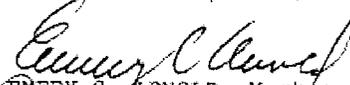
(c) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

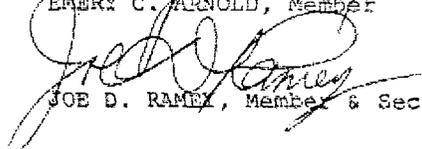
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/

HEAD START—The Artesia Head Start policy committee will meet at 7 p.m. Tuesday in the Head Start conference room, Seventh and Kemp.

JUNIOR HUMANE—The Artesia Junior Humane Society will meet at 7:30 p.m. tonight at the Artesia Chamber of Commerce.

John Gates will be the speaker.

GOP WOMEN—The Artesia chapter of the Federation of Republican Women will meet at 7 p.m. Tuesday in Peoples State Bank meeting room. New officers will be installed.

All Republican women are invited.

GIRLS SOFTBALL—The Artesia Girls Softball Association will hold registration at 7 p.m. Tuesday at Zia Intermediate School cafeteria. Any girl between the ages of 8 to 18 who is interested in playing softball this summer is urged to register at this time.

Girls must have one parent with them to register, and a birth certificate is required for girls registering for the first time.

Registration fee is \$2.50.

HERMOSA PTA—Hermosa Elementary School PTA will meet at 7 p.m. tonight for election of officers.

A program on "Insignia of the Nation—Our Flag" will be presented by the Park Junior High honor society.

All members are urged to attend.

DAR MEETING—The Mary Griggs chapter of the Daughters of the American Revolution will meet at 7:30 p.m. tonight in the home of Mrs. Hugh Kiddy, 923 S. Roselawn. American history essay winners and their mothers will be guests.

CANCER SOCIETY—The North Eddy County unit of the American Cancer Society will meet at 7:30 p.m. tonight at the community center.

All members are urged to attend to help plan this year's Cancer Crusade.

A film entitled "Something

GOLF—The Artesia Country Club will hold a monthly meeting at 7:30 p.m. Thursday at the Artesia Country Club clubhouse.

A film of the 1976 Masters golf tournament will be shown, according to Eddie Havins, association president.

All members and prospective members are urged to attend.

3 days	100c per word	14 days	480c per word
4 days	120c per word	15 days	500c per word
5 days	140c per word	16 days	520c per word
6 days	160c per word	17 days	540c per word
7 days	180c per word	18 days	560c per word
8 days	200c per word	19 days	580c per word
9 days	220c per word	20 days	600c per word
10 days	240c per word	21 days	620c per word
11 days	260c per word	22 days	640c per word
12 days	280c per word	23 days	660c per word
13 days	300c per word	24 days	680c per word
		25 days	700c per word
		26 days	720c per word
		27 days	740c per word
		28 days	760c per word
		29 days	780c per word
		30 days	800c per word

Oil Patch Report

LOCATIONS AND RE-ENTRIES:

Chaves County

Sec 1 T108 R10E 9 mi NW Caprock
MCCLELLAN OIL CORP. Boondocks Federal #1
660/N & 1980/W Wildcat
Cable Tools 3600 San Andres

Eddy County

Sec 10 T185 R17E 11 mi NE Lakewood
ATLANTIC RICHFIELD CO. Empire Abo Unit
"W" #101
1100/N & 2170/W Empire Abo
Rot 6230 Abo Reef

Sec 10 T195 R17E 6 1/2 mi NE Lakewood
YATES PET. CORP. Federal "W" #1
660/N & 660/E Wildcat
Rot 3000 San Andres

Sec 15 T215 R17E 4 mi NE Carlisbad
A. K. RAINS Exxon State #8
1268/S & 1032/E Magruder Yates
Rot 700 Lime Water Disposal
Contri R. D. Rains

Sec 10 T225 R31E 12 mi S Halfway Bar
PEARY R. BASS James Ranch #12
1980/S & 1980/W Wildcat
Rot 14,700 Morrow

Sec 31 T225 R31E 16 mi NE Loving
GULF OIL CORP. Eddy "F" State #1
1980/S & 740/W Undes (Los Medanos)
Rot 14,600 Morrow

NEW WELLS COMPLETIONS:

Eddy County

Sec 6 T115 R24E BRILL OIL CO. Federal "A" #1, 3193/N & 660/E. Pools Undes (Cametary).
Spud 10/4/76, Comp 11/22/76, EI 3717.2 GL, TD 9849, PSTD 9850, Top Pay (Morrow) 9335.
Perf: 9335-43, Treats: 500 gal 7 1/2 HCL. IP: CAOP 10,000, Csg: 10 Q 46 w/rad-mix,
13 1/8 Q 337 w/150 ex, 8 3/8 Q 3199 w/1300 ex, 5 1/2 Q 9869 w/900 ex. Tops: SA 737,
Glo 2344, Bone Spring 3608, WC 4911, Ciseo 7752, Canyon 8207, Strawn 8530, Atoka 9103,
Morrow 9369, Barnett 9782.

Sec 25 T268 R31E HANSON OIL CORP. Hanson Federal #15, 990/N & 2400/W. Pools: North
Mason. Spud 9/28/76, Comp 10/15/76, EI 3248 GL, TD 4285, Top Pay (Delaware) 4193.
Perf: 4195-98, 4205-10. Treats: 500 gal 10% HCL, 6600 gal gal lsa oil & 13,000# 10-10
sd. IP: Pump 24 hrs 10 BC, 18 BW, 1 MCF, OOR 50-1, Cty 37. Csg: 8 3/8 Q 454 w/175 ex,
4 1/2 Q 4183 w/125 ex. Tops: NR

Sec 24 T108 R27E MORRIS R. ANTWELL Mesa Macho #1, 660/S & 1980/E. Pools Undes (Morrow)
Spud 6/25/76, Comp 1/10/77, EI 3349 GR, TD 11,434, PSTD 11,372, Top Pay (Morrow)
11,259. Perf: 8972-98, 9018-22, 9024-32, 11,259-266, 309-318, 11,330-339 (8972-9031
sq w/130 ex cmt). Treats: NR. IP: CAOP 12,173. Csg: 13 3/8 Q 677 w/650 ex, 9 5/8 Q 2600
w/1150 ex, 5 1/2 Q 11,434 w/1200 ex. Tops: WC Lime 8452, Strawn 10,049, Atoka 10,371,
Bone Spring 4768, Morrow 10,904, Barnett 11,334.

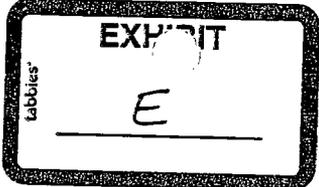
Lea County

Sec 1 T128 R12E TENNECO OIL CO. Tennessee Sunshine #1, 810/S & 660/E
Spud 12/7/76, Comp 1/18/77, EI 4317.8 GR, TD 10, 430, PSTD 9526, T
Perf: 9251-3260, 9262-9271. IP: 1/20/77 pump 24 hrs 130 BC, 0 BW,
13 3/8 Q 303 w/635 ex, 8 3/8 Q 3799 w/1100 ex, 5 1/2 Q 10,429 w/90

EXHIBIT

Tabbles

D



Form G-105
Revised 11-66

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U.S.G.S.	2
LAND OFFICE	1
OPERATOR	

RECEIVED
 NEW MEXICO OIL CONSERVATION COMMISSION
 WELL COMPLETION OR RECOMPLETION REPORT AND LOG
 NOV 28 1977 ✓

Bureau of Minerals
 10. TYPE OF WELL 0 **O.C.C. ARTESIA, OFFICE**

B. TYPE OF COMPLETION
 OIL WELL GAS WELL DRY OTHER WATER DIS. PISA
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER

5a. Indicate Type of Lease
 State Fed

5. State Oil & Gas Lease No.
E-2597

3. Name of Operator
A.H. RAINS ✓

7. Unit Agreement Name
 8. Form or Lease Name
EX ON STATE

3. Address of Operator
Box 927 CARLSBAD, NEW MEXICO 88320

9. Well No.
8

4. Location of Well
 UNIT LETTER D LOCATED 1268 FEET FROM THE SOUTH (NEE AND 2032 FEET FROM

10. Field and Pool, or Wildcat
Magruder Yates

THE EAST LINE OF SEC. 15 TWP. 21S RGE. 27E (NEAR)

12. COUNTY
EDDY

15. Date Spudded 6-21-77 16. Date T.D. Reached 9-9-77 17. Date Compl. (Ready to Prod.) 9-15-77 ✓

18. Elevations (DF, RAB, RT, GR, etc.) 19. Elev. Casinghead
3295

20. Total Depth 694 21. Plug Back T.D.

22. If Multiple Compl., How Many
 23. Intervals Drilled By
 Rotary Tools ✓ Cable Tools

24. Producing Interval(s), of this completion - Top, Bottom, Name

25. Was Directional Survey Made

26. Type Electric and Other Logs Run

27. Was Well Cored

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24	168' 6"	1 7/8"	110 SACKS CEMENT	B.I.P.
5 1/2"	14	567.9"	7 7/8"	110 SACKS CEMENT	B.I.P.
<u>PACKER SET AT 550'</u>					
<u>4 3/4" HOLED RILL 567.9" TO 694'</u>					

29. LINER RECORD (30. TUBING RECORD)

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	550	550

31. Perforation Record (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>568-694</u>	<u>110 gals acid</u>

33. PRODUCTION

Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in)
Water Disposal

Date of Test Hours Tested Choke Size Prod'n. For Test Period Oil - Bbl. Gas - MCF Water - Bbl. Gas - Oil Ratio

Flow Tubing Press. Casing Pressure Calculated 24-Hour Rate Oil - Bbl. Gas - MCF Water - Bbl. Oil Gravity - API (Corr.)

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Test Witnessed By

35. List of Attachments

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED A.H. Rains TITLE OPERATOR DATE 11-25-77