

T 16 S R 35 E

Scale 1:27047.66



LEGEND

- STRAWN PRODUCTION
- WELLS SHOWN HAVE TD \geq 11,500'

OCEAN ENERGY RESOURCES, INC.

ONSHORE EXPLORATION
TOWNSEND AREA
LEA Co., NM

Field No.	Scale 1:27047.66	05/01/2000
		NMREG-DM 097



BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OCEAN ENERGY RESOURCES,
INC. FOR POOL CREATION AND SPECIAL POOL
RULES, POOL CONTRACTION, AND CANCELLATION
OF OVERPRODUCTION, LEA COUNTY, NEW MEXICO.

Case No. 12,401

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)


James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters set forth herein.
2. I am an attorney for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by mailing each of them, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rule 1207.



James Bruce

SUBSCRIBED AND SWORN TO before me this 3rd day of May, 2000,
by James Bruce.



Notary Public

My Commission Expires:
3/14/2001

EXHIBIT 2

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

April 4, 2000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Estate of Charles B. Gillespie, Jr.
Gillespie Oil, Inc.
P.O. Box 2557
Midland, Texas 79702

Amerind Oil Company, Ltd.
Suite 500
415 West Wall Street
Midland, Texas 79701

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154

Ladies and Gentlemen:

Enclosed is a copy of an application for pool creation and special pool rules, etc. regarding the Strawn formation underlying the ~~S&SE~~ of Section 2, the ~~NE~~ of Section 11, and the ~~NW~~ of Section 12, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, filed with the New Mexico Oil Conservation Division by Ocean Energy Resources, Inc. This application is scheduled to be heard at 8:15 a.m. on Thursday, May 4, 2000 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner affected by this application, you have the right to appear at the hearing and participate in the case. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Ocean Energy
Resources, Inc.

EXHIBIT

A

ILLEGIBLE

Thank you for using Return Receipt Service.

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

1. Addressee's Address
2. Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
Amerind Oil Company, Ltd.
Suite 500
415 West Wall Street
Midland, Texas 79701

4a. Article Number: 211 159 688

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X [Signature]

7. Date of Delivery: 4-6-00

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102505-06-9-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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2. Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
Estate of Charles B. Gillespie, Jr.
Gillespie Oil, Inc.
P.O. Box 2557
Midland, Texas 79702

4a. Article Number: 211 159 688

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X [Signature]

7. Date of Delivery: DEC 7 2000

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102505-06-9-0229 Domestic Return Receipt

ILLEGIBLE

SENDER:

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, 4b, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

4a. Article Number

2961509282

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery

4-6-00

8. Addressee's Address (Only if requested and fee is paid)

5. Recipient's Name

JOHNN GRIEBS

Signature:

JOHNN GRIEBS

PS Form 3811, December 1994

102595-99-9-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

SENDER:

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, 4b, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154

4a. Article Number

221159687

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured

7. Date of Delivery

04/06/00

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

JOHNN GRIEBS

6. Signature (Addressee or Agent)

JOHNN GRIEBS

PS Form 3811, December 1994

102595-99-9-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.



LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

BEFORE EXAMINER CAN SIGN
OIL CONSERVATION REPORT

REPORT NO.
1078874

PAGE NO. 1

TEST DATE:
23-OCT-1998

EXHIBIT NO. **S**
STAR

Schlumberger Testing Data Report
Pressure Data Report

Schlumberger

COMPANY: OCEAN ENERGY RESOURCES, INC. WELL: TOWNSEND #5

TEST IDENTIFICATION		WELL LOCATION	
Test Type	SLIM HOLE DST	Field	LOV. STRAWN
Test No.	ONE	County	LEA
Formation	STRAWN	State	NEW MEXICO
Test Interval (ft)	11260 to 11504	Sec/Twn/Rng	2/16s/35e
Depth Reference	KB	Elevation (ft)	3981

HOLE CONDITIONS		MUD PROPERTIES	
Total Depth (MD/TVD) (ft)	11504	Mud Type	F/W GEL PAC
Hole Size (in)	6.125	Mud Weight (lb/gal)	8.6
Casing/Liner I.D. (in)	7" @ 11335'	Mud Resistivity (ohm.m)	
Perf'd Interval/Net Pay (ft)	/ 78	Filtrate Resistivity (ohm.m)	6.263 @ 60F
Shot Density/Diameter (in)		Filtrate Chlorides (ppm)	1000

INITIAL TEST CONDITIONS		TEST STRING CONFIGURATION	
Initial Hydrostatic (psi)	5119.26	Pipe Length (ft)/I.D. (in)	10386 / 2.60
Gas Cushion Type		Collar Length (ft)/I.D. (in)	1022 / 2.31
Surface Pressure (psi)		Packer Depths (ft)	
Liquid Cushion Type		Bottomhole Choke Size (in)	0.75
Cushion Length (ft)		Gauge Depth (ft)/Type	11490/SLSR-884

NET PIPE RECOVERY		
Volume	Fluid Type	Properties
3 bbl	MUD TO SURF	Rw3.216@60F 2000ppm
65.4 bbl	OIL TO SURF	API 43.2@60F
924 ft	REC OIL	API 43.6@60F
	EMULSIFIED	
408 ft	MUD	Rw1.663@60F 4000ppm

NET SAMPLE CHAMBER RECOVERY		
Volume	Fluid Type	Properties
9.43 cuft	Gas	
700 cc	Oil	API 43.9@60F
0 cc	Water	
0 cc	Mud	
Pressure: 2350	GOR: 2140	GLR: 2140

INTERPRETATION RESULTS	
Model of Behavior	
Fluid Type Used for Analysis	
Reservoir Pressure (psi)	
Transmissibility (md.ft/cp)	
Effective Permeability (md)	
Skin Factor/Damage Ratio	
Storativity Ratio, Omega	
Interporous Flow Coef., Lambda	
Distance to an Anomaly (ft)	
Radius of Investigation (ft)	
Potentiometric Surface (ft)	

ROCK/FLUID/WELLBORE PROPERTIES	
Oil Density (deg. API)	
Basic Solids (%)	
Gas Gravity	
GOR (scf/STB)	
Water Cut (%)	
Viscosity (cp)	
Total Compressibility (1/psi)	
Porosity (%)	10
Reservoir Temperature (F)	173
Form. vol. Factor (bbl/STB)	

PRODUCTION RATE DURING TEST: Data Report

COMMENTS:

We had a successful test. The well flowed 65.4 bbls. of heavily gas cut oil to surface naturally, 18.2 bbls. at the end of the initial snut-in, 11.7 bbls. during the final flow, and 35.5 bbls. at the end of the final snut-in. We reversed an additional 5.4 bbls. of oil to the tank in the recovery along with 2 more bbls. of emulsified mud. All the oil recovered showed traces of water. The sample chamber contained a few drops of water in it.

 ** WELL TEST DATA PRINTOUT **

COMPANY: OCEAN ENERGY RESOURCES, INC.
 WELL: TOWNSEND #5

FIELD REPORT NO. 1236536
 INSTRUMENT NO. SLSR884

RECORDER CAPACITY: 10000 PSI PORT OPENING: INSIDE DEPTH: 11490 FT

LABEL POINT INFORMATION

#	TIME OF DAY HH:MM:SS	DATE DD-MMM	EXPLANATION	ELAPSED TIME, MIN	BOT HOLE PRESSURE PSIA	BOT HOLE TEMP. DEG F
1	7:12:47	23-OCT	HYDROSTATIC MUD	436.78	5119.26	163.18
2	7:17:17	23-OCT	START FLOW	441.28	2341.55	163.11
3	7:32:47	23-OCT	END FLOW & START SHUT-IN	456.78	3735.80	169.20
4	8:03:37	23-OCT	END SHUT-IN	487.62	4112.73	171.68
5	8:05:47	23-OCT	START FLOW	489.78	2775.42	171.45
6	9:05:57	23-OCT	END FLOW & START SHUT-IN	549.95	4082.43	172.99
7	13:05:47	23-OCT	END SHUT-IN	789.78	4109.19	172.33
8	13:10:27	23-OCT	HYDROSTATIC MUD	794.45	5069.77	172.83

SUMMARY OF FLOW PERIODS

PERIOD	START ELAPSED TIME, MIN	END ELAPSED TIME, MIN	DURATION MIN	START PRESSURE PSIA	END PRESSURE PSIA	INITIAL PRESSURE PSIA
1	441.28	456.78	15.50	2341.55	3735.80	2341.55
2	489.78	549.95	60.17	2775.42	4082.43	2775.42

SUMMARY OF SHUTIN PERIODS

PERIOD	START ELAPSED TIME, MIN	END ELAPSED TIME, MIN	DURATION MIN	START PRESSURE PSIA	END PRESSURE PSIA	FINAL FLOW PRESSURE PSIA	PRODUCING TIME, MIN
1	456.78	487.62	30.84	3735.80	4112.73	3735.80	15.50
2	549.95	789.78	239.83	4082.43	4109.19	4082.43	75.67

REPORT NO.
1289039

PAGE NO. 1

TEST DATE:
04-MAR-1999

STAR

Schlumberger Testing Data Report Pressure Data Report

Schlumberger

COMPANY: OCEAN ENERGY

WELL: TOWNSEND ST. #5

TEST IDENTIFICATION

Test Type BHP
Test No. 1
Formation
Test Interval (ft) 11510 to 11541

WELL LOCATION

Field LOVINGTON
County LEA
State NM
Sec/Twn/Rng S2T15SR35E

COMPLETION CONFIGURATION

Total Depth (MD/TVD) (ft)
Casing/Liner I.D. (in)
Hole Size (in)
Perforated Interval (ft)
Shot Density (shots/ft)
Perforation Diameter (in)
Net Pay (ft)

TEST STRING CONFIGURATION

Tubing Length (ft)/I.D. (in)..
Tubing Length (ft)/I.D. (in)..
Packer Depth (ft) 11343,
Gauge Depth (ft)/Type 11342/SLSR 833
Downhole Valve (Y/N)/Type

TEST CONDITIONS

Tbg/Wellhead Pressure (psi) ..
Separator Pressure (psi)

INTERPRETATION RESULTS

Model of Behavior
Fluid Type Used for Analysis..
Reservoir Pressure (psi)
Transmissibility (md.ft/op) ..
Effective Permeability (md) ..
Skin Factor
Storativity Ratio, Omega
Interporos.Flow Coef., Lambda..
Distance to an Anomaly (ft) ..
Radius of Investigation (ft)..

ROCK/FLUID/WELLBORE PROPERTIES

Oil Density (deg. API)
Basic Solids (%)
Gas Gravity
GOR (scf/STB)
Water Cut (%)
Viscosity (cp)
Total Compressibility (1/psi)..
Porosity (%)
Reservoir Temperature (F) 173
Form.Vol.Factor (bbl/STB)

PRODUCTION RATE DURING TEST: Data Report

COMMENTS:

THIS JOB WAS MECHANICALLY SUCCESSFUL.THANKS FOR USING HOBBS SLICKLINE.

 ** WELL TEST DATA PRINTOUT **

COMPANY: OCEAN ENERGY
 WELL: TOWNSEND ST. #5

FIELD REPORT NO. 1289039
 INSTRUMENT NO. SLSR 872

RECORDER CAPACITY: 10000 PSI
 DEPTH REFERENCE: KB

GRADIENT INFORMATION

TIME OF DAY HH:MM:SS	DATE DD-MMM	ELAPSED TIME, HR	DEPTH FROM REF. FT	PRESSURE AT DEPTH PSIA	PRES. GRADIENT PSI/FT	TEMPERATURE AT DEPTH DEG F	TEMP. GRADIENT DEG F/FT
10:51:45	1-MAR	0.929	0.0	761.36		77.61	
11:12:01	1-MAR	1.267	3000.0	1175.32	0.138	98.20	0.00686
11:36:41	1-MAR	1.678	6000.0	1725.92	0.184	122.81	0.00820
11:52:49	1-MAR	1.947	9000.0	2394.11	0.223	145.69	0.00763
12:10:49	1-MAR	2.247	11342.0	2956.95	0.240	168.10	0.00957
7:55:29	4-MAR	69.991	11342.0	3009.63		174.06	
8:06:41	4-MAR	70.178	9000.0	2378.50	0.269	159.60	0.00617
8:19:13	4-MAR	70.387	6000.0	1524.76	0.285	133.65	0.00865
8:31:37	4-MAR	70.594	3000.0	1103.56	0.140	112.21	0.00715
8:45:05	4-MAR	70.818	0.0	1007.00	0.0322	82.85	0.00979

Daily Production

10,000

1,000

100

10

1

11/01/98

02/01/99

05/01/99

08/01/99

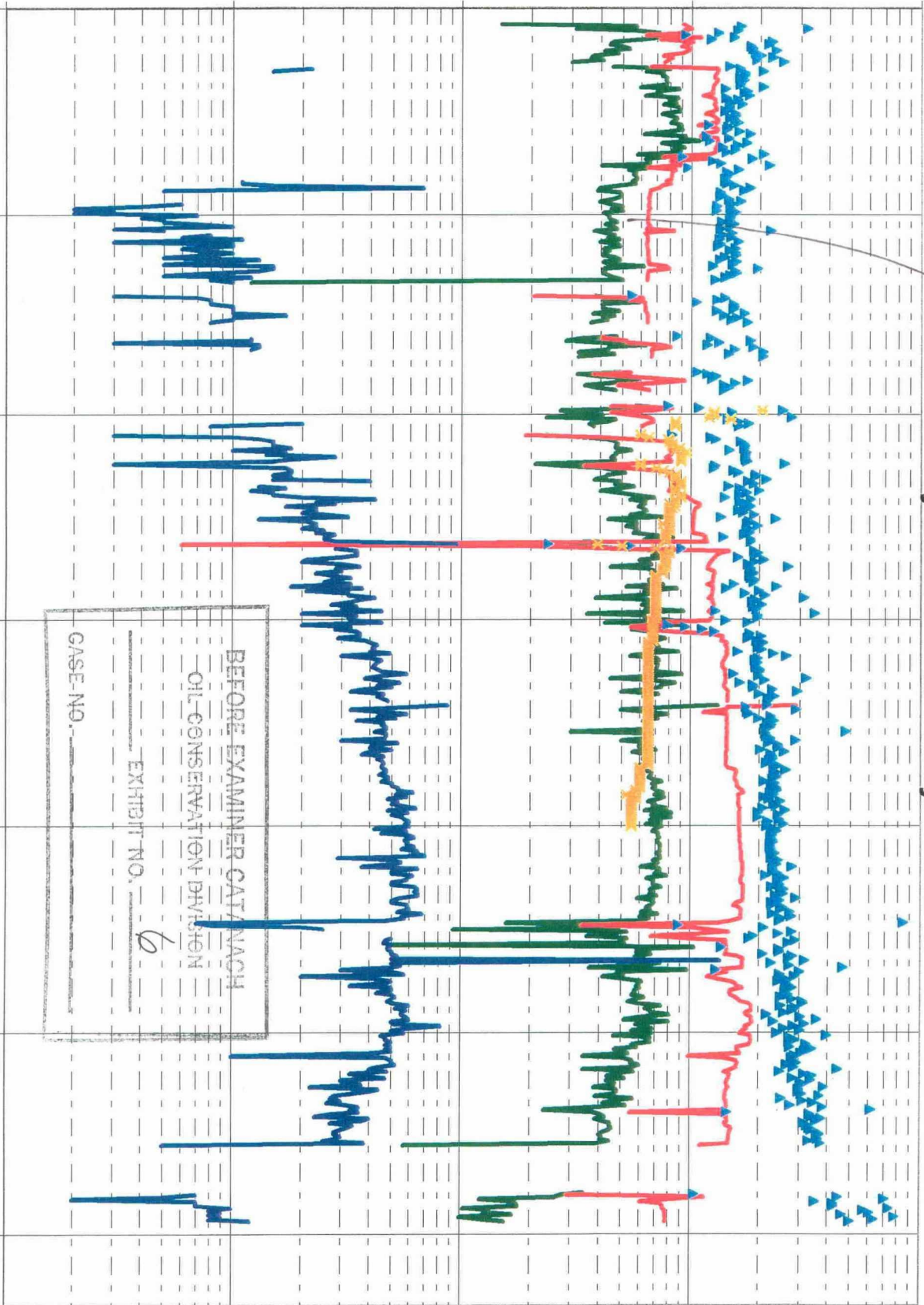
11/01/99

02/01/00

05/01/00

Townsend State 5 Daily Production History

Overproduced

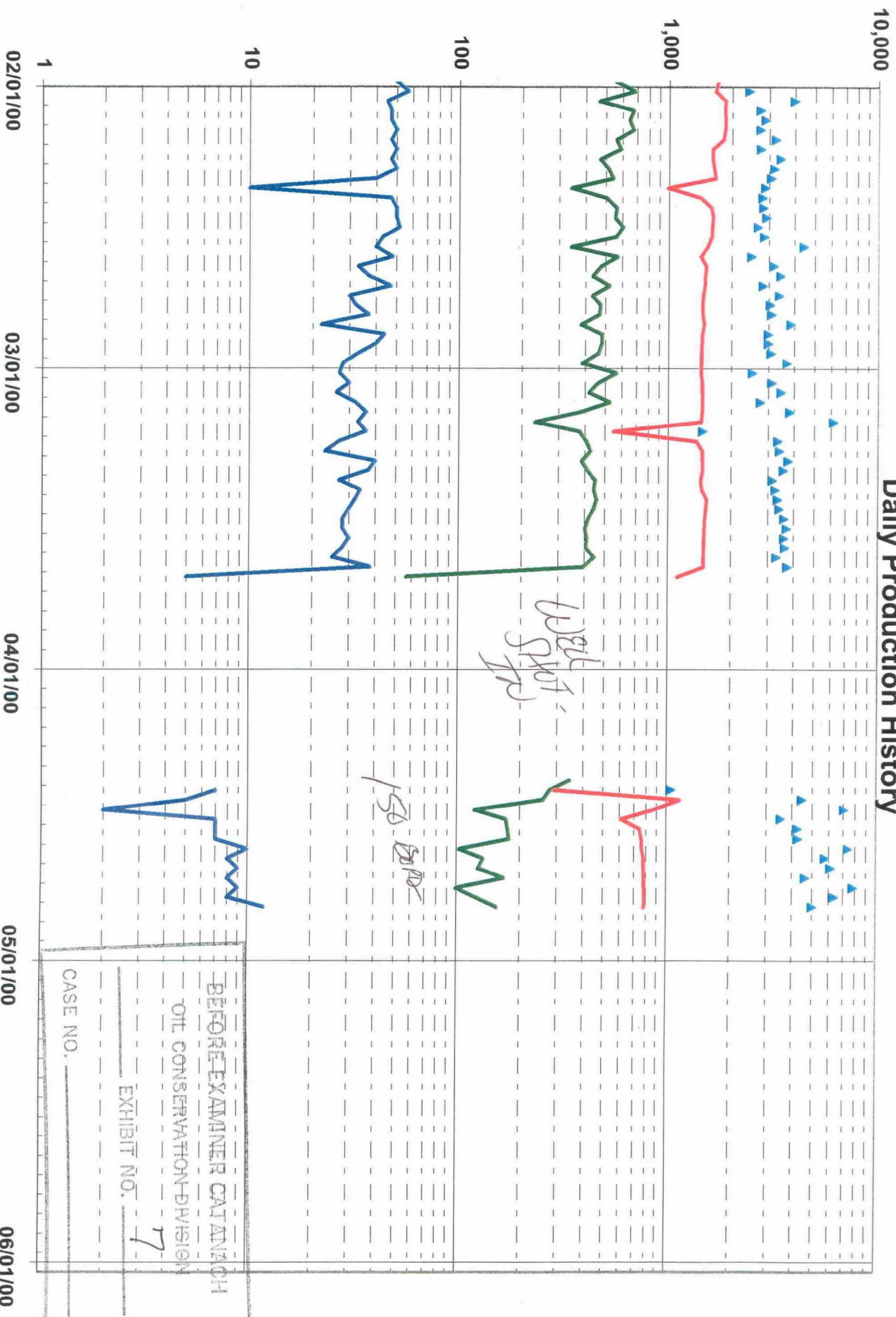


— BOPD — MCFPD ▲ GOR ★ FTP — BWPD

BEFORE EXAMINER CATTANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. 6
CASE NO. _____

Townsend State 5

Daily Production History



BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION
 EXHIBIT NO. 7
 CASE NO. _____

— BOPD — MCFPD ▲ GOR ★ FTP — BWPD