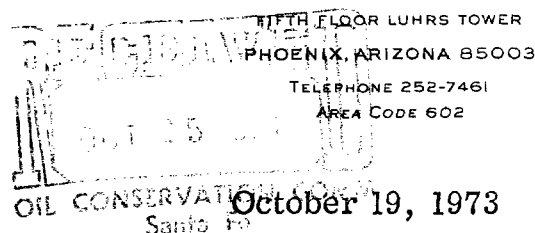


JOHNSON & SHAW, P.C.
ATTORNEYS & COUNSELORS AT LAW



George H. Hunker, Esq.
Hunker, Fedric & Higginbotham, P.A.
P.O. Box 1837
Roswell, New Mexico 88201

Re: Grace - Atlantic Well #1
Township 22 South, Range 26 East,
Section 24, South one half, Ed County,
New Mexico; NMOCC Order # R-4432

Dear George:

In view of our telephone conversations of yesterday, I felt it best to respond in writing as you suggested to the most recent developments as indicated by you on the phone.

When I talked to you yesterday morning, I was under the clear impression that you and your clients wish to meet with Mr. and Mrs. Grace and El Paso Natural Gas in order to resolve any differences remaining between the parties with reference to an operating agreement and in order to comply with the obvious wishes of the Oil and Gas Commission that we get together and work out some feasible and reasonable arrangement with reference to the release of the escrowed funds in the American Bank of Carlsbad.

When you called me back on Tuesday afternoon, the situation had apparently changed completely and your clients were not willing to meet with Mr. and Mrs. Grace or with El Paso Natural Gas to resolve the current dilemma.

I am somewhat at a loss to understand the attitude and behavior of your clients and this situation has reoccurred on

George H. Hunker, Esq.
October 19, 1973
Page Two

several occasions. In August you will recall we had a telephone conversation and it was my clear understanding that your clients wished to reach a settlement with reference to an equitable operating agreement which we had previously forwarded to you and you indicated that you would have to check with your clients before giving final approval to the form of the operating agreement submitted. At that time you indicated you felt we were not far apart in settlement of this matter and it seemed to me from our phone conversation of that Friday in August that a meeting with all of the parties present, including El Paso Natural Gas, would be most fruitful and hopefully conclusive of the differences between the Graces and Joe Don and Dan.

We had a further conversation on that date in which you indicated that you thought such a meeting was imperative and that you certainly would arrange to be present even though it meant cancelling several appointments; however, late the same day you called me back and informed me that Dan absolutely would not meet with us and El Paso Natural Gas. I was given no explanation as to Mr. Hannifan's refusal and frankly I could not understand then, nor can I now, the fact that when you and I discuss the matter we seem to be in agreement as to what needs to be done, then after you check with your clients the situation seems to radically change and they are unwilling to meet with the Graces and El Paso Natural Gas in an effort to resolve this situation.

In a letter of August you further indicated a willingness to consider other settlement possibilities and I had every hope that we would be able to reach a final agreement. Thereafter, on August 14, you wrote to me rescinding your previous offer and stated "although my letter to you dated August 9, 1973, might be construed as indicating that the parties are attempting a settlement, such a construction was not intended nor would it be appropriate under the circumstances."

I am afraid this has been your clients' consistent position and your changing position which I am afraid is due to their

George H. Hunker, Esq.
October 19, 1973
Page Three

to follow your good advices, and which leaves me at a loss to know whence to proceed from here.

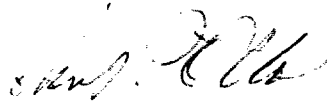
Since the Order of the Commission requires we get together and make arrangements to release the funds:

"(13) That any funds derived from the sale of gas from the subject well after 7 o'clock a.m. June 26, 1973, attributable to D. L. Hannifin and Joe Cook, and held in escrow by American Bank of Carlsbad shall be released to said Hannifin and Cook and Michael P. Grace II as to future arrangements, escrow, bonding or whatever may be satisfactory to the parties involved, covering the difference, if any, between the current sales price of gas from the subject well and the future sales price of gas."

Please give us a letter as to how you wish to accomplish this. I must insist that the letter be approved by your clients in order to prevent a reoccurrence of their mind changing propensities.

Kindest personal regards.

Very truly yours,



John P. Otto

cc: Mr. and Mrs. Grace
New Mexico Oil and Gas Commission

P.S. Insofar as your threat to make an application to replace Mr. Grace as the operator is concerned, I am unaware of any prior experience of either of your clients as an operator. JPO

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

C E R T I F I C A T E

TO WHOM IT MAY CONCERN:

C
O
P
Y

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission do hereby certify that the attached are true and correct copies of the well file on the Merland Well No. 1 located in Sec. 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, which are on file with the New Mexico Oil Conservation Commission.

A. L. PORTER, Jr.
Secretary-Director

April 1, 1974

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 1st day of April, 1974.

Notary Public

My Commission Expires:

October 28, 1977

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

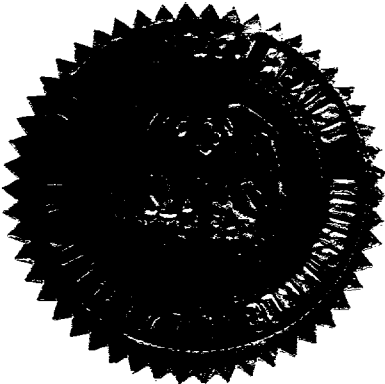
C E R T I F I C A T E

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1st day of April, 1974.


Notary Public

My Commission Expires:

October 28, 1977

DISTRIBUTION	
ANTHONY	
FILE	
NO. 3.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
OPERATOR	
PRODUCTION OFFICE	

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS
RECEIVED

Form C-104
Supersedes Old C-104 and
Effective 1-1-65

FEB 28 1974

Operator D. L. Hannifin & Joe Don Cook		C. B. B. ARTESIA, N. M.	
Address P. O. Box 945, Roswell, New Mexico 88201			
Reason(s) for filing (Check proper box)		Other (Please explain)	
New Well <input checked="" type="checkbox"/>	Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	CASINGHEAD GAS MUST NOT BE FLARED AFTER <u>4-26-74</u> UNLESS AN EXCEPTION TO <u>Rule 306</u> IS OBTAINED	
Recompletion <input type="checkbox"/>			
Change in Ownership <input type="checkbox"/>			
If change of ownership give name and address of previous owner			

II. DESCRIPTION OF WELL AND LEASE

Lease Name Merland	Well No. 1	Pool Name, including Formation Wildcat - Delaware	Kind of Lease State, Federal or Fee	Fee	Lease No.
Location Unit Letter <u>J</u> ; <u>2030</u> Feet From The <u>South</u> Line and <u>1846</u> Feet From The <u>East</u> Line of Section <u>24</u> Township <u>22S</u> Range <u>26E</u> , NMPM, <u>Eddy</u> County					

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/> Navajo Crude Oil Purchasing Co.	Address (Give address to which approved copy of this form is to be sent) N. Freeman Ave., Artesia, N. M. 88210					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit J	Sec. 24	Twp. 22	Rge. 26	Is gas actually connected? No	When

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well <input checked="" type="checkbox"/>	Workover	Deepen	Plug Back	Same Res'tv.	Diff. Res'tv.
Date Spudded 1-24-74	Date Compl. Ready to Prod. 2-25-74	Total Depth 4518		P.B.T.D. 4488					
Elevations (DF, RKB, RT, GR, etc., 3174 GR	Name of Producing Formation Delaware	Top Oil/Gas Pay 4454		Tubing Depth 4375					
Perforations 4454 - 56 & 4458-64				Depth Casing Shoes 4518					
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE		CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
12 1/4		8 5/8		375		250			
7 7/8		5 1/2		4518		450			
		2 3/8		4375					

V. TEST DATA AND REQUEST FOR ALLOWABLE
OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

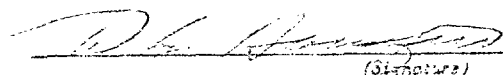
Date First New Oil Run To Tanks 2-25-74	Date of Test 2-26-74	Producing Method (Flow, pump, gas lift, etc.) Flowing	
Length of Test 5 hrs.	Tubing Pressure 400	Casing Pressure 550	Choke Size 16/64
Actual Prod. During Test 38 BO	Oil-Bbls. 38	Water-Bbls. None	Gas-MCF 145 MCFPD

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pitot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.


(Signature)

Co-Owner

February 28, 1974

(Title)

(Date)

OIL CONSERVATION COMMISSION

FEB 28 1974

APPROVED _____, 19

BY W. A. Green
TITLE OIL AND GAS INSPECTOR

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter or other such change of condition. Separate Forms C-104 must be filed for each test in multiple.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator <i>D.J. Joe Don</i> Hannifin & Cook		Lease Merland		Well No. 1	
Unit Letter J	Section 24	Township 22 E	Range 26 S	County Eddy	
Actual Footage Location of Well: 2030 feet from the South line and 1846 feet from the EAST line					
Ground Level Elev: 3174	Producing Formation Delaware		Pool Wild cat	Dedicated Acreage: 40 Acres	

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?

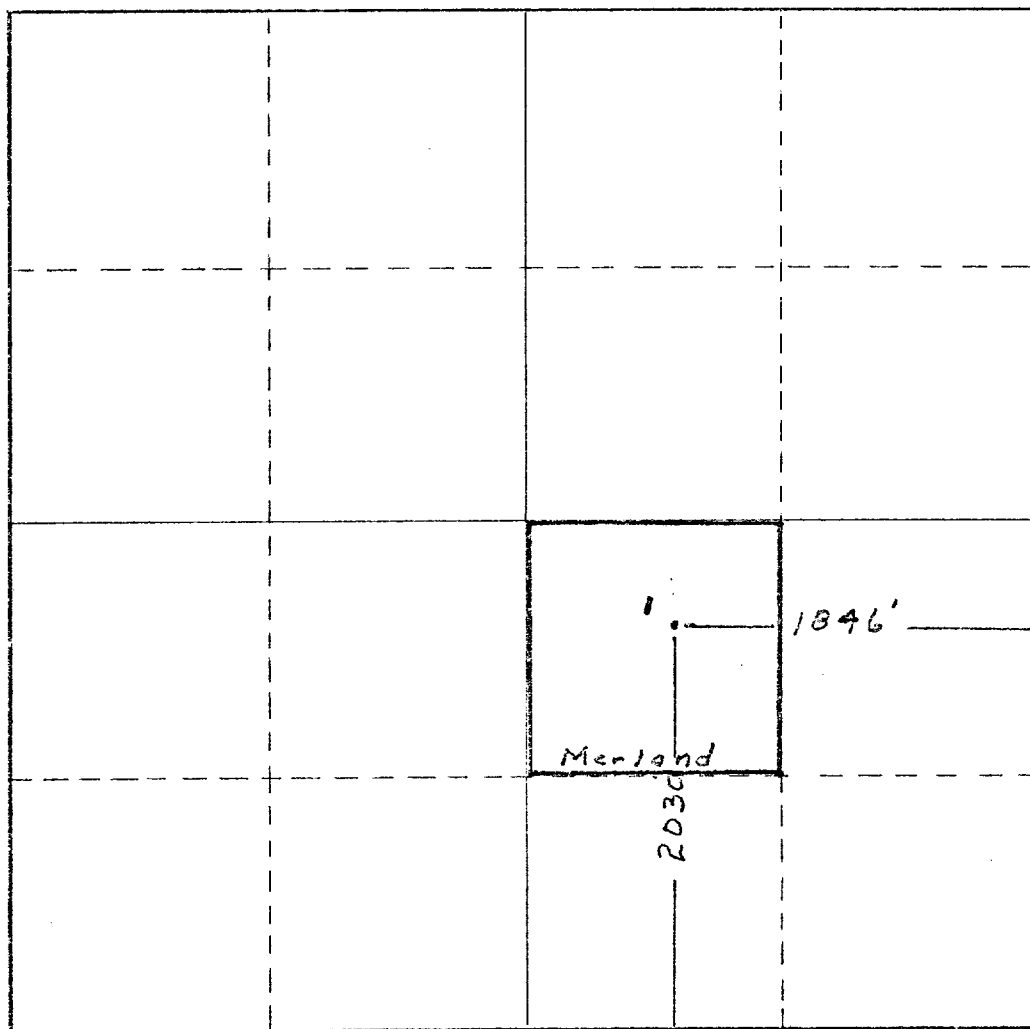
RECEIVED

FEB 28 1974

☐ 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.

D.J. Hannifin
Name

Co-Operator
Position

Company
Hannifin & Cook

Date
2-25-74

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
2-9-74

Registered Professional Engineer
and/or Land Surveyor

N. Raymond Lamb
Certificate No.

929

0 330 660 990 1320 1650 1980 2310 2540 2000 1500 1000 500 0

DISTRIBUTION	6
SANTA FE	1
FILE	1
U.S.G.S.	2
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMM. ON
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

revised 1-1-65

5a. Indicate Type of Lease
State ☐ Fee ☒

5. State Oil & Gas Lease No.

RECEIVED

12. TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

b. TYPE OF COMPLETION
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

FEB 28 1974

7. Unit Agreement Name

8. Farm or Lease Name
Merland

2. Name of Operator
D. L. Hannifin and Joe Don Cook

9. Well No.
1

3. Address of Operator
P. O. Box 945, Roswell, New Mexico 88201

10. Field and Pool, or Wildcat
Wildcat

4. Location of Well

UNIT LETTER J LOCATED 2030 FEET FROM THE South LINE AND 1846 FEET FROM

12. County
Eddy

THE East LINE OF SEC. 24 TWP. 22S RGE. 26E NMPM

15. Date Spudded 1-24-74	16. Date T.D. Reached 2-13-74	17. Date Compl. (Ready to Prod.) 2-26-74	18. Elevations (DF, RKB, RT, GR, etc.) 3174 Gr	19. Elev. Casinghead 3176
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20. Total Depth 4518	21. Plug Back T.D. 4488	22. If Multiple Compl., How Many No	23. Intervals Drilled By Rotary Tools Total	Cable Tools
-------------------------	----------------------------	--	---	-------------

24. Producing Interval(s), of this completion — Top, Bottom, Name
4454-4464 Delaware

25. Was Directional Survey Made
Yes

26. Type Electric and Other Logs Run
Laterlog, BHC Acoustilog

27. Was Well Cored
No

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	20	375	12 1/4	250 sks	
5 1/2	15.5	4518	7 7/8	450 sks	

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	4375	

31. Perforation Record (Interval, size and number) 4454-56 4SPF 4458-64	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. <table border="1"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>4454-4464</td> <td>500 gal mud acid</td> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	4454-4464	500 gal mud acid						
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED										
4454-4464	500 gal mud acid										

33. PRODUCTION

Date First Production 2-25-74	Production Method (Flowing, gas lift, pumping — Size and type pump) Flowing	Well Status (Prod. or Shut-in) Producing
Date of Test 2-26-74	Hours Tested 5 hrs	Choke Size 16/64
Prod'n. For Test Period	Oil — Bbl. 38 BO	Gas — MCF 145MCFPD
Flow Tubing Press. 400	Casing Pressure 550	Calculated 24-Hour Rate 182.4
Oil — Bbl. 145	Gas — MCF None	Water — Bbl. None
Oil Gravity — API (Corr.) 42.5		

34. Disposition of Gas (Sold, used for fuel, vented, etc.)
Flared

Test Witnessed By: Marshall Morr
John W. Neeld

35. List of Attachments
~~Wellhead, Separator, 500-Barrel Tank~~

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 D. L. Hannifin TITLE Co-Operator DATE 2-29-74

Casing perf. _____ Bottom choke _____ 3/4" Surf. temp _____ °F Ticket No. 631049
 Gas gravity _____ Oil gravity _____ GOR _____
 Spec. gravity _____ Chlorides _____ ppm Res. _____ @ _____ °F

INDICATE TYPE AND SIZE OF GAS MEASURING DEVICE USED _____

Date Time	a.m. p.m.	Choke Size	Surface Pressure psi	Gas Rate MCF	Liquid Rate BPD	Remarks
06:35		1/16"	0			Opened tool with a fair blow
06:40		1/4"	8			Good blow
06:50		"	46			Gas at surface
06:55		"	60			Closed tool
08:25		"	0			Reopened tool with a good blow
08:45		"	50			Gas
08:55		"	60			"
09:05		"	50			"
09:20		"	45			"
09:35		"	80			"
09:50		"	50			"
09:55		"	105			Fluid at surface
09:57			Choke plugging			
10:00		3/8"	70			Oil and gas
10:05		"	100			"
10:10		"	60			"
10:15		"	90			"
10:20		"	70			"
10:27		"	55			" Closed tool
13:27						Pulled tool loose
						Started out of hole
13:40						Dropped 1 1/2" fluted bar, unable to
			Circulating sub 90'			shear pen, dropped 2 more 1 7/8" fluted
			above tool			bars, unable to shear pen. Loaded drill
						pipe with mud, started out of hole.

63

Liquid Production

B.T. Gauge Numbers			1636	35	Ticket Number	631049
Initial Hydrostatic			2359	2334	Elevation	3175 ft
Final Hydrostatic			2355	2331	1st Flow	- bbls./day
1st Flow	Initial	Time	161	154	Indicated Production	355 bbls./day
	Final	22	331	327	2nd Flow	- bbls./day
	Closed In Pressure	93	2103	2097	3rd Flow	- bbls./day
2nd Flow	Initial	Time	329	322	Drill Collar Length	540 ft.
	Final	118	976	970	Drill Collar I.D.	2.25 in.
	Closed In Pressure	179	2091	2082	Drill Pipe Factor	0.01084 bbls./ft.
3rd Flow	Initial	Time			Hole Size	7.875 in.
	Final				Footage Tested - Net	12 ft.
	Closed In Pressure				Mud Weight	10.3 lbs./gal.
Extrapolated Static Pressure	1st				Viscosity, Oil or Water	2.7 cp
	2nd		2120	2111	Oil API Gravity	42.5
	3rd		-	-	Water Specific Gravity	-
Slope P/10	1st				Temperature Est.	100 °F
	2nd		2003	1994		
	3rd		-	-		

Remarks: The calculated flow rate was established using 66 minutes of pressure change during the second flow period prior to the well flowing liquid to the surface.
The procedure was necessary since no flow rate was established during the test.

SUMMARY		B.T. Gauge No. 1636 4499'			B.T. Gauge No. 35 4504'		
		Depth			Depth		
PRODUCT	EQUATION	FIRST	SECOND	THIRD	FIRST	SECOND	THIRD
Production	$Q = \frac{1440 R}{t}$		355			355	
Transmissability	$\frac{Kh}{\mu} = \frac{162.6 Q}{m}$		493.40			494.33	
Indicated Flow Capacity	$Kh = \frac{Kh}{\mu} \mu$		1332.1			1334.7	
Average Effective	$K = \frac{Kh}{h}$		-			-	
Permeability	$K_i = \frac{Kh}{h_i}$		111.016			111.226	
Damage Ratio	$DR = .183 \frac{P_s - P_f}{m}$		1.79			1.785	
Theoretical Potential w/Damage Removed	$Q_1 = Q DR$		635			635	
Approx. Radius of Investigation	$b \approx \sqrt{Kt}$ or $\sqrt{Kt_0}$		-			-	
	$b_1 \approx \sqrt{K_1 t}$ or $\sqrt{K_1 t_0}$		124.7			124.8	
Potentiometric Surface *	$Pot. = EI - CD + 2.319 P_s$		3592			3566	

NOTICE: These calculations are based upon information furnished by you and taken from Drill Stem Test pressure charts, and are furnished you for your information. In furnishing such calculations and evaluations based thereon, Halliburton is merely expressing its opinion. You agree that Halliburton makes no warranty express or implied as to the accuracy of such calculations or opinions, and that Halliburton shall not be liable for any loss or damage, whether due to negligence or otherwise, in connection with such calculations and opinions.

Gauge No. 1636		Depth 4494'		Clock No. 6177		12 hour Ticket No. 631019			
First Flow Period		First Closed In Pressure		Second Closed In Pressure		Third Flow Period		Third Closed In Pressure	
Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	Log $t + \frac{\theta}{\theta}$	Time Defl. .000"	Log $t + \frac{\theta}{\theta}$	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	PSIG Temp. Corr.
0 .000	161	.000	000	.000	000				
1 .0130	186*	.0599	530	.0735	1.134				
2 .0390	178	.0998	386	.1537	.847				
3 .0650	216	.1397	306	.2339	.695				
4 .0910	259	.1796	254	.3141	.596				
5 .1170	294	.2195	212	.3943	.525				
6 .1430	331	.2594	191	.4745	.470				
7		.2993	170	.5547	.426				
8		.3392	153	.6349	.391				
9		.3791	139	.7151	.361				
10		.4190	128	.7953	.335				
11		.4589	118	.8755	.313				
12		.4988	109	.9557	.290				
13		.5387	102	1.0359	.277				
14		.5786	096	1.1161	.262				
15		.6190	090	1.1970	.249				

Gauge No.		35		Depth		4504'		Clock No.		2314		hour		24	
Feet	Interval	A	6	11	12	000	970	1934***							
0	.000	154	.000	.000	.000	.000	.000	970							
1	.0066	177*	.0297	.0265	.0365	1.137	1934***								
2	.0199	169	.0495	.0629	.0763	.850	2003								
3	.0332	208	.0693	.0993	.1161	.699	2028								
4	.0465	252	.0891	.1357	.1559	.599	2041								
5	.0598	285	.1089	.1721	.1957	.528	2050								
6	.0730	327	.1287	.2085	.2355	.473	2056								
7			.1485	.2449	.2753	.429	2061								
8			.1683	.2813	.3151	.393	2066								
9			.1881	.3177	.3549	.363	2069								
10			.2079	.3541	.3947	.338	2072								
11			.2277	.3910	.4345	.316	2074								
12			.2475		.4743	.296	2077								
13			.2673		.5141	.279	2079								
14			.2871		.5539	.264	2081								
15			.3070		.5940	.251	2082								
Minute															

Flowing Interval A 6 11 12

REMARKS: * First interval equal to 2 minutes ** -9 minutes *** -8 minutes **** -11 minutes.

SPECIAL PRESSURE DATA

UNITED STATES

UNITED STATES

COPIES RECEIVED	3
DISTRIBUTION	
STATE	✓
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	3

NEW MEXICO OIL CONSERVATION COMMISSION

FEB 28 1974

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fes. <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator D. L. Hannifin and Joe Don Cook		8. Farm or Lease Name Merland
3. Address of Operator P.O. Box 945, Roswell, New Mexico 88201		9. Well No. One
4. Location of Well UNIT LETTER J 2030 FEET FROM THE South LINE AND 1846 FEET FROM East 24 TOWNSHIP 22 E RANGE 26 S NMPM.		10. Field and Pool, or Wildcat Wildcat
15. Elevation (Show whether DF, RT, GR, etc.) 3174 Gr		12. County Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

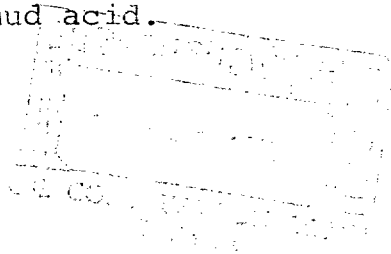
SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOBS <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud - 1-24-1974

85/8" casing - 20 lb per ft @375 ft with 250 sks
class "C" cement 2% calcium chloride
W.O.C. time was approximately 89 hrs. Pressured casing to 685 PSI.
Held for 35 min. test ok
5½" casing - 15.5 lbs per ft @4518 ft - see attached sheet
cement level up to 1700 ft W.O.C. time was approximately 156 hrs.
on the 5½" casing. Pressured Casing to 740 PSI. Held for 40 Min.
Test O.K.
Perforated 4 shots per ft - / 4454-56, and 4458 - 64
Washed 500 gallons mud acid.



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

SIGNED D. L. Hannifin TITLE Co-Operator DATE 2-28-74

APPROVED BY W. A. Gussert TITLE OIL AND GAS INSPECTOR DATE FEB 28 1974

CONDITIONS OF APPROVAL, IF ANY:

NO. AND FARM F-1 Merland		COUNTY Eddy		STATE N. Mex.		DATE 2-12-74	
OWNER D.L. Hannifin & J.D. Cook		CONTRACTOR Cactus Co.		DUNCAN USE ONLY			
CHARGE TO D.L. Hannifin & J.D. Cook		DELIVERED TO Location		LOCATION 1 Artesia N. M.		CODE 20310	
ADDRESS J.P. White Bldg., Roswell, N. M.		SHIPPED VIA Co. Truck		LOCATION 2		CODE	
361460		CUST. INV. REQ. ORIG. &		REQUISITION 3		LOCATION 3	
D. L. HANNIFIN & J.O. COOK 3		<input type="checkbox"/> 1		ORDER NO.		BULK MATERIAL DELIVERY TICKET NO. B-276117	
J.P. WHITE BLDG.		<input type="checkbox"/> 2		TOTAL ACID - 30 DAYS		WELL TYPE Gas Development	
ROSWELL, NEW MEXICO 88201		<input type="checkbox"/> 3		NO. COPIES		CODE G.D.	
<input type="checkbox"/> 4		TYPE AND PURPOSE OF JOB Cement Prod Casing 5 1/2"		TER NET		DUE BY THE 20TH OF FOLLOWING MONTH, INTEREST CHARGED AFTER 60 DAYS FROM DATE OF INVOICE.	
				\$ _____ Cash discount allowed if paid by due date.			
				\$ _____ Tax adjustment may be deducted if discounted.			

[illegible]

TAX REFERENCES			SUB TOTAL
AS JOB SATISFACTORILY COMPLETED?	800-029	1	4% N.M.
AS OPERATION OF EQUIPMENT SATISFACTORY?			
AS PERFORMANCE OF PERSONNEL SATISFACTORY?			
TOTAL			

1918	87
76	75
1995	62

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1 ✓
FILE	1
U.S.G.S.	2
LAND OFFICE	
OPERATOR	1

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

DEC 7 1973

Amended Operator Name

30-015-21036

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator D. L. Hannifin & Joe Don Cook		8. Farm or Lease Name Merland
3. Address of Operator P. O. Box 945 Roswell, New Mexico 88201		9. Well No. 1
4. Location of Well UNIT LETTER J LOCATED 2004 FEET FROM THE South LINE AND 1870 FEET FROM THE East LINE OF SEC. 24 TWP. 22 RGE. 26 NMPM		10. Field and Pool, or Wildcat Wildcat Delaware
		12. County Eddy
		19. Proposed Depth 4550
		19A. Formation Delaware
		20. Rotary or C.T. Rotary
21. Elevations (Show whether DE, RT, etc.)	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Cactus Drilling Co.
		22. Approx. Date Work will start Feb. 1, 1974

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	20	375	200	Surface
7 7/8"	5 1/2"	15.5	4550	500	Approx. 1800

Surface casing will be set at approx. 375 and cement circulated to surface
W O C time will be 18 hrs. then blowout preventers will be installed and
tested daily during drilling.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 3-10-74

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 Joe Don Cook Title Operator Date 12-21-73

(This space for State Use)

APPROVED BY W. A. Gussert TITLE OIL AND GAS INSPECTOR DATE DEC 28 1973

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to
surface behind 8 5/8" casing

NO. OF COPIES RECEIVED	6
DISTRIBUTION	
SANTA FE	1 ✓
FILE	1
U.S.G.S.	2
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

NOV 21 1973

30-015-71036

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		8. Farm or Lease Name	
OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		Merland	
2. Name of Operator D. L. Hannifin		9. Well No. 1	
3. Address of Operator P. O. Box 945, Roswell, New Mexico 88201		10. Field and Pool, or Wildcat Wildcat Delaware	
4. Location of Well UNIT LETTER J LOCATED 2004 FEET FROM THE South LINE AND 1870 FEET FROM THE East LINE OF SEC. 24 TWP. 22 RGE. 26 NMPM		12. County Eddy	
19. Proposed Depth 4550		19A. Formation Delaware	
20. Rotary or C.T. Rotary		21. Elevations (Show whether Dr, RT, etc.)	
21A. Kind & Status Plug. Bond One-Well		21B. Drilling Contractor Cactus Drilling Co.	
22. Approx. Date Work will start Feb. 1, 1974			

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	20	375	200	Surface
7 7/8"	5 1/2"	15.5	4550	500	Approx. 1800

Surface casing will be set at approx. 375 and cement circulated to surface
W O C time will be 18 hrs. then blowout preventers will be installed and
tested daily during drilling

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 3-10-74

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 D. L. Hannifin Title Operator Date 11-21-73

(This space for State Use)

APPROVED BY W. A. Gussert TITLE Oil and Gas Inspector DATE DEC 10 1973

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to
surface behind 8 5/8" casing

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-55

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

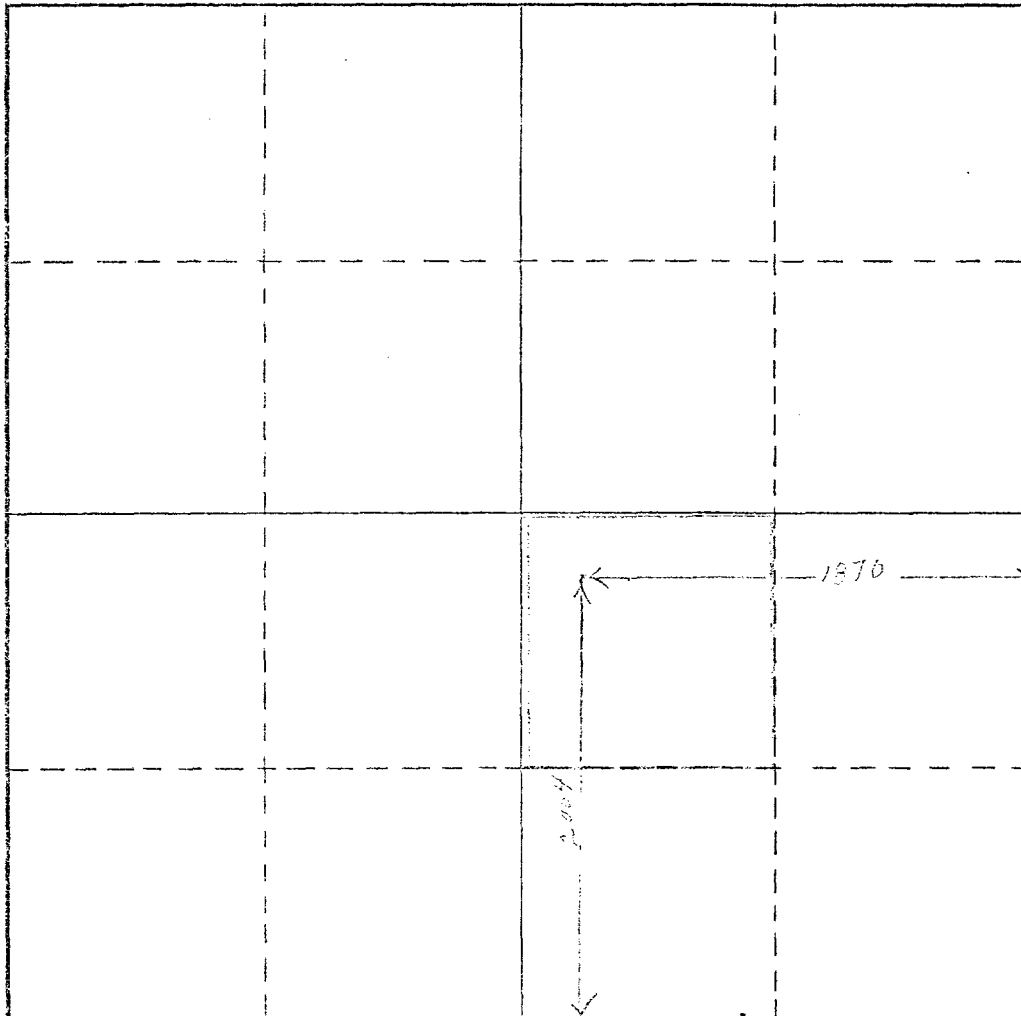
Operator D. L. Hannifin			Lease Merland			Well No. 1		
Unit Letter J	Section 24	Township 22 S	Range 26 E	County Eddy				
Actual Footage Location of Well: 1870 feet from the east line and 2004 feet from the South line								
Ground Level Elev.		Producing Formation Delaware		Pool Wildcat		Dedicated Acreage: 40 Acres		

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.

D. L. Hannifin
Name

Position

Company

Date

11-21-73

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.

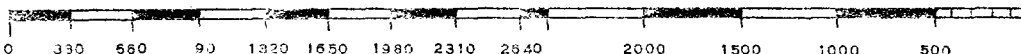
Nov. 9, 1973

Date Surveyed

[Signature]
Registered Professional Engineer
and/or Land Surveyor

N. H. 220

Certificate No.



DICK A. BLENDEM
MICHAEL F. MCCORMICK
BUDFORD L. NORRIS

BLENDEM, MCCORMICK AND NORRIS, P. A.

ATTORNEYS AT LAW
P. O. DRAWER 370
211 WEST MERMED
CARLSBAD, NEW MEXICO 88220

TELEPHONE 887-2392
AREA CODE 505

IN REPLY REFER TO:

December 7, 1973

RECEIVED

DEC 10 1973

O. C. C.
ARTESIA, OFFICE

Mr. W. A. Gressett, Supervisor &
Oil & Gas Inspector
Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Dear Mr. Gressett:

This letter is to inform you that the City of Carlsbad has no objection to the following proposed location of a Hannifin well in the Sec. 24, T 22 S, R 26 E, N. M. P. M. :

A well site lying 2,004' from the South line
and 1,870' from the East line of said section.

I am informed that that location will not interfere with the operations of the Cavern City Air Terminal. As long as the well is drilled at the above location, the City of Carlsbad has no objection to drilling permits being issued.

Very truly yours,



MICHAEL F. MCCORMICK
City Attorney

MFMcC:br

Memo

From

W.A.GRESSETT SUPER.
& OIL & GAS INSP.

To Don Putter

7-8-74 1:20 PM.

4198 out of hole for
new bit

JOB NO.

DISTRICT

DATE _____

SHEET _____ OF _____

[illegible]

JOE NO. _____
DISTRICT _____
DATE _____

DATE

STEEL OF

[illegible]

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 1-28-74

Name of Employee Gressett & Mermis

Time of Departure 9:10 A. M.

Time of Return 11:30 A. M.

Miles Travelled 78

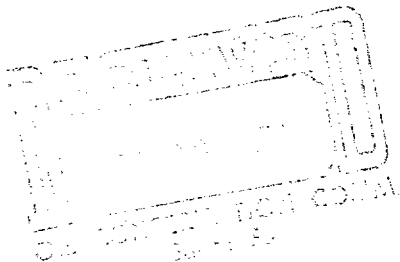
In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1, 2004' FSL & 1870' FEL Sec. 24-22-26 Wildcat Delaware test. They were TD 400' 8-5/8"-396-250 sacks Class C 2% CC circulated to surface. The rig is still over the hole; however, the derrick was laid down and the mud pump, light plant and water tank had been moved to the other side of the location. They were in the process of nipping up when they got orders to shut down. The blowout preventers are Shaffer 10" Series 900 hydraulic and manual operated, not completely hooked up yet. The derrick is 96' high on about a 10' substructure.

This well is 141' + from Grace Atlantic, (I didn't get under the substructure to measure.) The mud pump and light plant were about 90' from Grace Well and the water tank was some closer, and then the road.

The crew was there working out around the mud pump and we met the pusher Mr. J. E. Prichard on the way out.



W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE

2-4-74

Name of Employee W. A. Gressett

Time of Departure 10:00 A. M. Time of Return 1:00 P. M.

Miles Travelled 77

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26

They were drilling @ 2500' (approximately 15' per hour) w/10# brine water and were loosing some fluid. Will mud up @ 4000'. They made a trip for a new bit yesterday and the blowout preventers were checked at that time. Blowout preventers are hydraulic on both blinds and pipe rams manual on pipe rams only. Kill line connected up and have 3½" choke line w/2-2" lines.

The gerinomo line is hooked up.

Flow line from Grace Atlantic not flagged, see picture #1.
Picture #2 taken standing at wellhead of Grace Atlantic #1.
" #3 " up the road approximately 200 north & some east of Grace Well.

They are running survey every 200' & @ 2300 they were approximately 40' N & 20 E of surface location.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-5-74

Name of Employee W. A. Gressett

Time of Departure 11:00 A. M. Time of Return 3:00 P. M.

Miles Travelled 93

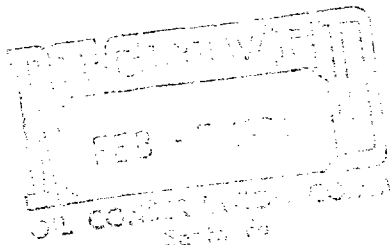
In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

Drove through Empire Abo Pool Atlantic is laying their gas injection lines and getting the compressors set.

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26 drilling @ 2959 at approximately 20 feet per hour, still losing some drilling fluid, hole still going NE. They were making a new road to come in front of the rig and had a 4 man crew building a fence around the rig and well, according to the driller, they will run a cross fence between rig and well.

Last night, the Graces had a night watchman at the well.



W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-6-74

Name of Employee W. A. Gressett

Time of Departure 12:30 P. M. Time of Return 2:30 P. M.

Miles Travelled 77

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26

They were drilling @ 3442 at 1:20 P. M. hole still going NE. Will run survey @ approximately 3450, had started to mud up. They have built a fence around both well and rig and have a Burns Detective Guard (Badge #37306) Mr. Huntley at the entrance stopping cars and giving them a slip of paper stating ONLY AUTHORIZED VEHICLES AND PERSONNEL PERMITTED SUBJECT TO LIABILITY FOR ANY AND ALL DAMAGES OCCURRING HEREIN.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-7-74

Name of Employee W. A. Gressett

Time of Departure 8:25 A. M. Time of Return 4:35 P. M.

Miles Travelled 77

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

To meet Mr. West & Inexco Personnel and check location in W/2 of Sec. 26-24S-23E for Topography. Met Mr. Terry Ellstrom, Inexco Mr. Red Perry, New Mexico Construction and the surveyor to check topography in Sec. 26-24S-23E. This is in rough country in Dark Canyon. A location could be made 2490 FSL & 2565 FEL which would require about 15 feet of cut and fill. Then we found a good location 2260 FSL & 760 FWL. (Most locations in this area will be non-standard.)

Then to check D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26. The gate is now closed, however, the guard gives you a little slip and opens the gate.

@ 3:30 P. M. they were drilling @ 3984 still going NE

@ 3800 N-31E 1⁰ Kelly cock has not been installed.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2/8/74

Name of Employee W. A. Gressett

Time of Departure 12:15 p.m. Time of Return 4:00 p.m.

Miles Travelled 78

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection

Hannifin & Cook, Merland #1-J, 24-22-26

At 1:20 p.m. TD 4198' out of hole for new bit.

Wash the Blowout preventer out and checked them working fine.

Kelly Cock has been installed.

I left location at 3:00 p.m. they were going back in hole
should be on bottom around 3:30 - 3:45 p.m.

Survey at 3999' N-60E 1°

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-9-10-74

Name of Employee W. A. Gressett

Time of Departure 12:15 A. M. 2-9-74 Time of Return 11:00 A. M. 2-10-74

Miles Travelled 165 - 2 trips

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26, out @ 12:15 A. M. 2-9-74, on location @ 1:10 A. M. drilling @ 4288 (not going fast as tool pusher had thought it would) @ 2:20 A. M. drilling @ 4295. I left and came home-in @ 3:15 A. M. back out @ 8:45 A. M. on location @ 9:35 A. M. drilling @ 4368, @ 12:55 P. M. drilling @ 4403, @ 1:15 P. M. TD 4408, picked up to 4368 and ran survey E - 1^o back to drilling @ 2:00 P. M., @ 2:25 P. M. drilling @ 4416, @ 3:50 P. M. drilling @ 4426, @ 4:50 P. M. TD 4437 making connection and checking blowout preventers - @ 8:00 P. M. drilling @ 4441, @ 9:00 P. M. drilling @ 4453, 10:00 P. M. drilling @ 4463 mud weight 10.2# vis. 37 water loss 7, drilled pay zone from 4467 to 4478 from 10:25 P. M. to 11:00 P. M. nothing happened. @ 12:40 A.M. 2-10-74 drilling @ 4489, @ 2:45 A. M. drilling @ 4501, @ 4:00 A. M. TD 4508, will circulate till 7:00 A. M. Start out of hole @ 7:10 A.M. @ 9:45 A. M. out of hole with bit-hole full of mud - looks ok. Dresser Atlas rigging up to run logs. Left location @ 10:00 A. M. In addition to the Burns Guard at the gate to this well, they had another one running around to several wells in the area (the Grace Atlantic included) checking pressures every hour. 1:30 P. M. 2-10-74 just talked to Mr. Lamb and they are taking a drill stem test on the well now.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-12-74

Name of Employee W. A. Gressett

Time of Departure 9:30 A. M. Time of Return 4:00 P. M.

Miles Travelled 145

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

Hannifin & Cook Merland #1-J, 24-22-26 on location @ 10:30 A. M. TD 4518 just started running 5½" casing. Dst 4448-4508 tool opened with fair blow increasing to good blow gas to surface 15" fluid in 90" oil in 95" loaded drill pipe with mud after failing to reverse out, recovered 1200' mud 840' mud & oil 2197' oil & gas 180' salt water IHP 2351 1½' Isip 2096 fp 126-296 3' fsip 2070 & building. (Drill pipe unloaded on the way out of the hole). Then they went back in and drilled 10 more feet of hole circulated 2 hrs., came out to run 5½" casing.

Belco Petr. Corp. Hudson Federal #1- NW/4 of 1-23-30 found new pad approximately 300' E-W X 320' N-S with cellar dug approximately in center E-W and 75' from north side. There is a power line cutting across the SW/ corner of the pad, approximately 230' from cellar to power lines due south.

Went back by Hannifin & Cook Merland #1-J, 24-22-26 on location @ 2:10 P. M. 5½" casing on bottom @ 2:25, put head on & circulated till 3:00 P. M. Prep. to cement with 450 sacks. I left @ 3:00 P. M.

W. A. Gressett
Employee's Signature
District #II

ONLY AUTHORIZED VEHICLES AND PERSONNEL PERMITTED
SUBJECT TO LIABILITY FOR ANY AND ALL DAMAGES
OCCURRING HEREIN.

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2/8/74

Name of Employee W. A. Gressett

Time of Departure 12:15 p.m. Time of Return 4:00 p.m.

Miles Travelled 78

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection

Hannifin & Cook, Merland #1-J, 24-22-26

At 1:20 p.m. TD 4198' out of hole for new bit.

Wash the Blowout preventer out and checked them working fine.

Kelly Cock has been installed.

I left location at 3:00 p.m. they were going back in hole

should be on bottom around 3:30 - 3:45 p.m.

Survey at 3999' N-60E 1°

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 1-28-74

Name of Employee Gressett & Mermis

Time of Departure 9:10 A. M.

Time of Return 11:30 A. M.

Miles Travelled 78

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1, 2004' FSL & 1870' FEL Sec. 24-22-26 Wildcat Delaware test. They were TD 400' 8-5/8"-396-250 sacks Class C 2% CC circulated to surface. The rig is still over the hole; however, the derrick was laid down and the mud pump, light plant and water tank had been moved to the other side of the location. They were in the process of nipping up when they got orders to shut down. The blowout preventers are Shaffer 10" Series 900 hydraulic and manual operated, not completely hooked up yet. The derrick is 96' high on about a 10' substructure.

This well is 141' + from Grace Atlantic, (I didn't get under the substructure to measure.) The mud pump and light plant were about 90' from Grace Well and the water tank was some closer, and then the road.

The crew was there working out around the mud pump and we met the pusher Mr. J. E. Prichard on the way out.



W. A. Gressett

Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-4-74

Name of Employee W. A. Gressett

Time of Departure 10:00 A. M. Time of Return 1:00 P. M.

Miles Travelled 77

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26

They were drilling @ 2500' (approximately 15' per hour) w/10# brine water and were losing some fluid. Will mud up @ 4000'. They made a trip for a new bit yesterday and the blowout preventers were checked at that time. Blowout preventers are hydraulic on both blinds and pipe rams manual on pipe rams only. Kill line connected up and have 3½" choke line w/2-2" lines.

The gerinomo line is hooked up.

Flow line from Grace Atlantic not flagged, see picture #1.
Picture #2 taken standing at wellhead of Grace Atlantic #1.
" #3 " up the road approximately 200 north & some east of Grace Well.

They are running survey every 200' & @ 2300 they were approximately 40' N & 20 E of surface location.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-9-10-74

Name of Employee W. A. Gressett

Time of Departure 12:15 A. M. 2-9-74 Time of Return 11:00 A. M. 2-10-74

Miles Travelled 165 - 2 trips

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26, out @ 12:15 A. M. 2-9-74, on location @ 1:10 A. M. drilling @ 4288 (not going fast as tool pusher had thought it would) @ 2:20 A. M. drilling @ 4295. I left and came home-in @ 3:15 A. M. back out @ 8:45 A. M. on location @ 9:35 A. M. drilling @ 4368, @ 12:55 P. M. drilling @ 4403, @ 1:15 P. M. TD 4408, picked up to 4368 and ran survey E - 1⁰ back to drilling @ 2:00 P. M., @ 2:25 P. M. drilling @ 4416, @ 3:50 P. M. drilling @ 4426, @ 4:50 P. M. TD 4437 making connection and checking blowout preventers - @ 8:00 P. M. drilling @ 4441, @ 9:00 P. M. drilling @ 4453, 10:00 P. M. drilling @ 4463 mud weight 10.2# vis. 37 water loss 7, drilled pay zone from 4467 to 4478 from 10:25 P. M. to 11:00 P. M. nothing happened. @ 12:40 A.M. 2-10-74 drilling @ 4489, @ 2:45 A. M. drilling @ 4501, @ 4:00 A. M. TD 4508, will circulate till 7:00 A. M. Start out of hole @ 7:10 A.M. @ 9:45 A. M. out of hole with bit-hole full of mud - looks ok. Dresser Atlas rigging up to run logs. Left location @ 10:00 A. M. In addition to the Burns Guard at the gate to this well, they had another one running around to several wells in the area (the Grace Atlantic included) checking pressures every hour. 1:30 P. M. 2-10-74 just talked to Mr. Lamb and they are taking a drill stem test on the well now.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-12-74

Name of Employee W. A. Gressett

Time of Departure 9:30 A. M. Time of Return 4:00 P. M.

Miles Travelled 145

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

Hannifin & Cook Merland #1-J, 24-22-26 on location @ 10:30 A. M. TD 4518 just started running 5½" casing.

Dst 4448-4508 tool opened with fair blow increasing to good blow gas to surface 15" fluid in 90" oil, in 95" loaded drill pipe with mud after failing to reverse out, recovered 1200' mud 840' mud & oil 2197' oil & gas 180' salt water IHP 2351 1½' Isip 2096 fp 126-296 3' fsip 2070 & building. (Drill pipe unloaded on the way out of the hole). Then they went back in and drilled 10 more feet of hole circulated 2 hrs., came out to run 5½" casing.

Belco Petr. Corp. Hudson Federal #1- NW/4 of 1-23-30 found new pad approximately 300' E-W X 320' N-S with cellar dug approximately in center E-W and 75' from north side. There is a power line cutting across the SW/ corner of the pad, approximately 230' from cellar to power lines due south.

Went back by Hannifin & Cook Merland #1-J, 24-22-26 on location @ 2:10 P. M. 5½" casing on bottom @ 2:25, put head on & circulated till 3:00 P. M. Prep. to cement with 450 sacks. I left @ 3:00 P. M.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-6-74

Name of Employee W. A. Gressett

Time of Departure 12:30 P. M. Time of Return 2:30 P. M.

Miles Travelled 77

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26

They were drilling @ 3442 at 1:20 P. M. hole still going NE. Will run survey @ approximately 3450, had started to mud up. They have built a fence around both well and rig and have a Burns Detective Guard (Badge #37306) Mr. Huntley at the entrance stopping cars and giving them a slip of paper stating
ONLY AUTHORIZED VEHICLES AND PERSONNEL PERMITTED
SUBJECT TO LIABILITY FOR ANY AND ALL DAMAGES
OCCURRING HEREIN.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-7-74

Name of Employee W. A. Gressett

Time of Departure 8:25 A. M. Time of Return 4:35 P. M.

Miles Travelled 77

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

To meet Mr. West & Inexco Personnel and check location in W/2 of Sec. 26-24S-23E for Topography. Met Mr. Terry Ellstrom, Inexco Mr. Red Perry, New Mexico Construction and the surveyor to check topography in Sec. 26-24S-23E. This is in rough country in Dark Canyon. A location could be made 2490 FSL & 2565 FEL which would require about 15 feet of cut and fill. Then we found a good location 2260 FSL & 760 FWL. (Most locations in this area will be non-standard.)

Then to check D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26. The gate is now closed, however, the guard gives you a little slip and opens the gate.

@ 3:30 P. M. they were drilling @ 3984 still going NE

@ 3800 N-31E 1⁰ Kelly cock has not been installed.

W. A. Gressett
Employee's Signature
District #II

NEW MEXICO
OIL CONSERVATION COMMISSION

FIELD TRIP REPORT

DATE 2-5-74

Name of Employee W. A. Gressett

Time of Departure 11:00 A. M. Time of Return 3:00 P. M.

Miles Travelled 93

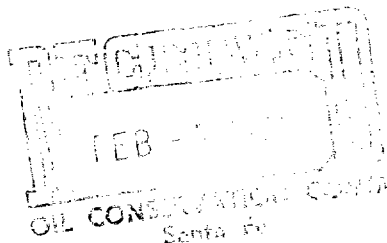
In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

Drove through Empire Abo Pool Atlantic is laying their gas injection lines and getting the compressors set.

D. L. Hannifin & Joe Don Cook Merland #1-J, 24-22-26 drilling @ 2959 at approximately 20 feet per hour, still losing some drilling fluid, hole still going NE. They were making a new road to come in front of the rig and had a 4 man crew building a fence around the rig and well, according to the driller, they will run a cross fence between rig and well.

Last night, the Graces had a night watchman at the well.



W. A. Gressett
Employee's Signature
District #II