

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

1a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER

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

7. Unit Agreement Name

8. Farm or Lease Name
Cook

2. Name of Operator
MARSHALL PIPE & SUPPLY COMPANY

9. Well No.
1

3. Address of Operator
13423 Forestway Dr., Dallas, Texas 75240

10. Field and Pool, or Wildcat
Tule-Penn

4. Location of Well
UNIT LETTER B LOCATED 330 FEET FROM THE North LINE AND 1980 FEET FROM

12. County
Roosevelt

THE East LINE OF SEC. 34 TWP. T2S, RGE. R29E NMPM

15. Date Spudded
4-22-88

16. Date T.D. Reached
5-12-88

17. Date Compl. (Ready to Prod.)
8-24-88

18. Elevations (DF, RKB, RT, CR, etc.)
4359 GL

19. Elev. Casinghead
4369 KB

20. Total Depth
7205

21. Plug Back T.D.
Packer: 7070

22. If Multiple Compl., How Many
One only

23. Intervals Drilled By
Rotary Tools Cable Tools

24. Producing Interval(s), of this completion - Top, Bottom, Name
Tule-Penn: 7050 to 7064, and 6853 to 6857 and 6861 to 6863

25. Was Directional Survey Made
Yes at 5310'

26. Type Electric and Other Logs Run
Compensated Neutron/Litho-Density Log, Schlumberger Dual Laterolog, Litho Cyberlook, BHC Sonic/Caliper

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
13-3/8"	48#	322	17-1/2	300 sacks Prem. 2%CaCl	Cir/None
8-5/8"	24#	2119	11"	200 sacks Prem/2%CaCl	Cir/None
				550 sacks HOWCLT.	Cir/None
5-1/2"	17#	7200	7-7/8"	225 sacks "H"	None

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	7070'	7070'

31. Perforation Record (Interval, size and number)
Tule - Penn: 7050 to 7064, and 6853 to 6857 and 6861 to 63

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
7050-7064	2000 Gal 15% MCA
6853-63'	2000 Gal 15% MCA

30. RUBBER RECORD

SIZE	DEPTH SET	PACKER SET
2-3/8"	7070'	7070'

33. PRODUCTION

Date First Production: Shut In
Production Method (Flowing, gas lift, pumping - Size and type pump): Flow, but not enough pressure to buck
Well Status (Prod. or Shut-in): Shut-In

Date of Test	Hours Tested	Choke Size	Prod. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7-26-88	4 hr.	various		-0-	118-157	-0-	--

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)
1076-1015	1076-468		-0-	157	-0-	-

34. Disposition of Gas (Sold, used for fuel, vented, etc.)
vent Absolute Open Flow Test Witnessed By 713 W. Sutton

35. List of Attachments
C-122

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 J. W. Marshall TITLE Partner/Operator DATE 8-24-88

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and gamma-radiation logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 30 through 34 shall be reported for each zone. The form is to be filed in quadruplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya <u>7088</u>	T. Mancos _____	T. McCracken _____
T. San Andres <u>2125</u>	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta <u>3189</u>	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Dlinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb <u>4672</u>	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo <u>5285</u>	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp <u>6001</u>	T. <u>Pre-Cam: 7161</u>	T. Chinle _____	T. _____
T. Penn. <u>6512</u>	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from Gas: 6854 to 6857	No. 4, from Prob: 7104 to 7113
Gas: 6861 to 6863	Gas
No. 2, from Gas: 7050 to 7054	No. 5, from _____ to _____
Gas: 7056 to 7062	No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet _____
No. 2, from _____ to _____ feet _____
No. 3, from _____ to _____ feet _____
No. 4, from _____ to _____ feet _____

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1827	1827	Redbed, Shale & Lime				Drill Stem Test #1:
1827	3593	1766	Dolomite and Lime				7100 to 7200'
3593	5310	1717	Dolomite and Anhydrite				IH 3724
5310	6090	780	Lime and Shale				IF 128-288, 30 Min.
6090	6512	422	Penn. Lime				ISI 2463, 60 min.
6512	7088	577	Montoya Dolo.				FF 192-431- 75 Min.
7088	7205	117	Pre-Cambrian (7161)				FSI 2495 120 Min
							FH 3725
							Recovered RECEIVED
							2200' gas in pipe
							375' Gas cut Mud
							AUG 24 1998
							625' SW
							OCN
							HOBBS OFFICE

**RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION**

Form W-12
(1-1-71)

INCLINATION REPORT (One Copy Must Be Filed With Each Completion Report.)		6. RRC District
1. FIBLS NAME (as per RRC Records or Wildcat) Tule-Penn		7. RRC Lease Number. (Oil completions only)
2. LEASE NAME Cook		8. Well Number 1
3. OPERATOR Marshall Pipe & Supply Company		9. RRC Identification Number (Gas completions only)
4. ADDRESS 13423 Forestway Drive, Dallas, Texas 75240		10. County Roosevelt
5. LOCATION (Section, Block, and Survey) Unit B, 330 feet from North, 1980 feet from East, Sec. 34, T2S		

R29E

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
340'	3.40'	1°	1.75	5.95	5.95'
840'	5.00'	1°	1.75	8.75	14.70'
1334'	4.94'	1 1/4°	.64	2.18	16.88'
1860'	5.26'	3/4°	1.31	6.89	23.77'
2125'	2.65'	1°	1.75	4.64	28.41'
2635'	5.10'	3/4°	1.31	6.69	35.10'
3124'	4.89'	1 1/4°	2.18	10.66	45.76'
3622'	4.98'	3/4°	1.31	6.53	52.29'
4118'	4.96'	3/4°	1.31	6.50	58.79'
4615'	4.97'	2 3/4°	4.80	23.86	82.65'
4708'	.93'	2 1/2°	4.36	4.06	87.01'
4895'	1.87'	3°	5.23	9.78	92.24'
4987'	.92'	2 3/4°	4.80	4.42	96.66'
5080'	.93'	3 1/2°	6.10	5.68	102.34'
5204'	1.24'	3°	5.23	6.49	108.83'
5543'	3.39'	2°	3.49	11.84	120.67'

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? yes no
18. Accumulative total displacement of well bore at total depth of 7196 feet = 214.76 feet.
- *19. Inclination measurements were made in - Tubing Casing Open hole Drill Pipe
20. Distance from surface location of well to the nearest lease line 330 feet.
21. Minimum distance to lease line as prescribed by field rules (Exception Permit) 660 feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No.
- (If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

Jack Houston
Signature of Authorized Representative
Jack Houston - President
Name of Person and Title (type or print)
Jack Houston Drilling, Inc.
Name of Company
Telephone: **(817) 872-3221**
Area Code

OPERATOR CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

J. W. Marshall
Signature of Authorized Representative
J. W. Marshall, Partner/Operator
Name of Person and Title (type or print)
Marshall Pipe & Supply Co.,
Operator
Telephone: **214-239-7284**
Area Code

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

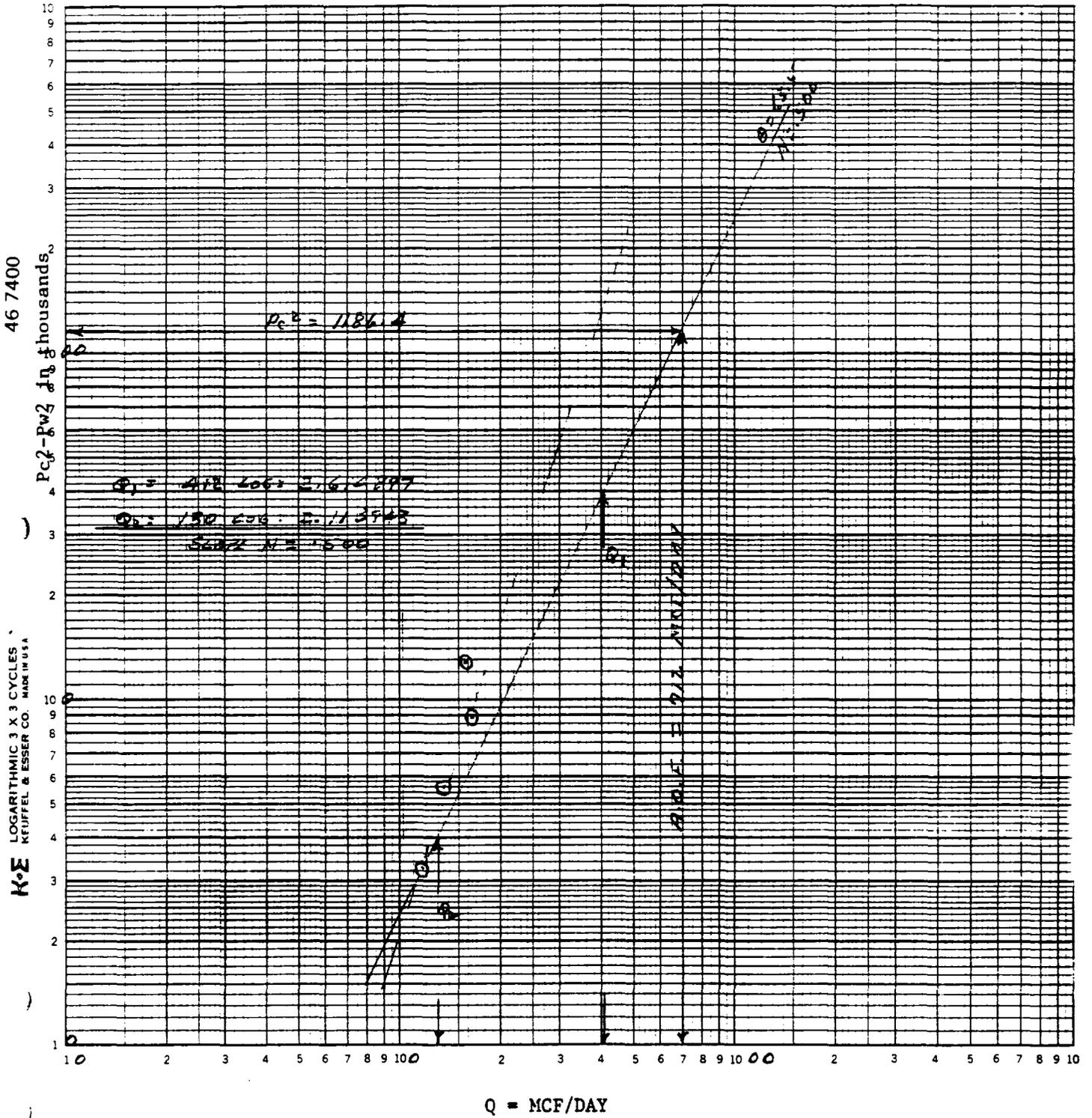
* Designated company certifies company that conducted the inclination surveys.

**NEW MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL**

Form C-122
Revised 9-1-65

Type Test: <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special					Test Date: 7-26-88						
Company: MARSHALL PIPE & SUPPLY					None						
Pool: Tule					UNIT						
Completion Date: 6-26-88		Total Depth: 7196		Plug Back TD: 7070		Elevation: 4359					
Form or Lease Name: COOK					Well No.: 1						
Csg. Size: 5 1/2		Set At: 7196		Perforations: 6853-6863		From: 7050 To: 7064					
Thg. Size: 2 7/8		Set At: 7070		Perforations:		Unit: B Sec: 34 Twp: 29S Rge: 29E					
Type Well - Single - Bradenhead - G.C. or G.O. Multiple: SINGLE				Packer Set At: 7070		County: ROOSEVELT					
Producing Thru: C56		Reservoir Temp. °F: 38 @ 6957		Mean Annual Temp. °F: 60		Baro. Press. - P _a : 13.2					
L: .6842		H: 6842		C _g : .705		% CO ₂ : 2.67					
				% N ₂ : 6.23		% H ₂ S: 0					
				Prover:		Meter Run: 4.026					
						Taps: FLG					
FLOW DATA				TUBING DATA		CASING DATA					
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. in. H ₂ O	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	Duration of Flow
SI							1076		1076		CHOKE 25 DAYS
1.	4 X .500			300	23.00	96	1061		975	2/64	1 HR
2.	4 X .500			300	30.00	96	1050		855	4/64	1 HR
3.	4 X .500			300	44.00	96	1034		681	6/64	1 HR
4.	4 X .500			300	40.00	92	1015		468	8/64	1 HR
5.											
RATE OF FLOW CALCULATIONS											
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor FL	Gravity Factor F _g	Super. Compress. Factor, F _{pv}	Rate of Flow Q, Mcfd				
1	1.182	84.87	313.2	.9671	1.191	1.024	118				
2	1.182	96.93	313.2	.9671	1.191	1.024	135				
3	1.182	117.39	313.2	.9671	1.191	1.024	164				
4	1.182	111.93	313.2	.9706	1.191	1.024	157				
5											
NO.	R	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio ** N/A Mcf/bbl.						
1	.46	556	1.53	.953	A.P.I. Gravity of Liquid Hydrocarbons ** N/A Deg.						
2	.46	556	1.53	.953	Specific Gravity Separator Gas .705						
3	.46	556	1.53	.953	Specific Gravity Flowing Fluid XXXXX						
4	.46	552	1.52	.953	Critical Pressure *674 P.S.I.A.						
5					Critical Temperature *363 P.S.I.A.						
P _c 1089.2		P _c ² 1186.4									
NO.	P ₁ ²	P _w	R ₁ ²	R ₂ ² - R ₁ ²	(1) $\frac{P_c^2}{R_2^2 - R_1^2} = 36.50$						
1		1074.2	1153.9	32.5	(2) $\left[\frac{R_2^2}{R_2^2 - R_1^2} \right]^n = 6.042$						
2		1063.2	1130.4	56.0							
3		1047.2	1096.6	89.8	AOF = Q $\left[\frac{R_2^2}{R_2^2 - R_1^2} \right]^n = .713$						
4		1028.2	1057.2	129.2							
5											
Absolute Open Flow 713		Mcf @ 15.025		Angle of Slope @ 63.5		Slope, n .500					
Remarks: *PSEUDOCRITICAL CORRECTED TO 2.67% CO ₂ & 6.23% N ₂ ** NO FLUID MADE DURING TEST											
WELL FLOWING THRU CASING AND USING TUBING PRESSURE FOR PW											
Approved By Commission			Conducted By: W. SUTTON			Calculated By: B. MURRAY			Checked By: B. MURRAY		

OPERATOR: MARSHALL PIPE & SUPPLY
 TEST DATE: JULY 26, 1988
 LEASE NAME: COOK NO. 1





LABORATORY SERVICES

1331 Tasker Drive
Hobbs, New Mexico 88240

Telephone: 505-397-3713

FOR: John West Engineering Co.
Attention: Buz Thomason
412 N. Dal Paso
Hobbs, New Mexico 88240

SAMPLE IDENTIFICATION: Cook #1
COMPANY: Marshall Pipe & Supply
LEASE:
PLANT:

SAMPLE DATA:	DATE SAMPLED: 7/26/88	GAS (XX) LIQUID ()
	ANALYSIS DATE: 7/27/88	SAMPLED BY:
	PRESSURE — PSIG: 300	ANALYSIS BY: Rolland Perry
	TEMPERATURE — °F:	

REMARKS:

COMPONENT ANALYSIS

COMPONENT		MOL PERCENT	GPM	LIQ. VOL. PERCENT
Hydrogen Sulfide	(H2S)	---		
Nitrogen	(N2)	6.23		
Carbon Dioxide	(CO2)	2.67		
Methane	(C1)	81.02		
Ethane	(C2)	4.94	1.260	
Propane	(C3)	2.62	0.722	
i-Butane	(IC4)	0.35	0.115	
n-Butane	(NC4)	0.79	0.249	
i-Pentane	(IC5)	0.25	0.092	
n-Pentane	(NC5)	0.20	0.073	
	(C6)	0.37	0.171	
Res Plus	(C7+)	0.56	0.313	
		<u>100.00</u>	<u>2.995</u>	

BTU/CU. FT. — DRY 1078
AT 14.650 WET 1060

SPECIFIC GRAVITY — CALCULATED 0.705
MEASURED

VAPOR PRESSURE (ABSOLUTE) — CALCULATED

26# GASOLINE — 0.736

CU. FT./GAL. —

TO 1000000

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER-	7. Unit Agreement Name
2. Name of Operator MARSHALL PIPE & SUPPLY COMPANY	8. Farm or Lease Name COOK
3. Address of Operator 13423 Forestway Dr., Dallas, Texas 75240	9. Well No. 1
4. Location of Well UNIT LETTER <u>B</u> <u>330</u> FEET FROM THE <u>North</u> LINE AND <u>1980</u> FEET FROM THE <u>East</u> LINE, SECTION <u>34</u> TOWNSHIP <u>T2S</u> , RANGE <u>R29E</u> NMPM.	10. Field and Pool, or Wildcat Tule-Penn
15. Elevation (Show whether DF, RT, GR, etc.) 4359 GL	12. County Roosevelt

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <u>Perforations</u> <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 1 FOR.

PERFORATED CASING: Lower Formation=Montoya: 7104-7116
Not capable of commercial Elec Log Measurements
production.
Set Otis Packer 7070', with expendable plug

PERFORATE: Tule-Penn: 7050 to 7064'
Elec Log Measuremen
and: 6853 to 6857,
and: 6861 to 6863,

Acidizing and Testing:

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

SIGNED Jerry Marshall TITLE Partner/Operator DATE 8-24-88

APPROVED BY Jerry Sexton TITLE DISTRICT 1 SUPERVISOR DATE AUG 29 '88

CONDITIONS OF APPROVAL, IF ANY:

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5a. Indicate Type of Lease
State Fee

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15. Elevation (Show whether DF, RT, GR, etc.) 4359 GL	12. County Roosevelt

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <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.

Drilled out below 8-5/8" Casing April 27th, 1988, 8:45 P.M. with 7-7/8" Hole.
Drilled TOTAL DEPTH 7-7/8" Hole at 7205' on May 12th, 1988. Set 222 Jts., 5-1/2" 17# Seamless Casing, J-55, R2, 8rd thrd, (7204.76') Long T & C at 7200.00', Cemented with 225 sacks "H" Cement, 4# salt per sack, 2/10 of 1% CFR-3, and 500 gal mud flush, displaced with KCL water. Casing set at 7200' 11:32 A.M. May 13th, 1988. Top of Cement calculated to be 6000'.

WAITING ON CEMENT.

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

SIGNED J.W. Marshall TITLE Partner/Operator DATE 5-19-88

APPROVED BY Jerry Sexton TITLE DISTRICT 1 SUPERVISOR DATE MAY 23 1988

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

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5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-105) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER-	7. Unit Agreement Name
2. Name of Operator MARSHALL PIPE & SUPPLY COMPANY	8. Farm or Lease Name COOK
3. Address of Operator 13423 Forestway Dr., Dallas, Texas 75240	9. Well No. 1
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15. Elevation (Show whether DF, RT, GR, etc.) 4359 GL	12. County Roosevelt

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SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" 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 1109.

April 22nd, 1988: Started Drilling at 11:30 A.M. Drilled 340' 17-1/2" hole. Set 322' 13-3/8" 48# Seamless Casing. Cemented with 300 Sacks Premium, 2% CaCl. Ran 2 centralizers. Cemented circulated to Surface.

April 26th, 1988: Drilled 11" hole to 2125'. Set 2119' 8-5/8" 24#, R2, ERW NEW Casing. Cemented with 200 sacks Premium Cement, 2% CaCl, and 550 sacks HOWC Light Cement, 1/4# Flowseal per sack, Ran 4 centralizers. Cement circulated to surface. Plug Down at 11:45 A.M. 4-26-87.

April 27th, 1988: Tested blowout preventer 1000# for 30 minutes. OKAY. Started out under surface 4-27-88, 8:45 P.M.

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

SIGNED J.W. Marshall TITLE Operator DATE 4-28-88

APPROVED BY [Signature] TITLE Geologist DATE MAY 3 - 1988

CONDITIONS OF APPROVAL, IF ANY:

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease
STATE FEDERAL

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Cook	
2. Name of Operator Marshall Pipe & Supply Company		9. Well No. 1	
3. Address of Operator 13423 Forestway Dr., Dallas, Texas 75240		10. Field and Pool, or Wildcat Tule-Montoya/Tule-Penn	
4. Location of Well UNIT LETTER B LOCATED 330' FEET FROM THE North LINE AND 1980' FEET FROM THE East LINE OF SEC. 34 TWP. T2 South R29 East		12. County Roosevelt	
19. Proposed Depth 7500'		19A. Formation PreCambrian	20. Rotary or C.T. Rotary
21. Elevations (show whether DF, KT, etc.) 4359 GL	21A. Kind & Status Plug. Bond Statewide	21B. Drilling Contractor Jack Houston Drlg, Inc	22. Approx. Date Work will start March 1st, 1988

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	48#	300'	Circulate	Surface
11"	8-5/8"	24#	2300'	Circulate	Surface

A 7-7/8" hole will be drilled below casing to granite at an expected depth of 7500'. If shows of oil and/or gas are present we will evaluate them by a drill stem test or by running casing.

Blow Out Preventer will be utilized below 2300'.

MAR 22 1988

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 J. Marshall Title partner/operator Date 1-12-88
(This space for State Use)

APPROVED BY Jerry Smith TITLE DISTRICT 1 SUPERVISOR DATE MAR 22 1988

CONDITIONS OF APPROVAL, IF ANY:
Production from both zones subject to approval of Multiple Completion application.

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

R-8618-nsl

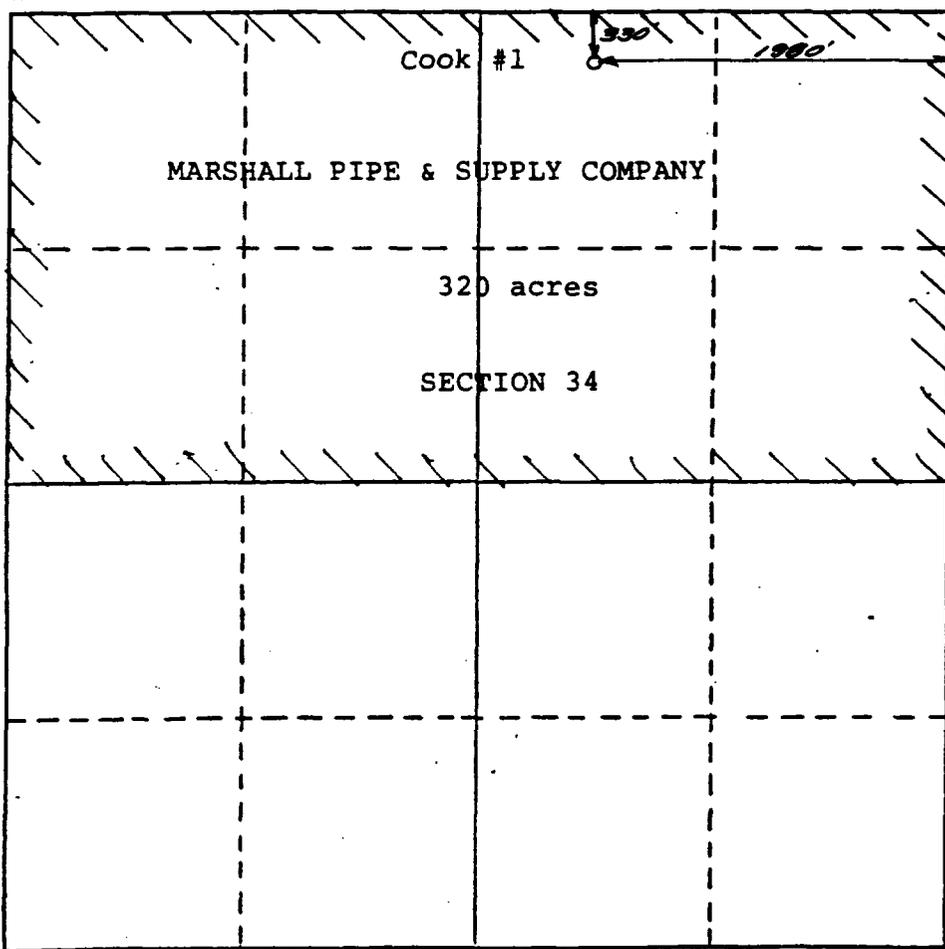
All distances must be from the outer boundaries of the Section.

Operator Marshall Pipe & Supply Co.		Lease Cook		Well No. 1
Unit Letter B	Section 34	Township 2 South	Range 29 East	County Roosevelt
Actual Footage Location of Well: 330 feet from the North line and 1980 feet from the East line				
Ground Level Elev. 4359	Producing Formation <i>Montoya + Penn</i>	Pool <i>Jule-Penn Gas</i> <i>Jule-Montoya Gas</i>	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Communitization

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 Division.



CERTIFICATION

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

J. W. Marshall

Name **J. W. Marshall**
Position **Partner/Operator**

Company **Marshall Pipe & Supply**
Date **1-12-88**

Date **1-12-88**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.

4 January 1988

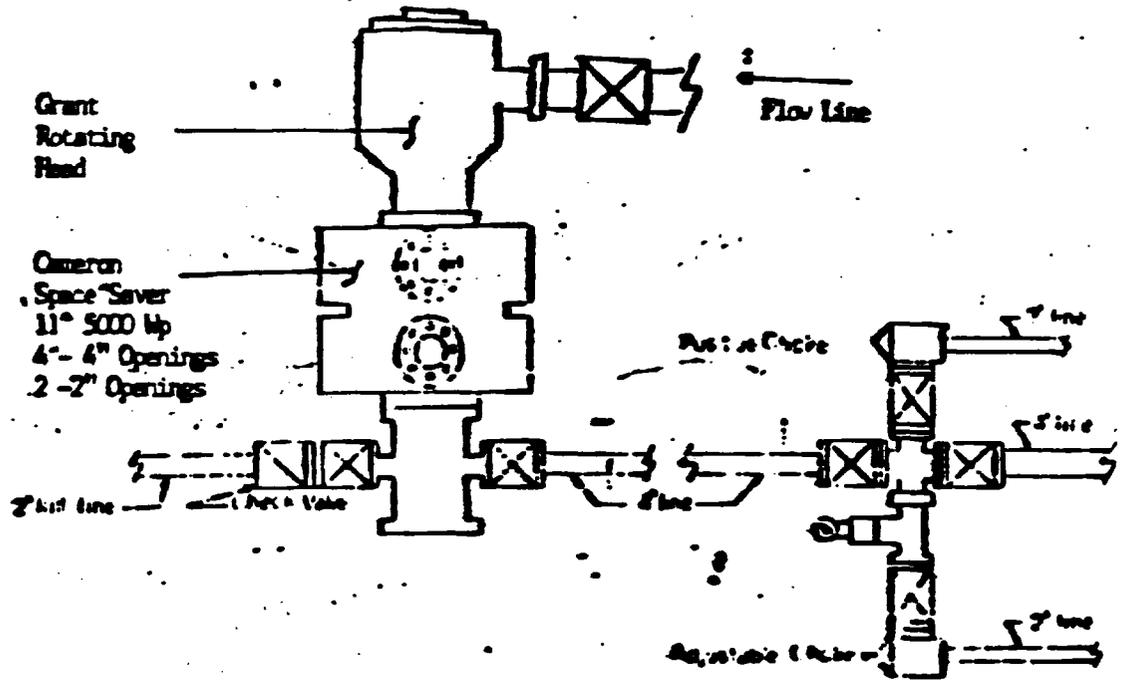
Date Surveyed
P.R. Patton

Registered Land Surveyor
8112

Certificate No. **13**
PROFESSIONAL LAND SURVEYOR



Re: COOK #1
SECTION 34
T2S, R29E
ROOSEVELT COUNTY, NEW MEXICO



RIG #2 BLOW_OUT EQUIPMENT

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NOS. 9309 & 9321
Order No. R-8618

APPLICATION OF MARSHALL PIPE AND
SUPPLY COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, ROOSEVELT COUNTY,
NEW MEXICO

APPLICATION OF MARSHALL PIPE AND
SUPPLY COMPANY FOR COMPULSORY
POOLING, ROOSEVELT COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 16, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of March, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Cases Nos. 9321 and 9309 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant in Case No. 9321, Marshall Pipe and Supply Company, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the N/2 of Section 34, Township 2 South, Range 29 East, NMPM, forming a standard 320-acre spacing and proration unit to test the Pennsylvanian and Ordovician formations, Undesignated Tule-Pennsylvanian and Undesignated Tule-Montoya Gas Pools, Roosevelt County, New Mexico, to be

dedicated to a well to be drilled at an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line (Unit B) of said Section 34, (the subject of Division Case No. 9309).

(4) Inasmuch as Cases Nos. 9309 and 9321 concern the same acreage, namely the N/2 of said Section 34, one Division Order should be entered covering both cases.

(5) The applicant has the right to drill and proposes to drill a well at an unorthodox location as described above.

(6) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

(7) To avoid the drilling of unnecessary wells, to protect correlative rights, to avoid waste, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the production in any pool completion resulting from this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(8) The applicant presented geologic evidence which indicates that a well drilled at the proposed unorthodox location would penetrate the Ordovician and Pennsylvanian formations at a more structurally advantageous position than a well drilled at a standard location thereon, thereby allowing the applicant to better produce the gas underlying the proposed proration unit.

(9) All affected offset acreage is owned by the same working interest owners who will be participating in the drilling of the subject well.

(10) No other offset operator appeared and objected to the proposed unorthodox location.

(11) Approval of the proposed unorthodox location will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool(s), will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(12) The applicant should be designated the operator of the subject well and unit.

(13) Any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(14) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(15) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(16) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(17) \$5000.00 per month while drilling and \$500.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(18) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(19) Upon the failure of the operator of said pooled unit to commence the drilling of the well to which said unit is dedicated on or before July 1, 1988, the order pooling said unit should become null and void and of no effect whatsoever.

(20) Should all the parties to this forced pooling reach voluntary agreement subsequent to entry of this order, that portion of Ordering Paragraph No. (2) concerning the pooling of all mineral interests shall thereafter be of no further effect.

(21) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) This order is hereby entered in Division Cases Nos. 9309 and 9321.

(2) All mineral interests, whatever they may be, from the surface to the base of the Ordovician formation underlying the N/2 of Section 34, Township 2 South, Range 29 East, NMPM, Roosevelt County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location, also hereby approved, 330 feet from the North line and 1980 feet from the East line (Unit B) of said Section 34, to test the Pennsylvanian and Ordovician formations, Undesignated Tule-Pennsylvanian and Undesignated Tule-Montoya Gas Pools.

PROVIDED HOWEVER, the operator of said unit shall commence the drilling of said well on or before the 1st day of July, 1988, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian and Ordovician formations.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 1st day of July, 1988, Ordering Paragraph No. (2) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (2) of this order should not be rescinded.

(3) Marshall Pipe and Supply Company is hereby designated the operator of the subject well and unit.

(4) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(5) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(6) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(7) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated well costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(8) The operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(9) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(10) \$5000.00 per month while drilling and \$500.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(11) Any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(12) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(13) All proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Roosevelt County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(14) Should all parties to this forced pooling order reach voluntary agreement subsequent to entry of this order, that portion of Ordering Paragraph No. (2) concerning the compulsory pooling of the subject acreage shall be of no further effect.

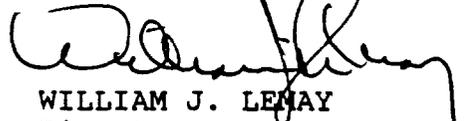
CASE NOS. 9309 & 9321
Oder No. R-8618
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(15) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(16) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L