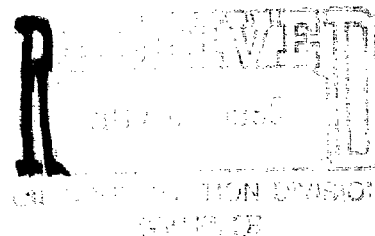


November 4, 1985



Case 8773

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Township 22 South, Range 37 East, NMPM
Section 5: SW/4
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico.

We ask that this matter be set for hearing before an Examiner and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

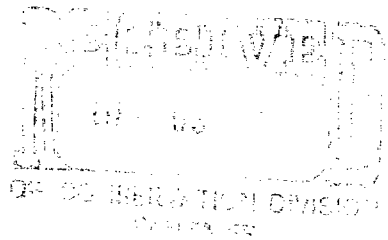
DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pvm
Enclosures

cc w/enclosure: Mr. Paul Bliss

November 27, 1985



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

Re: NMOCD Case 8773

Dear Sir:

On behalf of Bliss Petroleum, Inc., please continue Case 8773
until the hearing to be held December 18, 1985.

Very truly yours,

DICKERSON, FISK & VANDIVER

A handwritten signature in cursive script that reads "Chad Dickerson".

Chad Dickerson

CD:kp

cc: Paul Bliss
Matt Harter

DEC 02 1985

RECEIVED

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF BLISS PETROLEUM, INC. FOR AN
UNORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO.

Case 8773

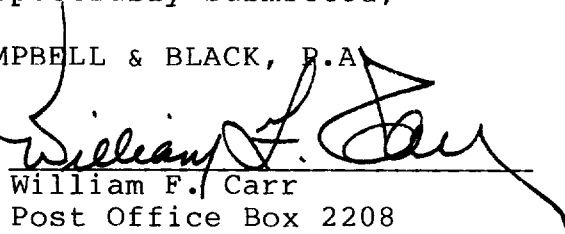
ENTRY OF APPEARANCE

Comes now, CAMPBELL & BLACK, P.A., and hereby enters its
appearance in the above-referenced cause for Marathon Oil
Company.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By


William F. Carr

Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR MARATHON OIL
COMPANY

December 26, 1985

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 8773
J. A. Grizzell "A" No. 1 Well
Township 22 South, Range 37 East, NMPM
Section 5: SW/4
Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of January 9, 1986, until the Examiner Hearing of January 22, 1986.

Thank you.

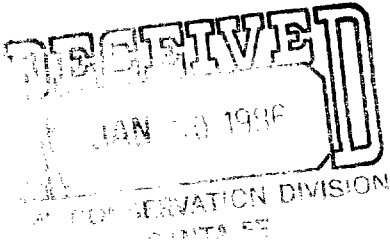
Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pvm

cc: Mr. Paul Bliss
Mr. William F. Carr



January 17, 1986

M.S.

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 8773
J. A. Grizzell "A" No. 1 Well
Township 22 South, Range 37 East, NMPM
Section 5: SW/4
Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of January 22, 1986, until the Examiner Hearing of February 19, 1986.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvm

cc: Mr. Paul Bliss
Mr. William F. Carr

February 17, 1986

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 8773
J. A. Grizzell "A" No. 1 Well
Township 22 South, Range 37 East, NMPM
Section 5: SW/4
Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of February 19, 1986, until the Examiner Hearing of March 19, 1986.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvm

cc: Mr. Paul Bliss
Mr. William F. Carr

March 10, 1986

DLc
3-11-86

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 8773
J. A. Grizzell "A" No. 1 Well
Township 22 South, Range 37 East, NMPM
Section 5: SW/4
Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of March 19, 1986, until the Examiner Hearing of April 2, 1986.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvm

cc: Mr. Paul Bliss
Mr. William F. Carr

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 9, 1986

HAND DELIVERED

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

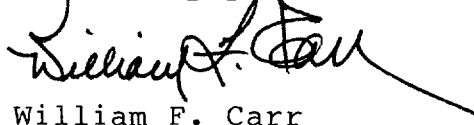
Re: Case 8773: Application of Bliss Petroleum, Inc. for
an Unorthodox Well Location, Lea County, New Mexico.

Dear Mr. Stogner:

Pursuant to your request, enclosed for your consideration
is Marathon Oil Company's Proposed Order of the Division in the
above-referenced case.

Your attention to this matter is appreciated.

Very truly yours,


William F. Carr

WFC/cv
enclosure

cc: Chad Dickerson, Esq.
Ms. Martha Vogel

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

| | |
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| | GAS |
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REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

| | |
|---|---|
| Operator Bliss Petroleum, Inc. | |
| Address c/o Oil Reports & Gas Services, Inc., P. O. Box 763, Hobbs, NM 88241 | |
| Reason(s) for filing (Check proper box) | Other (Please explain) |
| <input type="checkbox"/> New Well <input type="checkbox"/> Recompletion <input checked="" type="checkbox"/> Change in Ownership | Change in Transporter of: <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate |
| Change well designation from South Penrose Skelly Unit No. 220 effective 11/1/84 | |

If change of ownership give name and address of previous owner Gulf Oil Corp., Box 670, Hobbs, NM 88241

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|--|---------------|---|---|-----------|
| Lease Name J. W. Grizzell "A" | Well No. 1 | Pool Name, including Formation Penrose Skelly Grayburg | Kind of Lease State, Federal or Fee Fee | Lease No. |
| Location | | | | |
| Unit Letter <u>N</u> ; <u>1034</u> Feet From The <u>South</u> Line and <u>2635</u> Feet From The <u>West</u> | | | | |
| Line of Section <u>5</u> Township <u>22S</u> Range <u>37E</u> , NMPM, <u>Lea</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"/> | Address (Give address to which approved copy of this form is to be sent) |
| None-Well Shut In | |
| 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 Sec. Twp. Rge. Is gas actually connected? When |

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

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

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

Donna Heller
(Signature)

Agent
(Title)

11/9/84
(Date)

OIL CONSERVATION DIVISION
APPROVED NOV 13 1984
BY Eddie Wilson
TITLE OIL & 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 pool in multiply completed wells.

IV. COMPLETION DATA

| | | | | | | | | | |
|--------------------------------------|-----------------------------|----------|-----------------|----------|----------|-------------------|-----------|-------------|--------------|
| Designate Type of Completion - (X) | | Oil Well | Gas Well | New Well | Workover | Deepen | Plug Back | Same Res'v. | Diff. Res'v. |
| Date Spudded | Date Compl. Ready to Prod. | | Total Depth | | | P.B.T.D. | | | |
| Elevations (DF, RKB, RT, GR, etc.) | Name of Producing Formation | | Top Oil/Gas Pay | | | Tubing Depth | | | |
| Perforations | | | | | | Depth Casing Shoe | | | |
| TUBING, CASING, AND CEMENTING RECORD | | | | | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | | DEPTH SET | | | SACKS CEMENT | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

V. TEST DATA AND REQUEST FOR ALLOWABLE (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 | Date of Test | Producing Method (Flow, pump, gas lift, etc.) | |
| Length of Test | Tubing Pressure | Casing Pressure | Choke Size |
| Actual Prod. During Test | Oil-Bbls. | Water-Bbls. | Gas-MCF |

GAS WELL

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

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Form C-105
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION 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 ☐ South
b. TYPE OF COMPLETION
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐
2. Name of Operator
Gulf Oil Corporation
3. Address of Operator
Box 670, Hobbs, New Mexico 88240
4. Location of Well
UNIT LETTER N LOCATED 1034 FEET FROM THE South LINE AND 2635 FEET FROM THE West LINE OF SEC. 5 TWP. 22-S RGE. 37-E NMPM
7. Unit Agreement Name
Penrose Skelly Unit
8. Farm or Lease Name
Penrose Skelly
9. Well No.
220
10. Field and Pool, or Wildcat
Penrose Skelly
12. County
Lea

15. Date Spudded
4-24-75
16. Date T.D. Reached
5-15-75
17. Date Compl. (Ready to Prod.)
--
18. Elevations (DF, RKB, RT, GR, etc.)
3431' GL
19. Elev. Casinghead
--
20. Total Depth
3900'
21. Plug Back T.D.
3866'
22. If Multiple Compl., How Many
--
23. Intervals Drilled By
Rotary Tools
0 - 3900'
Cable Tools
--
24. Producing Interval(s), of this completion - Top, Bottom, Name
None.
25. Was Directional Survey Made
No
26. Type Electric and Other Logs Run
Formation Density, Dual laterolog, MSFL
27. Was Well Cored
Yes

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

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|--------------------------|---------------|
| 8-5/8" | 24# | 1181' | 11" | 400 sacks (Circulated) | |
| 5-1/2" | 15.5# | 3900' | 7-7/8" | 450 sacks (TOC at 2290') | |

29. LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN |
|------|-----|--------|--------------|--------|
| | | | | |

30. TUBING RECORD

| SIZE | DEPTH SET | PACKER SET |
|--------|-----------|------------|
| 2-7/8" | 3465' | 3465' |

31. Perforation Record (Interval, size and number)
Perforated 5-1/2" casing with 2, 1/2" JHPF at 3814-16-, 3819-21', 3828-30', 3659-74', 3526-28', 3533-35' & 3540-42'.
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
DEPTH INTERVAL
3540-3830'
AMOUNT AND KIND MATERIAL USED
2000 gal of 15% NE acid.

33. PRODUCTION
Date First Production
Did Not Produce
Production Method (Flowing, gas lift, pumping - Size and type pump)
Shut in.
Well Status (Prod. or Shut-in)
Shut in.
Date of Test
Hours Tested
Choke Size
Prod'n. For Test Period
Oil - Bbl.
Gas - MCF
Water - Bbl.
Gas-Oil Ratio
Flow Tubing Press.
Casing Pressure
Calculated 24-Hour Rate
Oil - Bbl.
Gas - MCF
Water - Bbl.
Oil Gravity - API (Corr.)
34. Disposition of Gas (Sold, used for fuel, vented, etc.)
Test Witnessed By

35. List of Attachments
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.
SIGNED B. J. Barbra TITLE Area Engineer DATE July 7, 1975

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission 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 radio-activity 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 quintuplicate 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 _____ | 1140' | T. Canyon _____ | T. Ojo Alamo _____ | T. Penn. "B" _____ |
| T. Salt _____ | 2130' | T. Strawn _____ | T. Kirtland-Fruitland _____ | T. Penn. "C" _____ |
| B. Salt _____ | 2430' | T. Atoka _____ | T. Pictured Cliffs _____ | T. Penn. "D" _____ |
| T. Yates _____ | 2576' | T. Miss _____ | T. Cliff House _____ | T. Leadville _____ |
| T. 7 Rivers _____ | 2833' | T. Devonian _____ | T. Menefee _____ | T. Madison _____ |
| T. Queen _____ | 3334' | T. Silurian _____ | T. Point Lookout _____ | T. Elbert _____ |
| T. Grayburg _____ | 3610' | T. Montoya _____ | T. Mancos _____ | T. McCracken _____ |
| T. San Andres _____ | 3837' | T. Simpson _____ | T. Gallup _____ | T. Ignacio Qtzte _____ |
| T. Glorieta _____ | | T. McKee _____ | Base Greenhorn _____ | T. Granite _____ |
| T. Paddock _____ | | T. Ellenburger _____ | T. Dakota _____ | T. _____ |
| T. Blinebry _____ | | T. Gr. Wash _____ | T. Morrison _____ | T. _____ |
| T. Tubb _____ | | T. Granite _____ | T. Todilto _____ | T. _____ |
| T. Drinkard _____ | | T. Delaware Sand _____ | T. Entrada _____ | T. _____ |
| T. Abo _____ | | T. Bone Springs _____ | T. Wingate _____ | T. _____ |
| T. Wolfcamp _____ | | T. _____ | T. Chinle _____ | T. _____ |
| T. Penn. _____ | | T. _____ | T. Permian _____ | T. _____ |
| T. Cisco (Bough C) _____ | | T. _____ | T. Penn. "A" _____ | T. _____ |

FORMATION RECORD (Attach additional sheets if necessary)

| From | To | Thickness in Feet | Formation | From | To | Thickness in Feet | Formation |
|------|-------|----------------------|------------------|------|----|----------------------|-----------|
| 0 | 1140' | | Red Beds | | | | |
| | 2576' | | Anhy & Salt | | | | |
| | 3610' | | Sand, LS & Dolo. | | | | |
| | 3900' | | Dolo & LS. | | | | |

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NEW MEXICO OIL CONSERVATION COMMISSION

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

| | |
|--------------------------------|---|
| 5a. Indicate Type of Lease | |
| State <input type="checkbox"/> | Fee <input checked="" type="checkbox"/> |
| 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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <input type="checkbox"/> | | 7. Unit Agreement Name |
| 2. Name of Operator | | 8. Farm or Lease Name |
| 3. Address of Operator | | 9. Well No. |
| 4. Location of Well | | 10. Field and Pool, or Wildcat |
| 15. Elevation (Show whether DF, RT, GR, etc.) | | 12. County |

UNIT LETTER N 5 FEET FROM THE South LINE AND 2635 FEET FROM
THE West LINE, SECTION 5 TOWNSHIP 22-S RANGE 37-E NMPM.

3900' TD.

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 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.

3900' TD.

Completed 7-7/8" hole at 3900' on May 15, 1975. Ran 106 joints, 3890' of 5-1/2" OD 15.50# K-55 casing set and cemented at 3900' with 450 sacks of Class C with .5% RD65. WOC 8 hours. Temperature survey indicated top of cement at 2290'. WOC over 48 hours. Tested casing with 1500#, 30 minutes, OK.

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

SIGNED B. J. Bankrat TITLE Area Engineer DATE May 23, 1975

APPROVED BY John A. Runyan TITLE Geologist DATE MAY 2 1975

CONDITIONS OF APPROVAL, IF ANY:

| | |
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NEW MEXICO OIL CONSERVATION COMMISSION

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

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

| | | |
|---|--------------------------------|--|
| SUNDRY NOTICES AND REPORTS ON WELLS <small>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.)</small> | | |
| 1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- | 7. Unit Agreement Name | |
| 2. Name of Operator | South Penrose Skelly Unit | |
| 3. Address of Operator | 8. Farm or Lease Name | |
| Box 670, Hobbs, New Mexico 88240 | 9. Well No. | |
| 4. Location of Well | 220 | |
| UNIT LETTER <u>N</u> , <u>1034</u> FEET FROM THE <u>South</u> LINE AND <u>2635'</u> FEET FROM | 10. Field and Pool, or Wildcat | |
| THE <u>West</u> LINE, SECTION <u>5</u> TOWNSHIP <u>22-S</u> RANGE <u>37-E</u> NMPM. | Penrose Skelly | |
| 15. Elevation (Show whether DF, RT, GR, etc.) | 12. County | |
| 3431' GL | Lea | |

| | | | |
|--|---|--|---|
| 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 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"/> | 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.

Cactus Drilling Company spudded 11" surface hole at 7:00 PM, April 24, 1975. Drilled to 1197'. Ran 28 joints, 1171' of 8-5/8" OD 24# K-55 ST&C casing set and cemented at 1181' with 200 sacks of Class C with 4% Gel, 2% Ca C12 and 200 sacks of Class C with 2% Ca C12. Cement circulated. WOC 22-1/2 hours. Tested casing with 1400#, 30 minutes, OK.

Started drilling 7-7/8" hole at 1197' at 5:30 PM, April 27, 1975.

MAY 1 - 1975
CONSERVATION COMM.
SANTA FE

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

| | | |
|--------------------------------------|--------------------------------------|----------------------------|
| SIGNED <u>B. J. Barba</u> | TITLE <u>Area Engineer</u> | DATE <u>April 28, 1975</u> |
| APPROVED BY <u>Jesie A. Clements</u> | TITLE <u>OIL & GAS INSPECTOR</u> | DATE <u>APR 30 1975</u> |
| CONDITIONS OF APPROVAL, IF ANY: | | |

**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

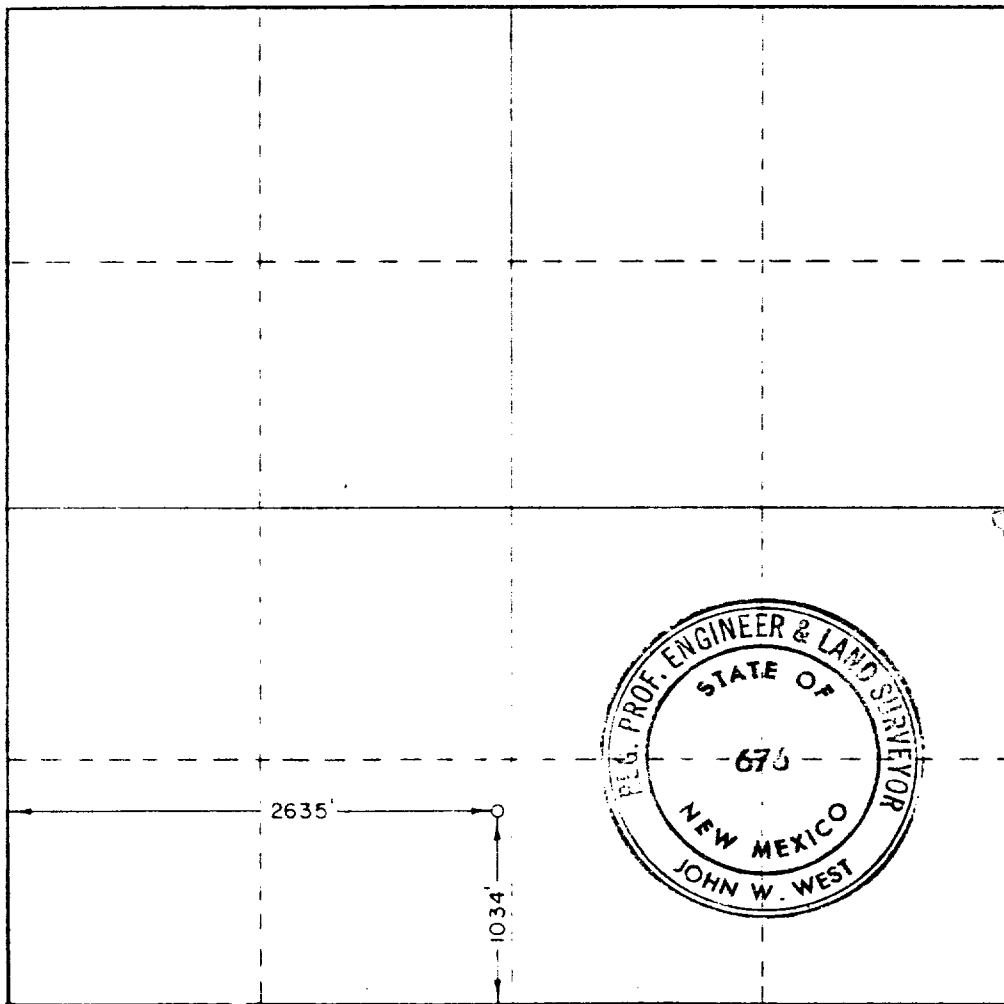
| | | | | | |
|---|--|-----------------------------|---|----------------------|---------------------------------------|
| Gulf Oil Company | | | Lease South Penrose Skelly Unit | | Well No. 220 |
| Section N | Section 5 | Township 22 South | Range 37 East | County Lea | |
| Location of Well: 1034 feet from the South line and 2635 feet from the West line | | | | | |
| Producing Form. | Producing Formation Grayburg | | Pool Penrose Skelly | | 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.

C. D. Borland

Name

C. D. BORLAND

Position

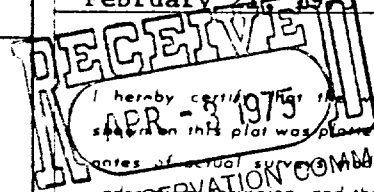
Area Production Manager

Company

Gulf Oil Corporation

Date

February 21, 1975



I hereby certify that the well location shown on this plat was plotted from field notes of actual survey 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

February 10, 1975

Registered Professional Engineer and Land Surveyor

John W. West

676

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

January 12, 1937

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Chad Dickerson
Dickerson, Fisk & Vandiver
Attorneys at Law
Seventh and Mahone, Suite E
Artesia, New Mexico 88210

Re: CASE NO. 3773
ORDER NO. R-3334

Applicant:

Eliss Petroleum, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other William F. Carr



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

May 9, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Chad Dickerson
Dickerson, Fisk & Vandiver
Attorneys at Law
Seventh & Mahone, Suite E
Artesia, New Mexico 88210

Re: CASE NO. 8773
ORDER NO. R-8384-A

Applicant:

Bliss Petroleum, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD _____ x_____
Artesia OCD _____ x_____
Aztec OCD _____

Other William F. Carr

Memo

3-5-81
From
EVELYN DOWNS
Oil Conservation Staff
Specialist

To Mike Stagner

Please note in paragraph (6)
of findings that you state
from west line of proration
unit & it appears these
footages should be from
East line of proration unit.

Let me know if you concur
& if we can renege this
order.

Thanks,
Evelyn

RECEIVED

MAY - 4 1989

OIL CONSERVATION DIV.
SANTA FE

Oil Conservation Division
PO Box 1980, Hobbs, New Mexico 88241-1980

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8773
Order No. R-8384

APPLICATION OF BLISS PETROLEUM,
INC. FOR AN UNORTHODOX WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 2, 1986, and on April 30, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of January, 1987, 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) The applicant, Bliss Petroleum, Inc., seeks approval of an unorthodox well location for its J. W. Grizzell "A" Well No. 1 located 1034 feet from the South line and 2635 feet from the West line of Section 5, Township 22 South, Range 37 East, NMPM, to test all formations through the San Andres formation, Lea County, New Mexico.

(3) The SW/4 of said Section 5 is to be dedicated to the well if it is completed as a gas well and the SE/4 SW/4 of said Section 5 is to be dedicated to the well if it is completed as an oil well.

(4) The re-entry of said well and attempted completion at said unorthodox location will make it economically possible for the applicant to produce the oil and/or gas underlying the proration unit to be dedicated to the well.

(5) Marathon Oil Company, an offset operator, has objected to the proposed location.

East
(6) *East* A well at the proposed location is only 5 feet from the ~~West~~ line of the proration unit or 99 percent closer to the ~~West~~ line of a gas proration unit, and 98 percent closer to the ~~West~~ line of an oil proration unit than permitted by Division Rules and Regulations.

(7) A gas well at the proposed location will have an area of drainage in the San Andres formation which extends an additional 44.5 net acres outside Section 5, an amount of acreage equivalent to 28 percent of a standard 160-acre proration unit in said formation.

(8) To offset the advantage gained over the protesting offset operator, production from the well at the proposed unorthodox location should be limited from the San Andres formation.

(9) Such limitation should be based upon the 99 percent variation of the location from a standard location and the 44.5 net-acre encroachment described in Finding No. (7) above, and may best be accomplished by assigning the well an allowable limitation factor of 36.5 (one percent East/West factor plus 72 percent net-acre factor divided by 2).

(10) In the absence of any special rules and regulations for the proration of production from said Undesignated San Andres Pool, the aforesaid production limitation factor should be applied against said well's ability to produce into the pipeline as determined by periodic well tests.

(11) Should the well be completed as an oil well, production from the well should be limited to offset the advantage gained over the protesting offset operator by use of the same formula set out in Finding No. (9) above and the resulting production limitation should be applied against said well's depth bracket allowable.

(12) Prior to producing said J. W. Grizzell "A" Well No. 1, Bliss Petroleum, Inc. at its own expense should survey said well to establish that the well's location in any formation is no more than 2635 feet from the West line of said Section 5.

(13) Approval of the application subject to the above requirements, provisions, and limitations will afford the applicant the opportunity to produce its just and equitable