

MARSHALL Pipe & Supply Company

Drilling

Producing

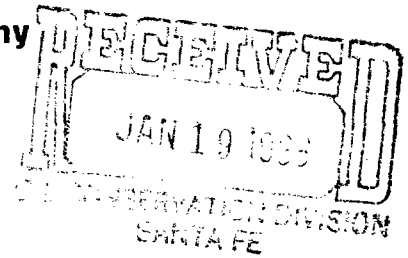
13423 FORESTWAY DRIVE

DALLAS, TEXAS 75240

(214) 239-7284

January 12th, 1988

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881



State of New Mexico
Energy & Minerals Dept.,
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501
Attn: Mr. Michael Stogner,
Mr. Jerry Sexton

Re: Marshall Pipe & Supply Company
Cook #1
EXCEPTION LOCATION
330' from North Line,
1980' from East Line,
Section 34, T2S, R29E,
Roosevelt County, New Mexico

*Exempt to all known and/or
undiscovered oil
on 330
Case 9309
N.C.*

Gentlemen:

In regard to our telephone conversation on December 22nd, 1987, regarding the above location, we are enclosing

Form C-101, 5 copies
Form C-102, 3 copies
Diagram of Blow Out Preventer, 5 copies

Also enclosed please find copies of letters from

David L. Nelson,
Rocky Mountain Regional Geologist
Nicor Exploration Company
1050 Seventeenth Street, Suite 1100
Denver, Colorado 80265-1101

and

Leslie Bentz, Geologist
Yates Petroleum Corp.,
207 South Fourth St.,
Artesia, New Mexico 88210

explaining the reasons for an Exception Location due to the faulting in Section 34 over a Standard Location in accordance with the Commission Rules. Therefore, we are requesting administrative approval for the above location.

If there is additional information that you desire, please advise.

Very truly yours,
MARSHALL PIPE & SUPPLY COMPANY

J. W. Marshall
J. W. Marshall

JWM:vlj

encl.

CC: Nicor Exploration
Yates Petroleum
Depco, Inc.
Attn: Lee Westmeyer
Wintergreen Energy
Marshall Group



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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

Case 9309

RE: Proposed:

MC	_____
DHC	_____
NSL	<u>X</u>
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Marshall Pipe & Supply Co. Cook #1-B 34-ZN-29E
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

loc too close to side boundary probably will
require rearing

Yours very truly,

Gerry Sexton
Gerry Sexton
Supervisor, District 1

/ed

5 copies
P.S. Mike, they sent the C-101, C-102 & BOP to Santa Fe.
Please send these to Hobbs so if the loc is approved
we will be able to approve the C-101.

S. Nelson

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

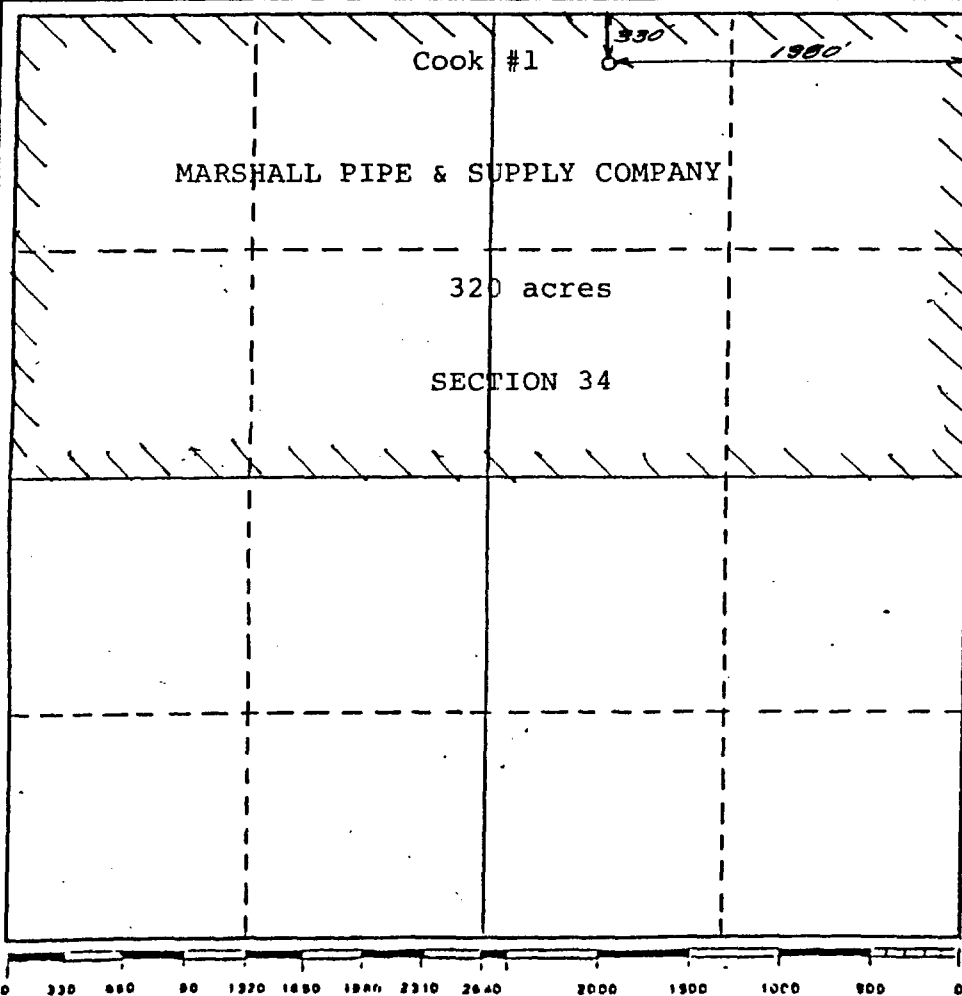
Operator Masrhall Pipe & Supply Co.		Lease Cook		Well No. 1
Unit Letter B	Section 34	Township 2 South	Range 29 East	County Roosevelt
Actual Footage Location of Well: 330 feet from the North line and 1980 feet from the East line				
Ground Level Elev. 4359	Producing Formation		Pool	Dedicated Acreage: Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 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**
Partner/Operator

Position
Marshall Pipe & Supply Co.

Company
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 or 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.

PROFESSIONAL LAND SURVEYOR



NICOR EXPLORATION COMPANY

One of the NICOR
basic energy companies

1050 Seventeenth Street, Suite 1100
Denver, Colorado 80265-1101 303-893-1666

December 29, 1987

Michael Stogner
Jerry Sexton
State of New Mexico
Energy and Minerals Dept.
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87504

Case 9309

Re: Exception location, Marshall
Pipe and Supply #1 Cook;
330' FNL, 1980' FEL,
Section 34, T2S-R29E,
Roosevelt County, New Mexico

Dear Sirs:

The above described exception location is being requested by Marshall Pipe and Supply Company, as operator of the Tule Field. NICOR Exploration Company is a working interest owner in the other Tule Field producers as well as in the proposed exception location. NICOR Exploration is in favor of drilling at the exception location and feels that this location will optimize efficient drainage of the Montoya Reservoir thought to be present in the N/2 of Section 34. A combination of a major down-to-the-west normal fault located 600' west of the proposed location and steep easterly dip to the east of the proposed location preclude drilling a geologically favorable standard location in accordance with Commission rules.

Therefore, NICOR Exploration respectfully requests relief from standard spacing guidelines by administrative approval from the Commission for drilling the #1 Cook at the above-requested exception location.

Respectfully,

David L. Nelson
Rocky Mountain Regional Geologist

DLN:kn

GEOLOGICAL CONDITIONS
FOR
UNORTHODOX LOCATION
OF THE
MARSHALL PIPE AND SUPPLY - COOK #1
330' FNL & 1980' FEL, Section 34-2S-29E

Marshall Pipe and Supply respectfully requests administrative approval for the unorthodox location of its proposed Cook #1 to be drilled 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, Roosevelt County, New Mexico. The north half of section 34 would be dedicated to the well.

The necessity for this unorthodox location is based upon geological conditions.

Exhibit #1 is a land plat showing the proposed location and its relationship to the surrounding acreage in which Marshall Pipe and Supply has full or partial operating rights. The proration unit is outlined in red.

Exhibit #2 is a map depicting the subsurface structure on top of the Pre-Penn unconformity. The contour interval is 50'. Datum points are noted by circles and the appropriate datum is listed. Well spots colored in red indicate Ordovician producers. The red outline marks the termination of the Mississippian formation. Pertinent seismic lines are marked in green.

The structure map shows a north-northeast, south-southwest trending horst block which is fault bounded to the east, west and south. Throw on the bounding faults is probably about 200' feet. Lack of well control on the down thrown side of the faults makes depth conversions from time values difficult.

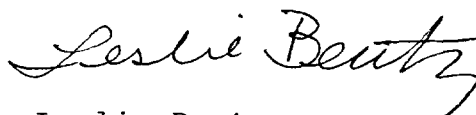
Closure into the west fault provides the trapping mechanism. Porosity and permeability are enhanced in the Ordovician reservoir as erosion has completely stripped away the Mississippian sediments providing an opportunity for the Ordovician dolomite to be exposed subaerially and develop Karst topography. The overlying Pennsylvanian section provides the source for hydrocarbons.

The approximate gas/water contact is -2700 as tested by the Speight #1 in Section 22-T2S-R29E.

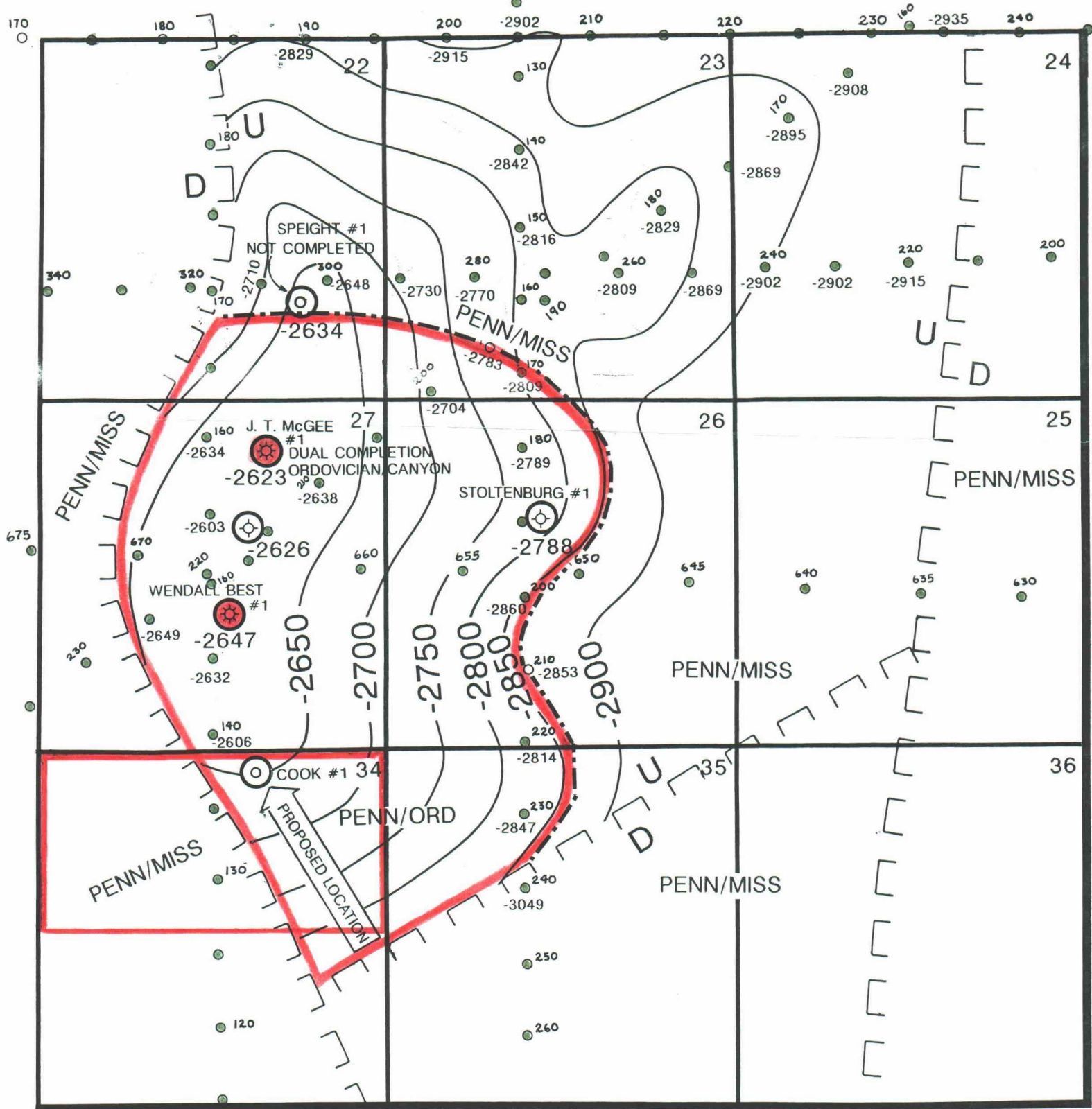
As the subcrop of the Mississippian does not coincide with the Pre-Penn structure exactly, it is felt that this structure was later tilted downward to the south-southeast. Therefore a location to the south-southeast of the current structure should have been located on the paleo-high and should have excellent porosity and permeability. It is also possible that the gas/water contact is tilted and would be found at a lower datum in that direction.

In summary, the proposed unorthodox location is the best allowable location in the north half of Section 34 which would enable the borehole to encounter the structure at its highest point possible and not cross a bounding fault. It is anticipated that structurally high penetration of the Ordovician would enhance earlier and greater recovery of gas reserves. The well will be drilled through to the Precambrian to ensure that the complete section is tested. It is believed that approval of this location would prevent waste and protect correlative rights.

The above discussion of geological conditions and Exhibits #1 and #2 were prepared by Leslie Bentz. Leslie Bentz is employed by Yates Petroleum Corporation as a geologist in Artesia, New Mexico. She has testified before and been approved as an expert witness by the Oil Conservation Division of the State of New Mexico.

A handwritten signature in cursive script that reads "Leslie Bentz". The signature is written in dark ink and is positioned above the printed name and title.

Leslie Bentz
Permian Basin Division Geologist
Yates Petroleum Corporation



T2S-R29E

TULE FIELD ROOSEVELT COUNTY, NM STRUCTURE MAP

HORIZON : PRE-PENN UNCONFORMITY

C. I. = 50'



MISSISSIPPIAN SUBCROP



DATUM POINTS



ORDOVICIAN PRODUCERS

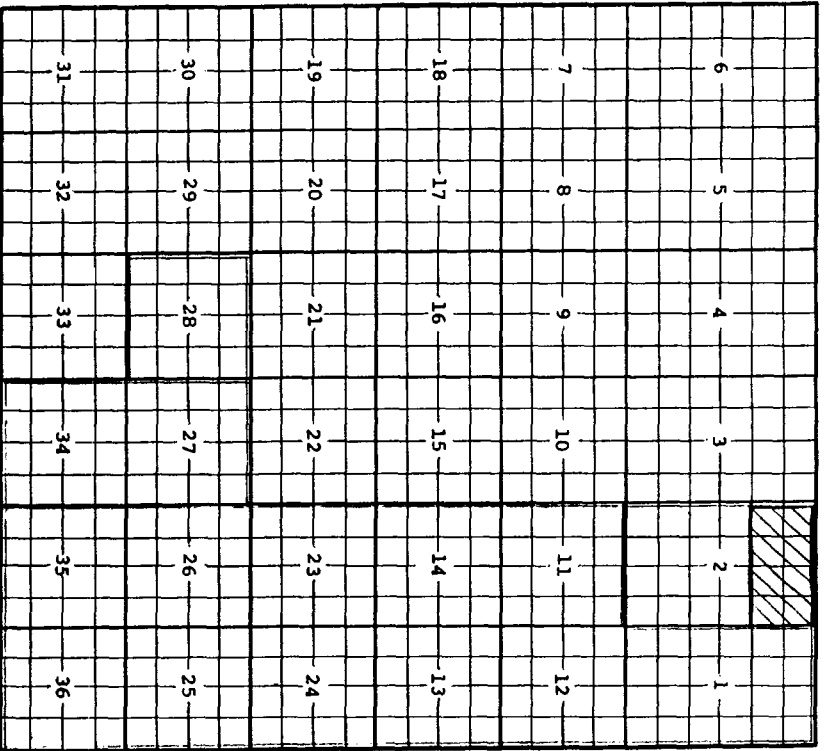
LESLIE BENTZ 1/5/87

SCALE : 1" = 2000'

[illegible]

COUNTY Eddy POOL Catclaw Draw - Morrow Gas

TOWNSHIP 21 South RANGE 25 East NMPM



Description: All Sec 26 (R-4157 6-21-71)

Ext: All Sec 23 (R-4232, 1-1-72) Ext: All Sec 24 (R-4324, 6-15-72)

Ext: All Sec 1, 11th & 14, 25 & 36 (R-4421, 11-1-72)

Ext: All Sec 35 (R-1670-0, 1-15-74)

Ext: All Sec 27 & 34 (R-4861, 11-1-74)

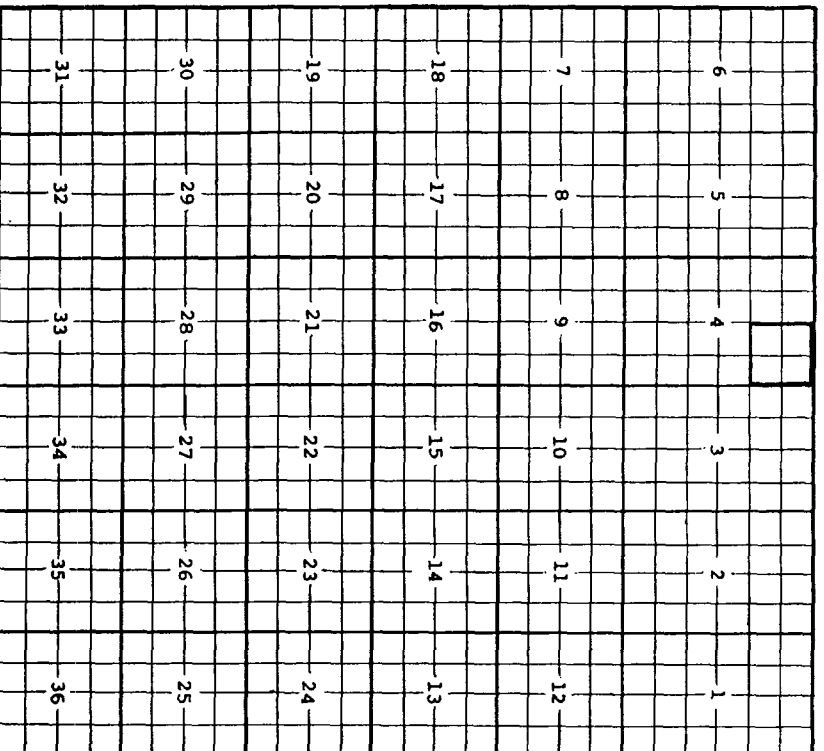
Ext: Lots 9 thru 16 & 1/2 Sec 2, All Sec 28 (R-5204, 5-1-76)

Ext: Lots 1 thru 8 Sec 2 (R-6388, 7-1-80)

Deletions: Lots 1 thru 8 Sec 2 (R-4157-D, 8-26-81)

COUNTY Eddy POOL Seven Rivers Hills - Morrow Gas

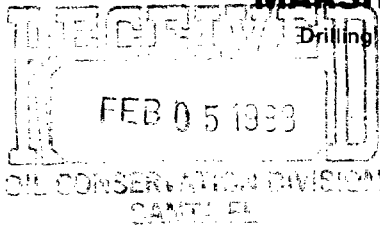
TOWNSHIP 21 South RANGE 25 East NMPM



Description: Lots 1, 2, 7 & 8 Sec 4 (R-2569, 10-1-63)

MARSHALL Pipe & Supply Company

J. W. Marshall
Dallas, Texas
RESIDENCE
(214) 233-7881



13423 FORESTWAY DRIVE
DALLAS, TEXAS 75240
(214) 239-7284

Producing

Case 9309

February 3rd, 1988

State of New Mexico
Energy & Minerals Dept.,
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attn Mr. Michael Stogner
Mr. Jerry Sexton

Re: Marshall Pipe & Supply Company
Cook #1
EXCEPTION LOCATION
Section 34, T2S, R29E
Roosevelt County, New Mexico

Gentlemen:

Enclosed please find CORRECTED

Form C-102, 3 copies

as we failed to complete

Producing Formation: Montoya & Penn
Pool: Tule-Montoya and
Tule-Penn
Dedicated Acreage: 320 acres, if gas

on the Form C-102 mailed to you on January 12th, 1988.

Please place this Form in our application.

Thanking you, we are,

Very truly yours,

MARSHALL PIPE & SUPPLY COMPANY

J. W. Marshall
J. W. Marshall
JWM:vlj

cc: Jerry Sexton
P.O. Box 1980
Hobbs, New Mexico 88241-1980
together with copy of Form C-102
cc: Chad Dickerson
Dickerson, Fisk & Vandiver
Seventh & Mahone - Suite E
Artesia, New Mexico 80210

DICKERSON, FISK & VANDIVER
ATTORNEYS AT LAW
SEVENTH & MAHONE / SUITE E
ARTESIA, NEW MEXICO 88210
(505) 746-9841

CHAD DICKERSON
JOHN FISK
DAVID R. VANDIVER
REBECCA REESE DICKERSON

February 24, 1988

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

M.S.

Re: Case Nos. 9308, 9309 and 9321
Examiner Hearing of March 2, 1988
Applications of Marshall Pipe & Supply Company
Township 2 South, Range 29 East, N.M.P.M.
Perry No. 1 Well - Section 23: S/2
Cook No. 1 Well - Section 34: N/2
Roosevelt County, New Mexico

Gentlemen:

Please continue the hearings set on the Applications of Marshall Pipe & Supply Company for Unorthodox Well Locations and Compulsory Pooling, Roosevelt, County, New Mexico, which are set for the hearing of March 2, 1988, until the Examiner Hearing of March 16, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

Chad Dickerson

CD:pvw

cc: Mr. J. W. Marshall
Ms. Leslie Bentz
Mr. Curtis D. Smith
Mr. James H. Grady

JAMES H. GRADY
P. O. BOX 4
MORRISON, CO 80465

March 18, 1988

Case File
RE: Case Nos. 9309 & 9321
Examiner Hearing 3-16-88

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

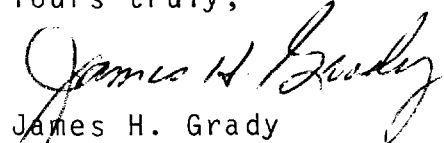
Gentlemen:

The purpose of this letter is to advise the commission that DEPCO, Inc., has received oil and gas leases covering the interests of June Speight.

The only unleased mineral interest remaining under the N $\frac{1}{2}$ Section 34 T 2 S - R 29 E NMPM, is that of Texaco.

Thank you for your cooperation.

Yours truly,



James H. Grady
DEPCO Land Representative

CC: Attorney Chad Dickerson
DEPCO, Inc. Attn. Mr. K. Ranum
Marshall Pipe and Supply
Danglade Properties, Attn. F. Henderson

