



December 4, 1987

Mobil Producing Texas & New Mexico Inc. 500 West Illinois, Suite 200 Midland, Texas 79701

Attention: Mr. Kent Johnston

Re: #1 Simmons

NMOCD Case 9268 Order R-8556

E/2 SW/4 of Section 3,

Dr. Qrox

T17S-R37E

Gentlemen:

Please find enclosed a copy of the above referenced New Mexico Oil Conservation Division Order pooling all interests in the Strawn formation underlying the E/2 SW/4 of Section 3-17S-37E, along with a copy of our proposed Authorization For Expenditure (AFE) for the #1 Simmons.

Please review the enclosed order and made your election to either participate or go non-consent within thirty (30) days of receipt of same. Should you elect to participate under the Joint Operating Agreement dated November 4, 1987, which was previously submitted to you, please return an executed AFE, signature page to the JOA and Notice of Joint Operating Agreement Lien. Upon receipt of same, you will be dismissed from the compulsory pooling order.

Should you have any questions, please feel free to contact me at 713/546-6195.

Yours very truly,

PENNZOIL COMPANY

Greg Davis

Land Specialist

GD: jt Enclosure

Mr. William J. Lemay (w/copy of AFE)

Oil Conservation Division

P. O. Box 2088

Santa Fe, New Mexico 87504

. ≠ ORM 25	-117(1)	,	ROHTU <i>P</i>			XPENDITU	JRE			(DATE	/07	PAGE		
WELLS Co. Dept. Play No. AFE No. AFE Title or Loc							ation N	ame (25)	10/19	/8/	1	OF 2			
6	SS. SSR. Tilly No.														
	2, 5 1 6, 1, 4, 0 7, 4 3.8.9, 3.8 S.I.M.M.C								O,N,S, ,N,O, ,1, ,D,C,&,E, , , , , , , , , , , , , , , , , ,						
	oil Compa	any			Div		ster					36	~		
	FIELD OR ARE Simmons No. 1 Shipp								UNDEVELOPED LEASE NO.					Ο.	
	PERATOR COUNTY OR PA							ARISH			STATE				
Pennz	oil Compa							Lea	ND NO			New Me:	kico		
	TDESCRIPTION OF THE PROPERTY O		<u>ill, co</u>				-	EASE NAME A		-					
	of sect.			1310 1	SL and	1 1900	PI	Simmons ROPOSED FOR		N					
		· · ·						Strawn				Deepen			
Single ☐ Triple ☐ Dual ☐ Gas ☐ Expl.						💢 Dev.	□ Ne	w [Workover	☐ Yes	∑ No				
☑ Land		.,	DATE TO	START		DATE TO	COMP	LETE	DAYS	TO DRI	LL	PROPOSEC	DEPTH		
☐ Marsh	. □ G	ult							<u> </u>	34		<u></u>	900		
Gross			Net Budget Code 4 1 0 7			s./Assoc. Prop. No. Assoc. A		2 140.		nt Venture	Opera		Stat Cod		
					0, /						Nvironmenta		3-Outs		
County/ Ph. Code		Сопу		Re	port to Co	xde C	osting l	Location Mktg	%	Air	% Water	% Land - Ot		6 Safety nd Health	
<u></u>	<u> </u>	☐ Yes [□ No □					1 1 1 1	1 1	A . I	<u> </u>	1 1 1 1	<u> </u>	1 1	
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INTANG	IBLES								SUB	DRY	HOLE	COMPLETION	т	OTAL	
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₹ Ç	DRILLING CORING AND	DRILL ST	TEM TEST		4	days @ \$		/day 4,000 /day	490 490	16,	000		16.	,000	
201	LOGGING, SF			ING		days @ \$		4,000 /day	490		000		8	,000	
N A	OTHER				10	days @\$		1,300 /day	490			13,000	13	,000	
COMPA	TOTAL CO	NTRACT		\$195/d	 ay				501	6,	630	1,950	8.	,580	
EMPLO'	YEE BENEFIT	s		\$105/d	ay				505		570	1,050	1	,620	
	CANAL CON						· · · · · · · · · · · · · · · · · · ·		545 476	10,	000	5,000	15	,000	
	ON, ROADS, F				-				472	7,	500	3,000	10	,500	
	OREHEADS, E	TC.		<u>-</u>		· · · · · · · · · · · · · · · · · · ·			492	15,	000	1,500	16	,500	
	TERIALS T AND CEMEN	ITING SEI	RVICES			-		· ·	475 473		000	8,000		,000	
	ALIZERS, SHO	ES, SCRA	ATCHERS A			E PACKER	S		491	1,	000	1,000		,000	
MUD LOGGING 20 days @ \$350/day FORMATION TESTING 1 DST									474 482		000 500			,000 ,500	
	IG AND SIDE \			_					478		000	3,000		,000	
PERFO									479		000	7,500		,500 ,000	
	ENTAL INCL		IALL DIAM	ETER DR	ILL PIPE	-			488		000	3,000 10,000		,000	
INTERNAL COATING									485			7 500	ļ <u>.</u>	500	
STIMULATION TREATMENT OTHER SPECIAL WELL SERVICES includes 60' core									480	16.	000	7,500		,500 ,000	
MISCELLANEOUS COSTS AND CONTINGENCIES 10%								599	31,	000	6,550	37	,550		
T 4 N C I F	TOTAL IN	rangibli	ES	==						399,	900	72,050	411	,950	
TANGIE		ft.	in.	īb.	. Gr.			@ \$	440				<u> </u>		
CASING	400	13-3		48	H-40			21.39	440		550	· · · · · · · · · · · · · · · · · · ·		,550	
δ	4,200 11,900	8-5 5-1		28 17	S-80 N-80			13.06 9.48	440	54,	850	112,800	1	.850 .800	
S Z	11,700				11-00	·		7.40	443			116 OUN	112	000	
TUBING	11,500	2-7	7/8	6.5	N-80)		4.49	443			51,600	51	,600	
	HEADS	1	1		1		!		443	4.	000	9,500	13	,500	
CHRISTMAS TREE								445			8,000	8	,000		
RETRIEVABLE PACKERS OTHER WELL EQUIPMENT								448			6,000	6	,000		
TOTAL TANGIBLES										67,	400	187,900	255	,300	
		PROS	CTION EQ		TAL WEL			$\begin{array}{cccccccccccccccccccccccccccccccccccc$				10/ 000	100	000	
			THER COS				10	0.00000	%			104,800	104	,800	
					TOTA	L COST		0.00000				364,750		.050	
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1/20	· · · ///	-	10-19-												
COMBV	NY NAME:					AI TAIOL	TERE	ST APPROV	AL , %		1				
APPRO								1 <u>A - i - l - l</u>	, ,%	DATE					

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ORM 25-116(1)		AUTHORIZ	ATION FOR	EXPENDITURE	<u>:</u>	•	DATE		PAGE	
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	Company			Western			36			
	Company			"Cacerii	FIELD OR ARE	Δ	· · · · · · · · · · · · · · · · · · ·	NDEVELOPED	LEASE NO	
WELL NAME A								WDEV CEO! ED	ELASE NO.	
Simmons	NO. I				Ship	·		TATE		
OPERATOR					COUNTY OR PA	ARISH	3			
Pennzoil	_				Lea			New Mexi	co	
PROJECT DESC					LEASE NAME					
			1310' FSI	and 1980'	Simmo			<u> </u>		
FWL of s	ect. 3,Tl	7S,R37E			PROPOSED FO	RMATION				
					Stra	wn				
X Single	☐ Triple							Deepen		
☐ Dual		©Xoii	☐ Gas	☐ Expl.	🗓 Dev.	X New	☐ Workover	☐ Yes	👿 No	
X Land	☐ Bay	DATE TO S		DATE TO CO		DAYS TO DE		PROPOSE	D DEPTH	
☐ Marsh	☐ Gulf					34		1 11	.900'	
			T			<u> </u>			.700	
		None	Budget	Ls./Assoc. Prop. N	lo. Assoc. AF	:= No .lc	oint Venture	Ope	erator	State
Gross		Net	Code	Ls./ Assuc. Prop. N	Assoc. Ar	L 140.				Code
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County/	Co	avariad .					Environmenta	I Cost		Safety
Ph. Code		nveyed	Report to	Costin	ng Location Mktg	% Air	% Water	% Land - C		Health
<u> </u>	Yes	□ No	1111	<u> </u>	: 1 1 1 1	<u> </u>	111	1111	1 1 1 1	<u> </u>
JUSTIFICATIO										
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			DETAIL OF	PRODUCTION	EQUIPMENT AN	ND OTHER CO	OSTS			
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