

**Pecos Petroleum Engineering, Inc.**  
**P.O. Box 1794**  
**200 West First St., Suite 536**  
**Roswell, New Mexico 88202-1794**  
**505-624-2800**



January 16, 2001

Mr. Tim Gum  
Oil Conservation Division  
811 1<sup>st</sup> Street  
Artesia, New Mexico 88211

Re: Ricks Exploration, Inc.  
Dinah "23" Federal Com. #1 (API No. 30-015-28946)  
Surface Location 1077' FSL & 660' FWL  
Producing Zone Location 1087' FSL & 654' FWL  
Section 23-T17S-R28E  
Eddy County, New Mexico

Dear Mr. Gum:

Enclosed, for your approval, are five (5) copies of Ricks Exploration's C-101 and C-102 to squeeze off existing perforations in the Wolcamp and Atoka zones, clean out the wellbore to the existing Morrow Zones and add additional Morrow intervals in the Dinah "23" Federal Com. #1 well. The recent attempt to establish Wolcamp production was unsuccessful and with recent nearby Morrow success, the Morrow has the potential to be productive.

Following is a summary of events pertaining to the Dinah "23" Federal Com. #1 well:

1. The well was drilled in 1996, to a total depth of 10,560 ft., in an unorthodox location to test the Morrow formation within a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 23, T17S, R28E, NMPM. The unorthodox location was approved by Administrative order NSL-3660, dated April 19, 1996 and was amended on January 6, 1997 with Administrative Order NSL-3660 (DD). The Morrow was tested through perforation at 10,224-32' and 10,243-52' and was temporarily abandoned by setting a CIBP at 10,200'.
2. The well was completed in the Atoka from 9810-9817'. The Atoka zone has cumulative production of 79,145 MCFG and 960 BO through 6/00. The Atoka zone reached the economic limit and the well was recompleat in the Wolcamp from 7862-7872' in late 2000. The Wolcamp zone has proven to be noncommercial and the operator will now attempt a completion in the Morrow.
3. Due to severe deviation problems while drilling, a directional deviation survey was run on

the well to determine direction and displacement from the surface location. The surface location is at 1077' FSL & 660' FWL of section 23, the location of the Wolfcamp Zone, from 7862'-7872', is at 1045' FSL & 623' FWL of section 23. A nonstandard bottom hole location for the Wolfcamp was approved by Administrative Order NSL-3660-A. The bottom-hole location of the well at T.D. (Morrow Interval) is 9.76 ft. north and 6 ft. west of the surface location. This a displacement of 11.46 ft. to the northwest from the surface location, resulting in a BHL of 1087' FSL & 654' FWL.

4. Rule 111.B.(3) provides for a 50-foot "window" for deviation from the surface location.
5. Ricks Exploration, Inc. is the current operator of the Dinah "23" Federal Com. #1.

Thank you for your prompt attention to this matter. Should you need additional information, please call Bruce Stubbs at 505-624-2800.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Stubbs", written in a cursive style.

Bruce A. Stubbs, P.E.  
Consulting Engineer

xc: Mr. Cliff Merritt  
Ricks Exploration, Inc.  
3000 Oklahoma Tower  
210 Park Avenue  
Oklahoma City, Oklahoma 73102