

RECEIVED
NEW MEXICO OIL & GAS REGULATION COMMISSION

30-015-23440

JUN 11 1980

O.C.D.
ARTESIA, OFFICE

1. DISTRIBUTION
2. STATE FEE
3. LAND OFFICE
4. OPERATOR

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

1b. Type of Well
OIL WELL ☐ GAS WELL ☒ MULTIPLE ZONE ☐

2. Name of Operator
Great Western Drilling Company

3. Address of Operator
P. O. Box 1659 Midland, Texas 79702

4. Location of Well
UNIT LETTER O 660 South 1980 East 19 18S 27E

5. Depth of Well
9900'

6. Direction of Well
Morrow

7. Rotary or C.T.
rotary

8. Cement Program
3279.9 G L blanket pending August 1980

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13-3/8"	48	325'	350	surface
12 1/4"	8-5/8"	24	1700'	900	surface
7-7/8"	5-1/2"	17	9900'	500	7900'

BLOWOUT PREVENTOR: 3000 psi Hydraulic double 10" x 900 series with accumulator closing unit. Manifold 4" x 900 series flanged connections, 1-positive and 1-adjustable choke. One Hydril 10" X 900 series

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES 11-13-80

ABOVE SPACE DESCRIBE PROPOSED PROGRAM AND PROGRAM DATA ON CEMENT PROGRAM. GIVE BLOWOUT PREVENTOR PROGRAM, IF ANY.

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

Signed W.A. Meyer Assistant General Superintendent June 9, 1980
(This space for State Use)

APPROVED BY W.A. Gussert SUPERVISOR, DISTRICT II
CONDITIONS OF APPROVAL, IF ANY: Cement must be circulated to surface behind 13 3/8" casing
Notified N.M.O.G.R.C. by June 13, 1980
time to witness cementing the 8 5/8" casing

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

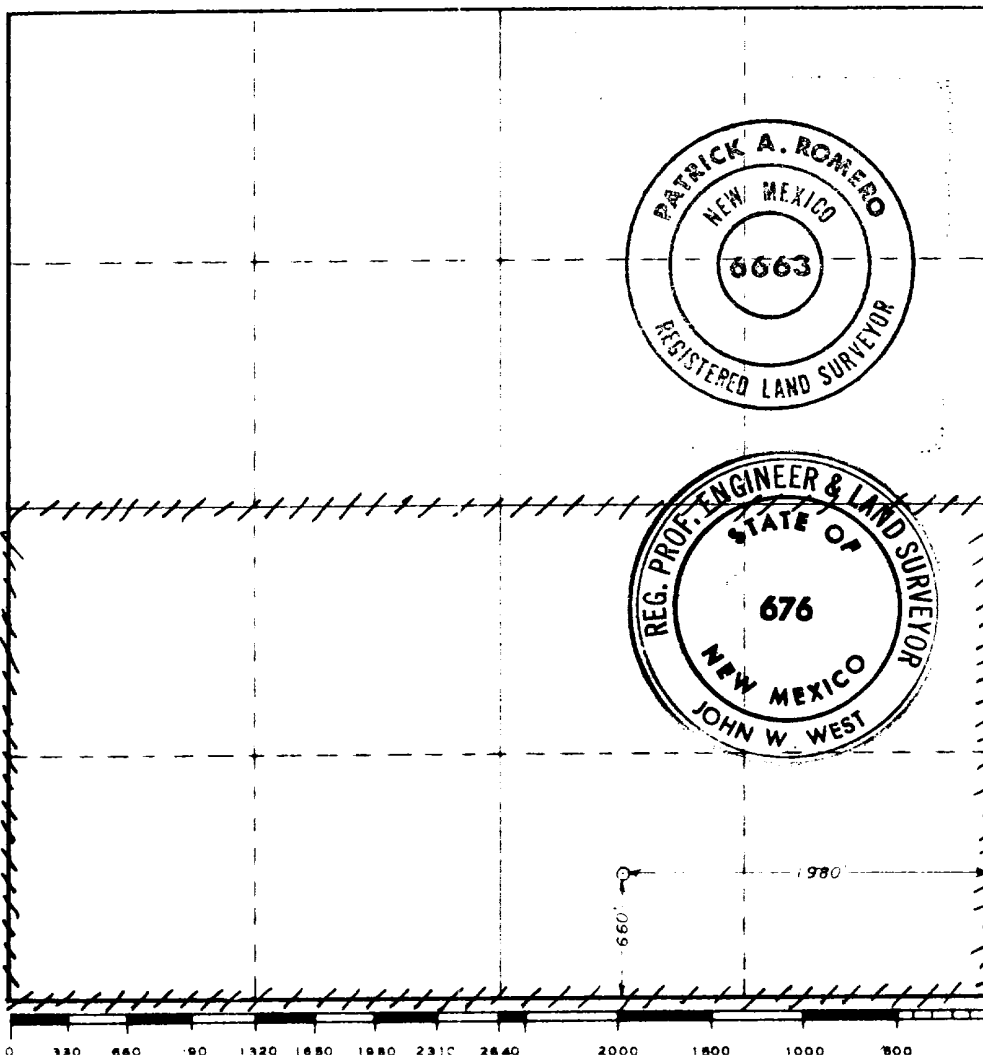
Operator Great Western Drilling Co.			Lease Kaiser Comm.		Well No. 1
Tract Letter O	Section 19	Township 18 South	Range 27 East	County Eddy	
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3279.9	Producing Formation Norrow		Pool Red Lake Penn (Narrow)		Dedicated Acreage: 321 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 **force pooling applied for & unitization**

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.

M. H. Hyslop

Name
Assistant General Superintendent

Position
and GREAT WESTERN DRILLING COMPANY

Company
June 9, 1980

Date

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.

Date Surveyed

February 22, 1979

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **John W. West 676**
Ronald J. Fiddan 3930



July 11, 1980

PHONE 682-5241
ADDRESS REPLY TO:
BOX 1659
MIDLAND, TEXAS 79702

Energy and Minerals Department
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

RECEIVED

JUL 14 1980

O. C. D.
ARTESIA, OFFICE

Attention: Mr. W. A. Gressett

Gentlemen:

Re: Kaiser #1-0-19-18-27
Eddy County, New Mexico
Additional Information for Form C-102

Attached you will find a plat of the south one-half of Section 19, and Tracts; also a list of working interest and royalty owners. It is almost impossible to put all the data on Form C 102. We hope this presentation will be satisfactory. The gas has not been dedicated to a purchaser as of yet.

Yours very truly,

M. B. Myers
Assistant General Superintendent

MBM:elf
Attachment

Township 18-S R-27-E
Section 19: 5 1/2

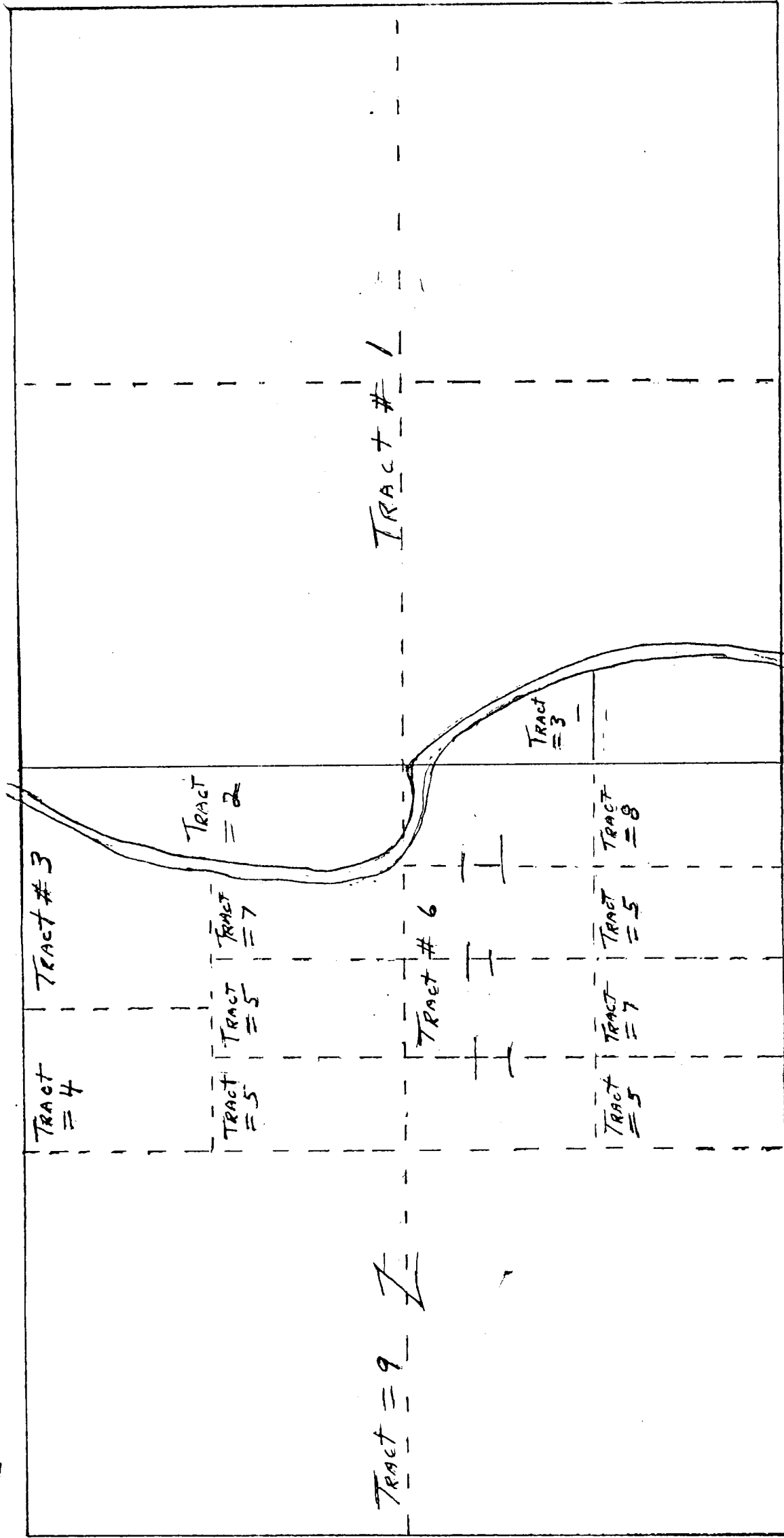


EXHIBIT "A"

Tract 1:	SE/4 Section 19, T-18-S, R-37-E SAE Fairchild Farm Tracts 406 and 415	152.5 Acres
Tract 2:	E/2 SW/4 Section 19, T-18-S, R-37-E lying East of the Old Pecos River	16.4 Acres
Tract 3:	Fairchild Farm Tracts #401, 406, 415 Section 19, T-18-S, R-37-E	12.4 Acres
Tract 4:	Fairchild Farm Tract #402 Section 19, T-18-S, R-37-E	5.5 Acres
Tract 5:	Fairchild Farm Tracts #404, 405, 411, 413 Section 19, T-18-S, R-37-E	20.6 Acres
Tract 6:	Fairchild Farm Tracts 407, 408, 409, 410 Section 19, T-18-S, R-37-E	20.0 Acres
Tract 7:	Fairchild Farm Tracts 403, 412 Section 19, T-18-S, R-37-E	7.6 Acres
Tract 8:	Fairchild Farm Tract 414 Section 19, T-18-S, R-37-E	5.0 Acres
Tract 9:	Lots 3 and 4, Section 19, T-18-S, R-37-E	81.0 Acres

EXHIBIT "B"

LEASE NO.	LESSOR	LESSEE	DATE	RECORDING		PRIMARY TERM	TRACT COVERED	INTE COVE
				BOOK	PAGE			
1	Arthur B. and Lula Mae Kaiser, Trustees	Great Western Drilling Company	5-16-73	105	461	5 Years	1	3/
2	J. W. Miller et al	Great Western Drilling Company	5-16-73	105	459	5 Years	1	1/
3	Dorothy Parker	Great Western Drilling Company	7-26-78			5 Years	2	1/
4	Edward L. Upham, et ux, Lurline R. Upham	Great Western Drilling Company	7-26-78			5 Years	2	1/
5	Patricia A. Moreman, Guardian	Great Western Drilling Company	7-26-78			5 Years	2	1/
6	Addie Swearingen	Read and Stevens	11-7-78	166	392	3 Years	3	19/
7	Helen J. Hardgrave	Great Western Drilling Company	11-8-78	167	178	2 Years	3	1/6
8	Georgia Lafferty	Great Western Drilling Company	11-8-78	167	180	2 Years	3	1/4 1/
9	Harrie L. Perry, Jr.	Great Western Drilling Company	11-8-76	167	182	2 Years	3	1/24
10.	Homar A. Swearingen	Great Western Drilling Company	11-8-78	167	184	2 Years	3	3/4 1/
11	Marion L. Swearingen	Great Western Drilling Company	11-8-78	167	186	2 Years	3	1/4 1/
12	Pauline R. Swearingen	Great Western Drilling Company	11-8-78	167	188	2 Years	3	1/4 1/
13	Ruby Rogers	Great Western Drilling Company	11-8-78	167	190	2 Years	3	1/4 1/
14	Charline Watson	Great Western Drilling Company	11-8-78	167	192	2 Years	3	1/24

<u>LEASE NO.</u>	<u>LESSOR</u>	<u>LESSEE</u>	<u>DATE</u>	<u>RECORDING BOOK PAGE</u>	<u>PRIMARY TERM</u>	<u>TRACT COVERED</u>	<u>INTEREST COVERED</u>	<u>ROYALT</u>
15	Mayme White	Great Western Drilling Company	11- 8-78	167 194	2 Years	3	1/24 of 1/2	3/16
16	First National Bank of Topeka, Trustee for Rita J. Evert Trust	Great Western Drilling Company	11- 8-78	167 242	2 Years	3	1/48 of 1/2	3/16
17	Florence Swearingen	Great Western Drilling Company	11- 8-78	168 146	2 Years	3	1/2 of 1/8 of 1/2	3/16
18	Eana Mae Watt	Great Western Drilling Company	11- 8-78	169 288	2 Years	3	1/4 of 1/8 of 1/2	3/16
19	James A. Collier	Read and Stevens		173 220	3 Years	3	1/40 of 1/2	3/16
20	Stella P. Herrell	Read and Stevens		173 358	3 Years	3	1/5 of 1/8 of 1/2	3/16
21	Birdie F. Corvell	Read and Stevens		173 409	3 Years	3	1/4 of 1/8 of 1/2	3/16
22	Vera Hadsell	Read and Stevens		173 19	3 Years	3	1/48 of 1/2	3/16
23	Sheryl S. Johnson	Read and Stevens		173 22	3 Years	3	1/96 of 1/2	3/16
24	Glen Swearingen	Read and Stevens		173 25	3 Years	3	1/48 of 1/2	3/16
25	Howard Swearingen	Read and Stevens		173 28	3 Years	3	1/48 of 1/2	3/16
26	Ralph Swearingen	Read and Stevens		173 31	3 Years	3	1/48 of 1/2	3/16
27	R. F. Boyle et al	Depeco, Inc.	6- 8-74	117 682	10 Years	4	Full	3/16
28	Mary Lutz Grantham, Guardian	Depeco, Inc.	6-10-74	123 738	10 Years	5	1/12	3/16

LEASE NO.	LESSOR	LESSEE	DATE	RECORDING BOOK PAGE	PRIMARY TERM	TRACT COVERED	INTEREST COVERED	ROYALTY
29	First National Bank of Roswell, Trustee, Laura Hedgecoxe Cahoon	Charles C. Lovelless		172 265	3 Years	5	1/3	1/4
30	First National Bank of Roswell, Trustee, for Laura Cahoon Debardeleben	Charles C. Lovelless		172 257	3 Years	5	5/24	1/4
31	Mabel Cahoon Iamon	Charles C. Lovelless		172 261	3 Years	5	5/48	1/4
32	Nancy Ordway et al	Charles C. Lovelless		173 621	5 Years	5	5/48	1/4
33	Mary Lutz Cahoon Grantnam	Charles C. Lovelless		171 371	5 Years	5	1/16	1/4
34	Edward C. Keller	Depeco, Inc.	8-16-73	109 28	5 Years	5	5/48	3/16
35	Johnnie G. Johnson Estate	Depeco, Inc.	6-26-73	106 266	5 Years	7	Full	1/8
36	Roy E. Thompson	Great Western Drilling Company	11-26-78	166 1026	5 Years	8	Full	3/16
37	Betty Sue Sheldon Bellwell	Depeco, Inc.	11-15-73	112 254	5 Years	9	1/32	3/16
38	Wilas P. Sheldon	Depeco, Inc.	11-15-73	111 327	5 Years	9	1/32	3/16
39	Katherine S. Hagyard	J. R. Rowan	9-25-75	132 150	5 Years	9	3/8 of 1/32 & 1/2 of 1/32	3/16
40	Emma Swisher Felkins	J. R. Rowan	9-25-75	131 148	5 Years	9	3/8 of 1/32 & 1/2 of 1/32	3/16
41	Yates Brothers	Yates Petroleum Co.	4-21-75	126 609	5 Years	9	1/4 of 1/32 & 1/40 & 1/32	3/16
42	Nola M. Brewer	R. C. Roberts	9-29-75	130 882	5 Years	9	1/80	3/16
43	Winnie R. Truesdale Clayton	Depeco, Inc.	6-25-74	119 828	10 Years	9	1/160	3/16

<u>LEASE NO.</u>	<u>LESSOR</u>	<u>LESSEE</u>	<u>DATE</u>	<u>RECORDING BOOK</u>	<u>PAGE</u>	<u>PRIMARY TERM</u>	<u>TF COV</u>
44	Eula B. Stoldt et al	Depco, Inc.	6-25-74	119	830	10 Years	9
45	Lillian Rice et al	Depco, Inc.	7-22-74	120	430	10 Years	9
46	Owen Muncy et al	Depco, Inc.	7-17-74	119	821	10 Years	9
47	Ila Muncy Jacobs et al	Depco, Inc.	7-17-74	120	934	10 Years	9
48	Nevil Lee Muncy et al	Depco, Inc.	7-1-74	120	936	10 Years	9
49	L. D. Myers et al	Depco, Inc.	6-11-74	119	819	10 Years	9
50	Elizabeth Muncy Schrader	Depco, Inc.	6-27-74	120	59	10 Years	9
51	Bert N. Muncy, Jr.	Depco, Inc.	6-25-74	118	987	10 Years	9
52	Clarence F. McCubbins et al	Depco, Inc.	6-20-74	118	985	10 Years	9
53	Elmer Hedley et al	Depco, Inc.	6-20-74	119	826	10 Years	9
54	Frank L. Muncy et al	Depco, Inc.	6-20-74	120	55	10 Years	9
55	Rada Muncy Hamilton et al	Depco, Inc.	6-11-74	119	817	10 Years	9
56	Grady R. Stevens, et ux June	Depco, Inc.	6-11-79	118	567	10 Years	9
57	Security Realty Corp.	Charles C. Loveless		172	263	3 Years	9
58	Otto J. Hogenschutz et al	T. F. Hodge	8-3-73	106	406	5 Years	9
59	Louise Gallens Cherry	J. W. Manaugh	7-9-73	106	287	10 Years	9
60	Farris D. Evans et ux, Lois D. Evans	Depco, Inc.	4-29-74	117	672	5 Years	9

<u>LEASE NO.</u>	<u>LESSOR</u>	<u>LESSEE</u>	<u>DATE</u>	<u>RECORDING BOOK</u>	<u>PAGE</u>	<u>PRIMARY TERM</u>	<u>TRACT COVERED</u>	<u>INTE COVE</u>
61	Matred Devol Rickhoff et vir, Stanley Rickhoff	Depco, Inc.	6- 7-74	120	63	10 Years	9	10/2
62	Ellis M. Evans	Depco, Inc.	8- 7-74	120	65	10 Years	9	7/2
63	Estate of Johnnie Johnson	Depco, Inc.	6-22-73	106	284	5 Years	9	3
64	Ruth Gamble Haskins	Depco, Inc.	10-10-59	114	307		9	1
65	Kittie Muncy et al	Depco, Inc.	6-11-74	118	981	10 Years	9	1
66	Minnie Young et al	Depco, Inc.	6-26-74	119	833	10 Years	9	1/9
67	Leslie W. Skuzie, et ux Catherine Skuzie	Yates Petroleum Corp.	4-17-73	100	154	10 Years	9	

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

AUG 11 1980

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

O. C. D.
ARTESIA, OFFICE

CASE NO. 6959
Order No. R-6411

APPLICATION OF GREAT WESTERN
DRILLING COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 9, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of August, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Great Western Drilling Company, seeks an order pooling all mineral interests in the Morrow formation underlying the S/2 of Section 19, Township 18 South, Range 27 East, NMPM, Dayton Area, Eddy County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.
- (4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, 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 gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That 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.

(8) That 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.

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

(10) That 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.

(11) That \$3000.00 per month while drilling and \$300.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that 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.

(12) That 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.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before October 1, 1980, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Morrow formation underlying the S/2 of Section 19, Township 18 South, Range 27 East, NMPM, Dayton Area, Eddy 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 a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of October, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Morrow formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of October, 1980, Order (1) 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 Order (1) of this order should not be rescinded.

(2) That Great Western Drilling Company is hereby designated the operator of the subject well and unit.

(3) That 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.

(4) That 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 that 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.

(5) That 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; that 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, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated 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.

(7) That 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.

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

(9) That \$3000.00 per month while drilling and \$300.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that 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.

(10) That 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.

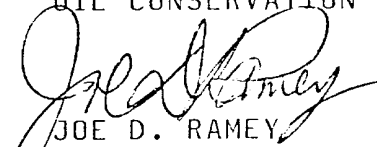
(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that 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.

(13) That 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


JOE D. RAMEY
Director

S E A L

fd/