

**FAX COVER SHEET**

Gas Well Services, Inc.  
26 E. Compress Rd

Artesia, NM 88210

505 746-2854

505 746-2875

<b>TO</b> Oil Conservation Division	<b>FROM</b> Jack Matthews
<b>Attention</b> Mike Stagner	<b>Date</b> 4-3-2000
<b>Office location</b>	<b>Office location</b>
<b>FAX number</b> 505 827 1389	<b>Phone number</b>

☐ Urgent    ☐ Reply ASAP    ☒ Please comment    ☒ Please review    ☐ For your information

Total pages, including cover: 12

**Gas Well Services, Inc.**26 E. Compress Rd.  
ARIZONA, NM 88414Phone 505 748-2854  
Fax 505 746-2673

April 03, 2000

Mike Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Dear Mike,

In accordance with our conversation on April 3, 2000, I am applying for a Non-Standard Location on the Shearn Shilo Fed. #1, Shearn Saranda Fed. #1, and the Shearn Samantha Fed. #1. All (3) wells are on the same lease with (2) existing wells the Shearn Fed. #1 and Shearn Fed. #2. The existing wells have been approved by the BLM to be plugged.

There is an outcropping of rock and a mountain which prohibits a standard location. Eventually, I believe that we will drill (3) more wells on each of the 40 acre spacings. These are marginal wells and will not threaten the allowable. These wells are on the northeast 1/4 with the closest producing oil well approximately 1 mile away. We will not encroach on any other operator. The royalty owners on each of the wells is the same.

I am sending a copy of the BLM Application to Drill, a copy of the Form C-102, and a topo map of the area on each of the wells.

Sincerely,



Jack Matthews

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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

**ADMINISTRATIVE APPLICATION OVERSHEET**

THIS OVERSHEET IS MANDATORY AND ALL ADMINISTRATIVE AND MATTERS AND INFORMATION TO BEING FILED BE SENT FROM AGENCY

## Application Acronyms:

[NSP-Non-Standard Production Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Partial Area Commingling]  
 [PC-Partial Commingling] [KMS-Oil Area Storage] [OLM-Oil Area Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

## [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL    ☐ NSP    ☐ DD    ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR
[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply[A] ☐ Working, Royalty or Overriding Royalty Interest Owners[B] ☐ Offset Operators, Leaseholders or Surface Owner[C] ☐ Application is One Which Requires Published Legal Notice[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,[F] ☐ Waivers are Attached

## [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

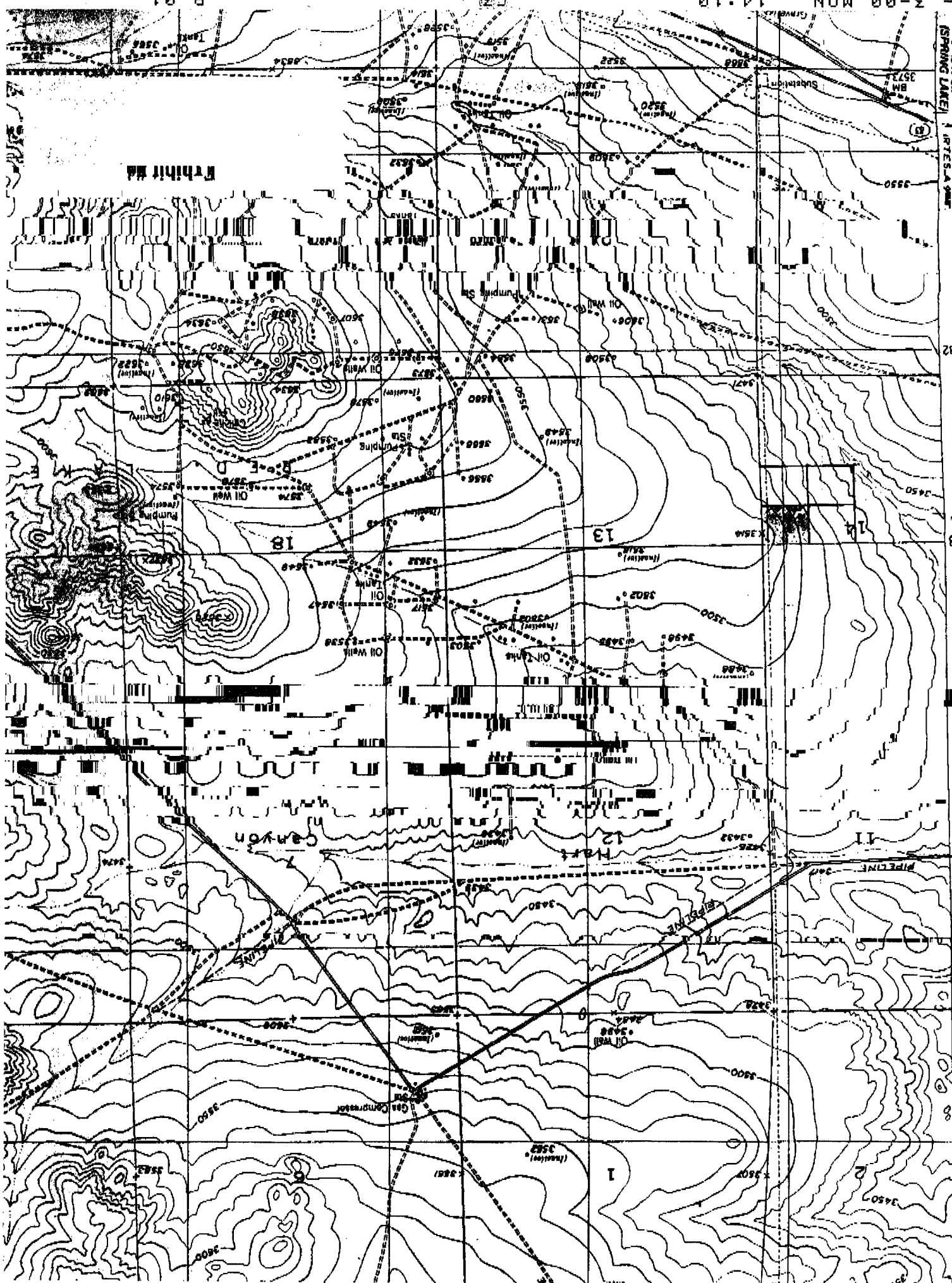
Note: Statement must be completed by an individual with supervisory capacity.

Jack Matthews  
Print or Type Name

Jack Matthews  
Signature

President  
Title

4-3-00  
Date



**FAX COVER SHEET**

**Gas Well Services, Inc.**  
26 E. Compress Rd

Artesia, NM 88210

505 748-2854

505 746-2875

<b>SEND TO</b> Company name Oil Conservation Division	<b>From</b> Jack Matthews
Attention Mike Stogner	Date 4-3-2000
Office location	Office location
Fax number 505 827 1389	Phone number

☐ Urgent    ☐ Reply ASAP    ☒ Please comment    ☒ Please review    ☐ For your information

Total pages, including cover:    12

**COMMENTS**

[REDACTED]

DATE IN	SUMMER	INTEREST	LOGGED	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

### ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

#### Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling  
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

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I hereby certify that I, or personnel under my supervision, have read the Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

<u>Jack Matthews</u>	<u>Jack Matthews</u>	<u>President</u>	<u>4-5-88</u>
Print or Type Name	Signature	Title	Date

**Gas Well Services, Inc.**

26 R. Compress Rd.  
Artesia, NM 88210

Phone 505 748-2854  
Fax 505 746-2675

April 03, 2000

Mike Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Dear Mike,

In accordance with our conversation on April 3, 2000, I am applying for a Non-Standard Location on the Shearn Shilo Fed. #1, Shearn Saranda Fed. #1, and the Shearn Samantha Fed. #1. All (3) wells are on the same lease with (2) existing wells the Shearn Fed. #1 and Shearn Fed. #2. The existing wells have been approved by the BLM to be plugged.

There is an outcropping of rock and a mountain which prohibits a standard location. Eventually, I believe that we will drill (3) more wells on each of the 40 acre spacings. These are marginal wells and will not threaten the allowable. These wells are on the northeast 1/4 with the closest producing oil well approximately 1 mile away. We will not encroach on any other operator. The royalty owners on each of the wells is the same.

I am sending a copy of the BLM Application to Drill, a copy of the Form C-102, and a topo map of the area on each of the wells.

Sincerely,



Jack Matthews



Form 3160-3  
(July 1982)

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**SUBMIT IN TRIPLICATE\***  
(Other instructions on  
reverse side)

**FORM APPROVED**  
OARS NO. 100-0115  
Expires: February 28, 1999  
**LEASE INFORMATION AND SERIAL NO.**  
**NM-970003**  
**IF INDIAN, ALLOTTEE OR TRIBE NAME**

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1. TYPE OF WORK <b>DRILL X</b> <b>DEEPEN</b>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR <b>Gas Well Services</b>		8. FIRM OR LEASE NAME, WELL NO. <b>Stream-Sancha-Fld. #1</b>	
3. ADDRESS AND TELEPHONE NO. <b>26 East Compress Rd, Artesia, New Mexico 88210</b>		10. FIELD AND POOL, OR WELCOT <b>Yates / Abo</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>1649 FNL and 1523' FEL</b> At proposed prod. zone <b>Same</b>		11. SEC. T. R. M. OR BLM AND SURVEY OR AREA <b>Sec. 14 - T17S - N37E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE <b>8 Miles east and 2 miles north of Artesia, New Mexico</b>		12. COUNTY OR PARISH <b>Eddy</b>	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. <b>1523'</b>		13. STATE <b>NM</b>	
16. NO. OF ACRES IN LEASE <b>160</b>		17. NO. OF ACRES ASSIGNED TO THIS WELL <b>10</b>	
18. PROPOSED DEPTH <b>650'</b>		20. ROTARY OR CABLE TOOLS <b>Rotary Rig</b>	
21. ELEVATIONS (Show whether DT, RT, GR, etc.) <b>3471' GL</b>		22. APPROX. DATE WORK WILL START <b>16 Apr 2000</b>	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE <b>7 7/8"</b>	GRADE, SIZE OF CASING <b>J55 - 5 1/2"</b>	WEIGHT PER FOOT <b>15.56</b>	SETTING DEPTH <b>650'</b>
QUANTITY OF CEMENT <b>100 cts of Class "C"</b>			<b>WITNESS</b>

Gas Well Services plans to drill this well to a sufficient depth to test the Yates Abo. If productive, 5 1/2" casing will be run and cemented at the total depth. If non-productive, the well will be plug in a manner consistent with BLM requirements. Specific programs are outlined in the following attachments:

- Exhibit #1 Location and Elevation plans
- Exhibit #2 Well plan
- Exhibit #3 Map of existing roads and planned access road
- Exhibit #4 Immediate radius Map

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS**

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED *Kenneth Matthews* TITLE Owner/Operator DATE 04/10/00  
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would enable the applicant to conduct operations thereon  
CONDITIONS OF APPROVAL, IF ANY

APPROVED BY

*Lamph D. Bray*

TITLE

**Assistant Field Manager,  
Lands And Minerals**

DATE

**MAR 27 2000**

**APPROVED FOR 1 YEAR**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

**DISTRICT I**

P.O. Box 2000, Hobbs, NM 88240

**DISTRICT II**

P.O. Box 100, Artesia, NM 88210

**DISTRICT III**

1000 Elm Street S.E., Albuquerque, NM 87102

**State of New Mexico**

Energy, Minerals and Natural Resources Department

Form 1-100  
 Revised 10/99  
 Subject to Approval  
 State Office - 1000  
 For Office - 1000

**OIL CONSERVATION DIVISION**

P.O. Box 2000

Santa Fe, New Mexico 87504-2000

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>SHEARN SUNDHIA FEDERAL</b>	Well Number <b>1</b>
OSDS No. <b>163645</b>	Operator Name <b>GAS WELL SERVICES</b>	Well Status <b>3471</b>

**Surface Location**

Sec or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
<b>C</b>	<b>14</b>	<b>17S</b>	<b>27E</b>		<b>1040</b>	<b>NORTH</b>	<b>1525</b>	<b>EAST</b>	<b>GRAY</b>

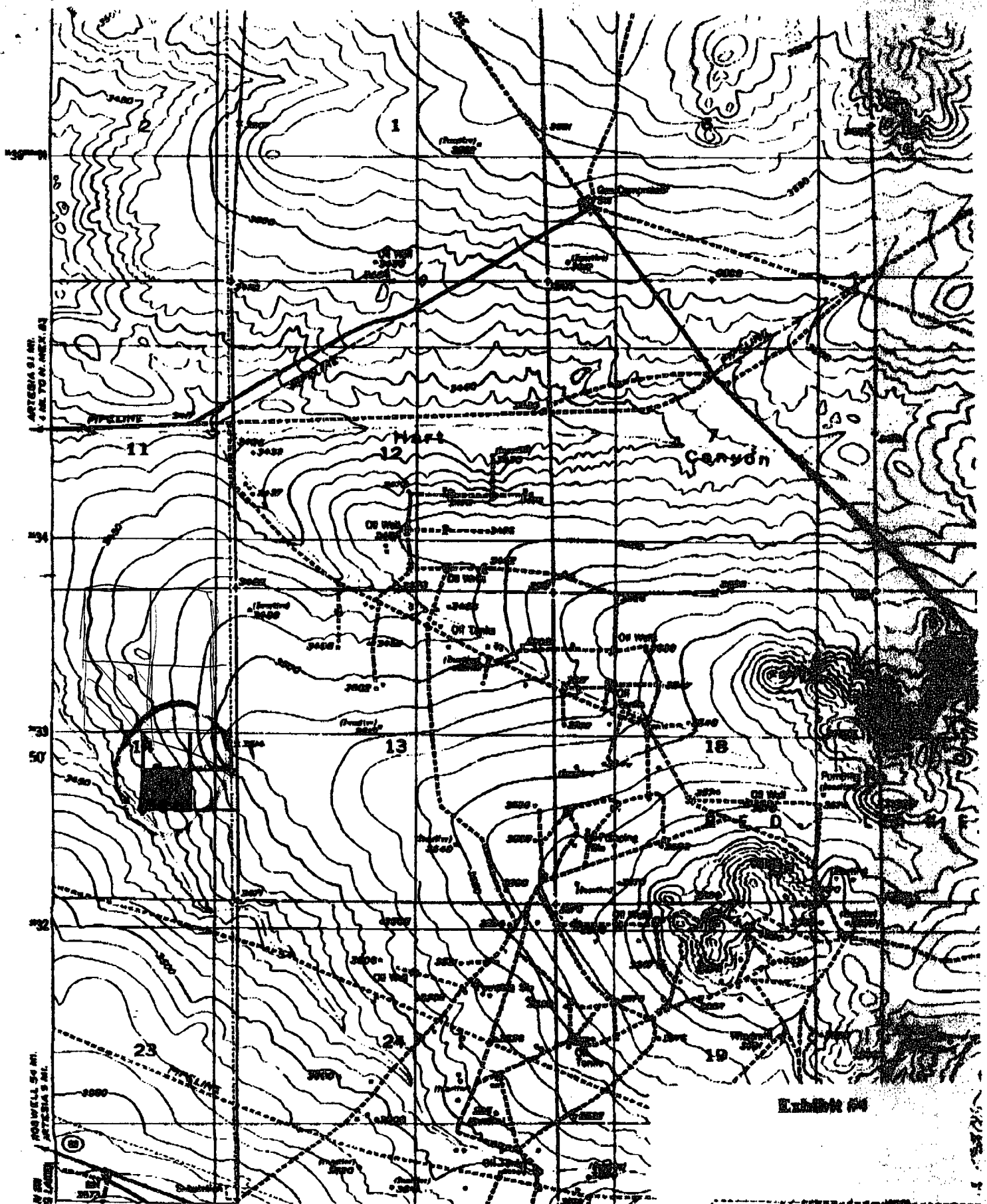
**Bottom Hole Location if Different From Surface**

Sec or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County

Wellhead Access	Joint or Infill	Construction Code	Order No.
<b>40</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

				<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the well location on this plat was plotted from the best of my knowledge and belief.</p> <p><u><i>Kenetta Matthews</i></u> Signature</p> <p><u>Kenetta Matthews</u> Printed Name</p> <p><u>Owner/Operator</u> Title</p> <p><u>9-10-99</u> Date</p>
				<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location on this plat was plotted from the best of my knowledge and belief, and that the same is true and correct to the best of my belief.</p> <p><u>9/10/1999</u> Date</p> <p><u>NEW MEXICO</u> State Seal</p>



State of New Mexico  
County, Santa Fe and District Attorney's Department

**EXHIBIT II**  
**F.A. HANCOCK CO., Detroit, Mich. 48202**

**EXHIBIT III**  
1000 The Bureau Bld., Astoria, OR 97103

**OIL CONSERVATION DIVISION**

**P.O. Box 1888  
Santa Fe, New Mexico 87504-9888**

**1. NAME**

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name SHEARN SAMANTHA FEDERAL		Oil Number 1
Owner No. 163645	Operator Name GAS WELL SERVICES		Refining JAFI

### Surface Location

EC or Ed No.	Section	Township	Range	Lot No.	Foot Run On	North/South Row	Foot Run On	East/West Row	County
C	14	17S	27E		1640	NORTH	1523	EAST	DEER

### Bottom Hole Location if Different From Surface

U.S. or Lot No.	Section	Township	Range	Eat Min	Foot from the	North/South Line	Foot from the	East/West Line	County
Wellhead Name	Depth or Infill	Commodities Code	Order No.						

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INSTRUMENTS HAVE BEEN CANCELLED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**


1840'

1825'

**OPERATOR CERTIFICATION**

I hereby certify the last mentioned boundary lines to have been located in accordance with the best of my knowledge and belief.

Kenetta Matthews  
Signature

Kenetta Matthews  
Printed Name

Owner/Operator  
Title

9-10-99  
Date

---


**SURVEYOR CERTIFICATION**

I hereby certify that the work 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 belief.

09/10/1999  
Date

Kenetta Matthews  
Signature

Kenetta Matthews  
Printed Name



## OPERATOR'S COPY

Form 3160-3  
(July 1982)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPPLICATE\*  
(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0188  
Expires: February 28, 19952. LEASE ASSIGNMENT AND SERIAL NO.  
NM-870003

6. IF INDIAN ALLOTTEE OR TRIBE NAME

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒GAS WELL ☐OTHER ☐SINGLE ZONE ☒MULTIPLE ZONE ☐

7. UNIT AGREEMENT NAME

2. NAME OF OPERATOR

Gas Well Services

8. FARM OR LEASE NAME, WELL NO.

Spain Springs Farm #1

3. ADDRESS AND TELEPHONE NO.

28 East Compress Rd, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1649 FNL and 1523' FEL

At proposed prod. zone

Same

10. FIELD AND POOL, OR WILLOCAT

Yates / Abo

11. SEC. T. R. M. OR BLK  
AND SURVEY OR AREA

Sec. 14 - T17S - R27E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

8 Miles east and 2 miles north of Artesia, New Mexico

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest city, town, or village)

1523'

16. NO. OF ACRES IN LEASE

100

17. NO. OF ACRES ASSIGNED

TO THIS WELL

10

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

533'

19. PROPOSED DEPTH

650'

20. ROTARY OR CABLE TOOLS

Rotary Rig

21. ELEVATIONS (Give whether DF, RT, GR, etc.)

3471' GL

22. APPROX. DATE WORK WILL START\*

Upon Approval

23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
7 7/8"	J55 - 5 1/2"	15.5#	650'	100 sacs of Class "C"

WITNESS

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24.

SIGNED

Keretta Matthews

TITLE Owner/Operator

DATE 08/10/99

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would enable the applicant to conduct operations thereon

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Lamph. Bray

TITLE

Assistant Field Manager,  
Lands And Minerals

DATE

MAR 27 2000

See instructions on reverse side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the