

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, August 23, 2012 9:21 AM
To: 'matt.ogden@meritenergy.com'
Cc: Mull, Donna, EMNRD; Kautz, Paul, EMNRD; Ezeanyim, Richard, EMNRD
Subject: RE: DHC-4427 & DHC-4430

Hello Matt,
I need to "correct" the two DHC permits listed below.

Apparently you applied assuming these wells were both located in the South Eunice; SR QN (24130) Pool. Instead the wells are really completed in the Langlie Mattix Pool – and I did not notice the error prior to writing the permits.

Please help us by sending C-102 forms for each of these two wells showing completions in the Langlie Mattix SR QN GB (37240) Pool. Send the original C-102's to Donna Mull or Paul Kautz in Hobbs and send a copy to me so I can correct the down hole commingle permits. If you have already sent these to Hobbs, just send me a copy here at my email address or mail to me at the Santa Fe OCD office.

Thanks to Donna for noticing this!!

Regards,

Will Jones

From: Mull, Donna, EMNRD
Sent: Tuesday, July 17, 2012 12:18 PM
To: Jones, William V., EMNRD
Cc: Kautz, Paul, EMNRD; Gonzales, Elidio L, EMNRD
Subject: DHC-4427 & DHC-4430

Will,

These two DHC orders have a mistake and needs to be corrected.

The Eunice Seven Rivers Queen South (24130) pool is not in the area where these wells are located.

Here is some more info:

Merit Energy Co LLC (14591)				
State A A/c 1	#81	C-10-23s-36e	API # 30-025-09295	DHC-4427
State A A/c 1	#82	B-15-23s-36e	API # 30-025-10723	DHC-4430

Both wells should be producing form the Langlie Mattix SR-QN-GB (37240)
Jalmat Tan-Yates-SR (GAS) (79720)

Does the operator need to re-submit the application for DHC?

Or can we just amend the DHC order and make sure the operator files the correct paperwork to report the production and for the well file?

Please let me know.

Thanks Donna

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

2012 AUG 27 P 12:34

¹ API Number 30-025-10723	² Pool Code 37240	³ Pool Name Langlie Mattix SR QN GB
⁴ Property Code State A A/C 1	⁵ Property Name 82	⁶ Well Number 14591
⁷ OGRID No. 14591	⁸ Operator Name Merit Energy Company	⁹ Elevation

¹⁰ Surface Location

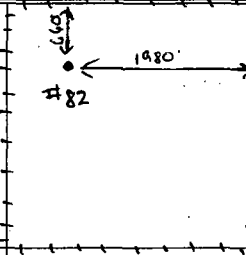
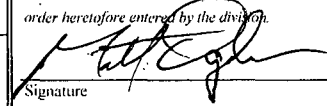
UL or lot no. B	Section 15	Township 23S	Range 36E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature 08/23/2012 Date Matt Ogden Printed Name matt.ogden@meritenergy.com E-mail Address
	¹⁸ SURVEYOR CERTIFICATION 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 belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 10723		2 Pool Code 79240		3 Pool Name Jalmat: Tan-Yates-7 rvrs (Pro Gas)	
4 Property Code 24669		5 Property Name State "A" A/C 1			6 Well Number 82
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	23S	36E		660	North	1980	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 480	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Bill R. Keathly</i> Signature Bill R. Keathly Printed Name Regulatory Agent Title 5-8-00 Date	
18 SURVEYOR CERTIFICATION 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 belief. Date of Survey Signature and Seal of Professional Surveyor:		Certificate Number	

FORM	TOP																																		
		STATE A A/C-1 #82 CURRENT WELLBORE DIAGRAM MISSION RESOURCES																																	
		SU-T-R 15B-23S-36E API #: 30-025-10723 POOL: JALMAT; TAN-YATES-7 RVRS (PRO GAS) CO, ST: LEA, NEW MEXICO LAND TYPE: STATE STATUS: ACTIVE ACREAGE LATEST RIG WORKOVER: DIAGRAM REVISED: 5/17/2004 BY JAN																																	
		Cored 3,584-3,635'																																	
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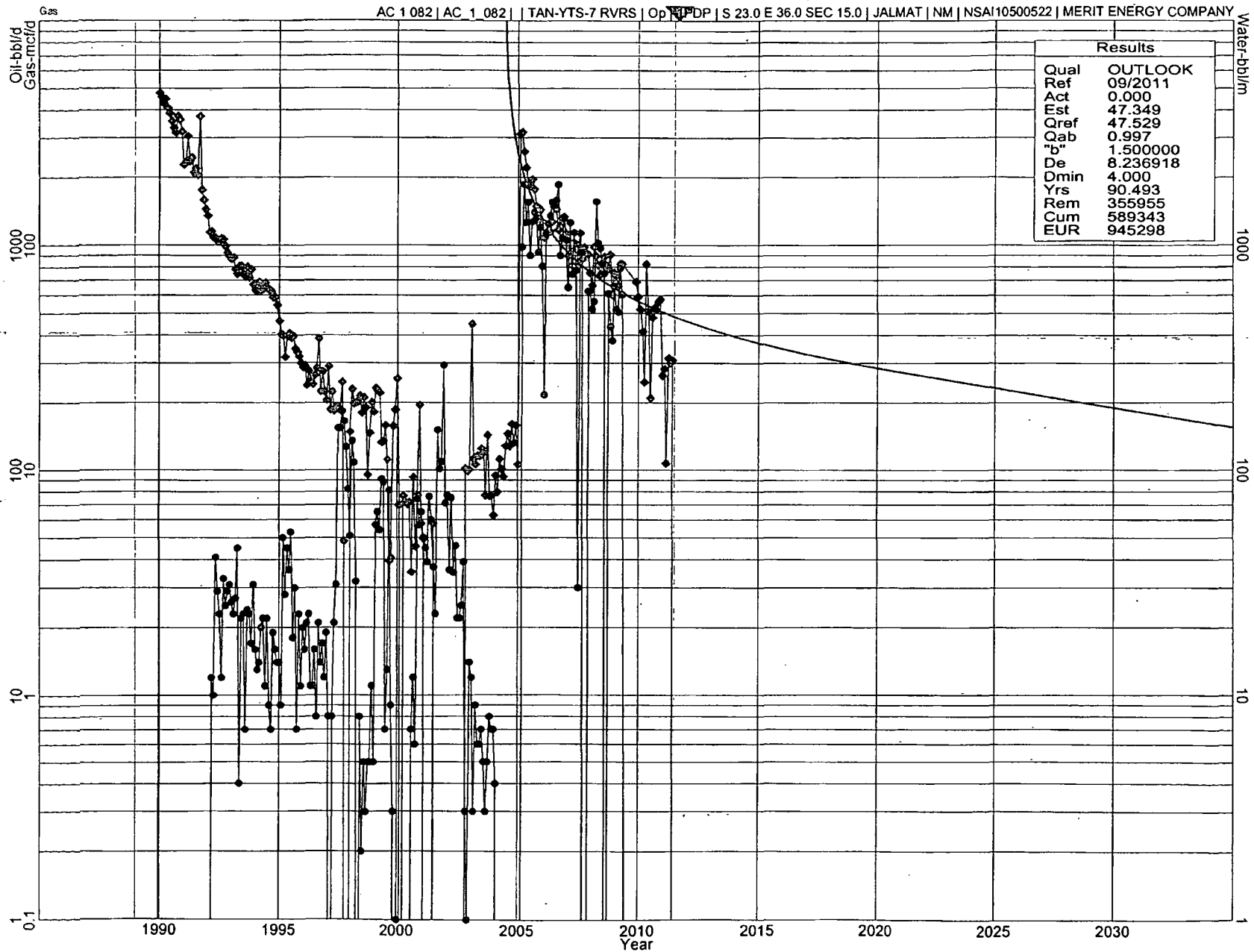
☒ Well File

Current

☒ OCD File

Allocation
OIL 100%0 2000 2800

Gas 20%0 2000 10 MCFO
20%0 YTS-TRVRS 40 MCF





*Merit Energy Company
13727 Noel Road, Suite 500
Dallas, TX 75240*

Date: July 13, 2011
To: New Mexico Oil Conservation Division
Attention: William V Jones P.E.
RE. Jalmat Field: AAC-1 #82 -Queen Commingling
Lea County, New Mexico

Merit Energy Company has requested approval to commingle the Yates formation (Jalmat Pool) with the Queen formation (Langlie-Mattix) .

This well that we are asking to commingle does have "identically owned" (working/royalty/orri) interest from the surface to the base of the queen formation.

Please let me know if you have any questions

Sincerely,

Matt Van Eaton
Associate Landman
matt.vaneaton@meritenergy.com
Phone: 972-628-1557
Fax: 972-682-1857



*Merit Energy Company
13727 Noel Road, Suite 500
Dallas, TX 75240*

Date: July 11, 2011
To: New Mexico Oil Conservation Division
Attention: William V Jones P.E.
**RE. Jalmat Field: 3 Commingling Applications
Lea County, New Mexico**

Merit Energy Company has requested approval to commingle the Queen formation (Langlie Mattix Pool) with the Tansill-Yates-Seven Rivers formation (Jalmat Pool).

Commingling the Jalmat Pool with the Langlie Mattix Pool in G 15/23 T22S R36E and B 15 T23S R36E in Lea County is in the interest of both royalty owners and the conservation. Commingling will extend the life of each well and optimize recovery from Both Pools. The 3 well's commercial value will be extended 30 years based on estimated reserves from the Queen formation, and will ultimately allow uncommercial Jalmat Pool reserves to be recovered via production from the Queen. The Queen Completions are uneconomic if it is required by the NMOCD to seal off the Jalmat Pool from the Langlie Mattix Pool. Operationally, fluid samples will be collected before and after commingling. Scale inhibitors will be continuously pumped during operations. The fluid level will be maintained below the Jalmat pool both to optimize production and reduce any scaling tendencies.

Please let me know if you have any questions

Sincerely,

Brett Keener
Operations Engineer
brett.keener@meritenergy.com
Phone: 972-628-1592
Fax: 972-682-1892