

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09295		² Pool Code 37240		³ Pool Name Langlie Mattix SR QN GB	
⁴ Property Code		⁵ Property Name State A A/C 1			⁶ Well Number 81
⁷ OGRID No. 14591		⁸ Operator Name Merit Energy Company			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
C	10	23S	36E		660	North	1980	West	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 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>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.</i>
	 Signature 08/23/2012 Date
	Matt Ogden Printed Name matt.ogden@meritenergy.com E-mail Address
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i>
	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

Form C-102

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

1 API Number <i>30-025-09295</i>	2 Pool Code <i>79240</i>	3 Pool Name <i>Jalmat: Tan. Yates 7 R. 15 (Pro Gas)</i>
4 Property Code <i>24669</i>	5 Property Name <i>State A/C 1</i>	
7 OGRID No. <i>162791</i>	8 Operator Name <i>Raptor Resources</i>	6 Well Number <i>81</i>
9 Elevation		

10 Surface Location

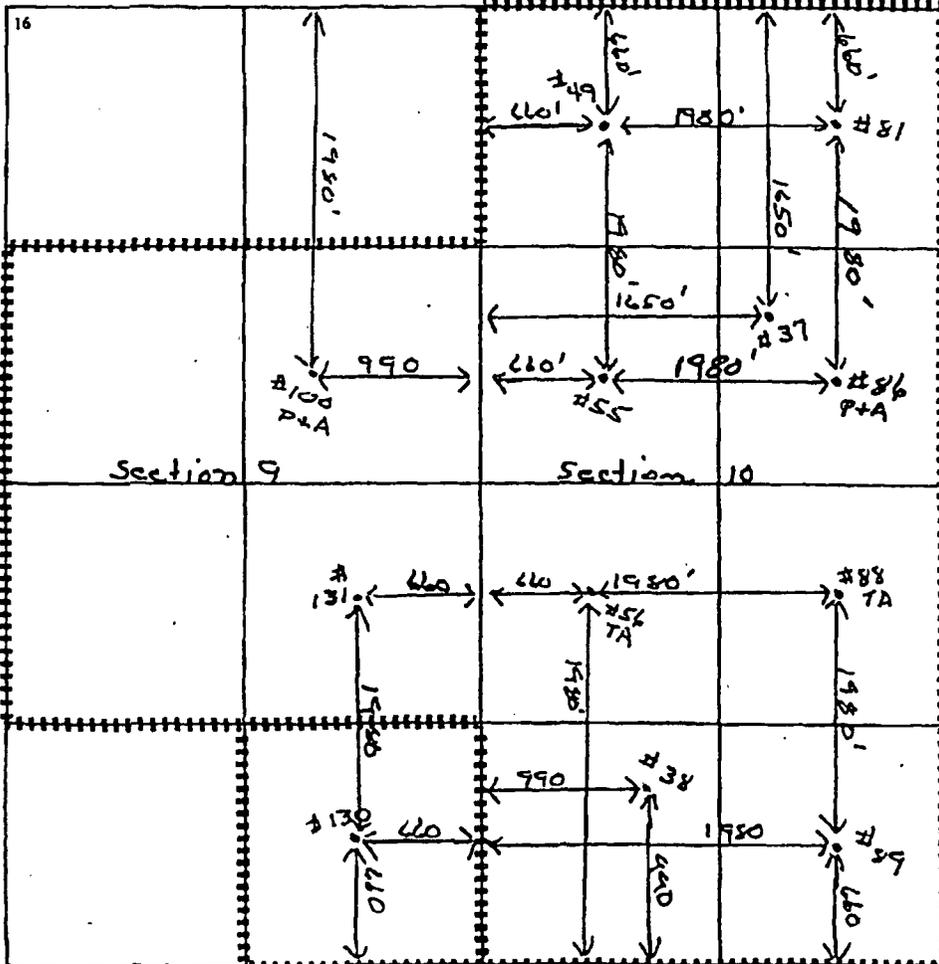
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<i>C</i>	<i>10</i>	<i>23S</i>	<i>36E</i>		<i>660</i>	<i>North</i>	<i>1980</i>	<i>West</i>	<i>Lea</i>

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 <i>480</i>	13 Joint or Infil	14 Consolidation Code	15 Order No. <i>NSP-1862(SD)</i>
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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

Bill R. Keathly
Signature

Bill R. Keathly

Regulatory Agent

1-16-03
Title

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:

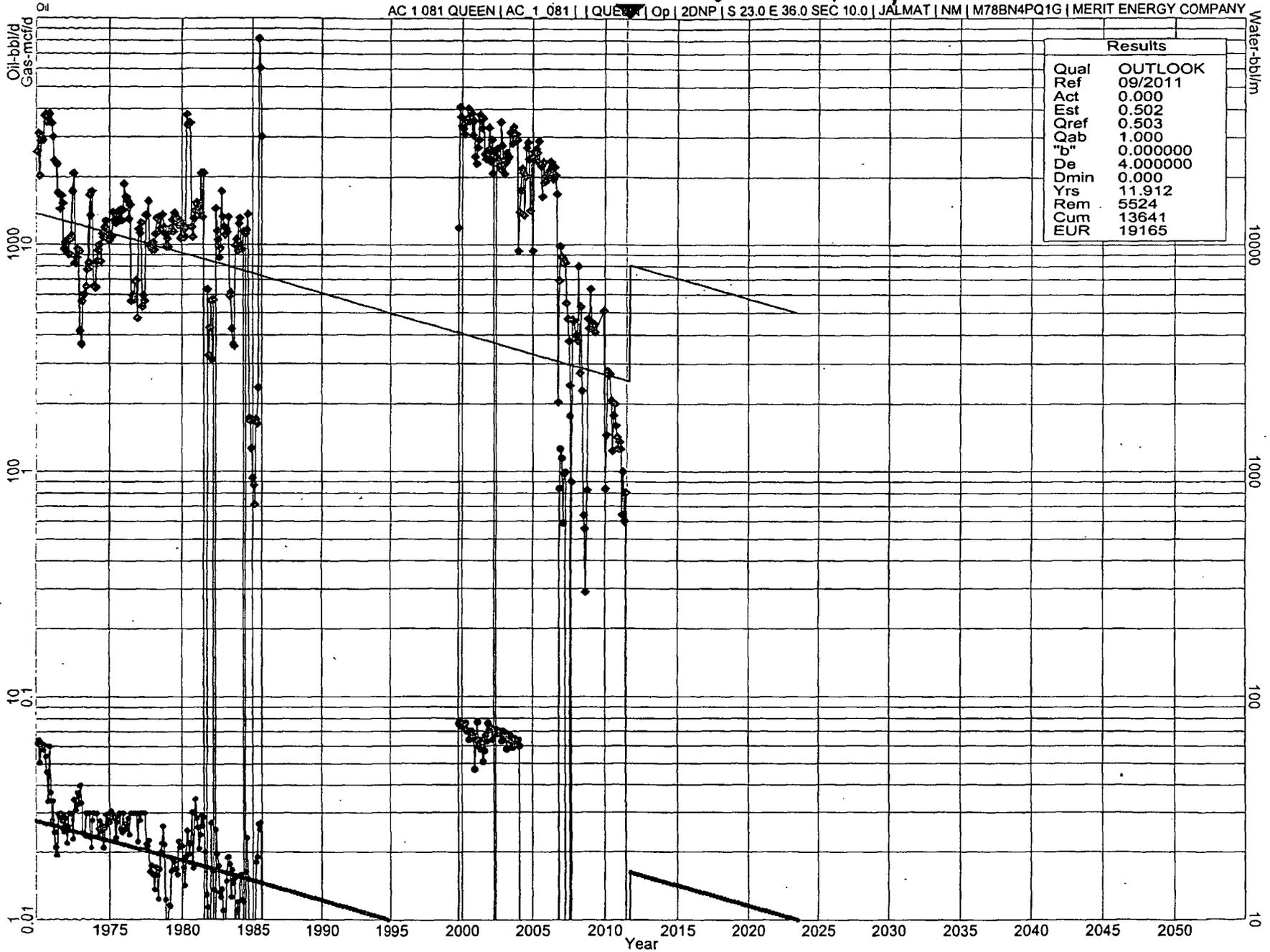
Certificate Number

OIL 10090 QUEEN 1.5 BOPD

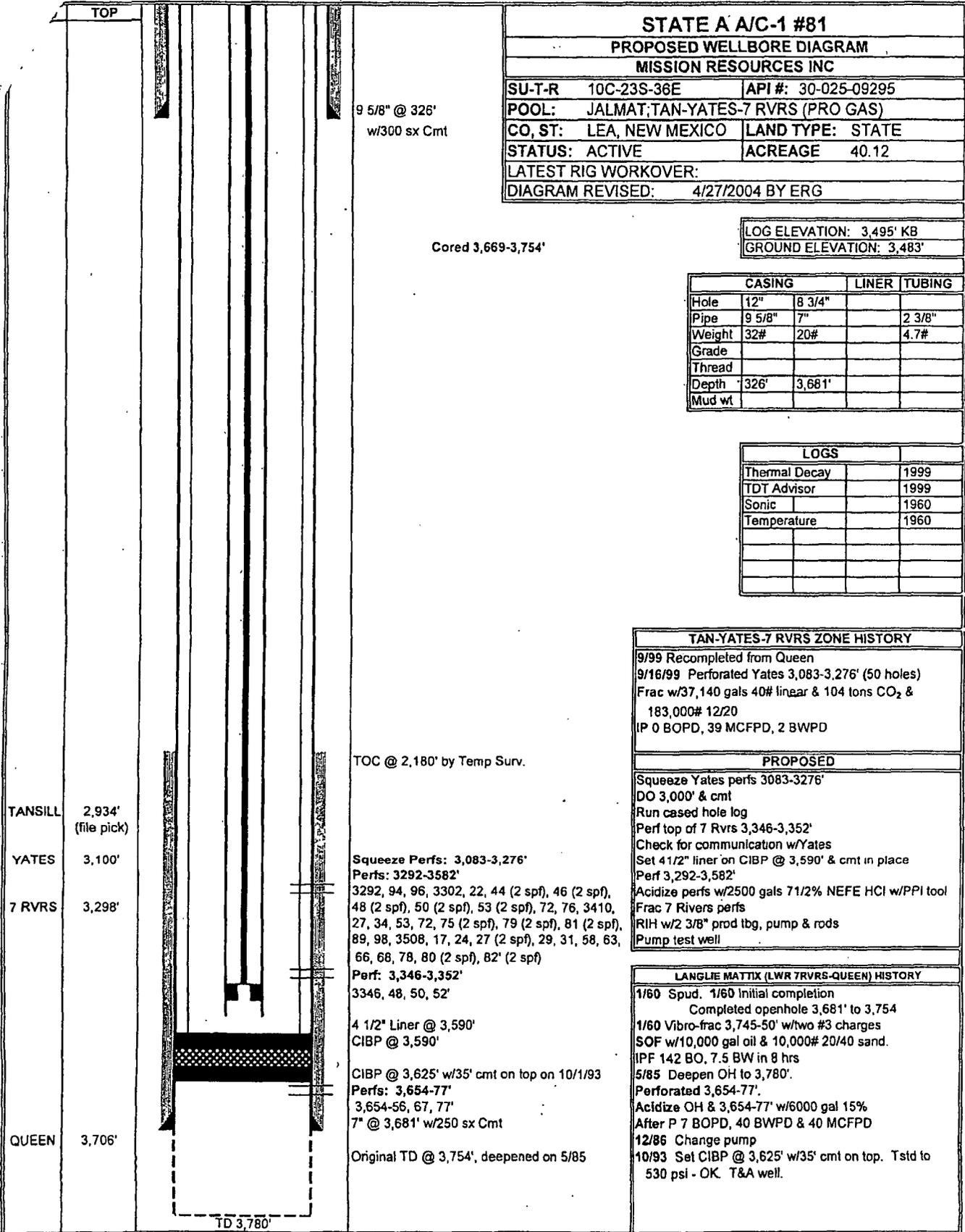
5090 QUEEN 10 MCFD

507 TAN-YATES-TAVES 10 MCFD

AC 1 081 QUEEN | AC 1 081 | QUEEN | Op | 2DNP | S 23.0 E 36.0 SEC 10.0 | JALMAT | NM | M78BN4PQ1G | MERIT ENERGY COMPANY



Results	
Qual	OUTLOOK
Ref	09/2011
Act	0.000
Est	0.502
Qref	0.503
Qab	1.000
"b"	0.000000
De	4.000000
Dmin	0.000
Yrs	11.912
Rem	5524
Cum	13641
EUR	19165



STATE A A/C-1 #81	
PROPOSED WELLBORE DIAGRAM	
MISSION RESOURCES INC	
SU-T-R 10C-23S-36E	API #: 30-025-09295
POOL: JALMAT; TAN-YATES-7 RVRS (PRO GAS)	
CO, ST: LEA, NEW MEXICO	LAND TYPE: STATE
STATUS: ACTIVE	ACREAGE 40.12
LATEST RIG WORKOVER:	
DIAGRAM REVISED: 4/27/2004 BY ERG	

9 5/8" @ 326'
w/300 sx Cmt

Cored 3,669-3,754'

LOG ELEVATION: 3,495' KB
GROUND ELEVATION: 3,483'

CASING		LINER	TUBING
Hole	12"	8 3/4"	
Pipe	9 5/8"	7"	2 3/8"
Weight	32#	20#	4.7#
Grade			
Thread			
Depth	326'	3,681'	
Mud wt			

LOGS	
Thermal Decay	1999
TDT Advisor	1999
Sonic	1960
Temperature	1960

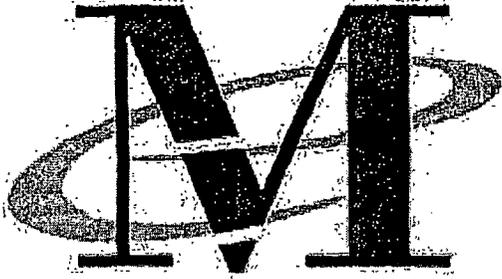
TAN-YATES-7 RVRS ZONE HISTORY	
9/99 Recompleted from Queen	
9/16/99 Perforated Yates 3,083-3,276' (50 holes)	
Frac w/37,140 gals 40# linear & 104 tons CO ₂ & 183,000# 12/20	
IP 0 BOPD, 39 MCFPD, 2 BWPD	

PROPOSED	
Squeeze Yates perms 3083-3276'	
DO 3,000' & cmt	
Run cased hole log	
Perf top of 7 Rvrs 3,346-3,352'	
Check for communication w/Yates	
Set 4 1/2" liner on CIBP @ 3,590' & cmt in place	
Perf 3,292-3,582'	
Acidize perms w/2500 gals 71/2% NEFE HCl w/PPI tool	
Frac 7 Rivers perms	
RIH w/2 3/8" prod tbg, pump & rods	
Pump test well	

LANGIE MATIX (LWR 7RVRS-QUEEN) HISTORY	
1/60 Spud. 1/60 Initial completion	
Completed openhole 3,681' to 3,754'	
1/60 Vibro-frac 3,745-50' w/two #3 charges	
SOF w/10,000 gal oil & 10,000# 20/40 sand.	
IPF 142 BO, 7.5 BW in 8 hrs	
5/85 Deepen OH to 3,780'.	
Perforated 3,654-77'.	
Acidize OH & 3,654-77' w/6000 gal 15%	
After P 7 BOPD, 40 BWPD & 40 MCFPD	
12/86 Change pump	
10/93 Set CIBP @ 3,625' w/35' cmt on top. Tstd to 530 psi - OK. T&A well.	

TOC @ 2,180' by Temp Surv.

Squeeze Perfs: 3,083-3,276'
Perfs: 3292-3582'
3292, 94, 96, 3302, 22, 44 (2 spf), 46 (2 spf), 48 (2 spf), 50 (2 spf), 53 (2 spf), 72, 76, 3410, 27, 34, 53, 72, 75 (2 spf), 79 (2 spf), 81 (2 spf), 89, 98, 3508, 17, 24, 27 (2 spf), 29, 31, 58, 63, 66, 68, 78, 80 (2 spf), 82' (2 spf)
Perf: 3,346-3,352'
3346, 48, 50, 52'
4 1/2" Liner @ 3,590'
CIBP @ 3,590'
CIBP @ 3,625' w/35' cmt on top on 10/1/93
Perfs: 3,654-77'
3,654-56, 67, 77'
7" @ 3,681' w/250 sx Cmt
Original TD @ 3,754', deepened on 5/85



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

Date: July 8, 2011
To: New Mexico Oil Conservation Division
Attention: William V Jones P.E.
**RE. Jalmat Field: 2 Commingling Applications
Lea County, New Mexico**

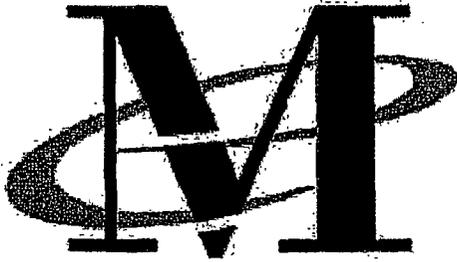
Merit Energy Company has requested approval to commingle the Queen formation (Langlie Mattix Pool) with the Tansill-Yates-Seven Rivers formation (Jalmat Pool).

Commingling the Jalmat Pool with the Langlie Mattix Pool in P 3 T23S R36E and C 10 T22S 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 2 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



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

Date: June 27, 2011
To: New Mexico Oil Conservation Division
Attention: William V Jones P.E.
RE. Jalmat Field: State AAC-1 #69, & 81
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