

MWJ PRODUCING COMPANY

★ PETROLEUM PRODUCERS ★

400 WEST ILLINOIS SUITE 1100
MIDLAND, TEXAS 79701
TELEPHONE (915) 682-5216

September 3, 1987

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

RE: MWJ-Saunders 16 State #1
660' FEL & 1980' FSL
Sec 16, T-14S, R-33E
Lea County, New Mexico

Gentlemen:

Enclosed please find Form C-101, C-102, map, schematic and waiver letters for the directional drilling of the above captioned. The 5-1/2" casing has collapsed in this well and we plan to whipstock and drill a new production hole that will have a bottom hole location of 330' FEL and 2310' FSL. This well will be drilled to approximately 10,100'.

We would like to ask that the commission approve the drilling of this well as it is a standard location and all offset operators have signed waivers. Thank you for your consideration.

Very truly yours,

MWJ PRODUCING COMPANY



Pat Drexler

pd
Enclosures

MWJ PRODUCING COMPANY

SAUNDERS 16 STATE 1

OFFSET OPERATORS

TEXACO, INC.
P. O. BOX 3109
MIDLAND, TEXAS 79702

TAMARACK PETROLEUM CO., INC.
P. O. 2048
MIDLAND, TEXAS 79702

CHEVRON U. S. A., INC.
P. O. BOX 670
HOBBS, NEW MEXICO 88240



Texaco USA
Producing Department

PO Box 3109
Midland TX 79702

September 3, 1987

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: MWJ - SAUNDERS 16 STATE 1-Y
660' FEL and 1980' FSL
Section 16, T-14-S, §-33-E
Lea County, New Mexico
Waiver Request

Gentlemen:

Texaco Inc., as an offset operator, hereby waives any objection to the request of MWJ Producing Company to sidetrack drill the above captioned well.

It is understood that the bottom hole location of the well is not closer than 330' from Texaco's State of New Mexico "BG" or State of New Mexico "AT" Leases as indicated by the directional well survey.

Yours very truly,

James W. Cox
Engineering Manager

APR/so



Texaco USA
Producing Department

PO Box 3109
Midland TX 79702

September 3, 1987

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: MWJ - SAUNDERS 16 STATE 1-Y
660' FEL and 1980' FSL
Section 16, T-14-S, §-33-E
Lea County, New Mexico
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Yours very truly,

James W. Cox
Engineering Manager

APR/so

RULE 108. DEFECTIVE CASING OR CEMENTING

If any well appears to have a defective casing program or faultily cemented or corroded casing which will permit or may create underground waste or contamination of fresh waters, the operator shall give written notice to the Division within five (5) working days and proceed with diligence to use the appropriate method and means to eliminate such hazard. If such hazard of waste or contamination of fresh water cannot be eliminated, the well shall be properly plugged and abandoned.

RULE 109. BLOWOUT PREVENTION (See Rule 114 (b) also)

(a) Blowout preventers shall be installed and maintained in good working order on all drilling rigs operating in areas of known high pressures at or above the projected depth of the well and in all areas where pressures which will be encountered are unknown, and on all workover rigs working on wells in which high pressures are known to exist.

(b) Blowout preventers shall be installed and maintained in good working order on all drilling rigs and workover rigs operating within the corporate limits of any city, town, or village, or within 1320 feet of habitation, school, or church, wherever located.

(c) All operators, when filing Form C-101, Application for Permit to Drill, Deepen, or Plug Back, or Form C-103, Sundry Notices, for any operation requiring blowout prevention equipment in accordance with Sections (a) and (b) above, shall submit a proposed blowout prevention program for the well. The program as submitted may be modified by the District Supervisor if, in his judgement, such modification is necessary.

RULE 110. PULLING OUTSIDE STRINGS OF CASING

In pulling outside strings of casing from any oil or gas well, the space outside the casing left in the hole shall be kept and left full of mud-laden fluid or cement of adequate specific gravity to seal off all fresh and salt water strata and any strata bearing oil or gas not producing.

RULE 111. DEVIATION TESTS AND DIRECTIONAL DRILLING

(a) Any well which is drilled or deepened with rotary tools shall be tested at reasonably frequent intervals to determine the deviation from the vertical. Such tests shall be made at least once each 500 feet or at the first bit change succeeding 500 feet. A tabulation of all deviation tests run, sworn to and notarized, shall be filed with Form C-104, Request for Allowable and Authorization to Transport Oil and Natural Gas. When the deviation averages more than five degrees in any 500-foot interval, the operator shall include the calculations of the maximum possible horizontal displacement of the hole and the Division Director may require that a directional survey be run to establish the location of the producing interval(s).

The Division Director, at the request of an offset operator, may require any operator to make a directional survey of any well. Said directional survey and all associated costs shall be at the expense of the requesting party and shall be secured in advance by a \$5,000.00 indemnity bond posted with and approved by the Division. The requesting party may designate the well survey company, and said survey shall be witnessed by the Division.

(b) Except as provided in Paragraph (c) below, no well shall be intentionally deviated without special permission from the Division. Permission to deviate toward the vertical to straighten a crooked hole, to deviate toward the vertical or in an indeterminate direction to sidetrack junk in the hole, or to drill a relief well to control a blow-out shall be obtained from the appropriate District Office of the Division on Division Form C-103 with copies of said Form

C-103 being furnished to all offset operators. Upon receipt from the Division Director, any well which was deviated in an indeterminate direction or toward the vertical shall be directionally surveyed. In addition, a directional survey of the entire well bore must be made on any well which was deviated in a predetermined direction, except toward the vertical. The District Office of the Division shall be notified of the approximate time all directional surveys are to be conducted. All directional surveys run on any well which was intentionally deviated in any manner for any reason must be filed with the Division upon completion of the well. The Division will not assign an allowable to a well until the operator has submitted an affidavit that all such directional surveys have been filed.

(c) The Division Director shall have the authority to grant administrative approval to intentionally deviate a well from vertical when: (1) the surface location is not a satisfactory drillsite due to topographic conditions or other surface obstructions, and, (2) the bottomhole location is orthodox or an unorthodox location previously approved.

(d) Applications for administrative approval shall be filed in triplicate and shall be accompanied by plats showing both the surface location and targeted bottomhole location. The application shall state the reason(s) for deviating the subject well and include a site map and/or topography map illustrating the surface obstruction. The bottomhole location obtained will be considered reasonable and satisfactory if the actual location at total depth is orthodox or is no more than 50 feet from the approved bottomhole location.

(e) All operators of proration or spacing units offsetting the unit for which the permit to deviate is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Division Director may approve the application upon receipt of waivers from all offset operators or if no offset operator has entered an objection within 20 days after the Director has received the application.

(f) The Division Director may, at his discretion, set any application for administrative approval for directional drilling for public hearing.

(g) Permission to deviate a well in any manner or for any other reason not provided for in these rules will be granted only after notice and hearing.

RULE 112-A MULTIPLE COMPLETIONS

I. The multiple completion of any well may be permitted only as hereinafter provided. Multiple completion of any well without prior approval by the Division shall be solely at the operator's risk and shall in no way commit the Division to subsequent approval thereof.

II. District Approval

The Supervisor of the appropriate Division district may authorize the multiple completion (qualifying conventional, tubingless, or combination) whenever the zones to be completed are to be produced through tubing or through casing where such casing has an outside diameter of 2.875 inches or less. The supervisor may authorize one gas zone to be produced through a casing-tubing annulus if such zone produces no more than one barrel of liquids per day.

To obtain approval for multiple completion the operator shall file four copies of Division Form C-107 (Application for Multiple Completion) with the appropriate district office. Form C-107 shall be accompanied by a diagrammatic sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including

MWJ PRODUCING COMPANY

★ PETROLEUM PRODUCERS ★

400 WEST ILLINOIS SUITE 1100
MIDLAND, TEXAS 79701
TELEPHONE (915) 682-8216
September 2, 1987

CHEVRON U. S. A., INC.
P. O. Box 670
Hobbs, New Mexico 88240

RE: MWJ-Saunders 16 State #1
660' FEL & 1980' FSL
Sec 16, T-14S, R-33E
Lea County, New Mexico

Gentlemen:

MWJ proposes the sidetrack drilling of the above captioned well. The 5-1/2" casing has collapsed at approximately 8800' in the 16 #1, and we propose to whipstock and drill a new production hole located to the northeast (bottom hole location 330' FEL & 2310' FSL).

If you have no objections to our proposal, please execute in the spaced provided below. We appreciate your prompt attention.

Very truly yours,

MWJ PRODUCING COMPANY

Pat Drexler

pd

CHEVRON U. S. A., INC. has no objections to the sidetrack drilling of the proposed well.

By Alan W. Bohring
Title Division Promotion Engineer/Reservoir Engineer
Date September 3, 1987

MWJ PRODUCING COMPANY

★ PETROLEUM PRODUCERS ★

400 WEST ILLINOIS SUITE 1100
MIDLAND, TEXAS 79701
TELEPHONE (915) 682-8216
September 2, 1987

CHEVRON U. S. A., INC.
P. O. Box 670
Hobbs, New Mexico 88240

RE: MWJ-Saunders 16 State #1
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Pat Drexler

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CHEVRON U. S. A., INC. has no objections to the sidetrack drilling of the proposed well.

By Alan W. Bohring

Title Division Promotion Engineer/Reservoir Engineer

Date September 3, 1987

September 4, 1987

MWJ Producing Company
400 West Illinois Suite 1100
~~1884 First National Bank Building~~

Midland, TX 79701

Attention: *John Schlagal*
Production Superintendent

ADMINISTRATIVE ORDER DD-15

~~Dear Mr.~~ *Dear Mr.*

Under the provisions of Rule 111 (C) and (D), MWJ Producing Company made application to the New Mexico Oil Conservation Division on September 4, 1987, for permission to directionally drill and complete for Saunders Permo Upper Pennsylvanian Pool production the Saunders "16" State Well No. 1.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified and waivers from each have been obtained.

(3) The applicant, MWJ Production Company, is the owner and operator of the Saunders "16" Well No. 1 located at a standard surface location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 16, Township 14 South, 33 East, NMPM, Saunders Permo Upper Pennsylvanian Pool, Lea County, New Mexico.

(4) The applicant seeks to plug back and directionally drill said well by kicking off from the vertical at a depth of approximately 6000 feet and drilling in such a manner as to penetrate said pool within ~~50 feet~~ ^{no closer than} a standard subsurface location 2310 feet from the South line and 330 feet from the East line (Unit I) of Section 16.

(5) The NE/4 SE/4 of Section 16 should be dedicated to the well.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional drilling survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) Approval of the subject application will prevent the drilling of unnecessary wells, avoid augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, MWJ Producing Company is hereby authorized to plug back and directionally drill its Saunders "16" State Well No. 1 ~~as previously~~ ^{in the manner as} described ^{in the Findings} ~~above.~~

PROVIDED HOWEVER, THAT prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER/ THAT subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart, the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to commence.

(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The NE/4 SE/4 (Unit I) of said Section 16 shall be dedicated to the subject well.

(4) Jurisdiction of the 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

WILLIAM J. LEMAY
Director

S E A L

**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

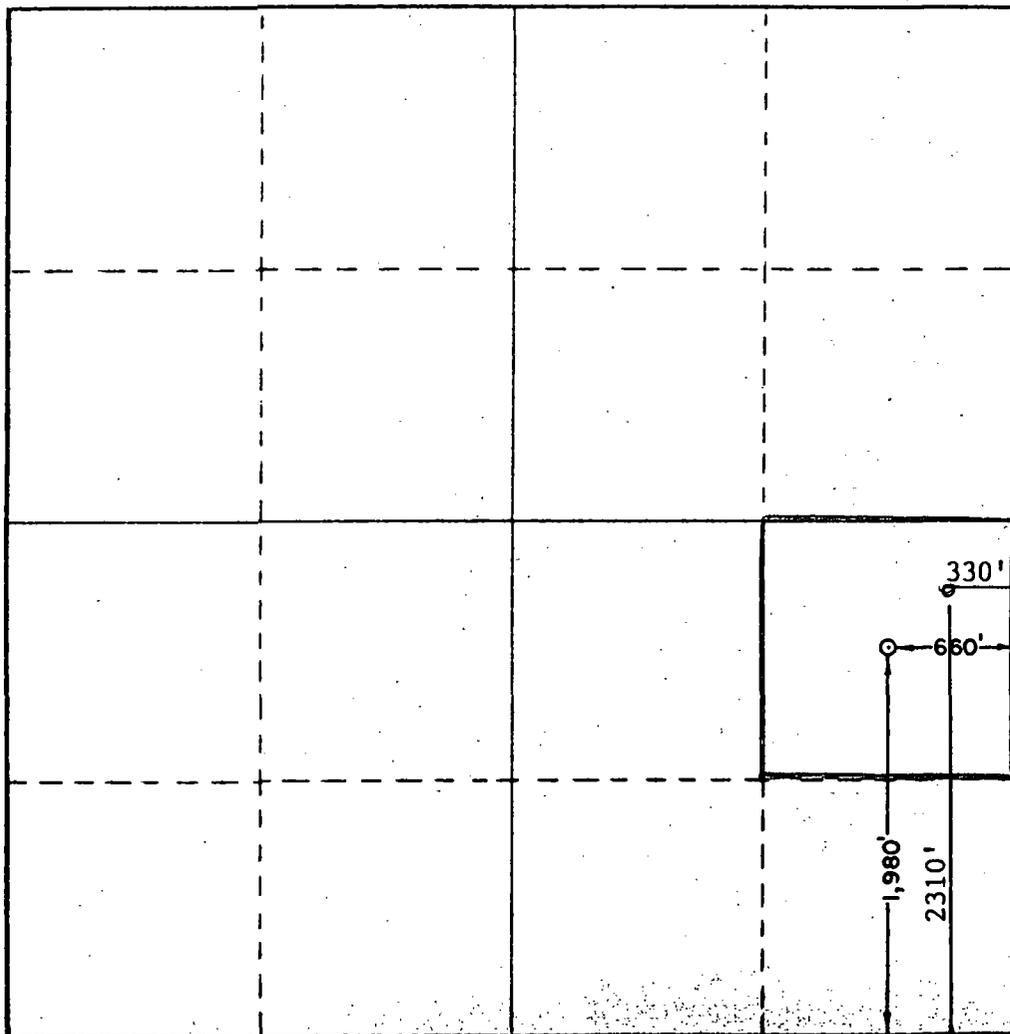
Operator M. W. J. PRODUCING COMPANY		Lease SAUNDERS 16 STATE			Well No. 1
Unit Letter I	Section 16	Township 14 SOUTH	Range 33 EAST	County LEA	
Actual Footage Location of Well: 1,980 feet from the SOUTH line and 660 feet from the EAST line					
Ground Level Elev. 4211.5	Producing Formation PENN	Pool SAUNDERS PERMO UPPER PENN		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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.

Pat Drexler
Name

Pat Drexler

Position

Agent

Company

MWJ PRODUCING COMPANY

Date

9/2/87

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.

No. 3239

Date Surveyed

JUNE 22 1980

Registered Professional Land Surveyor and/or Land Surveyor

Ronald J. Eldon

Certificate No. John W. West

676

Ronald J. Eldon 3239

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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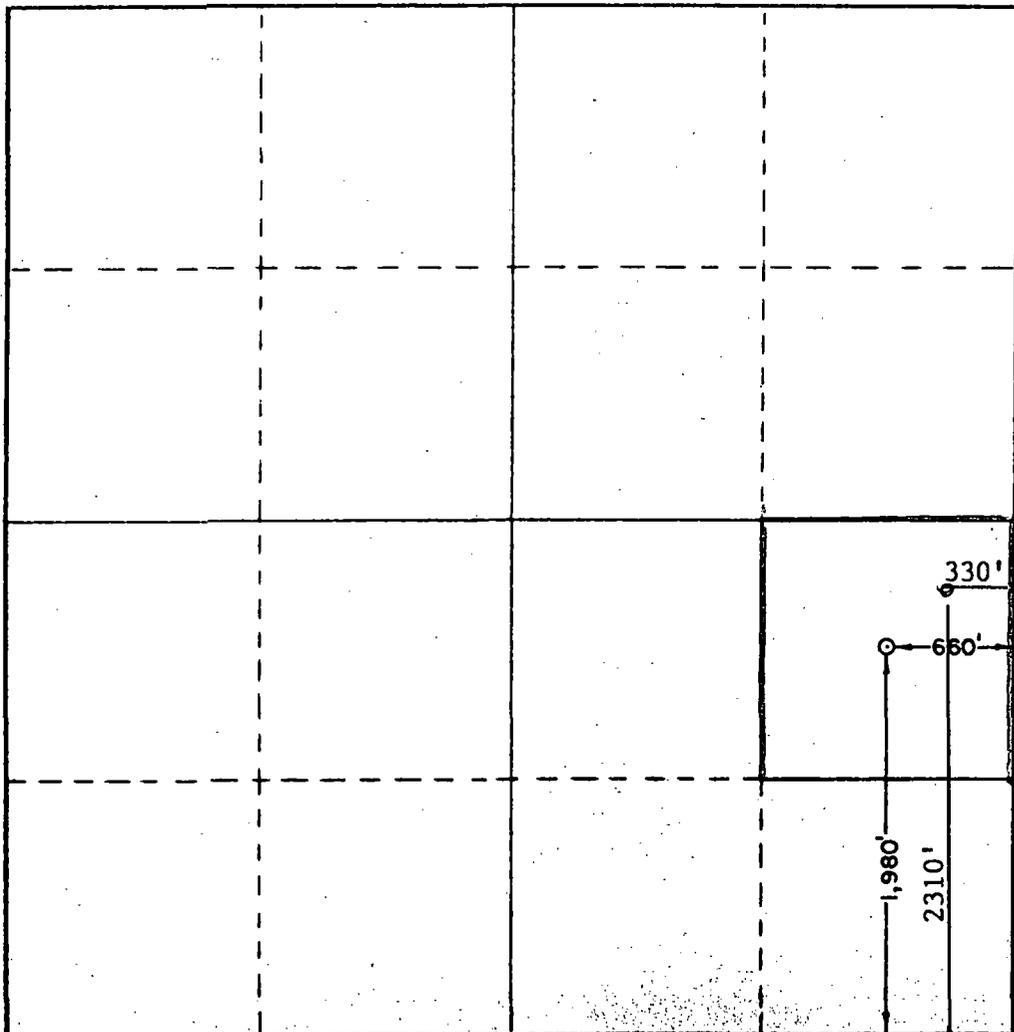
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Pat Drexler

Name
Pat Drexler

Position
Agent

Company
MWJ PRODUCING COMPANY

Date
9/2/87

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
JUNE 15th 1980

Registered Professional Engineer and/or Land Surveyor
Ronald J. Eidson

Certificate No. **John W. West 676**
Ronald J. Eidson 3239

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
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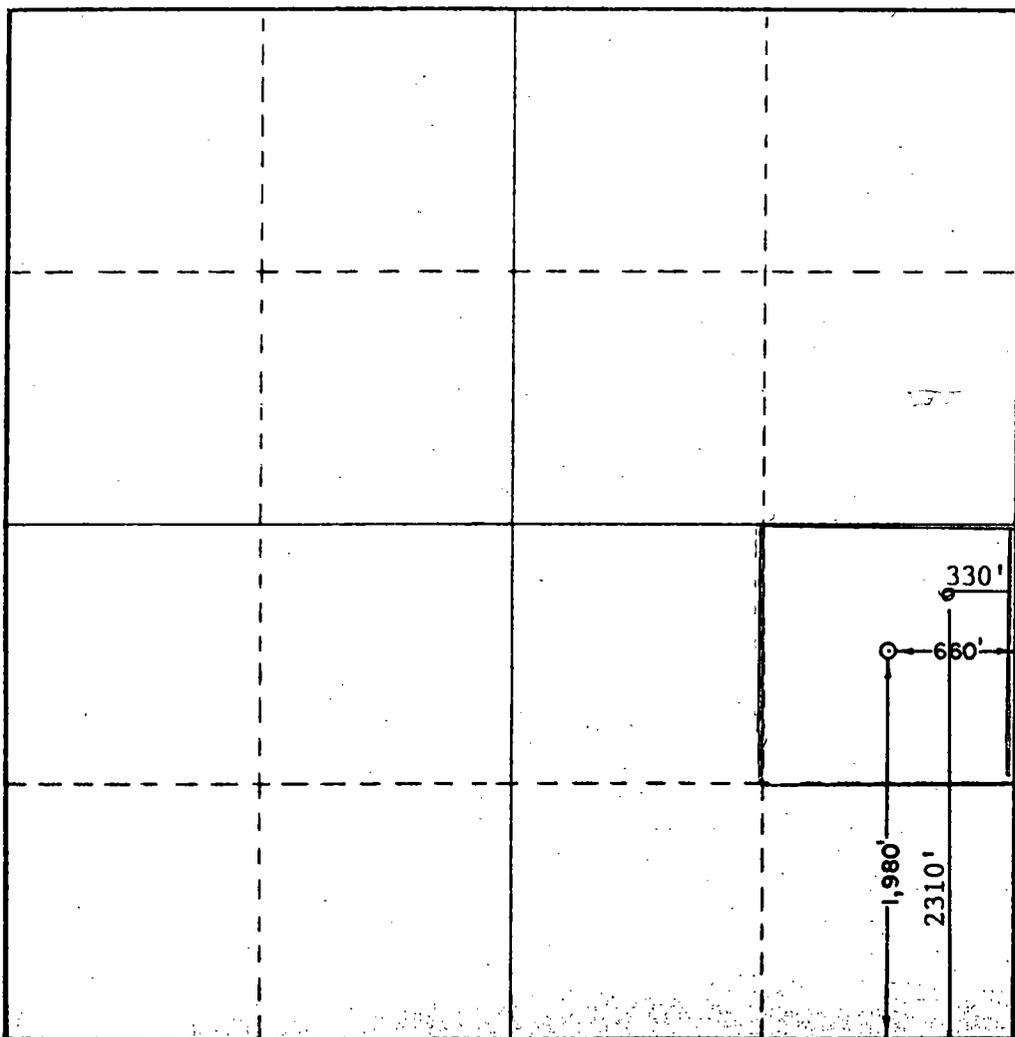
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Pat Drexler

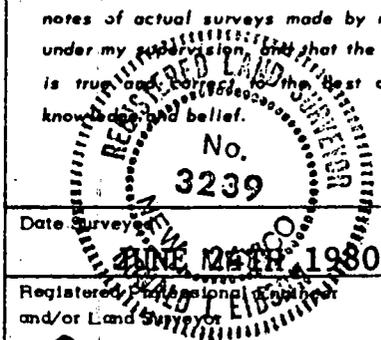
Name
Pat Drexler

Position
Agent

Company
MWJ PRODUCING COMPANY

Date
9/2/87

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
JUNE 12TH 1980

Registered Professional Engineer and/or Land Surveyor
Ronald J. Eidson

Ronald J. Eidson

Certificate No. **John W. West 676**
Ronald J. Eidson 3239



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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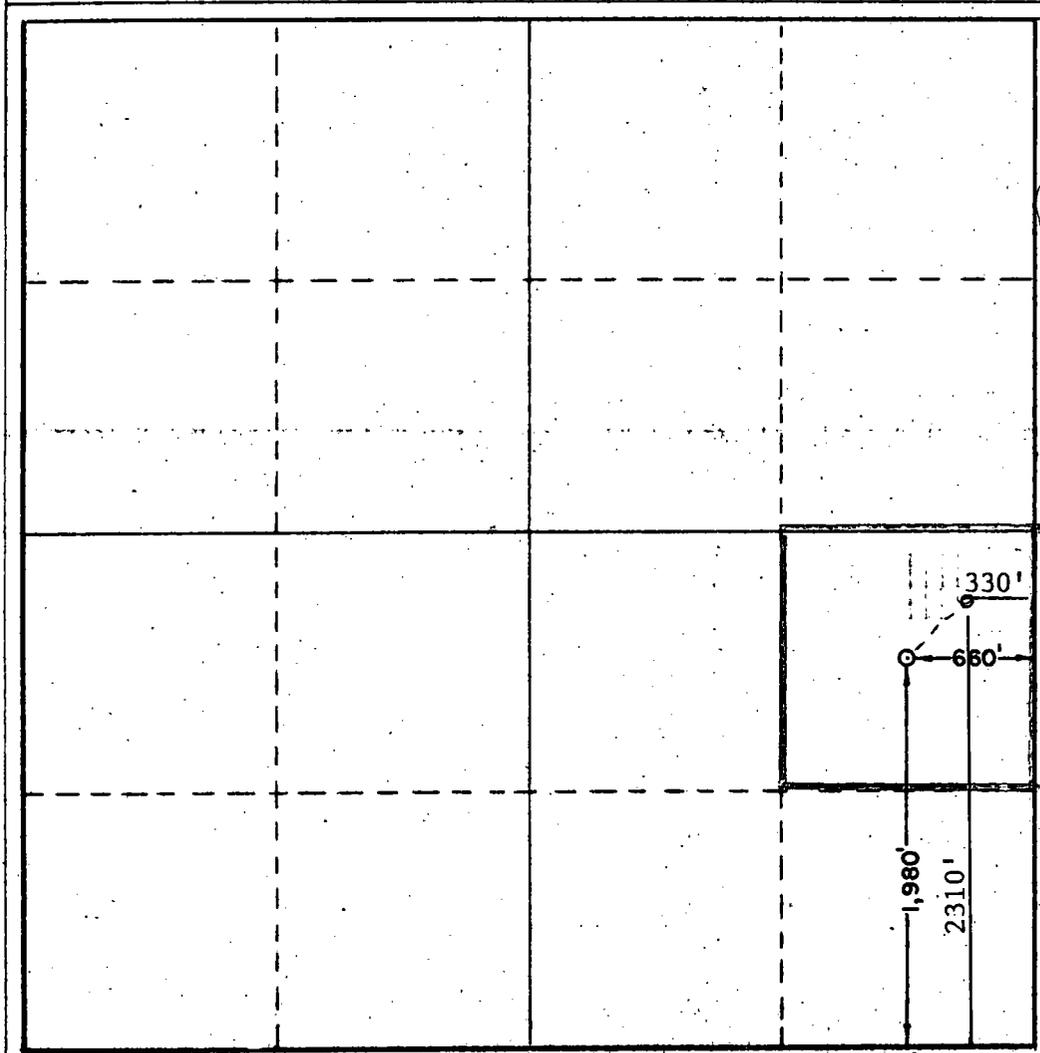
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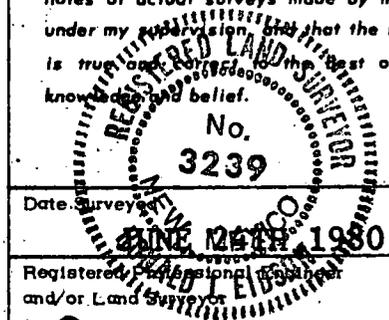
CERTIFICATION

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Pat Drexler

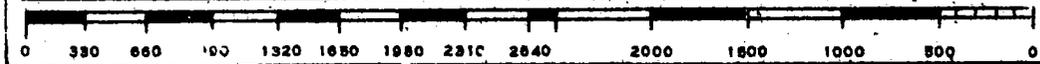
Name Pat Drexler
Position Agent
Company MWJ PRODUCING COMPANY..
Date 9/2/87

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Date Surveyed SEP 1980
Registered Professional Surveyor and/or Land Surveyor Ronald J. Eldson

Ronald J. Eldson
Certificate No. **John W. West 676**
Ronald J. Eldson 3239



MWJ PRODUCING COMPANY

★ PETROLEUM PRODUCERS ★

400 WEST ILLINOIS SUITE 1100
MIDLAND, TEXAS 79701
TELEPHONE (915) 682-5216
September 2, 1987

TAMARACK PETROLEUM CO., INC.
P. O. Box 2048
Midland, Texas 79702

RE: MWJ-Saunders 16 State #1
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Lea County, New Mexico

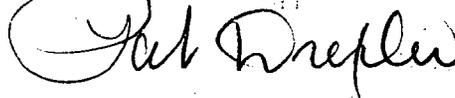
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MWJ proposes the sidetrack drilling of the above captioned well. The 5-1/2" casing has collapsed at approximately 8800' in the 16 #1, and we propose to whipstock and drill a new production hole located to the northeast (bottom hole location 330' FEL & 2310' FSL).

If you have no objections to our proposal, please execute in the spaced provided below. We appreciate your prompt attention.

Very truly yours,

MWJ PRODUCING COMPANY



Pat Drexler

pd

TAMARACK PETROLEUM CO., INC has no objection to the sidetrack drilling of the proposed well.

By Robert J. [Signature]

Title VP

Date 9/3/87

MWJ PRODUCING COMPANY

★ PETROLEUM PRODUCERS ★

400 WEST ILLINOIS SUITE 1100
MIDLAND, TEXAS 79701
TELEPHONE (915) 682-5216
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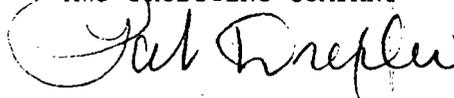
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TAMARACK PETROLEUM CO., INC has no objection to the sidetrack drilling of the proposed well.

By Robert M. McCall

Title VP

Date 9/3/87

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
L-4945

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL GAS WELL OTHER- Plug Back and Drill Directional Well

2. Name of Operator
MWJ PRODUCING COMPANY

3. Address of Operator
400 W. Illinois - Suite 1100 Midland, Texas 79701

4. Location of Well
UNIT LETTER I 660 FEET FROM THE East LINE AND 1980 FEET FROM
South 16 TOWNSHIP 14S RANGE 33E NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)
4211.5'

7. Unit Agreement Name

8. Farm or Lease Name
Saunders 16 State #1

9. Well No.
1

10. Field and Pool, or Wildcat
Saunders Permo Upper Penn

12. County
Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK

TEMPORARILY ABANDON

PULL OR ALTER CASING

OTHER Plug back & drill directional well

PLUG AND ABANDON

CHANGE PLANS

REMEDIAL WORK

COMMENCE DRILLING OPNS.

CASING TEST AND CEMENT JOB

OTHER

ALTERING CASING

PLUG AND ABANDONMENT

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The 5-1/2" production casing has collapsed at approximately 8800'. The packer and bottom hole production assembly are at approximately 9800'. The 5-1/2" casing has collapsed on the 2-3/8" tubing and the 1" vent string.

PROPOSED PROCEDURE:

1. Pump 100 sx cement thru 2-3/8" tubing below packer and BHA to plug perforations.
2. Pull the 2-3/8" and the 1" tubing strings.
3. Shoot off and pull approximately 6000' of the 5-1/2" casing.
4. Set a cement plug at the 5-1/2" cut-off sufficient to serve as whipstock plug.
5. Whipstock the Saunders 16 State #1 and drill new production hole to a point located 330' FEL and 2310' FSL, Sec 16, T-14S, R-33E, with a proposed total depth of 10,040'.
6. Run, set and cement 5-1/2" casing @ T. D.

Note: 13-3/8" casing @ 415', top of cement @ surface
8-5/8" casing @ 4120', top of cement surface
Original top of cemet in 5-1/2" @ 8900'

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

SIGNED Pat Drexler TITLE Pat Drexler - Agent DATE 9/3/87

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

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LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease
State Fee
5. State Oil & Gas Lease No.
L-4945

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Plug Back and Drill Directional Well		7. Unit Agreement Name
2. Name of Operator MWJ PRODUCING COMPANY		8. Farm or Lease Name Saunders 16 State #1
3. Address of Operator 400 W. Illinois - Suite 1100 Midland, Texas 79701		9. Well No. 1
4. Location of Well UNIT LETTER I 660 FEET FROM THE East 1980 FEET FROM THE South LINE, SECTION 16 TOWNSHIP 14S RANGE 33E NMPM.		10. Field and Pool, or Wildcat Saunders Permo Upper Penn
15. Elevation (Show whether DF, RT, CR, etc.) 4211.5'		12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER Plug back & drill directional well <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

The 5-1/2" production casing has collapsed at approximately 8800'. The packer and bottom hole production assembly are at approximately 9800'. The 5-1/2" casing has collapsed on the 2-3/8" tubing and the 1" vent string.

PROPOSED PROCEDURE:

1. Pump 100 sx cement thru 2-3/8" tubing below packer and BHA to plug perforations.
2. Pull the 2-3/8" and the 1" tubing strings.
3. Shoot off and pull approximately 6000' of the 5-1/2" casing.
4. Set a cement plug at the 5-1/2" cut-off sufficient to serve as whipstock plug.
5. Whipstock the Saunders 16 State #1 and drill new production hole to a point located 330' FEL and 2310' FSL, Sec 16, T-14S, R-33E, with a proposed total depth of 10,040'.
6. Run, set and cement 5-1/2" casing @ T. D.

Note: 13-3/8" casing @ 415', top of cement @ surface
8-5/8" casing @ 4120', top of cement surface
Original top of cemet in 5-1/2" @ 8900'

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

SIGNED Pat Drexler TITLE Pat Drexler - Agent DATE 9/3/87

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

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5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
L-4945

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT ..." (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Plug Back and Drill Directional Well	7. Unit Agreement Name
2. Name of Operator MWJ PRODUCING COMPANY	8. Farm or Lease Name Saunders 16 State #1
3. Address of Operator 400 W. Illinois - Suite 1100 Midland, Texas 79701	9. Well No. 1
4. Location of Well UNIT LETTER I 660 FEET FROM THE East 1980 LINE AND FEET FROM THE South LINE, SECTION 16 TOWNSHIP 14S RANGE 33E NMPM.	10. Field and Pool, or Wildcat Saunders Permo Upper Penn
15. Elevation (Show whether DF, RT, GR, etc.) 4211.5'	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER Plug back & drill directional well <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The 5-1/2" production casing has collapsed at approximately 8800'. The packer and bottom hole production assembly are at approximately 9800'. The 5-1/2" casing has collapsed on the 2-3/8" tubing and the 1" vent string.

PROPOSED PROCEDURE:

1. Pump 100 sx cement thru 2-3/8" tubing below packer and BHA to plug perforations.
2. Pull the 2-3/8" and the 1" tubing strings.
3. Shoot off and pull approximately 6000' of the 5-1/2" casing.
4. Set a cement plug at the 5-1/2" cut-off sufficient to serve as whipstock plug.
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Note: 13-3/8" casing @ 415', top of cement @ surface
8-5/8" casing @ 4120', top of cement surface
Original top of cemet in 5-1/2" @ 8900'

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

SIGNED Pat Drexler TITLE Pat Drexler - Agent DATE 9/3/87

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
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5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
L-4945

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT - " (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Plug Back and Drill Directional Well		7. Unit Agreement Name
2. Name of Operator MWJ PRODUCING COMPANY		8. Farm or Lease Name Saunders 16 State #1
3. Address of Operator 400 W. Illinois - Suite 1100 Midland, Texas 79701		9. Well No. 1
4. Location of Well UNIT LETTER <u>I</u> <u>660</u> FEET FROM THE <u>East</u> <u>1980</u> FEET FROM THE <u>South</u> <u>16</u> LINE, SECTION <u>16</u> TOWNSHIP <u>14S</u> RANGE <u>33E</u> NMPM.		10. Field and Pool, or Wildcat Saunders Permo Upper Penn
15. Elevation (Show whether DF, RT, GR, etc.) 4211.5'		12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <u>Plug back & drill directional well</u> <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The 5-1/2" production casing has collapsed at approximately 8800'. The packer and bottom hole production assembly are at approximately 9800'. The 5-1/2" casing has collapsed on the 2-3/8" tubing and the 1" vent string.

PROPOSED PROCEDURE:

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Note: 13-3/8" casing @ 415', top of cement @ surface
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Original top of cemet in 5-1/2" @ 8900'

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

SIGNED Pat Drexler TITLE Pat Drexler - Agent DATE 9/3/87

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

09-02-87

M W J Producing Company

Saunders 16 State #1

1980' FSL + 660' FEL

Sec. 16, T-14S, R-33E

Lea County, New Mexico

Proposed Sidetrack

G.L. (11' x.8)

13 3/8" csg @ 415'

8 5/8" csg @ 4120'

Whipstock plug @ 6000'

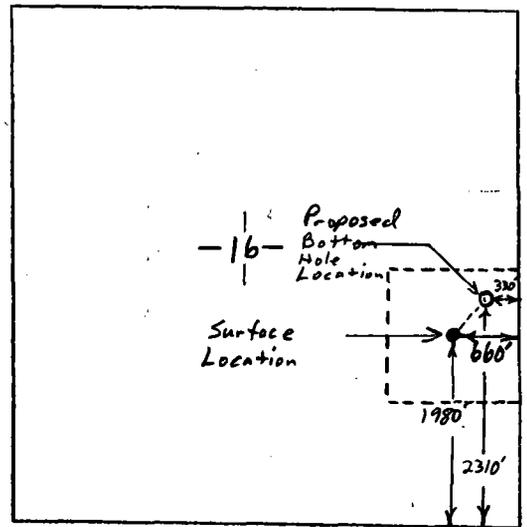
Collapsed 5 1/2" @ 8830'

[7 5/8" Cement Plug has been spotted @ 9790']

Bottom hole production assembly @ 9790'

5 1/2" csg @ 10,055'

9825' Bough 'B'
9882'



Sec. 16 T-14S R-33E
Lea County, New Mexico

Proposed Bottom hole location would be 2310' FSL + 660' FEL of Sec 16, T-14S, R-33E.

Proposed T.D.
10,055' (T.V.D.)

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
L-4945

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work Directional Drill		7. Unit Agreement Name
b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Saunders 16 State
2. Name of Operator MWJ PRODUCING COMPANY		9. Well No. 1
3. Address of Operator 400 W. Illinois - Suite 1100 Midland, Texas 79701		10. Field and Pool, or Wildcat Saunders Permo Upper Penn
4. Location of Well UNIT LETTER <u>I</u> LOCATED <u>660</u> FEET FROM THE <u>east</u> LINE AND <u>1980</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>16</u> TWP. <u>14-S</u> RGE. <u>33-E</u> NMPM		12. County Lea
19. Proposed Depth 10,100'		19A. Formation Penn
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 4211.5' GL	21A. Kind & Status Plug. Bond Blanket/current	21B. Drilling Contractor Tri-Service Drilling Co
		22. Approx. Date Work will start 9/7/87

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
* 17"	13-3/8"	48#	415'	400 sx	surface
* 11"	8-5/8"	24# & 32#	4120'	1800 sx	surface
* 7-7/8"	5-1/2"	15.5# & 17#	10055'	300 sx	8900'

The 5-1/2" production casing has collapsed at approximately 8800'. The packer and bottom hole production assembly are at approximately 9800'. The casing has collapsed on the 2-3/8" tubing and the 1" vent string.

PROPOSED PROCEDURE:

1. Pump 100 sx cement thru 2-3/8" tubing below packer and BHA to plug perforations.
2. Pull the 2-3/8" and the 1" tubing strings.
3. Shoot off and pull approximately 6000' of the 5-1/2" casing.
4. Set a cement plug at the 5-1/2" cut-off sufficient to serve as whipstock plug.
5. Whipstock the Saunders 16 State #1 and drill new production hole to a point located 330' FEL and 2310' FSL, Section 16, T-14S, R-33E, with a proposed total depth of 10,040'.
6. Run, set and cement 5-1/2" casing at T.D.

* Original casing set in Saunders 16 State #1

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Pat Drexler Title Pat Drexler - Agent Date 9/2/87

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
L-4945

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
Directional Drill

b. Type of Well
DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
MWJ PRODUCING COMPANY

3. Address of Operator
400 W. Illinois - Suite 1100 Midland, Texas 79701

4. Location of Well
UNIT LETTER **I** LOCATED **660** FEET FROM THE **east** LINE
AND **1980** FEET FROM THE **South** LINE OF SEC. **16** TWP. **14-S** RGE. **33-E** NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Saunders 16 State

9. Well No.
1

10. Field and Pool, or Wildcat
Saunders Permo Upper Penn

12. County
Lea

19. Proposed Depth
10,100'

19A. Formation
Penn

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, RT, etc.)
4211.5' GL

21A. Kind & Status Plug. Bond
Blanket/current

21B. Drilling Contractor
Tri-Service Drilling Co

22. Approx. Date Work will start
9/7/87

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
* 17"	13-3/8"	48#	415'	400 sx	surface
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* 7-7/8"	5-1/2"	15.5# & 17#	10055'	300 sx	8900'

The 5-1/2" production casing has collapsed at approximately 8800'. The packer and bottom hole production assembly are at approximately 9800'. The casing has collapsed on the 2-3/8" tubing and the 1" vent string.

PROPOSED PROCEDURE:

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5. Whipstock the Saunders 16 State #1 and drill new production hole to a point located 330' FEL and 2310' FSL, Section 16, T-14S, R-33E, with a proposed total depth of 10,040'.
6. Run, set and cement 5-1/2" casing at T.D.

* Original casing set in Saunders 16 State #1

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Pat Drexler Title Pat Drexler - Agent Date 9/2/87

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
L-4945

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work **Directional Drill**

b. Type of Well DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
MWJ PRODUCING COMPANY

3. Address of Operator
400 W. Illinois - Suite 1100 Midland, Texas 79701

4. Location of Well UNIT LETTER **I** LOCATED **660** FEET FROM THE **east** LINE
AND **1980** FEET FROM THE **South** LINE OF SEC. **16** TWP. **14-S** RGE. **33-E** NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Saunders 16 State

9. Well No.
1

10. Field and Pool, or Wildcat
Saunders Permo Upper Penn

12. County
Lea

19. Proposed Depth **10,100'** 19A. Formation **Penn** 20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, RT, etc.) **4211.5' GL** 21A. Kind & Status Plug. Bond **Blanket/current** 21B. Drilling Contractor **Tri-Service Drilling Co** 22. Approx. Date Work will start **9/7/87**

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
* 17"	13-3/8"	48#	415'	400 sx	surface
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* Original casing set in Saunders 16 State #1

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
L-4945

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
Directional Drill

b. Type of Well
DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
MWJ PRODUCING COMPANY

3. Address of Operator
400 W. Illinois - Suite 1100 Midland, Texas 79701

4. Location of Well
UNIT LETTER I LOCATED 660 FEET FROM THE east LINE
AND 1980 FEET FROM THE South LINE OF SEC. 16 TWP. 14-S RGE. 33-E NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Saunders 16 State

9. Well No.
1

10. Field and Pool, or Wildcat
Saunders Permo Upper Penn

12. County
Lea

19. Proposed Depth
10,100'

19A. Formation
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4211.5' GL

21A. Kind & Status Plug. Bond
Blanket/current

21B. Drilling Contractor
Tri-Service Drilling Co

22. Approx. Date Work will start
9/7/87

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