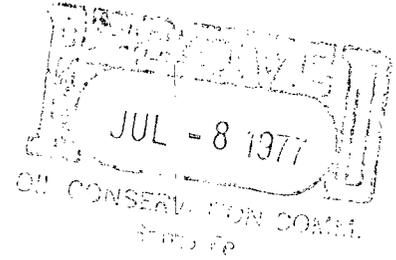


B. BERNARD LANKFORD, JR., P.E.

CONSULTING ENGINEER
DRILLING AND COMPLETIONS
P. O. BOX 238
MIDLAND, TEXAS 79701
—
TELEPHONE 915 682-6386



July 6, 1977

NSL-871

104 F

Due July 28

MR. D.S. Nutter
Chief Engineer
New Mexico Oil Conservation Commission
P O Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Nutter,

Southern Union Supply Co. plans to drill the Exxon Federal No. 2 well in Sec 25-T-20S-R25E, Eddy County, New Mexico. This is on Federal land but is a non-standard location and requires New Mexico Oil Commission approval.

The location is 990' FSL and 1880' FWL of Sec 25. The non-standard location is necessary because of the terrain as indicated on the attached Topo map. Both the USGS and the BLM have conducted an on-site inspection and approved.

We have a rig which will be available about July 20, 1977, and hope that we can be ready at that time. If not, we may have a delay of 6 months or more.

We own the acreage to the West and Southwest, the two areas which would be affected by the well and respectfully request administrative approval of the non-standard location.

Morrow Formation

Yours truly,

B. Bernard Lankford, Jr.
per Gerald Ann Brown

B. Bernard Lankford, Jr.
Consulting Engineer for
Southern Union Supply Co.

BBL/cab

U

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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

JUL - 8 1977
OIL CONSERVATION
SANTA FE

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
30333

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL DEEPEN PLUG BACK

b. Type of Well
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Southern Union Supply Co.

3. Address of Operator
Suite 1800 First International Bldg., Dallas, Texas 75270

4. Location of Well
UNIT LETTER _____ LOCATED 990 FEET FROM THE South LINE
AND 1880 FEET FROM THE West LINE OF SEC. 25 TWP. 20S RGE. 25E NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Exxon Federal

9. Well No.
2

10. Field and Pool, or Wildcat
Wildcat

12. County
Eddy

19. Proposed Depth 10,500'
19A. Formation
20. Rotary or C.T.
21. Elevations (Show whether DF, RT, etc.) 3695 GL
21A. Kind & Status Plug. Bond
21B. Drilling Contractor Marcum Drlg Co.
22. Approx. Date Work will start July 20, 1977

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP

Southern Union Supply Co. plans to drill this well to the Morrow and test. A BOP stack w/ Blind and Pipe Rams and a Hydril will be installed on the 13-3/8" casing and tested to 1000 psi before drilling out. The BOP stack will be tested to 1500 psi before drilling out of the 8-5/8" casing. The BOP stack will be retested and a PVT, flow-line sensor, pump stroke counter, de-gasser, and adjustable choke will be in operation before drilling below 6800'. The acreage is dedicated to the Gas Company of New Mexico.

The above location is non-standard due to terrain. Application for administrative approval has been made to the New Mexico Oil Commission. An on-site inspection was made on June 28, 1977, by the USGS and BLM.

1. 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.
B. Bernard Hankford, Jr. per Consulting Engineer for
Signed Carol Ann Brown Title Southern Union Supply Co. Date July 6, 1977

(This space for State Use)

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

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 boundary (E) of the Section.

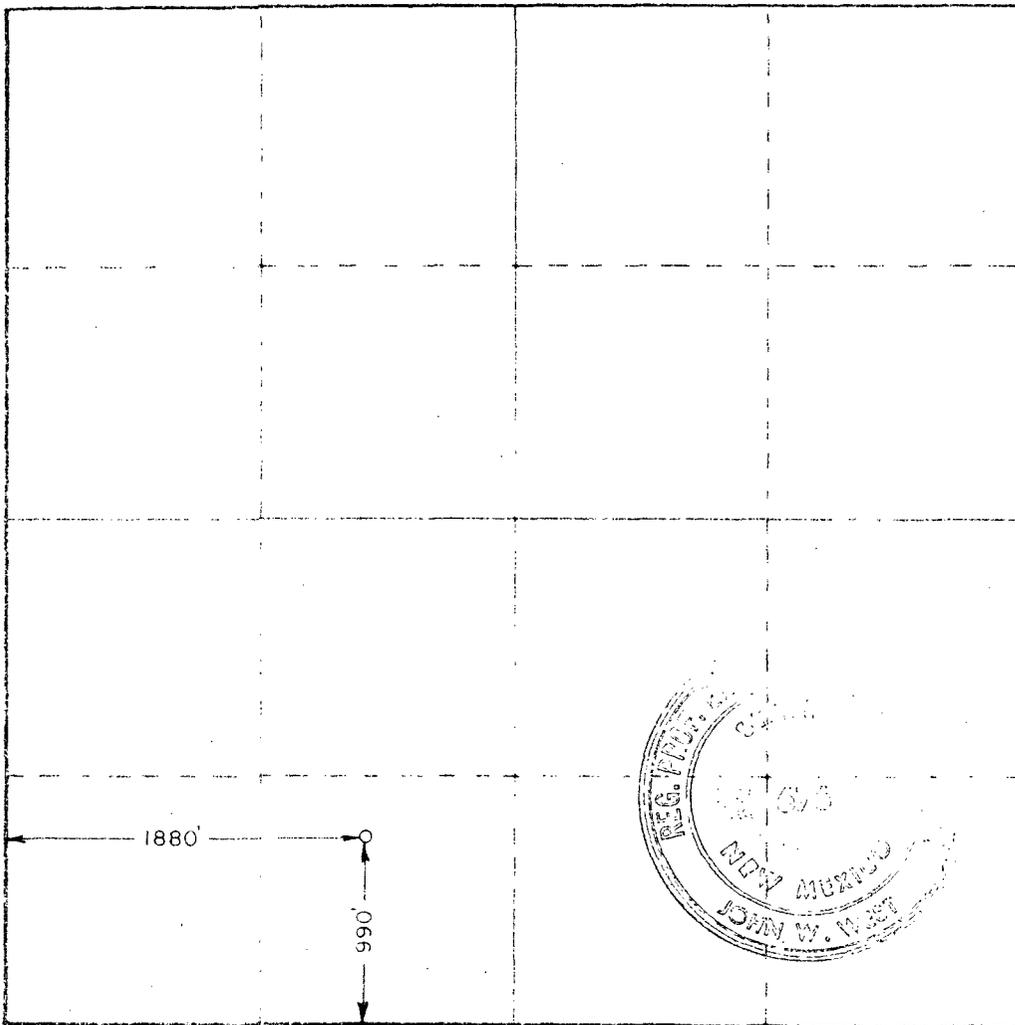
Operator Southern Union Supply Co.			Lease Exxon Fed.			Well No. 2
Unit Letter N	Section 25	Township 20 South	Range 25 East	County Eddy		
Actual Portage Location of Well:						
1880		feet from the	West	line and	990	feet from the
						South
line					line	
Ground Elev. 3695.0	Producing Formation		Pool		Dedicated Acreage:	
						Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

Name
Position
Company
Date

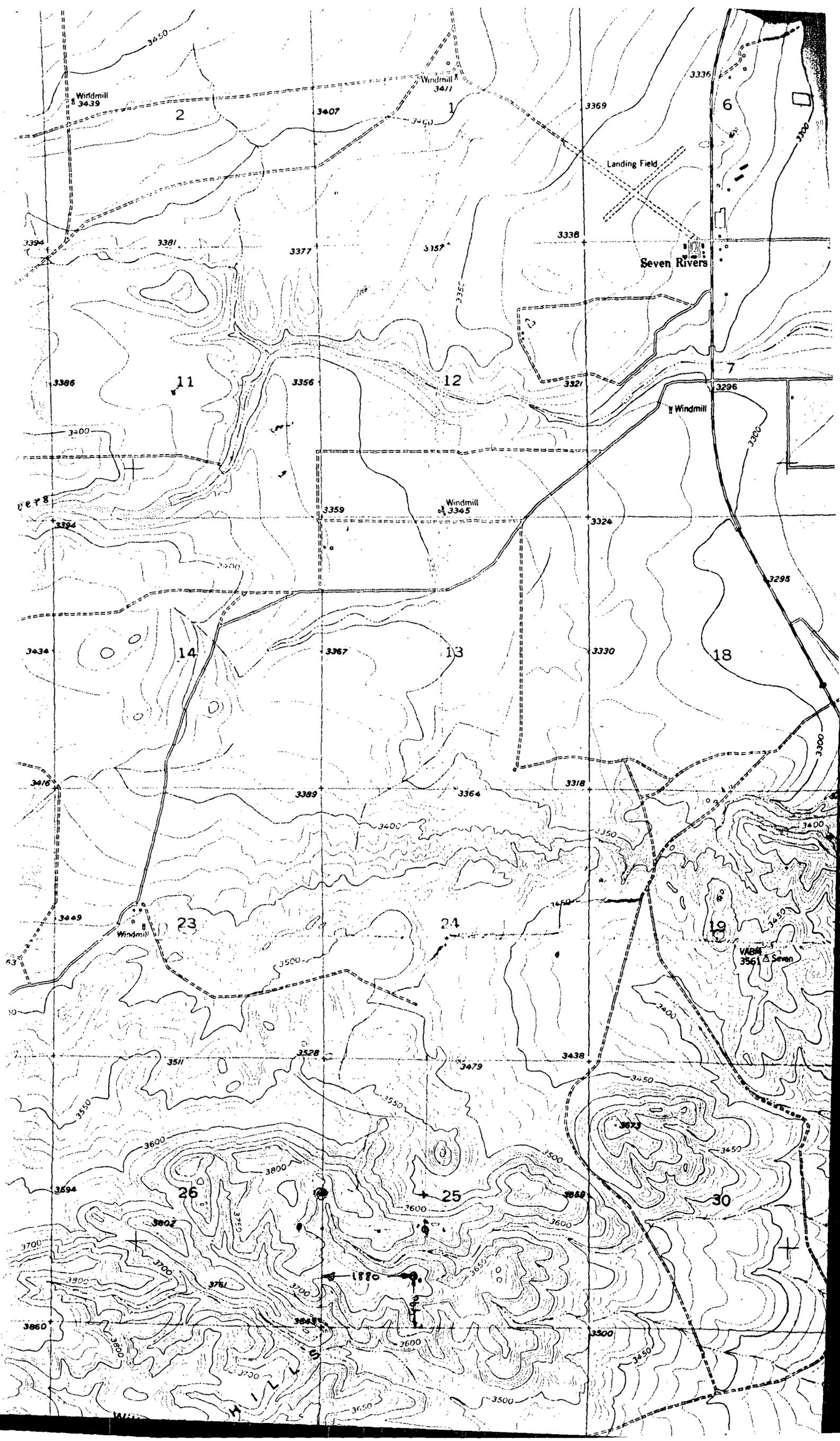
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date surveyed: **June 23, 1977**

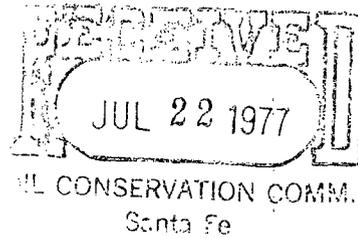
Registered Professional Surveyor

John W. West

675



July 19, 1977



Re: Non-Standard Location Waiver
Exxon Federal Unit #2
Sec. 25-T-20-S, R-25-E
Eddy County, New Mexico

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

We have been informed that Southern Union Supply has made application for a permit to drill the Exxon Federal Unit No. 2 as a wildcat well at a non-standard location in Eddy County. The well is 100' to close to the West Section line because of the terrain.

The proposed location is described as being 1880' FWL and 990' FSL of Section 25, T-20-S, R-25-E.

As an offset operator, Exxon Company has no objection to this application and waives notice and hearing.

A handwritten signature in black ink, appearing to be "L. Ramey" or similar, written in a cursive style.

Yours very truly,

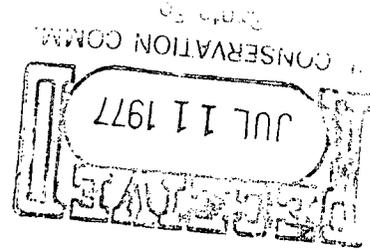


Amoco Production Company

500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

J. M. Brown
Division Engineering
Manager

July 7, 1977



File: HHR-986.51NM-3066

Re: Non-Standard Location Waiver
Exxon Federal Unit #2
Sec. 25, T-20-S, R-25-E
Eddy County, New Mexico

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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As an offset operator, Amoco Production Company has no objection to this application and waives notice and hearing.

Yours very truly,

EHW/1b

cc: Mr. Bernard Lankford
P. O. Box 238
Midland, TX 79702

NSL-871

OIL CONSERVATION COMMISSION
Artesia DISTRICT



OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 7-21-77

- RE: Proposed MC _____
- Proposed DHC _____
- Proposed NSL X _____
- Proposed SWD _____
- Proposed WFX _____
- Proposed PMX _____

Gentlemen:

I have examined the application dated 7-6-77
 for the Southern Union Supply Co. Elyon Federal # 2 - N-25-20-25
 Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approval upon receipt of waivers

Yours very truly,

W. A. Gessert