

*Release Immediately
Well is located well within
unit boundaries. No features of
offset outside unit is not
necessary.*

89 DEC

J. McSHANE, INC.
MANAGEMENT - OPERATIONS
OIL • GAS • WATER

*1156-1970
RULE-104 F(I)*

January 16, 1985

*FEE LAND
DEDICATED ACREAGE*

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

JAN 17 1985 *SE 1/4 NW 1/4
SECTION 24,
T26S, R37E
SOUTH LEONARD
QUEEN FORMATION
FOOTAGE - 2580 FNL
2600' FWL
Section 24, 26, 37*

Attn: Mr. Mike Stogner

Re: Wood, McShane & Thams
Application to Drill
South Leonard Unit No. 17
South Leonard Queen Pool
Lea County, New Mexico

Gentlemen:

Wood, McShane & Thams assumed operation of the South Leonard Queen Unit as of September 1, 1984 and subsequently pursued in-field drilling by filing for an Application to Drill the South Leonard Unit No. 17. Unit No. 17 is well within the boundaries of the South Leonard Queen Unit and has no offset operators. The Hobbs District Office upon receiving the Form C-105, notified Wood, McShane & Thams that since the well is an unorthodox location approval of the permit to drill would have to be granted by Santa Fe and this approval was never granted.

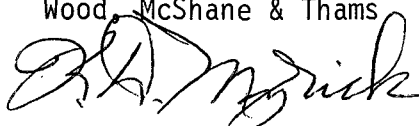
Wood, McShane & Thams operating experience in New Mexico is limited, to say the least. The filing for this well took place during the busiest times in the last quarter when several wells were being drilled and completed. The responsibility of filing all of the necessary forms was handed to a young engineer fresh out of school, which also added to the complications. This is not to imply that no one in the organization is responsible for new employees.

Please find attached a copy of the Form C-101, C-102, C-104, C-105, and a plat of the field area. Your early consideration for approval to drill the South Leonard Unit No. 17 will be greatly appreciated so that the well can be put back on production.

Yours truly,

J. McSHANE, INC. For:

Wood, McShane & Thams


K. D. Myrick

KDM/rt

Enclosures (915) 943-3092 • P. O. BOX 968 • MONAHANS, TEXAS 79756

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.

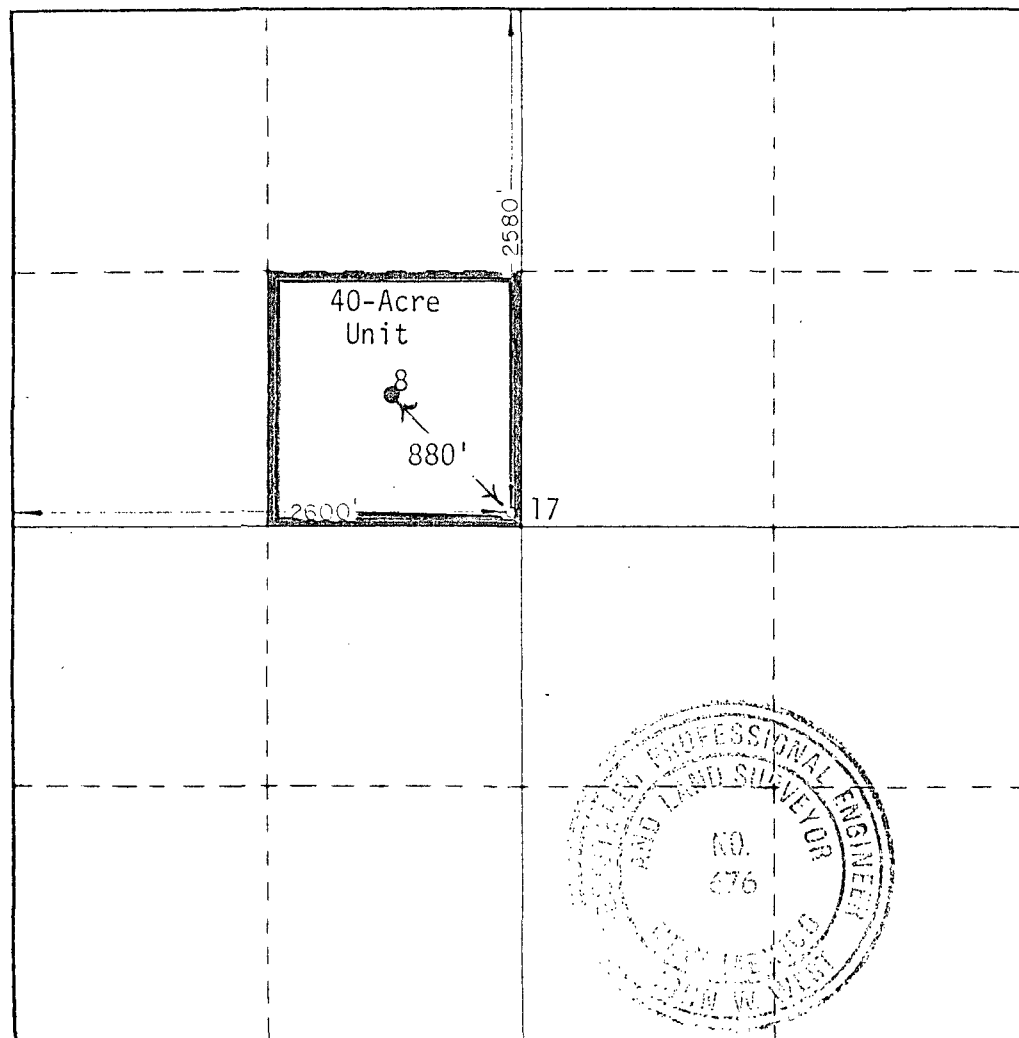
Operator WOOD, McSHANE & THAMS			Lease SOUTH LEONARD UNIT		Well No. 17
Unit Letter F	Section 24	Township 26 SOUTH	Range 37 EAST	County LEA	
Actual Footage Location of Well: 2580 feet from the NORTH line and 2600 feet from the WEST line					
Ground Level Elev. 2989.2	Producing Formation Queen Sand		Pool Leonard Queen, South		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.

K. D. Myrick

Name

K. D. Myrick

Position

Petroleum Engineer

Company

Wood, McShane & Thams

Date

10-29-84

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

OCTOBER 20, 1984

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

NO. OF COPIES RECEIVED	
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LAND OFFICE	
TRANSPORTER	OIL
	GAS
OPERATOR	
PRODUCTION OFFICE	

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator Wood, McShane & Thams	
Address P. O. Box 968, Monahans, Texas 79756	
Reason(s) for filing (Check proper box)	Other (Please explain)
☒ New Well ☐ Recompletion ☐ Change in Ownership	Change in Transporter of: ☐ Oil ☐ Dry Gas ☐ Casinghead Gas ☐ Condensate

If change of ownership give name
and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE

Lease Name South Leonard Unit	Well No. 17	Pool Name, Including Formation Leonard Queen South	Kind of Lease State, Federal or Fee	Lease No. NMJ-538
Location				
Unit Letter <u>F</u> : <u>2600</u> Feet From The <u>West</u> Line and <u>2580</u> Feet From The <u>North</u>				
Line of Section <u>24</u> Township <u>26-S</u> Range <u>37-E</u> , NMPM, <u>Lea</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☒ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)
Texas New Mexico Pipeline Company	Box 2528, Hobbs, New Mexico 88240
Name of Authorized Transporter of Casinghead Gas ☒ or Dry Gas ☐	Address (Give address to which approved copy of this form is to be sent)
El Paso Natural Gas Company	Box 1492, El Paso, Texas 79999
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When
	K 24 26 37 Yes 2-3-63

If this production is commingled with that from any other lease or pool, give commingling order number: _____

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Earl H. Michie
(Signature)
Petroleum Engineer
(Title)
1-9-85
(Date)

OIL CONSERVATION DIVISION

APPROVED _____, 19 _____
BY _____
TITLE _____

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiply completed wells.

IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well X	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
Date Spudded 12-4-84	Date Compl. Ready to Prod. 12-21-84		Total Depth 3498'			P.B.T.D.			
Elevations (DF, RKB, RT, CR, etc.) 2989.2 (GL)	Name of Producing Formation Queen		Top Oil/Gas Pay 3375' (GL)			Tubing Depth 3339' (GL)			
Perforations 3378' - 3456' (13 Holes)						Depth Casing Shoe 3487' (GL)			
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET			SACKS CEMENT			
12 1/4	8 5/8" csg.		1242' (GL)			750 sacks			
7 7/8	5 1/2" csg.		3487' (GL)			600 sacks			
	2 3/8" tbg.		3339' (GL)						

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks 12-28-84	Date of Test 1-4-85	Producing Method (Flow, pump, gas lift, etc.) Pump	
Length of Test 24 hours	Tubing Pressure 40 psi	Casing Pressure 40 psi	Choke Size None
Actual Prod. During Test 66	Oil - Bbls. 66	Water - Bbls. 126	Gas - MCF 38

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

OIL CONSERVATION DIVISION

P. O. BOX 2058
SANTA FE, NEW MEXICO 87501

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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.	
NMJ - 538	

1a. TYPE OF WELL

OIL WELL ☒	GAS WELL ☐	DRY ☐	OTHER ☐
b. TYPE OF COMPLETION			
NEW WELL ☒	WORK OVER ☐	DEEPEN ☐	PLUG BACK ☐
		DIFF. RESVR. ☐	OTHER ☐

2. Name of Operator

Wood, McShane & Thams

3. Address of Operator

P. O. Box 968, Monahans, Texas 79756

4. Location of Well

UNIT LETTER F LOCATED 2600 FEET FROM THE West LINE AND 2580 FEET FROM

THE North LINE OF SEC. 24 TWP. 26-S RGE. 37-E NMPM

7. Unit Agreement Name

South Leonard Unit

8. Farm or Lease Name

South Leonard Unit

9. Well No.

17

10. Field and Pool, or Wildcat

Leonard Queen, South

12. County

Lea

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Casinghead
12-4-84	12-10-84	12-21-84	2989 (GL)	2990' (GL)

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
3498' (GL)	3493' (GL)	N.A.		A11	

24. Producing Interval(s), of this completion - Top, Bottom, Name

3378' - 3456' (13 - 15/32" Holes)

25. Was Directional Survey Made

Yes

26. Type Electric and Other Logs Run

Gamma Ray - Compensated Neutron

27. Was Well Cored

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24	1242' (GL)	12 1/4"	750 Sx.	None
				Circ. 125 Sx.	
5 1/2"	15.5	3487' (GL)	7 7/8"	600 Sx.	None
				Circ. 54 Sx.	

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
None						

31. Perforation Record (Interval, size and number)

3378' - 3456' (13 - 15/32" Holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3378' - 3456'	Acidized w/1000 gals 15% HCl
	Fraced down 5 1/2" Csg. w/32,000 gals gelled 2% K Cl water.

33. PRODUCTION

Date First Production	Production Method (Flowing gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
12-28-84	2" X 1 1/2" X 16"				Producing	
Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.
1-4-85	24	None		66	38	126
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)
40	40		66	38	126	40.6

34. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

Test Witnessed By

35. List of Attachments

Form C-104, C-105, Deviation Survey, 2 Copies GR-Compensated Neutron Survey

6. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

TITLE

Petroleum Engineer

DATE

1-11-85

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths, in the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 2633'	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 2925'	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 3368'	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qizte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from Queen 3378' to 3456'	No. 4, from _____ to _____
No. 2, from _____ to _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, from _____ to _____

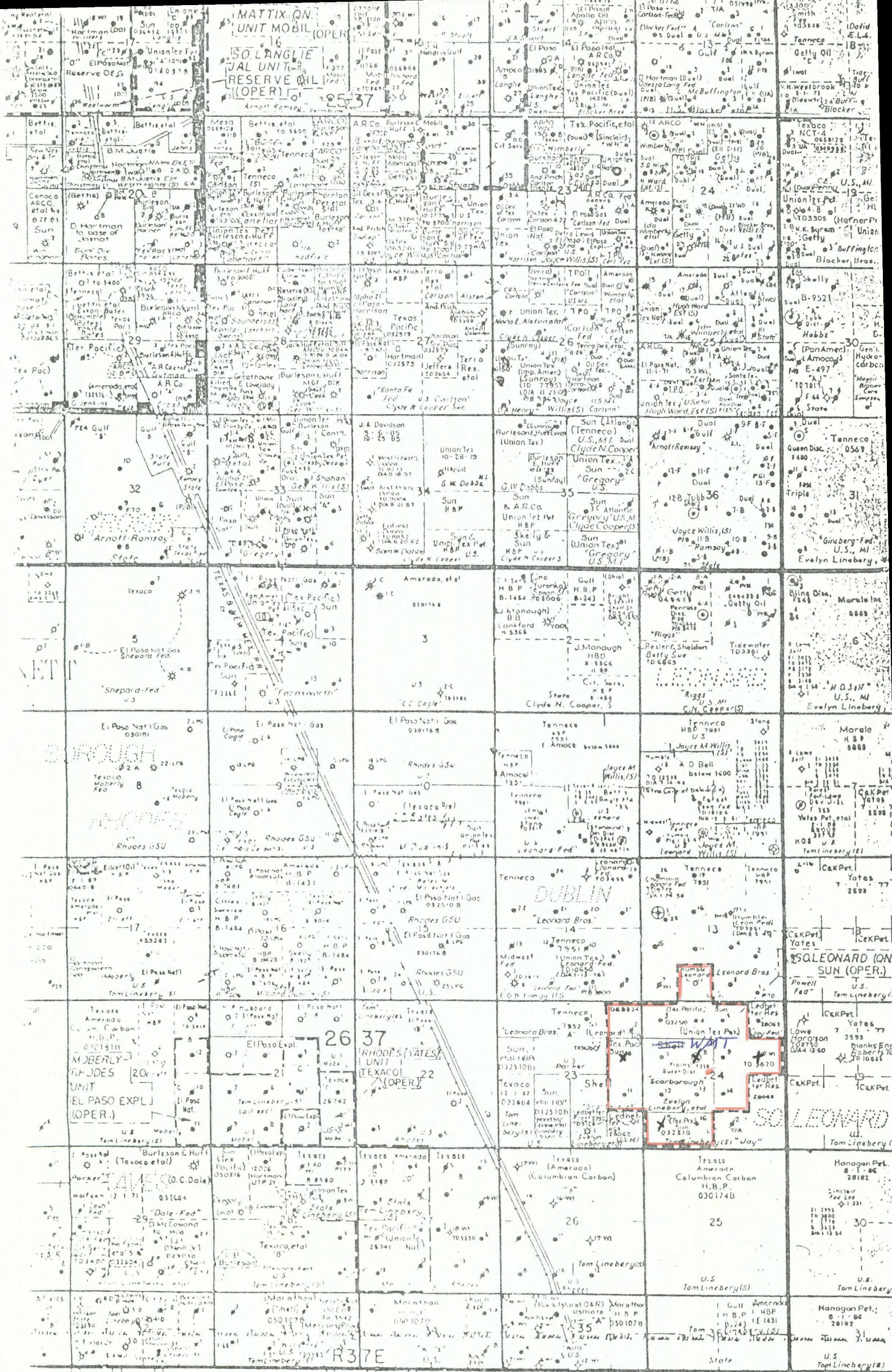
IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet
No. 2, from _____ to _____ feet
No. 3, from _____ to _____ feet
No. 4, from _____ to _____ feet

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	612	612	Surface rock & sand				
612	1253	641	Anhydrite & Red Bed				
1253	1498	245	Salt & Anhydrite				
1498	2095	597	Anhydrite & Salt Streaks				
2095	2948	853	Anhydrite & Salt				
2948	3370	422	Lime				
3370	3498	128	Anhydrite, Shale & Sand				



TEXAS

LEGEND

- Wildcat below 5000' or Discovery
- Location
- ◐ Abandoned Location
- ◑ Completed - Producing Oil
- ◒ Completed - Producing Gas
- ✦ Dry & Abandoned
- ✧ Start Leasing Fee

Southeast LEA CO.

SCALE: 1 IN = 10 MI

Ownership

