



Southland Royalty Company

December 23, 1985

*NSC- 2219
RULE-104(FI)*

Mr. David Catanach
Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

*Turkey Track & Morrow Pool
320 Acres
N12 Section 13*

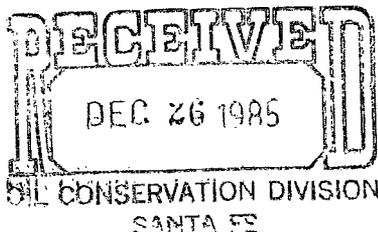
RE: Unorthodox Well Location
East Millman "13" Fed Com #1
Turkey Track (Morrow) Field
1069' FNL & 2439' FEL
Sec. 13, T-19-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Southland Royalty Company respectfully requests Administrative Approval of an unorthodox well location, due to existing surface obstructions. The captioned well has been drilled and completed on Federal Lease LC-069107. As depicted by the attached plat, the location is 201' from the north-south section division line and 251' from the northern quarter-quarter section dividing line. The subject well was drilled to a total depth of 11,300 feet on a north half of Section 13 proration unit. The well was spudded on November 8, 1984 and completed on January 12, 1985.

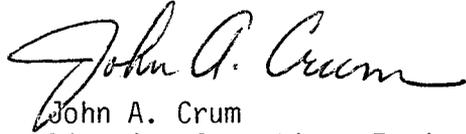
Southland Royalty Company originally planned to drill the subject well at a surface location of 660' FNL & 1980' FEL of Section 13, but this location would have placed the drilling rig over an existing pipeline. In addition to the pipeline, an electrical power line, oil flowline and shallow waterflood wells were present which would not allow sufficient room for the drilling rig. The final location, 1069' FNL and 2439' FEL, was the only location which would allow clearance for a drilling rig.

Attached is a federal Well Completion Report and a plat indicating the immediate offset operators to the subject 320-acre proration unit. We will contact each operator by certified mail and ask them to forward a copy of their waiver to your attention. Also attached is a copy of the letter we are sending to each operator.



This well is already connected to the pipeline and ready to begin sales. With the peak winter market upon us, any assistance in expediting this request would be greatly appreciated. Please contact Darrell Roberts or myself at 915-686-5600 if any further information is necessary for your consideration of our request.

Yours very truly,



John A. Crum
District Operations Engineer

DDR/cn

Attachments

*Consulted with Mike Stegner
Have given them verbal
to produce the well until
NPL is approved.*

*12-27-85
Offset operators are being
verbally contacted now and
decided to coil me.
Told Leo, okay
12-30-85*

Confidential

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

OPERATOR'S COPY

(See other instructions on reverse side)

Form approved
Budget Bureau No. 42-R355.5.

5. LEASE DESIGNATION AND SERIAL NO.

LC-069107

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

UNIT AGREEMENT NAME

FARM OR LEASE NAME

East Millman "13" Fed Com.

WELL NO.

10. FIELD AND POOL, OR WILDCAT

Turkey Track (Morrow)

11. SEC. T. R., M., OR BLOCK AND SURVEY OR AREA

Sec. 13, T-19-S, R-28-E

12. COUNTY OR PARISH

Eddy

13. STATE

N.M.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other

2. NAME OF OPERATOR

Southland Royalty Company

3. ADDRESS OF OPERATOR

21 Desta Drive, Midland, Texas 79705

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1069' FNL & 2439' FEL, Sec. 13, T-19-S, R-28-E

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

Eddy

13. STATE

N.M.

15. DATE SPUDDED

11-8-84

16. DATE T.D. REACHED

12-6-84

17. DATE COMPL. (Ready to prod.)

1-12-85

18. ELEVATIONS (DF, R&B, BT, GR, ETC.)*

3374.5' GR

19. ELEV. CASINGHEAD

-

20. TOTAL DEPTH, MD & TVD

11,300'

21. PLUG. BACK T.D., MD & TVD

10,958'

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

→

ROTARY TOOLS

XX

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

11,120-11,180' (Morrow)

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR/CNL, CNL/FDC/GR/CAL/BH Volume, DLL/RXO/GR

27. WAS WELL CORED

No

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48#	350'	17 1/2"	100 sx Thickset & 350 sx	CT "C"
8 5/8"	24#	2718'	12 1/4"	1450 Lite & 250 sx CT "C"	Circ.
5 1/2"	17#	11,300'	7 7/8"	1000 sx CT "H"	ROC @ 7650'

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	11,009'	11,004'

31. PERFORATION RECORD (Interval, size and number)

11,120-34' (14 holes)
11,142-56' (14 holes)
11,174-80' (6 holes) Morrow

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	None

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)				
1-12-85	Flowing	Shut in				
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	WATER—BBL.	GAS-OIL RATIO
1-24-85	1	10/64"	→	2	179.9	0
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF	WATER—BBL.	OIL GRAVITY-API (CORR.)
2400	-	→	2	43	11	52

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

~~Sold~~ VENTED

TEST WITNESSED BY

Ed Jackson

35. LIST OF ATTACHMENTS

C-104, C-122, Temperature Survey, Inclination Survey, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Daniel Roberts

TITLE

Operations Engineer

DATE

2/5/85

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. **Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)



FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP VERT. DEPTH
Canyon	9825'	9860'	37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES DST #1 9825-9860'. Hydro in 4519. 15 min IF 168-218, Fair blow. 1 hr ISI 3299, 1 hr FF 268-256, Fair blow, 4 hr FSI 4318. Hydro out 4531. Drl pipe rec 300'. Slightly gas & oil cut drlg fluid. Sampler press 155#, 0.175 cu ft gas, 22 cc condensate, 740 cc drlg fluid. BHT 1560'.	38.	GEOLOGIC MARKERS	

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.

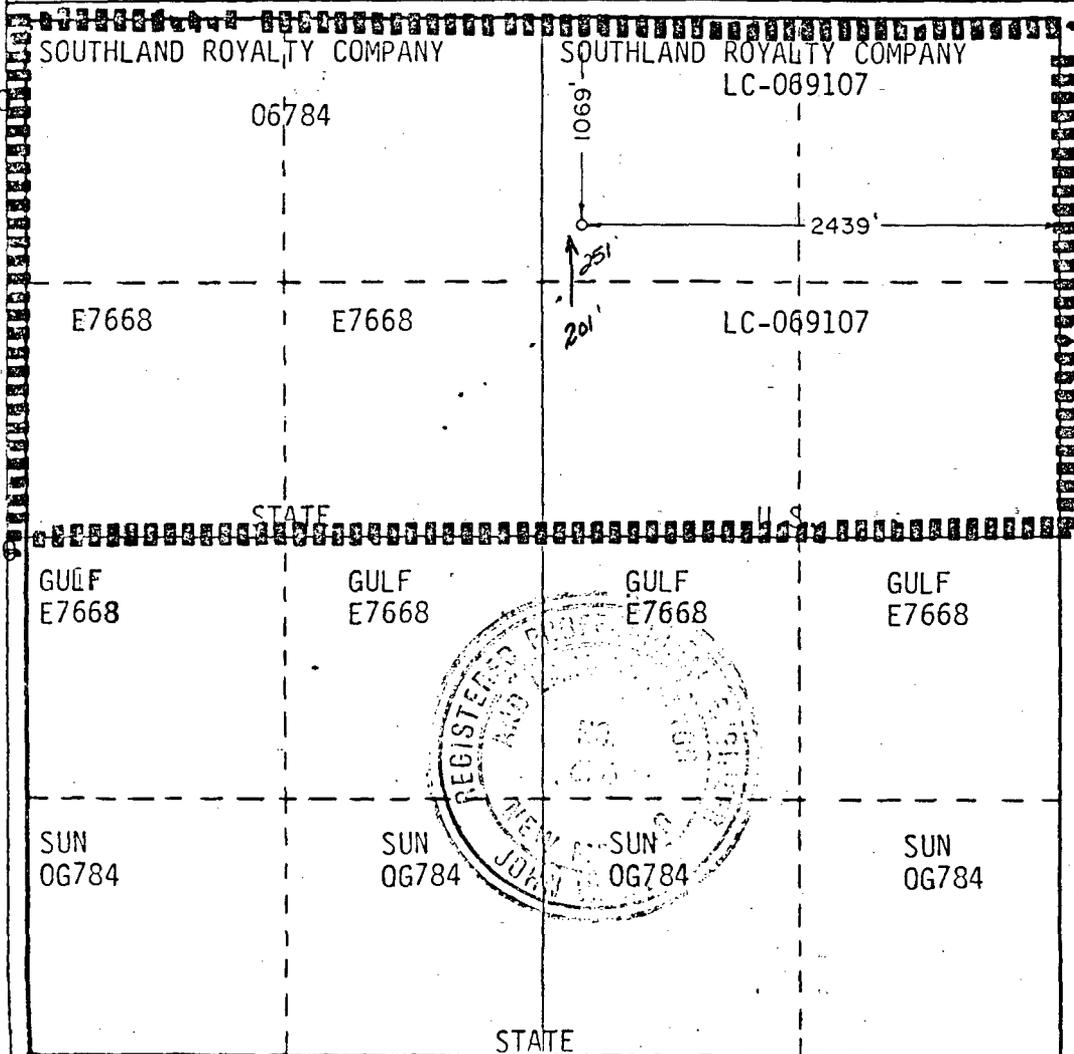
Operator Southland Royalty Company			Lease East Millman 13 Fed. Com.			Well No. 1		
Unit Letter B	Section 13	Township 19 South	Range 28 East	County Eddy				
Actual Footage Location of Well: 1069 feet from the north line and 2439 feet from the east line								
Ground Level Elev. 3374.5'	Producing Formation Morrow			Pool Turkey Track		Dedicated Acreage: 320 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 Communitized

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. MARALO, INC. SUN YATES PETR.



CERTIFICATION

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

Darrell Roberts

Name
Darrell Roberts

Position
MITHHELL ENERGY
Operations Engineer

Company
Southland Royalty Company

Date
10/2/84

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
September 20, 1984

Registered Professional Engineer
and/or Land Surveyor

John W. West

December 23, 1985



Southland Royalty Company

Certified Mail

Return Receipt Requested

OFFSET OPERATORS

Gentlemen:

This is to inform you, pursuant to the requirements of Section F, Rule 104, Rules and Regulations of the New Mexico Oil Conservation Division, that Southland Royalty Company is filing an application with the Division for Administrative Approval of an unorthodox location, due to existing surface obstructions. The subject well is the East Millman "13" Fed Com #1 which was drilled and completed on January 12, 1985 at a total depth of 11,300'. The well was drilled at a location of 1069 feet from the north line and 2439 feet from the east line of Section 13, T-19-S, R-28-E. Eddy County, New Mexico.

A copy of the application is enclosed for your information.

We would appreciate your waiving objection to the unorthodox location and so indicating by signing one copy of this letter and mailing it to:

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

Attention: David Catanach

We appreciate your consideration in handling this matter.

Yours very truly,

John A. Crum
District Operations Engineer

DDR/cn

No Objection Offered: ~

By: _____

Date: _____

OFFSET OPERATORS LIST

Sun Exploration & Production Co.
Box 1861
Midland, Texas 79702-9970

Yates Petroleum Corporation
207 S. 4th
Artesia, New Mexico 88210

Mitchell Energy Corporation
1000 Briercroft Savings Ctr.
200 N. Loraine
Midland, Texas 79701

DEPCO, Inc.
800 Central
Odessa, Texas 79761

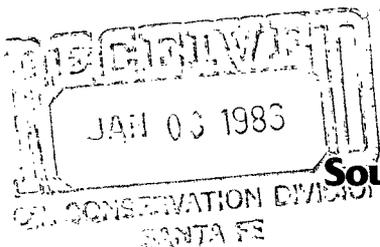
Maralo, Inc.
Box 832
Midland Tower Bldg.
Midland, Texas 79702

Chevron U.S.A. Inc.
Box 1150
Midland, Texas 79702

Waiver No. 0056

File
E. Millman "13" #1

December 23, 1985



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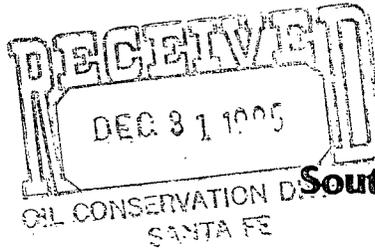
DDR/cn

No Objection Offered:

By: J. F. Jewell
Sun E & P Co.

Date: 12/27/85

December 23, 1985



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District Operations Engineer

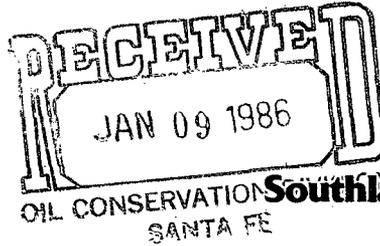
DDR/cn

No Objection Offered:

By: DEPCO, INC.
800 Central Odessa, Texas 79761

Leon Standard
Date: 12-27-85

December 23, 1985



Southland Royalty Company
OIL CONSERVATION DIVISION
SANTA FE

Certified Mail

Return Receipt Requested

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John A. Crum
District Operations Engineer

DDR/cn

No Objection Offered:

By: MARALO, INC.

R. A. Lowery

Date: December 31, 1985

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