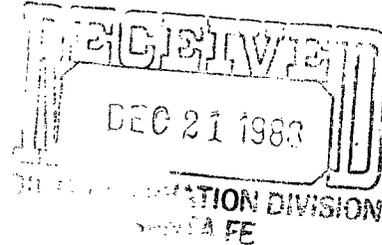


CHARLES B. READ  
PRESIDENT

*Read & Stevens, Inc.*

*Oil Producers  
P. O. Box 1518  
Roswell, New Mexico 88202*

12-19-88



New Mexico Oil Conservation Commission  
Attn: Mike Stogner  
P.O. Box 2088  
Santa Fe, NM 87501

SUBJECT: Unorthodox Location  
Laurie D Federal #1  
660' FNL 990' FEL  
Sec 15-20S-34E  
Eddy Co., New Mexico

Gentlemen:

The subject well was originally completed at a previously approved unorthodox Morrow location. Immediately following the Morrow completion, a decision was made to test the Bone Springs interval and subsequently dually complete this well.

The initial potential on the Bone Springs was 36 BOPD with the casinghead gas being used for fuel. Current production from the Bone Springs in the subject well is 5 BOPD with cumulative production being 5,081 BO.

Recently, it has come to our attention that based on the prevailing field rules for the Lea Bone Springs pool, our Bone Springs completion is unorthodox by 180'. Read & Stevens, hereby makes application for administrative approval of our unorthodox Bone Springs location on the subject well.

All offset operators have been notified by certified mail of this application for an unorthodox location. Their ownership and addresses are as follows:

<u>Ownership</u>	<u>Address</u>
SE/4 Section 10	Read & Stevens, Inc. P.O. Box 1518 Roswell, NM 88202
SW/4 Section 10	Estoril Production Co. 400 W. Illinois, Suite 1600 Midland, TX 79701
NW/4 Section 15	Read & Stevens, Inc.
N2/SW&SE/SW Section 15	Read & Stevens, Inc.
N/2 Section 22	Sun Exploration Co. P.O. Box 1861 Midland, TX 79702-9970

<u>Ownership</u>	<u>Address</u>
N2/NW Section 23	Meridian Oil Co. 21 Desta Dr Midland, TX 79705
SW/4 Section 14	Meridian Oil Co.
NW/4 Section 14	Kaneb Production Co. 400 Wilco Bldg Midland, TX 79701
SW/4 Section 11	National Cooperative Refining Assoc. 2215 Wilco Bldg. Midland, TX 79701

If I can be of further assistance, please advise.

Sincerely,

  
John C. Maxey  
Petroleum Engineer

JCM/sc

## LEA-BONE SPRINGS POOL

Lea County, New Mexico

Order No. R-1827, Creating and Adopting Temporary Rules for the Lea-Bone Springs Pool, Lea County, New Mexico, January 1, 1961.

Order No. R-1827-A makes permanent the temporary rules adopted in Order No. R-1800, and set out below.

Application of The Ohio Oil Company for an Order creating and establishing temporary special rules and regulations for the Lea-Bone Springs Pool, Lea County, New Mexico, to provide for 80-acre proration units.

CASE NO. 2119  
Order No. R-1827

## ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 16, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 8th day of December, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

## FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That on the basis of a discovery well drilled in the NW/4 SW/4 of Section 12, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, to a depth of approximately 9665 feet the applicant, The Ohio Oil Company, seeks an order creating a new oil pool for Bone Springs production to be known as the Lea-Bone Springs Pool and to comprise the SW/4 of said Section 12.

(3) That the applicant further seeks the promulgation of temporary special rules and regulations for the Lea-Bone Springs Pool to provide for 80-acre proration units.

(4) That the evidence presented indicates that at least for the present it may be uneconomical to drill wells on 40-acre proration units in this subject pool, and to remain on such a spacing pattern might impose further development in said pool.

(5) That the evidence presented concerning the reservoir characteristics of the Lea-Bone Springs Pool justifies the establishment of 80-acre proration units in said pool for a temporary one-year period.

(6) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool, including core data and interference tests.

(7) That this case should be heard again by the Commission at the regular monthly hearing in December, 1961, at which time the applicant should be prepared to prove by a preponderance of the evidence the proration unit size on which the subject pool can be most efficiently drained and developed.

## IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production be and the same is hereby created and designated as the Lea-Bone Springs Pool consisting of the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
Section 12: SW/4

(2) That temporary special rules and regulations for the

Lea-Bone Springs Pool in Lea County, New Mexico, be and the same are hereby promulgated as follows, effective January 1, 1961.

## SPECIAL RULES AND REGULATIONS FOR THE LEA-BONE SPRINGS POOL

RULE 1. Each well completed or recompleted in the Lea-Bone Springs Pool or in the Bone Springs formation within one mile of said pool, and not nearer to nor within the limits of another designated Bone Springs Pool, shall be spaced, drilled, operated and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Lea-Bone Springs Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2 or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. (As Amended by Order No. R-1827-A, December 21, 1961.) The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of any quarter-quarter section on which the well is located. Any well which was completed in the Lea-Bone Springs Pool or which was drilling to the Bone Springs formation within one mile of said pool prior to January 1, 1961, is granted an exception to the well location requirements of this rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered mail, and the application shall state that such notice has been furnished. The Secretary-Director of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Lea-Bone Springs Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Lea-Bone Springs Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

## IT IS FURTHER ORDERED:

That operators who propose to dedicate 80 acres to a well in the Lea-Bone Springs Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by December 16, 1960, in order that the well may be assigned an 80-acre allowable on the January proration schedule.

## IT IS FURTHER ORDERED:

That this case be reopened at the regular monthly hearing of the Commission in December, 1961, at which time operators in the subject pool shall appear and show cause why the Lea-Bone Springs Pool should not be developed on 40-acre proration units.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

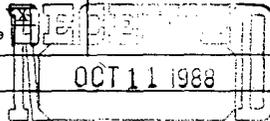


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NEW MEXICO CONSERVATION COMMISSION  
 REQUEST FOR ALLOWABLE  
 AND  
 AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104  
 Supersedes Old C-104 and C-11  
 Effective 1-1-65

Operator Read & Stevens, Inc.  
 Address P.O. Box 1518, Roswell, NM 88201  
 Reason(s) for filing (Check proper box)  Other (Please explain) \_\_\_\_\_  
 New Well  Change in Transporter Of:  
 Recompletion  Oil  Dry Gas  
 Change in Ownership  Casinghead Gas  Condensate



If change of ownership give name and address of previous owner \_\_\_\_\_

I. DESCRIPTION OF WELL AND LEASE  
 Lease Name Laurie "D" Federal Well No. 1 Pool Name, including Formation Laguna Valley Morrow Kind of Lease SANTA FE Lease No. NM-06570  
 Location Unit Letter A; 660 Feet From The North Line and 990 Feet From The East  
 Line Of Section 15 Township 20S Range 34E NMPM, Lea County

II. DESCRIPTION OF TRANSPORTER OF OIL AND NATURAL GAS  
 Name of Authorized Transporter of Oil  or Condensate   
Texaco Trading & Transportation, Inc. Address (Give address to which approved copy of this is to be sent)  
P.O. Box 6196, Midland, TX 88240  
 Name of Authorized Transporter of Casinghead Gas  Dry Gas   
Phillips 66 Natural Gas Co. Address (Give address to which approved copy of this is to be sent)  
Bartlesville, OK 74004  
 If well produces oil or liquids, give location of tanks Unit A Sec. 15 Twp. 20S Rge. 34E Is gas actually connected?  When 9-16-88  
 If this production is commingled with that from any other lease or pool, give commingling order number: \_\_\_\_\_

III. COMPLETION DATA  
 Designate Type of Completion-(X) Oil Well  Gas Well  New Well  Workover  Deepen  Plug Back  Same Res'v  Diff. Res   
 Date Spudded \_\_\_\_\_ Date Compl. Ready to Prod \_\_\_\_\_ Total Depth \_\_\_\_\_ P.B.T.D. \_\_\_\_\_  
 Elevations (DF, RKB, RT, GR, etc) \_\_\_\_\_ Name of Prod. Formation \_\_\_\_\_ Top Oil/Gas Pay \_\_\_\_\_ Tubing Depth \_\_\_\_\_  
 Perforations \_\_\_\_\_ Depth Casing Shoe \_\_\_\_\_

TUBING, CASING, AND CEMENTING RECORD			
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

IV. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load and must be equal to or exceed top allowable for this depth or be for full 24 hours)  
 Date First New Oil Run To \_\_\_\_\_ Date of Test \_\_\_\_\_ Producing Method (Flow, pump, gas lift, etc.) \_\_\_\_\_  
 Tanks: \_\_\_\_\_  
 Length of Test \_\_\_\_\_ Tubing Pressure \_\_\_\_\_ Casing Pressure \_\_\_\_\_ Choke Size \_\_\_\_\_  
 Actual Prod. During Test \_\_\_\_\_ Oil-Bbls. \_\_\_\_\_ Water-Bbls. \_\_\_\_\_ Gas-MCF \_\_\_\_\_

GAS WELL  
 Actual Prod. Test-MCF/D \_\_\_\_\_ Length of Test \_\_\_\_\_ Bbls. Condensate/MMCF \_\_\_\_\_ Gravity of Condensate \_\_\_\_\_  
 Testing Method (plot, back pr) \_\_\_\_\_ Tubing Pressure (Shut-in) \_\_\_\_\_ Casing Pressure (Shut-in) \_\_\_\_\_ Choke Size \_\_\_\_\_

CERTIFICATE OF COMPLIANCE  
 I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.  
Sandra Cook  
 (Signature)  
 Production Clerk  
 (Title)  
 9-16-88  
 (Date)

OIL CONSERVATION COMMISSION  
 APPROVED OCT 10 1988  
 BY JAMES [Signature], 19\_\_\_\_  
 TITLE DISTRICT 1 SUPERVISOR  
 This form is to be filed in compliance with Rule 1104.  
 If this is a request for allowable for a newly drilled well this form must be accompanied by a tabulation of the deviated 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.

OIL CONSERVATION DIVISION

*Santa Fe Copy*

**Hobbs**  
P.O. Box 1980  
Hobbs, NM 88240

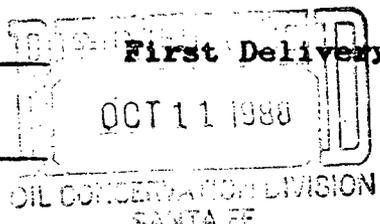
**Artesia**  
P.O. Drawer DD  
Artesia, NM 88210

**Aztec**  
1000 Rio Brazos  
Aztec, NM 87410

**NOTICE OF GAS WELL - CONNECTION / RECONNECTION / DISCONNECTION**

This is to notify the Oil Conservation Division of the following:

* <b>Connection</b>	<input checked="" type="checkbox"/> <u>XX</u>	<b>First Delivery</b>	<u>9/16/88</u>	<b>Date</b>	<b>Initial Potential</b>
<b>Reconnection</b>		<b>First Delivery</b>		<b>Date</b>	<b>Initial Potential</b>
<b>Disconnection</b>					



for delivery of gas from the Read & Stevens, Inc.  
**Operator**  
Laurie D Federal  
**Lease**  
82027      680      1      A      15/20/34  
**Meter Code**    **Site Code**      **Well No.**    **Unit Letter**      **S-T-R**  
Laguna Valley Morrow  
**Pool**

was made on 9/16/88  
**date**  
AOF

**Choke** Phillips 66 natural Gas Company  
**Transporter**

**OCD use only**  
 County Lea  
 Land Type Fed  
 Liq. Transporter III

J. M. Hastings      Production Records Supervisor  
**Representative Name/Title**  
 (Please type or print)  
J.M. Hastings  
**Representative Signature**

Submit in duplicate to the appropriate district office.

\* *reconnect due to change of transporter*