

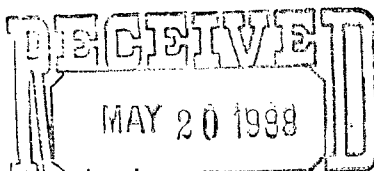
Release Date: June 8, 1988

SMK



Primary Fuels, Inc.

(A Subsidiary of Houston Industries Incorporated)



May 16, 1988

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87504-2088
Attn: Mr. David Catanack

156-2536
RUC-104F(1)
Wildcat Delaware Pool
40 Acredd
SW1/4 NE1/4
Sec. 19

RE: Unorthodox location
Primary Fuels, Inc - Amoco 19 Federal No. 3Y
1831' FNL & 2577' FEL, Section 19, T22S, R26E
Eddy County, New Mexico

Gentlemen:

Primary Fuels respectfully request that the referenced unorthodox location be approved administratively. The well will be a Delaware Sand oil completion requiring a forty acre proration unit. Primary Fuels holds all property offsetting the assigned acreage except the forty acres to the north. This property is held by Exxon. A copy of the certified letter notifying them of this application is enclosed.

Because of topographic considerations, the BLM required well No. 3 to be placed 1780' FNL and 2573' FEL, which is an unorthodox location. The 13-3/8" surface casing was set at 596' and cemented with 650 sacks without difficulty. After drilling out of the 13-3/8" casing, returns were lost and the hole was dry drilled with fresh water to 2190'.

Fifty joints of 8-5/8" 24 lb./ft casing were then run to 2190' and cemented with 525 sacks. While the cement was being pumped, the pressure increased to 1950 psig and 25 feet of casing were forced out of the hole. The top of the cement was determined by a bond log to be at 1430 feet. Holes were perforated in the casing from 1364' - 1366' and a cement retainer was set at 1340'. While cement was being pumped behind the 8-5/8" casing the pressure increased to 1400 psig then fell to 900 psig with circulation between the 4-1/2" drill pipe and the 8-5/8" casing. Attempts to pull the drill pipe out of the hole were unsuccessful.

Free point surveys indicated that the drill pipe was free down to 1124' and the 8-5/8" casing to 629'. The tubulars were recovered at those depths and side track operations were begun.

On March 22, 1988, side track operations were abandoned because of junk in the hole. Under the supervision of the Bureau of Land Management well No. 3 was plugged and abandoned and the rig was skidded 51 feet south and 4 feet west of the No. 3 location.

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May 16, 1988

Well No. 3Y has subsequently been drilled to 11,350' then plugged back to 2362' for completion in the Delaware Sand. Since the well will not infringe upon the correlative rights of any other oil operator or royalty owner in this formation it is requested that the unorthodox location be approved.

Attached for your information is a topographic map of the area, a lease ownership map, and a certified plat of the 3Y location. If any other information is required, please advise our District office in Midland, Texas.

Yours very truly,

A handwritten signature in dark ink, appearing to read "K.W. Harbin", written in a cursive style.

K.W. Harbin
Vice President

Attachments

JBS/slc



Primary Fuels, Inc.
(A Subsidiary of Houston Industries Incorporated)

May 16, 1988

Exxon Corporation
Southwest/Rocky Mountain Division
P. O. Box 1600
Midland, Texas 79702-1600
Attn: Bill Duncan, Regulatory affairs

Re: Unorthodox location
Primary Fuels, Inc. - Amoco 19 Federal No. 3Y
8131' FNL & 2577' FEL, Sec. 19, T22S, R26E
Eddy County, New Mexico

Gentlemen:

Primary Fuels is requesting administrative approval of the referenced unorthodox location. The well will be completed in the Delaware formation and the assigned acreage will be the SW/4 of the NE/4 of section 19.

Well no. 3, which was required to be placed at an unorthodox location by the Bureau of Land Management, was junked and abandoned on March 22, 1988. The rig was skidded 51 feet south and 4 feet west and the 3Y subsequently drilled.

At this location, well no. 3Y is too near the interior quarter section line. Primary Fuels holds the lease on the property immediately to the west and all other adjoining acreage except the 40 acres to the north. It is our understanding the Exxon has the lease on this property.

It is our belief that the referenced well will not infringe upon your correlative rights. It is, therefore, requested that Exxon execute the enclosed waiver. A self addressed stamped envelope is enclosed for your convenience in returning one copy to this office.

Yours very truly,

K. W. Harbin
Vice President

JBS/drp

Enclosure

May 13, 1988

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501
Attn: Director of Energy and Minerals Division

Re: Unorthodox location
Primary Fuels, Inc. - Amoco 19 Federal No. 3Y
1831' FNL & 2577' FEL, Sec. 19, T22S, R26E
Eddy County, New Mexico

Gentlemen:

Exxon has been advised that Primary Fuels, Inc. is requesting administrative approval of the referenced unorthodox location. This is to advise that Exxon has no objections to approval of the application.

Yours very truly,

Exxon Corporation

By: _____

Date: _____

JBS/drp

**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.

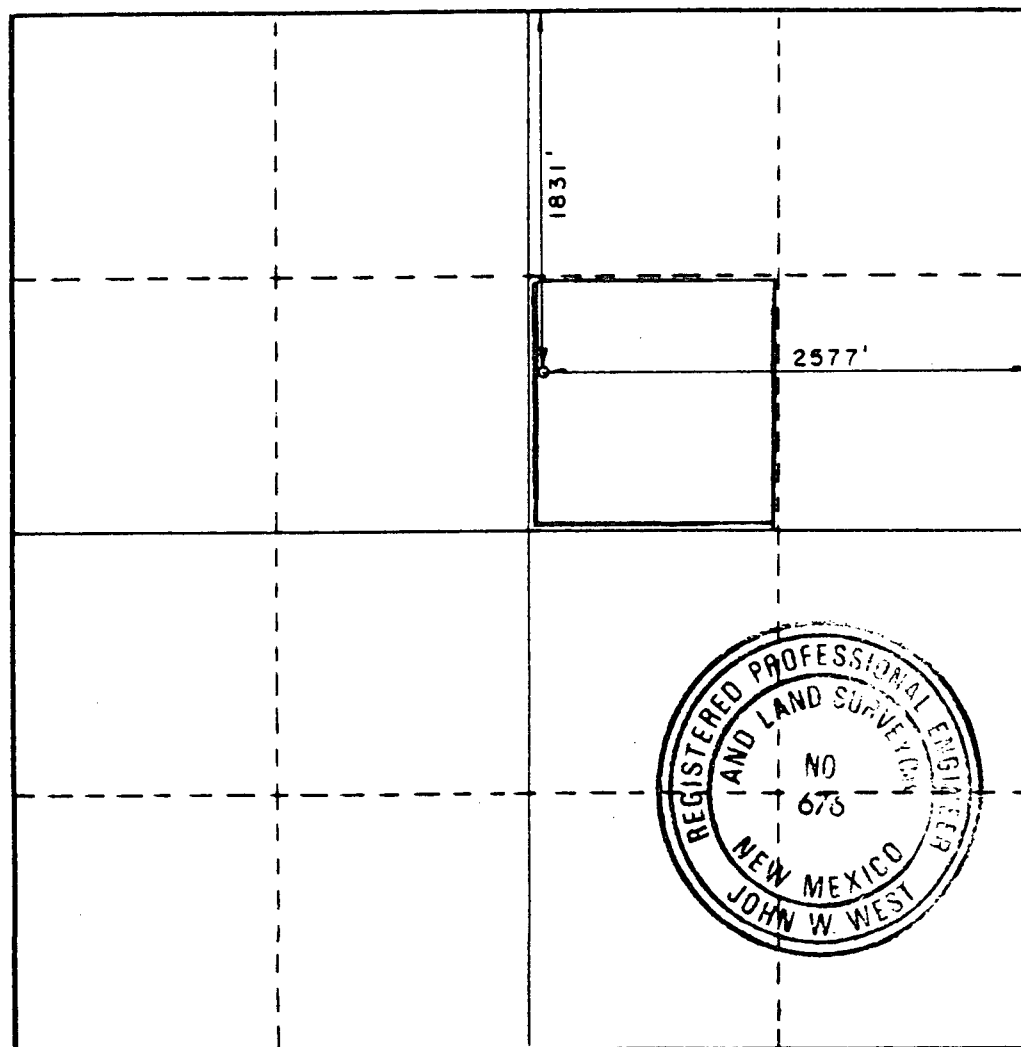
Operator Primary Fuels, Inc.			Lease PFI Amoco 19 Federal		Well No. 3Y
Unit Letter G	Section 19	Township 22 South	Range 26 East	County Eddy	
Actual Footage Location of Well: 1831 feet from the North line and 2577 feet from the East line					
Ground Level Elev. 3385.3	Producing Formation		Pool	Dedicated Acreage: <div style="text-align: right;">Acres</div>	

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

Name _____

Position _____

Company _____

Date _____

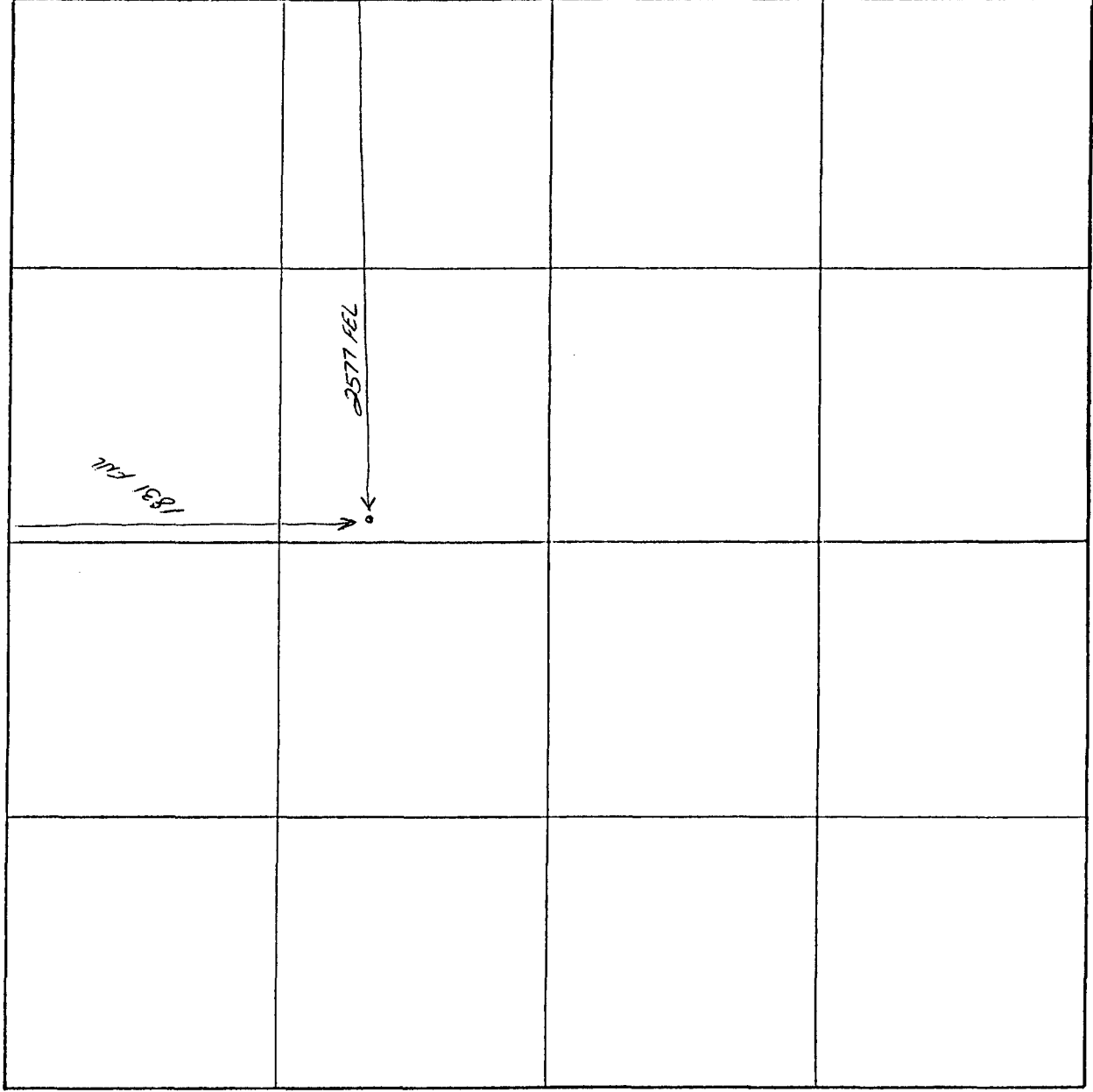
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

March 21, 1988

Registered Professional Engineer
and/or Land Surveyor

Certificate No. **JOHN W. WEST,** 676
RONALD J. EIDSON, 3239



SECTION _____ TOWNSHIP _____ RANGE _____