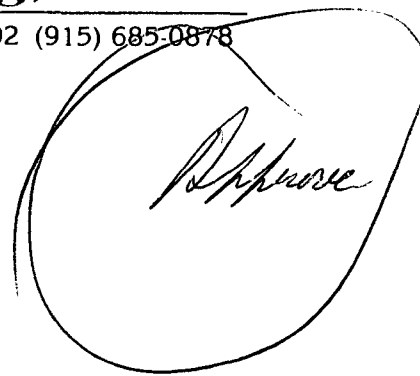


Sirgo Operating, Inc.

P. O. Box 3531, Midland, Texas 79702 (915) 685-0878

'90 MAR 26 AM 9 52



March 19, 1990

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Unorthodox Locations
West Pearl Queen Unit
T19S, R34E, S35
Lea County, New Mexico

Gentlemen:

This letter shall serve as our request to have the following unorthodox locations approved by your office.

#180: 2630' FSL 2630' FWL, Sec. 28

#192: 1330' FSL 1330' FEL, Sec. 28

#193: 10' FSL 2640' FWL, Sec. 28

#194: 10' FSL 10' FEL, Sec. 29 (P)

On the attached plat, you will note our locations lie within the unit boundaries of the West Pearl Queen Unit. We offset ourselves on these locations. We are requesting approval of these locations because they will allow us to establish a more efficient waterflood pattern within the unit.

Should you have any questions, please call.

Sincerely,

Bonnie Atwater

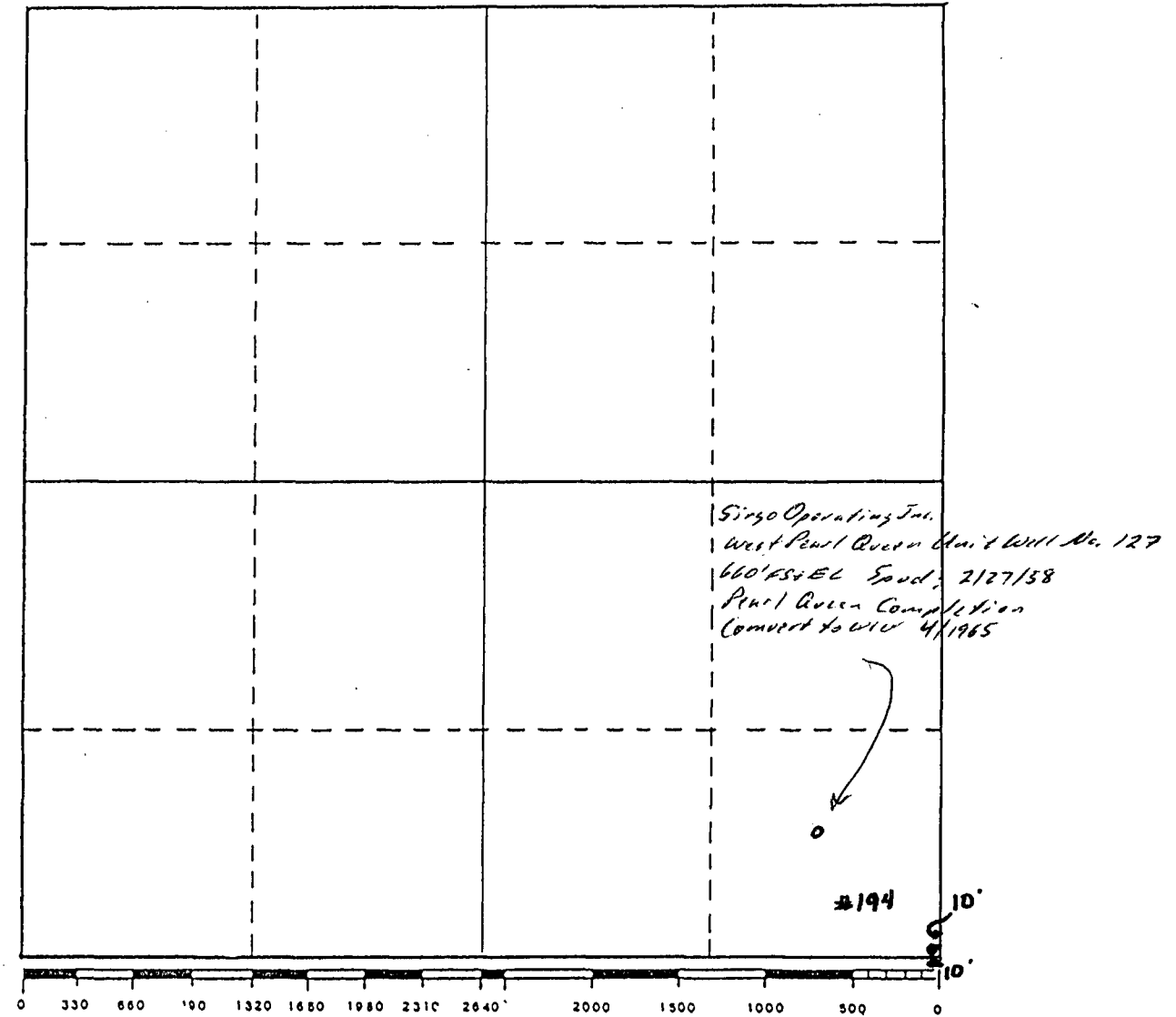
Bonnie Atwater
Production Technician

/ba

attachments

cc: NMOCD - Hobbs

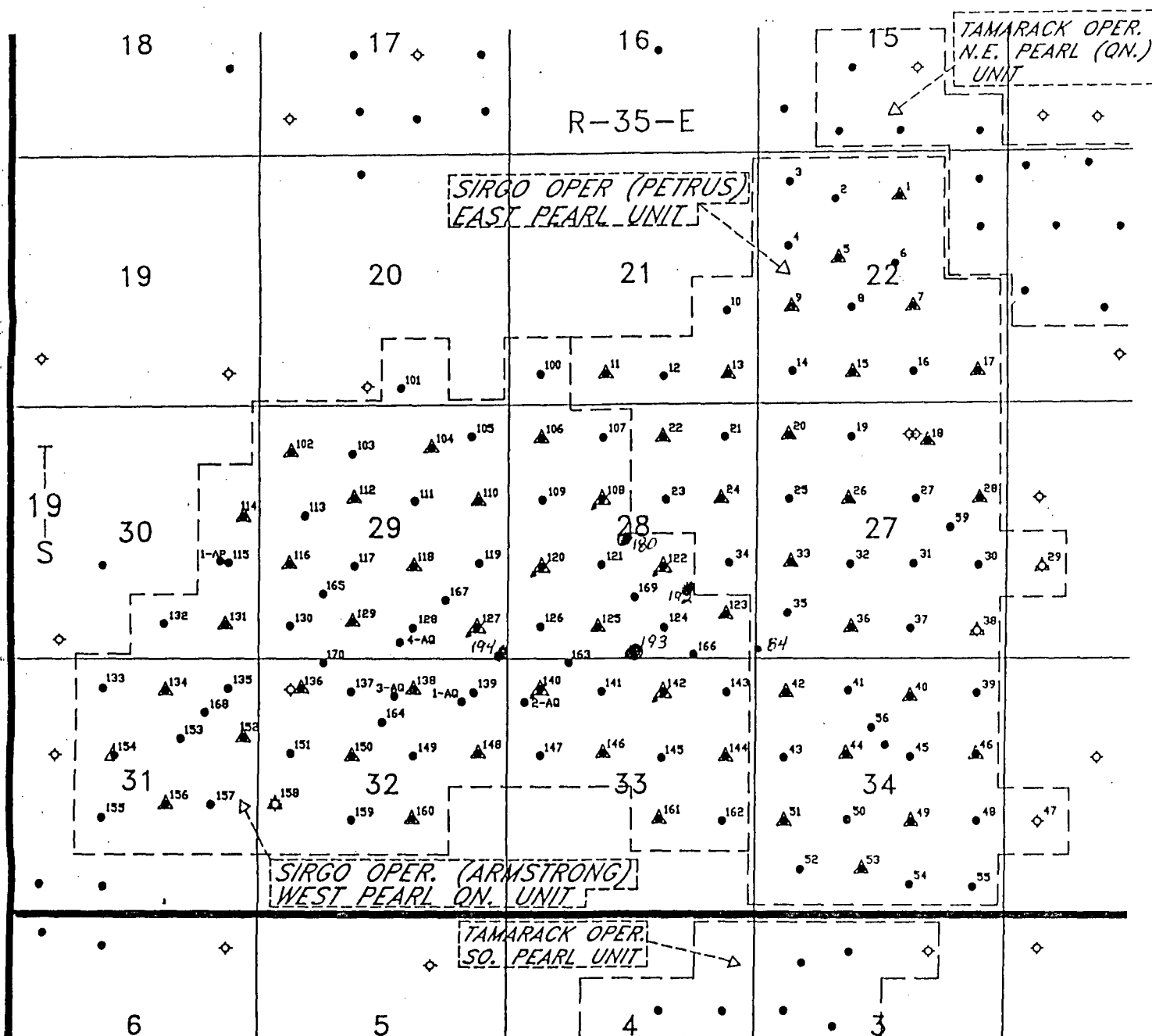
WEST PEARL QUEEN UNIT



WPQU #194

LOCATION: 10' FSL 10' FEL, (Sec. 29, T19S, R35E)
Lea County, New Mexico

*Stump
640 acre Section*



LEGEND:

- PRODUCER
- ◐ ABANDONED PRODUCER
- ▲ WATER INJECTION WELL
- ▲ ACTIVE INJECTOR
- ▲ ABANDONED INJECTOR
- ▲ FORMER INJECTOR - RETURNED TO PRODUCER

BASE MAP

SIRGO OPERATING, INC.
WEST PEARL QUEEN UNIT
EAST PEARL QUEEN UNIT
PEARL QUEEN FIELD

LEA COUNTY, NEW MEXICO

Map Scale
0 1000' 2000'

Date: 8-14-89

T. Scott Newman & Associates, Inc.

OIL CONSERVATION DIVISION

RECEIVED

Sirgo Operating, Inc.

P. O. Box 3531, Midland, Texas 79702 (915) 685-0878

'90 APR 4 AM 8 51

April 2, 1990

Mr. Michael E. Stogner
NMOCD
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Administrative Order NSL-2774
West Pearl Queen Unit #194
Lea County, New Mexico

Michael:

The above referenced well had to be moved because of a fenceline.
At the request of the landowner we moved the location of the well.
Is is now staked at:

100' FSL 92' FEL, Sec. 29, T19S, R38E

35

We respectfully request an amendment to the above stated order
showing the new location.

If more information is needed please call at 915/685-0878.

Sincerely,

Bonnie Atwater

Bonnie Atwater
Production Technician

/ba



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

April 10, 1990

Sirgo Operating Inc.
P.O. Box 3531
Midland, TX 79702

Attention: Bonnie Atwater, Production Technician

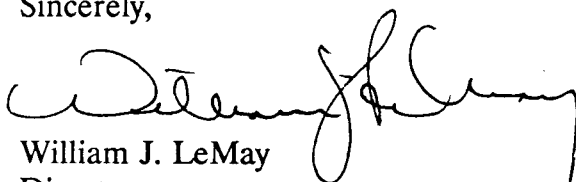
Amended Administrative Order NSL-2774

Dear Ms. Atwater:

Reference is made to your request dated April 2, 1990 to amend the location of your proposed West Pearl Queen Unit Well No. 194 which was previously authorized by Division Administrative Order NSL-2774, dated March 28, 1990. It is our understanding that this amendment is necessitated due to surface conditions. At this time, the applicant has made a proper filing pursuant to Division General Rule 104.F.III and IV, and Division Order No. R-2729. Therefore, said Order NSL-2774 shall be amended to reflect an unorthodox location 100 feet from the South line and 92 feet from the East line (Unit P) of Section 29, Township 19 South, Range 35 East, NMPM, Pearl Queen Waterflood Project Area, Lea County, New Mexico.

All other provisions of said Order NSL-2774 shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3065
Order No. R-2728

APPLICATION OF GULF OIL CORPORATION
FOR APPROVAL OF THE WEST PEARL QUEEN
UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 10, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 the applicant, Gulf Oil Corporation, seeks approval of the West Pearl Queen Unit Agreement covering 2520 acres, more or less, of State, Fee, and Federal lands in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That approval of the proposed West Pearl Queen Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the West Pearl Queen Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the West Pearl Queen Unit Area, and such plan shall be known as the West Pearl Queen Unit Agreement Plan.

(3) That the West Pearl Queen Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the West Pearl Queen Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 35 EAST
Section 20: SW/4 SE/4
Section 21: SW/4 SW/4
Section 28: W/2, W/2 SE/4, and
SE/4 SE/4
Section 29: All
Section 30: E/2 SE/4, SE/4 NE/4,
and SW/4 SE/4
Section 31: NE/4, E/2 NW/4, N/2 SE/4,
and NE/4 SW/4
Section 32: N/2, N/2 SW/4, and
NW/4 SE/4
Section 33: N/2 and N/2 SE/4

containing 2520 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the West Pearl

-3-

CASE No. 3065

Order No. R-2728

Queen Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

S E A L

A. L. PORTER, Jr., Member & Secretary

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3066
Order No. R-2729

APPLICATION OF GULF OIL CORPORATION
FOR A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 10, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 the West Pearl Queen Unit Agreement has been approved by the Commission by Order No. R-2728; that the West Pearl Queen Unit Area comprises 2520 acres, more or less, of State, Fee, and Federal lands in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, as more fully described in said order.

(3) That of said 2520 acres, 160 acres being the NW/4 of Section 28, Township 19 South, Range 35 East, NMPM, has not been and evidently will not be committed to said unit agreement.

(4) That the applicant, Gulf Oil Corporation, seeks permission to institute a waterflood project in the Pearl-Queen Pool in the West Pearl Queen Unit Area by the injection of water into the

Queen formation through 28 wells located within that portion of the unit area which has been or will be committed to the unit agreement.

(5) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(6) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

(7) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

(8) That Jake L. Hamon, owner of the NW/4 of Section 28, Township 19 South, Range 35 East, NMPM, should be permitted to convert any wells on said acreage only after notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to institute a waterflood project in the Pearl-Queen Pool in the West Pearl Queen Unit Area by the injection of water into the Queen formation through the following-described 28 wells in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico:

WELL

UNIT

Section 28

Cabot Carbon State "G" Well No. 5	J
Cabot Carbon State "G" Well No. 1	L
Cabot Carbon State "G" Well No. 4	N
Cabot Carbon State "G" Well No. 7	P

Section 29

Curtis R. Inman Superior Federal	
Well No. 2	B
Shell State "PK" Well No. 2	D
Cactus Parks Well No. 1	F
Skelly Hobbs-State "J" Well No. 1	H
Gulf Lea-State "IH" Well No. 1	J

CASE No. 3066

Order No. R-2729

Gulf Lea-State "IH" Well No. 4	L
Cactus Gulf-State "A" Well No. 4	N
Cactus Gulf-State "A" Well No. 2	P

Section 30

Gulf Lea-State "AP" Well No. 3	H
Gulf Lea-State "AP" Well No. 1	P

Section 31

Cactus Aztec-State Well No. 2	B
Cactus Actec-State Well No. 6	F
Cactus Aztec-State Well No. 4	H
Cactus Aztec-State Well No. 7	J

Section 32

Gulf Lea-State "AQ" Well No. 2	B
Gulf Lea-State "AQ" Well No. 4	D
Cactus Lea-State "AQ" Well No. 5	F
Cactus Lea-State "AQ" Well No. 7	H
Phillips New Mex "C" Well No. 1	J

Section 33

Gulf Lea-State "BG" Well No. 3	B
Gulf Lea-State "BG" Well No. 1	D
Gulf Lea-State "BG" Well No. 6	F
Gulf Lea-State "BG" Well No. 8	H
Gulf Lea-State "AR" Well No. 4	J

(2) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

-4-

CASE No. 3066

Order No. R-2729

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4114
Order No. R-2729-A

APPLICATION OF GULF OIL CORPORATION
FOR TWO UNORTHODOX OIL WELL LOCATIONS
AND AMENDMENT TO ORDER NO. R-2729,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 23, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of May, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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 the applicant, Gulf Oil Corporation, is the opera-
tor of the West Pearl Queen Unit Waterflood Project, West Pearl
Queen Unit Area, Pearl-Queen Pool, Lea County, New Mexico,
approved by Commission Order No. R-2729.

(3) That the applicant now seeks authority to drill two
producing oil wells as infill wells in its West Pearl Queen Unit
Waterflood Project at unorthodox locations in Township 19 South,
Range 35 East, NMPM, Pearl-Queen Pool, Lea County, New Mexico,
said wells to be located as follows:

West Pearl Queen Unit Well No. 164 to be located
in Unit F 1325 feet from the North line and 2635
feet from the West line of Section 32;

West Pearl Queen Unit Well No. 165 to be located
in Unit K 1420 feet from the South line and 1325
feet from the West line of Section 29.

(4) That the proposed unorthodox locations are necessary
to complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of said
Order No. R-2729 to provide for the establishment of an adminis-
trative procedure whereby the Secretary-Director of the Commission
may authorize additional injection wells and producing wells at
orthodox and unorthodox infill locations as may be necessary to
complete an efficient injection and producing pattern without
the necessity of showing well response.

(6) That approval of the aforesaid amendment will afford
the applicant the opportunity to produce its just and equitable
share of the oil in the Pearl-Queen Pool, and will otherwise
prevent waste and protect correlative rights, provided said
producing wells and injection wells are drilled no closer than
990 feet to the outer boundary of said West Pearl Queen Unit
nor closer than 5 feet to any quarter-quarter section or sub-
division inner boundary.

(7) That the West Pearl Queen Unit Waterflood Project
should be governed by the provisions of Rules 701, 702, and 703
of the Commission Rules and Regulations; provided, however, that
the showing of well response as required by Rule 701 E-5 shall
not be necessary before obtaining administrative approval for
the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby
authorized to drill the following producing oil wells as infill
wells in its West Pearl Queen Unit Waterflood Project, West Pearl
Queen Unit Area, Pearl-Queen Pool, at unorthodox locations in
Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

West Pearl Queen Unit Well No. 164 to be located
in Unit F 1325 feet from the North line and 2635
feet from the West line of Section 32;

West Pearl Queen Unit Well No. 165 to be located
in Unit K 1420 feet from the South line and 1325
feet from the West line of Section 29.

-3-

CASE No. 4114

Order No. R-2729-A

(2) That Order (2) of Commission Order No. R-2729 is hereby amended to read in its entirety as follows:

"(2) That the West Pearl Queen Unit Waterflood Project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve such additional injection and producing wells at orthodox and unorthodox infill locations as may be necessary to complete an efficient injection and producing pattern, provided said wells are drilled no closer than 990 feet to the outer boundary of said West Pearl Queen Unit nor closer than 5 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations. The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection."

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

3-21-90

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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

RE: Proposed:

MC _____
DHC _____
NSL ☒ _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Sirgo Operating Inc. *West Pearl Queen Unit*
Operator Lease & Well No. Unit S-I-R

#180-K 28-19-38
#192-J 28-19-38
#193-N/O 28-19-38
#194-P 29-19-38

and my recommendations are as follows:

OK

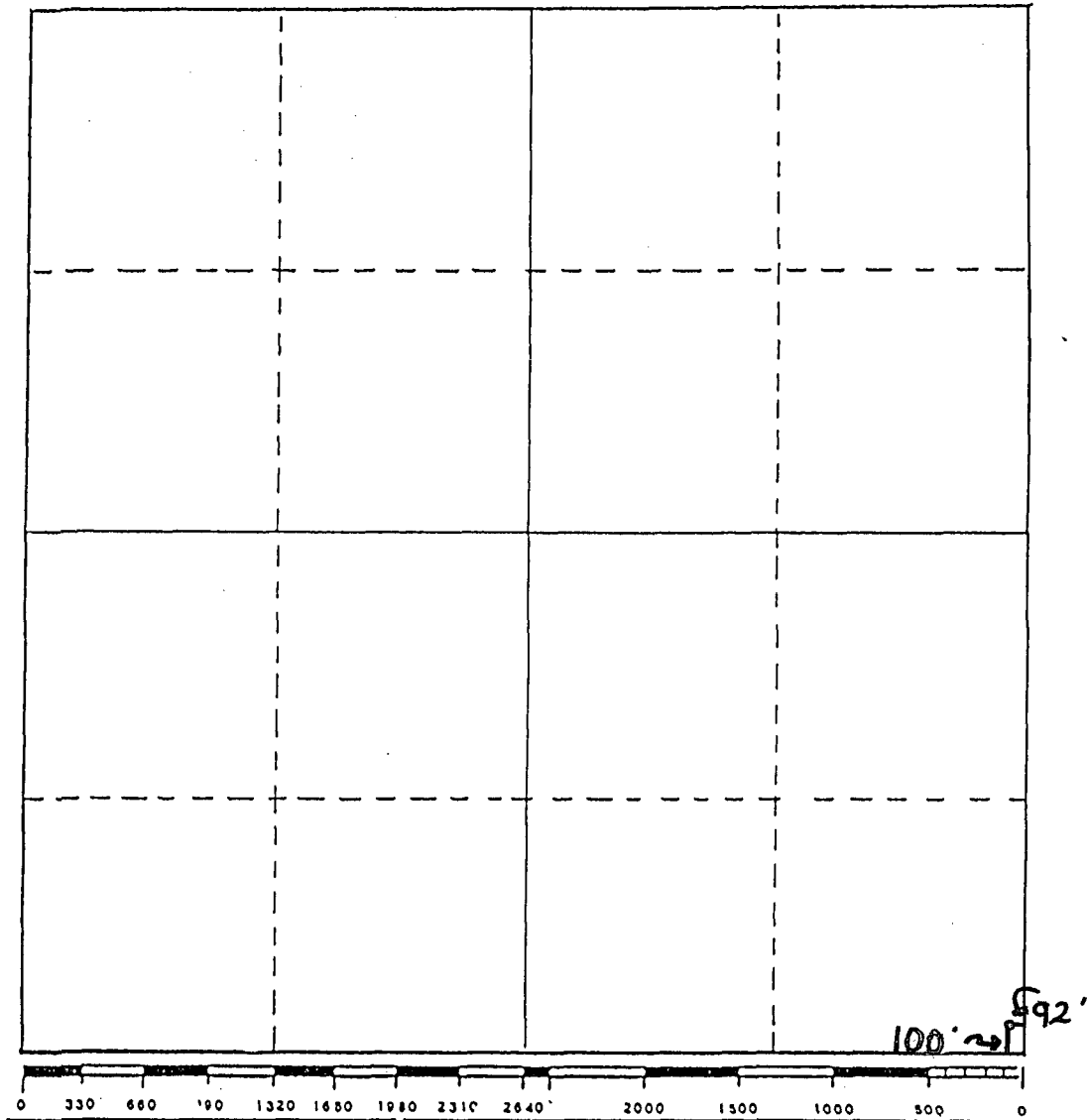
#193 does not meet the 10' off gtr/gtr line.

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed

WEST PEARL QUEEN UNIT



WPQU #194

Location: 100' FSL 92' FEL, Sec. 29, T19S, R38E
Lea County, New Mexico

~~38~~

35