

**KELLAHIN, KELLAHIN AND AUBREY**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

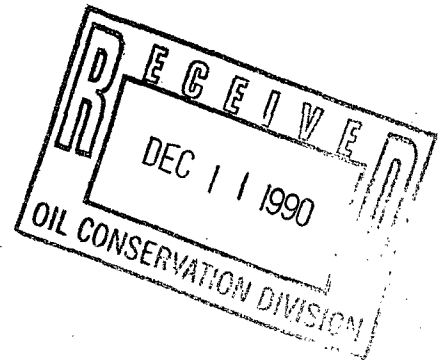
TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

December 10, 1990

New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. Michael E. Stogner

Re: Avon Energy Corporation  
Administrative Application for  
Unorthodox Well Location in a  
Leasehold Waterflood Project,  
Turner "B" Federal Well No. 89



Dear Mr. Stogner:

On behalf of Avon Energy Corporation, successor to Socorro Petroleum Company, as operator of the Turner "B" leasehold waterflood project previously approved by Division Order R-3528 (copy enclosed) we request administrative approval of the following unorthodox well location:

Turner "B" Federal Well No. 89  
Unit C, Section 29, T17S, R31E  
Eddy County, New Mexico  
Location: 30 feet FNL and 1350 feet FWL

The Turner "B" leasehold waterflood project is currently being developed with infill wells using a 20-acre well density. The subject well is one of those wells and is proposed for the interior of the unit and is not competitive with offsetting wells outside the unit.

We have enclosed a copy of a plat showing the boundary of the waterflood. Also enclosed is a copy of the Form C-101 and C-102.

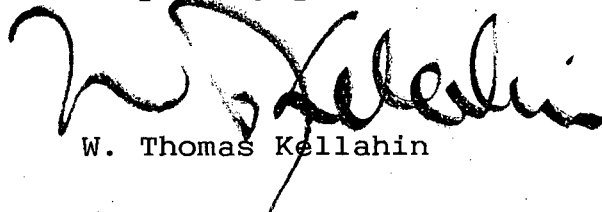
New Mexico Oil Conservation Division  
December 10, 1990  
Page 2

The operator believes that the infill development using the 20-acre density will improve waterflood seep efficiency and will increase secondary oil recovery.

Because the well is not located within 330 feet to any other boundary, we believe no notification to offsetting operators is required.

Avon proposes to commence the well as soon as possible and would appreciate your assistance in processing this request. Please call me if you need any further information or have any questions.

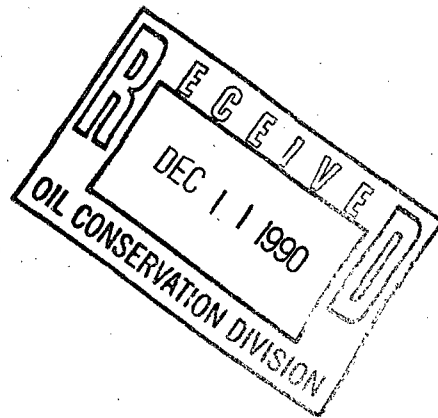
Very truly yours,



W. Thomas Kellahin

WTK/tic  
Enclosures

cc: Mr. T. M. Hatfield  
BHI Energy Corporation  
1153 Dairy Ashford, Suite 803  
Houston, Texas 77079



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC 029395-B	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER IN-FILL WELL <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME ---	
2. NAME OF OPERATOR AVON ENERGY CORPORATION Ph. 915-683-5449			7. UNIT AGREEMENT NAME ---	
3. ADDRESS OF OPERATOR 415 W. Wall, Ste. 1810 Midland, Texas 79701			8. FARM OR LEASE NAME Turner "B"	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface (Unit C) 30' FNL 1350' FWL Sec. 29-17S-31E At proposed prod. zone Same			9. WELL NO. 89	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5.1 air miles east of Loco Hills, N.M.			10. FIELD AND POOL, OR WILDCAT Grayburg-Jackson	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1350'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 29-17S-31E	
16. NO. OF ACRES IN LEASE 1786.15			12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE N.M.	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 823'±			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3634' GL			22. APPROX. DATE WORK WILL START* As Soon As Possible	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24.0# J-55	600'±	300 sx Class C (Circulate)
7-7/8"	5-1/2"	15.5# K-55	3500'±	200 sx Class C + 600 sx Lite

Propose to drill to about 3500' and complete as an in-fill non-standard Grayburg producer. State approval of the unorthodox location is pending. Set 5-1/2" production casing to TD, cemented with sufficient cement to isolate all porosity zones. Selectively perforate favorable Grayburg zones.

Run 2-7/8" tubing to perforations and treat formation with 15% HCL. Sand-frac formation and test to tanks.

See attached Drilling data and Surface Use Plan.

The surface grazing lessee has been advised of the proposed operation.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Jerry W. Long TITLE Permit Agent DATE November 16, 1990  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

# OIL CONSERVATION DIVISION

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

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>Avon Energy Corporation</b>			Lease <b>Turner "B" Federal</b>		Well No. <b>89</b>
Unit Letter <b>C</b>	Section <b>29</b>	Township <b>17 South</b>	Range <b>31 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>30</b> feet from the <b>North</b> line and <b>1350</b> feet from the <b>West</b> line					
Ground level Elev. <b>3634</b>	Producing Formation <b>Grayburg</b>		Pool <b>Grayburg-Jackson</b>	Dedicated Acreage: <b>40</b> Acres	

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).

### SINGLE LEASE

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

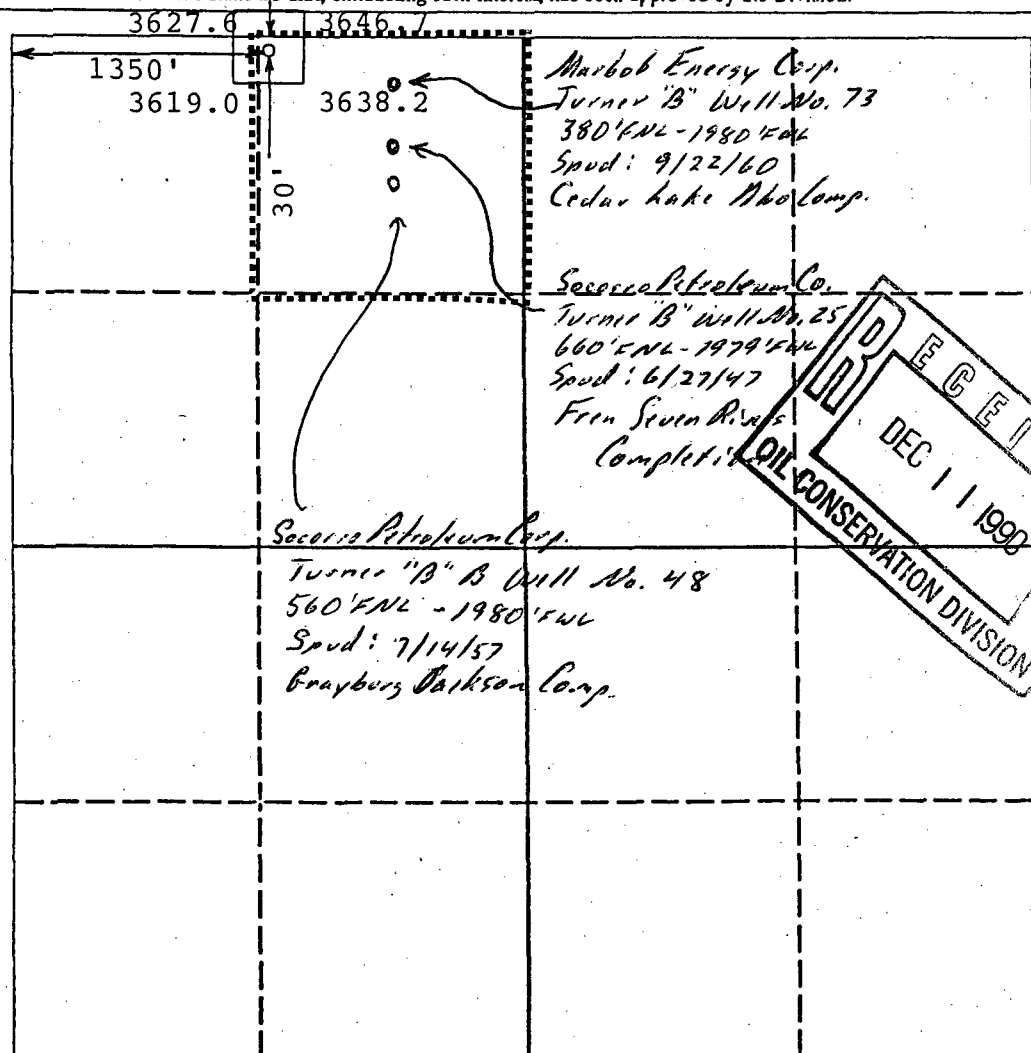
☐ Yes

☐ 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 interest, has been approved by the Division.



### OPERATOR CERTIFICATION

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

Signature

Printed Name

JERRY W. LONG

Position

Permit Agent

Company

AVON ENERGY CORPORATION

Date

November 16, 1990

### SURVEYOR CERTIFICATION

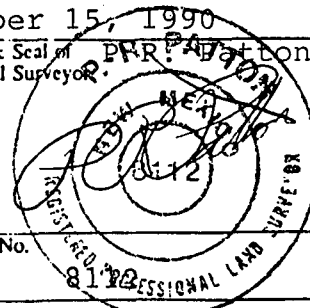
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

November 15, 1990

Signature & Seal of Professional Surveyor

Certificate No.



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

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. 3885  
Order No. R-3528

APPLICATION OF SINCLAIR OIL & GAS  
COMPANY FOR A WATERFLOOD EXPANSION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of October, 1968, 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, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, seeks permission to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through 12 additional injection wells in Sections 20, 29, and 30, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

(4) That the proposed expansion of the Turner "B" Grayburg-Jackson Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

CASE No. 3885  
Order No. R-3528

(5) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, is hereby authorized to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through the following-described wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>LEASE</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>SECTION</u>
Turner "B" SP	44	N	20
Turner "B" SP	46	P	20
Turner "B" SP	47	B	29
Turner "B" SP	50	D	29
Turner "B" SP	54	F	29
Turner "B" SP	55	H	29
Turner "B" SP	61	J	29
Turner "B" SP	64	L	29
Turner "B" SP	66	N	29
Turner "B" SP	68	P	29
Turner "B" SP	56	J	30
Turner "B" SP	76	P	30

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(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

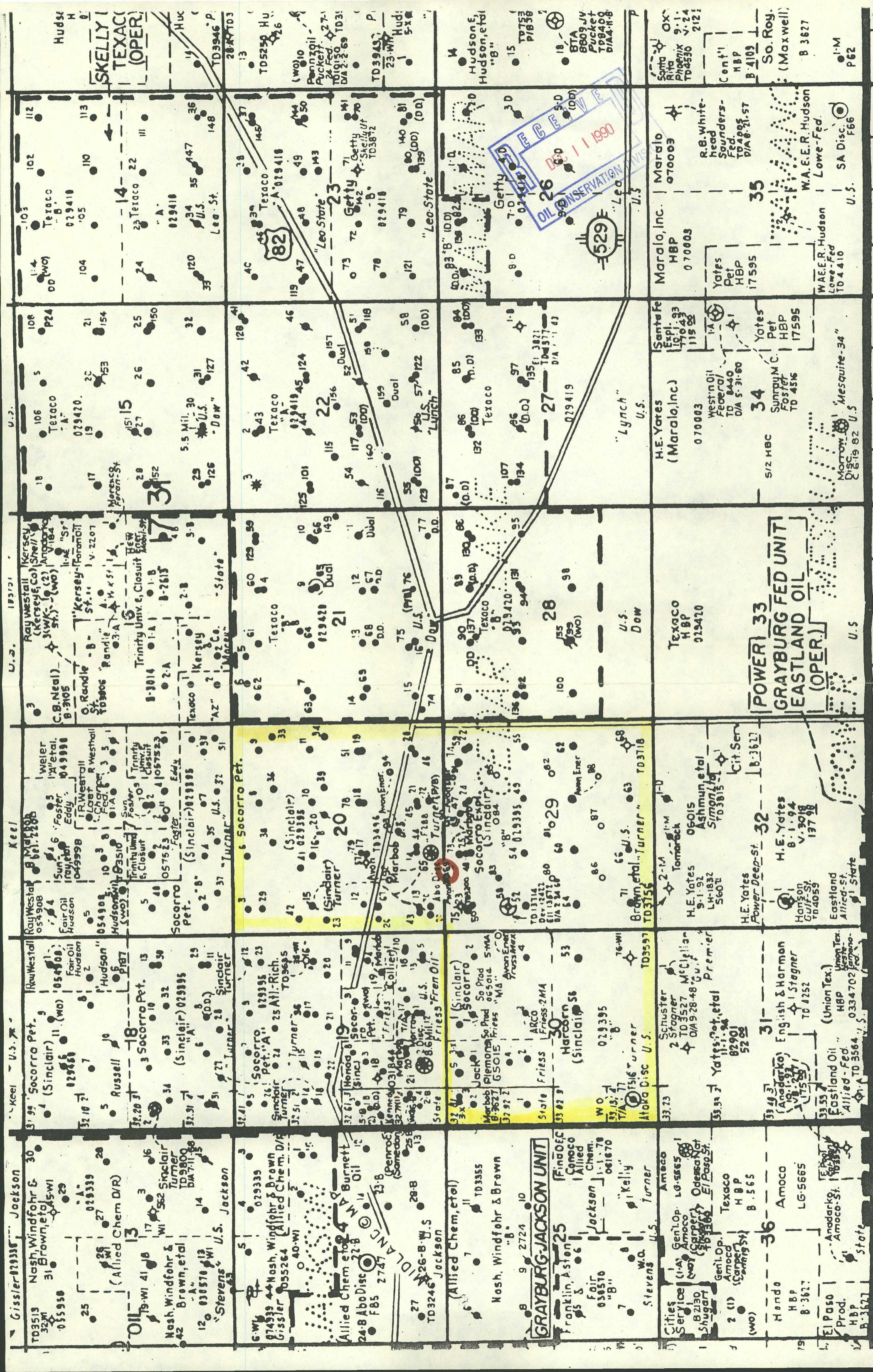
DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/



**KELLAHIN, KELLAHIN AND AUBREY**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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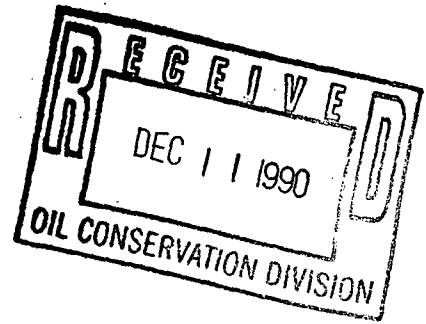
JASON KELLAHIN  
OF COUNSEL

December 10, 1990

New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. Michael E. Stogner

Re: Avon Energy Corporation  
Administrative Application for  
Unorthodox Well Location in a  
Leasehold Waterflood Project,  
Turner "B" Federal Well No. 90



Dear Mr. Stogner:

On behalf of Avon Energy Corporation, successor to Socorro Petroleum Company, as operator of the Turner "B" leasehold waterflood project previously approved by Division Order R-3528 (copy enclosed) we request administrative approval of the following unorthodox well location:

Turner "B" Federal Well No. 90  
Unit C, Section 29, T17S, R31E  
Eddy County, New Mexico  
Location: 75 feet FNL and 2610 feet FWL

The Turner "B" leasehold waterflood project is currently being developed with infill wells using a 20-acre well density. The subject well is one of those wells and is proposed for the interior of the unit and is not competitive with offsetting wells outside the unit.

We have enclosed a copy of a plat showing the boundary of the waterflood. Also enclosed is a copy of the Form C-101 and C-102.

New Mexico Oil Conservation Division  
December 10, 1990  
Page 2

The operator believes that the infill development using the 20-acre density will improve waterflood seep efficiency and will increase secondary oil recovery.

Because the well is not located within 330 feet to any other boundary, we believe no notification to offsetting operators is required.

Avon proposes to commence the well as soon as possible and would appreciate your assistance in processing this request. Please call me if you need any further information or have any questions.

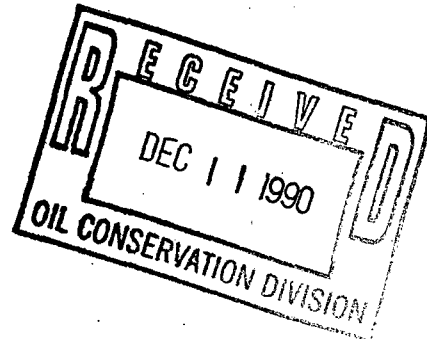
Very truly yours,



W. Thomas Kellahin

WTK/tic  
Enclosures

cc: Mr. T. M. Hatfield  
BHI Energy Corporation  
1153 Dairy Ashford, Suite 803  
Houston, Texas 77079



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER IN-FILL WELL

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Ph.915-683-5449

AVON ENERGY CORPORATION

3. ADDRESS OF OPERATOR

415 W. Wall, Ste.1810

Midland, Texas 79701

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

At surface

(Unit C) 75'FNL 2610'FWL Sec.29-17S-31E

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

5.3 air miles east of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

2610'

16. NO. OF ACRES IN LEASE

1786.15

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

800'±

19. PROPOSED DEPTH

3500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3689' GL

22. APPROX. DATE WORK WILL START\*

As Soon As Possible

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24.0# J-55	600'±	300 sx Class C (Circulate)
7-7/8"	5-1/2"	15.5# K-55	3500'±	200 sx Class C + 600 sx Lite

Propose to drill to about 3500' and complete as an in-fill non-standard Grayburg producer. State approval of the unorthodox location is pending. Set 5-1/2" production casing to TD, cemented with sufficient cement to isolate all porosity zones. Selectively perforate favorable Grayburg zones.

Run 2-7/8" tubing to perforations and treat formation with 15% HCL. Sand-frac formation and test to tanks.

See attached Drilling data and Surface Use Plan.

The surface grazing lessee has been advised of the proposed operation.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*Jerry W. Long*  
JERRY W. LONG

TITLE Permit Agent

DATE November 26, 1990

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

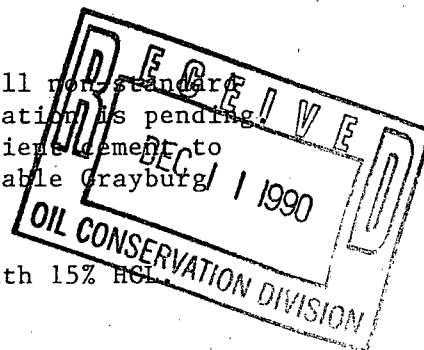
TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



# OIL CONSERVATION DIVISION

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

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

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

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>Avon Energy Corporation</b>			Lease <b>Turner "B" Federal</b>		Well No. <b>90</b>
Unit Letter <b>C</b>	Section <b>29</b>	Township <b>17 South</b>	Range <b>31 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>75</b> feet from the <b>North</b> line and <b>2610</b> feet from the <b>West</b> line					
Ground level Elev. <b>3689</b>		Producing Formation <b>Grayburg</b>		Pool <b>Grayburg-Jackson</b>	
				Dedicated Acreage: <b>40</b> Acres	

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).

**SINGLE LEASE**

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

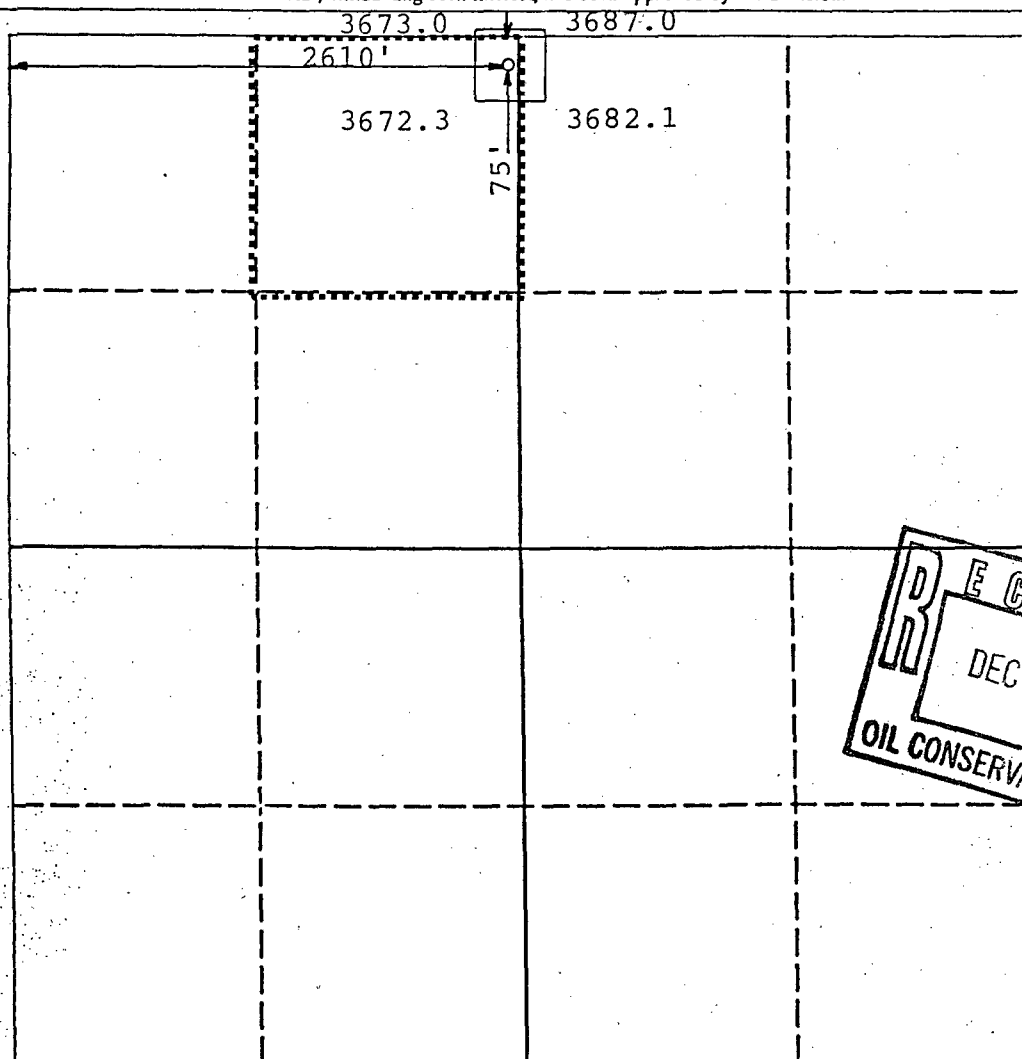
☐ Yes

☐ 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 interest, has been approved by the Division.



### OPERATOR CERTIFICATION

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

Signature

Printed Name

**JERRY W. LONG**

Position

**Permit Agent**

Company

**AVON ENERGY CORPORATION**

Date

**November 26, 1990**

### SURVEYOR CERTIFICATION

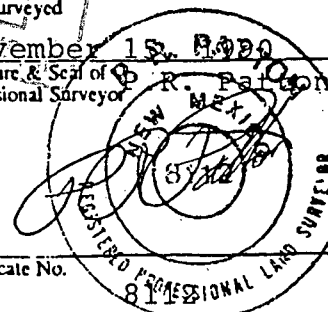
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

**November 15, 1990**

Signature & Seal of Professional Surveyor

Certificate No.



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. 3885  
Order No. R-3528

APPLICATION OF SINCLAIR OIL & GAS  
COMPANY FOR A WATERFLOOD EXPANSION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of October, 1968, 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,

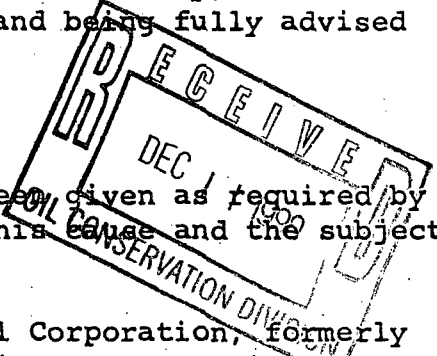
FINDS:

(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, Sinclair Oil Corporation, formerly  
Sinclair Oil & Gas Company, seeks permission to expand its Turner  
"B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson  
Pool by the injection of water into the Premier Sand of the  
Grayburg formation through 12 additional injection wells in Sec-  
tions 20, 29, and 30, Township 17 South, Range 31 East, NMPM,  
Eddy County, New Mexico.

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

(4) That the proposed expansion of the Turner "B" Grayburg-  
Jackson Waterflood Project should result in the recovery of  
otherwise unrecoverable oil, thereby preventing waste.



(5) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, is hereby authorized to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through the following-described wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

LEASE	WELL NO.	UNIT	SECTION
Turner "B" SP	44	N	20
Turner "B" SP	46	P	20
Turner "B" SP	47	B	29
Turner "B" SP	50	D	29
Turner "B" SP	54	F	29
Turner "B" SP	55	H	29
Turner "B" SP	61	J	29
Turner "B" SP	64	L	29
Turner "B" SP	66	N	29
Turner "B" SP	68	P	29
Turner "B" SP	56	J	30
Turner "B" SP	76	P	30

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

S E A L

esr/

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

