

## BAHLBURG EXPLORATION

October 20, 1992

Oil Conservation Division  
Energy, Minerals and Nat. Resources Dept.  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attn: Mr. Michael Stogner

RE: Application for Approval of  
Unorthodox Location  
No. 1 Christmas (Re-entry)  
W/2 NW/4 Sec. 7, T16S, R37E  
Lea County, New Mexico

Dear Mr. Stogner:

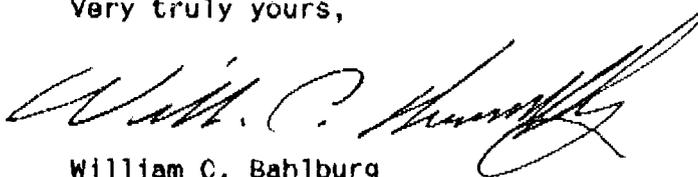
Per our telephone conversation, please find enclosed a plat showing the location of the referenced well, the proposed dedicated acreage and all offset operators of lands adjacent to the proposed unit. William C. Bahlburg, as operator, is seeking approval of a non-standard or unorthodox location to produce the No. 1 Christmas well located in the NW/NW of Section 7, T16S, R37E (Lot 1). Per our earlier correspondence with Mr. LeMay, Mr. Van Ryan and Mr. Sexton, we are seeking to establish the NW/4 NW/4 of Section 7 (51.46 Ac.) as the proration unit for the subject well under the rules for the Northeast Lovington Wolfcamp Pool.

The No. 1 Christmas well was originally drilled by Estoril Producing Co. in early 1967 as an oil well. At that time Estoril dedicated both lots 1 and 2 (102.82 ac.) and received approval of a non-standard location for the Northeast Lovington Penn. Pool. Estoril did not establish commercial oil or gas production and the No.1 Christmas was abandoned. In February 1984, William C. Bahlburg began re-entry operations on the No. 1 Christmas on September 30, 1992. The wellbore has been deepened to a depth of 10,750 ft. cased with 5 1/2" csg. and is currently completed in the Lower Wolfcamp Formation from perforations at 10,556 ft. to 10,566 ft.

The mineral ownership of both lots 1 and 2 of Sec. 7 is identical or common and has been leased by Bahlburg Exploration. Therefore, the non-standard location should not adversely affect the mineral owners of Lots 1 and 2. We have received Waivers of Protest from all offset Operators to the proposed unit. Copies of those Waivers are enclosed for your review.

We respectfully request approval of an unorthodox location, dedication of Lot 1 (NW/NW) as the proration unit under the Northeast Lovington Wolfcamp Pool and determination of an allowable for the subject well.

Very truly yours,



William C. Bahlburg

WCB/ks  
Enclosures

14875 Landmark Boulevard, Suite 216, Dallas, Texas 75240 214/991-9541

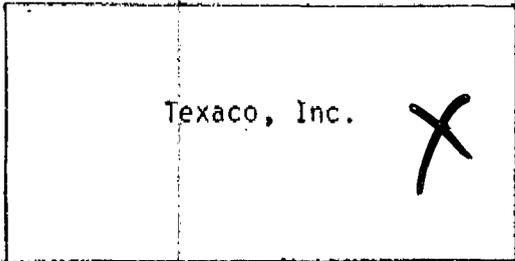
TOWNSHIP 16 SOUTH

1

6



Kevin O. Butler



Texaco, Inc.

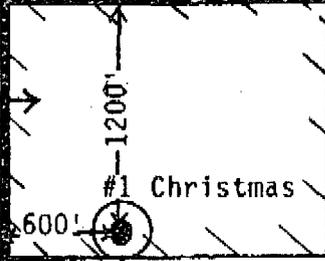
Kevin O. Butler



Proposed Unit (51.46ac)



Bridge Oil Co., L.P.



600'

#1 Christmas



Wilson and Elliott

Bahlburg

12

7



Legend-

- L. Wolfcamp producer
- Strawn Producer

RANGE 36 EAST

RANGE 37 EAST

WILLIAM C. BAHLBURG

NORTHEAST LOVINGTON WOLFCAMP FIELD  
Lea County, New Mexico

APPLICATION FOR UNORTHODOX LOCATION

No.1 Christmas  
1200 ft. FNL and 600 ft. FWL  
Section 7, T-16-S, R-37-E

Scale 1" = 1000'

## BAHLBURG EXPLORATION

October 7, 1992

Texaco, Inc.  
P.O. Box 3109  
Midland, TX 79702

Attn: Mr. Charles C. Atherton

RE: WAIVER  
Unorthodox location  
Christmas #1 (re-entry)  
1200' FNL & 600' FWL  
Section 7, T16S, R37E, N.M.P.M.  
Lea County, New Mexico

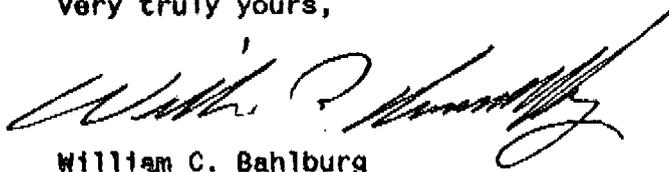
Gentlemen:

After further consideration, we have elected to space the referenced well under the established NE, Lovington Wolfcamp Field rules (40 ac. proration unit). We have been informed by the New Mexico Oil Conservation Commission that our request for approval of a non-standard well location under this field/pool designation could probably be handled administratively and would not require the time and expense of a formal hearing. Therefore, as an offset operator to the subject well we respectfully request your agreement to waive your right to object or protest to the application of William C. Bahlburg seeking approval of an unorthodox well location and dedication of 40 ac. spacing for the subject well. We apologize for any inconvenience caused by this additional request.

If you agree to waive your right to object and protest to our application seeking approval for 40 acre spacing and an unorthodox well location for the subject well, please so indicate your acceptance and approval by executing this letter in the space provided below and returning one (1) copy to the undersigned at your earliest convenience.

Thank you .

Very truly yours,



William C. Bahlburg

This Waiver ACCEPTED and AGREED to this 12<sup>th</sup> day of October, 1992.

TEXACO, INC.

By: Charles C. Atherton  
Title: Area Exploration Mgr.

## BAHLBURG EXPLORATION

October 7, 1992

KEVIN O. BUTLER  
P.O. Box 1171  
Midland, TX 79702

RE: WAIVER  
Unorthodox location  
Christmas #1 (re-entry)  
1200' FNL & 600' FWL  
Section 7, T16S, R37E, N.M.P.M.  
Lea County, New Mexico

Gentlemen:

After further consideration, we have elected to space the referenced well under the established NE. Lovington Wolfcamp Field rules (40 ac. proration unit). We have been informed by the New Mexico Oil Conservation Commission that our request for approval of a non-standard well location under this field/pool designation could probably be handled administratively and would not require the time and expense of a formal hearing. Therefore, as an offset operator to the subject well we respectfully request your agreement to waive your right to object or protest to the application of William C. Bahlburg seeking approval of an unorthodox well location and dedication of 40 ac. spacing for the subject well. We apologize for any inconvenience caused by this additional request.

If you agree to waive your right to object and protest to our application seeking approval for 40 acre spacing and an unorthodox well location for the subject well, please so indicate your acceptance and approval by executing this letter in the space provided below and returning one (1) copy to the undersigned at your earliest convenience.

Thank you.

Very truly yours,

  
William C. Bahlburg

This Waiver ACCEPTED and AGREED to this 7 day of October, 1992.

KEVIN O. BUTLER

By:   
\_\_\_\_\_Title: owner  
\_\_\_\_\_

RECEIVED OCT 12 1992

## BAHLBURG EXPLORATION

October 7, 1992

Bridge Oil Company, L.P.  
12404 Park Central Dr., Suite 400  
Dallas, TX 75251

Attn: Mr. Gray Powers

RE: WAIVER  
Unorthodox location  
Christmas #1 (re-entry)  
1200' FNL & 600' FWL  
Section 7, T16S, R37E, N.M.P.M.  
Lea County, New Mexico

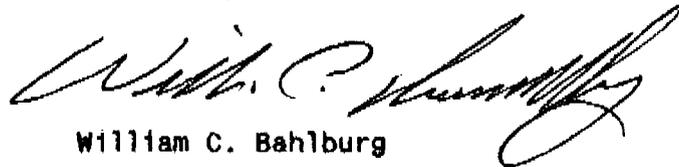
Gentlemen:

After further consideration, we have elected to space the referenced well under the established NE. Lovington Wolfcamp Field rules (40 ac. proration unit). We have been informed by the New Mexico Oil Conservation Commission that our request for approval of a non-standard well location under this field/pool designation could probably be handled administratively and would not require the time and expense of a formal hearing. Therefore, as an offset operator to the subject well we respectfully request your agreement to waive your right to object or protest to the application of William C. Bahlburg seeking approval of an unorthodox well location and dedication of 40 ac. spacing for the subject well. We apologize for any inconvenience caused by this additional request.

If you agree to waive your right to object and protest to our application seeking approval for 40 acre spacing and an unorthodox well location for the subject well, please so indicate your acceptance and approval by executing this letter in the space provided below and returning one (1) copy to the undersigned at your earliest convenience.

Thank you .

Very truly yours,



William C. Bahlburg

This Waiver ACCEPTED and AGREED to this \_\_\_\_\_ day of October, 1992, as to  
NW/4 NW/4 of Section 7-T16S-R37E, NMPM.  
BRIDGE OIL COMPANY, L.P.

By: 

LaRae L. Sanders, Assistant Landman

Title: \_\_\_\_\_

BAHLBURG EXPLORATION

October 7, 1992

J

Wilson & Elliott  
4400 N. Big Spring, Suite 122  
Midland, TX 79705

RE: WAIVER  
Unorthodox location  
Christmas #1 (re-entry)  
1200' FNL & 600' FWL  
Section 7, T16S, R37E, N.M.P.M.  
Lea County, New Mexico

Gentlemen:

After further consideration, we have elected to space the referenced well under the established NE. Lovington Wolfcamp Field rules (40 ac. proration unit). We have been informed by the New Mexico Oil Conservation Commission that our request for approval of a non-standard well location under this field/pool designation could probably be handled administratively and would not require the time and expense of a formal hearing. Therefore, as an offset operator to the subject well we respectfully request your agreement to waive your right to object or protest to the application of William C. Bahlburg seeking approval of an unorthodox well location and dedication of 40 ac. spacing for the subject well. We apologize for any inconvenience caused by this additional request.

If you agree to waive your right to object and protest to our application seeking approval for 40 acre spacing and an unorthodox well location for the subject well, please so indicate your acceptance and approval by executing this letter in the space provided below and returning one (1) copy to the undersigned at your earliest convenience.

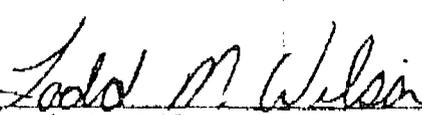
Thank you.

Very truly yours,

  
William C. Bahlburg

This Waiver ACCEPTED and AGREED to this 12<sup>th</sup> day of October, 1992.

WILSON & ELLIOTT

By:   
Todd M. Wilson

By:   
Roger T. Elliott

Title: owner

Title: OWNER

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9052  
Order No. R-8382

APPLICATION OF ESTORIL PRODUCING  
CORPORATION FOR COMPULSORY POOLING,  
NON-STANDARD OIL PRORATION UNIT, AND  
AN UNORTHODOX OIL WELL LOCATION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of December, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Estoril Producing Corporation, seeks an order pooling all mineral interests from the surface to the base of the Northeast Lovington-Pennsylvanian Pool underlying Lots 1 and 2 of Section 7, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, forming a non-standard 102.82-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing.
- (3) At the time of the hearing the Northeast Lovington-Pennsylvanian Pool is the only horizon underlying said unit with 80-acre spacing. Division Order No. R-3816, as amended, promulgated special rules in said pool providing for 80-acre spacing units and for well locations to be within 150 feet from the center of either quarter-quarter section in the unit.

- (4) The non-standard proration unit is necessitated due to said Section 7 being an irregular section.
- (5) The applicant further seeks approval for an unorthodox oil well location 1200 feet from the North line and 600 feet from the West line of said Section 7 to be dedicated to said non-standard proration unit.
- (6) The applicant has a right to drill a well within the above-described non-standard proration unit.
- (7) A well at the above-described unorthodox location will better enable the applicant to produce the oil underlying the proration unit.
- (8) No offset operator objected to the proposed unorthodox location.
- (9) There are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (10) To avoid the drilling of unnecessary wells, to protect correlative rights, to avoid waste, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in any pool completion resulting from this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.
- (11) The applicant should be designated the operator of the subject well and unit.
- (12) Any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.
- (13) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.
- (14) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(15) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(16) \$5,500.00 per month while drilling and \$550.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(17) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(18) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before March 31, 1987, the order pooling said unit should become null and void and of no effect whatsoever.

(19) Should all the parties to this forced pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(20) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, from the surface to the base of the Northeast Lovington-Pennsylvanian Pool underlying Lots 1 and 2 of Section 7, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a non-standard 102.82-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing to be dedicated to a well to be drilled at an unorthodox oil well location 1200 feet from the North line and 600 feet from the West line of said Section 7.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 31st day of March, 1987, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Northeast Lovington-Pennsylvanian Pool;

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 31st day of March, 1987, Ordering Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (1) of this order should not be rescinded.

(2) Estoril Producing Corporation is hereby designated the operator of the subject well and unit.

(3) After the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above

shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$5,500.00 per month while drilling and \$550.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) Should all parties to this forced pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



R. L. STAMETS  
Director

S E A L

fd/

County *LEA*

Pool *NORTHEAST LOVINGTON - WOLF CAMP*

TOWNSHIP *16 SOUTH*

Range *36 EAST*

NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

*DESC: NE/4 SEC 12 (R-9447, 3-1-91)*

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies

State of New Mexico  
 Energy, Minerals, and Natural Resources Department

Form C-101  
 Revised 1-1-89

OIL CONSERVATION DIVISION  
 RECEIVED

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

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

API NO. (assigned by OCD on New Wells)  
 30025298170

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:  
 DRILL  RE-ENTER  DEEPEN  PLUG BACK

b. Type of Well:  
 OIL WELL  GAS WELL  OTHER   
 SINGLE ZONE  MULTIPLE ZONE

2. Name of Operator  
 William C. Bahlburg

3. Address of Operator  
 14875 Landmark Blvd., Suite 216, Dallas, TX 75240

4. Well Location  
 Unit Letter D : 1200 Feet From The North Line and 600 Feet From The West Line  
 Section 7 Township 16S Range 37E NMPM Lea County

7. Lease Name or Unit Agreement Name  
 Christmas

8. Well No.  
 1

9. Pool name or Wildcat  
 Undesignated wildcat

10. Proposed Depth  
 11,000 ft

11. Formation  
 PermoPenn

12. Rotary or C.T.  
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)  
 3856.9 GR

14. Kind & Status Plug, Bond  
 Single well cash

15. Drilling Contractor  
 Clarke

16. Approx. Date Work will start  
 10/1/92

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2*	13-3/8*	68	373	395	Surface
11*	8-5/8*	32	4585	1600	Surface
7-7/8	5-1/2	17 & 20	11,000	200	9800

Re-enter wellbore and clean out hole to 11,000 ft. using pulling unit, reverse circ. unit and 7 7/8" bit.

\*Surface and intermediate casing are presently in hole per Form C-103 filed by previous Operator.

Run 5 1/2" csg. to TD. Cement with approx. 200 sks class H cement.

Perforate 10,600 to 10,700ft. (approx.) and production test.

Put well to production or P&A if completion attempt unsuccessful.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE William C. Bahlburg TITLE Owner/Individual DATE 9/24/92  
 TYPE OR PRINT NAME William C. Bahlburg TELEPHONE NO. 214/991-9541

(This space for State Use)

APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE SEP 30 '92

CONDITIONS OF APPROVAL, IF ANY.

SEE ATTACHED LETTER

Permit Expires 6 Months From Approval  
 Date Unless ~~Drilling~~ Underway.

Re-entry

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**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 William C. Bahlburg			Lease Christmas		Well No. 1
Unit Letter D	Section 7	Township 16S	Range 37E	County Lea	

Actual Footage Location of Well:  
 1200 feet from the North line and 600 feet from the West line

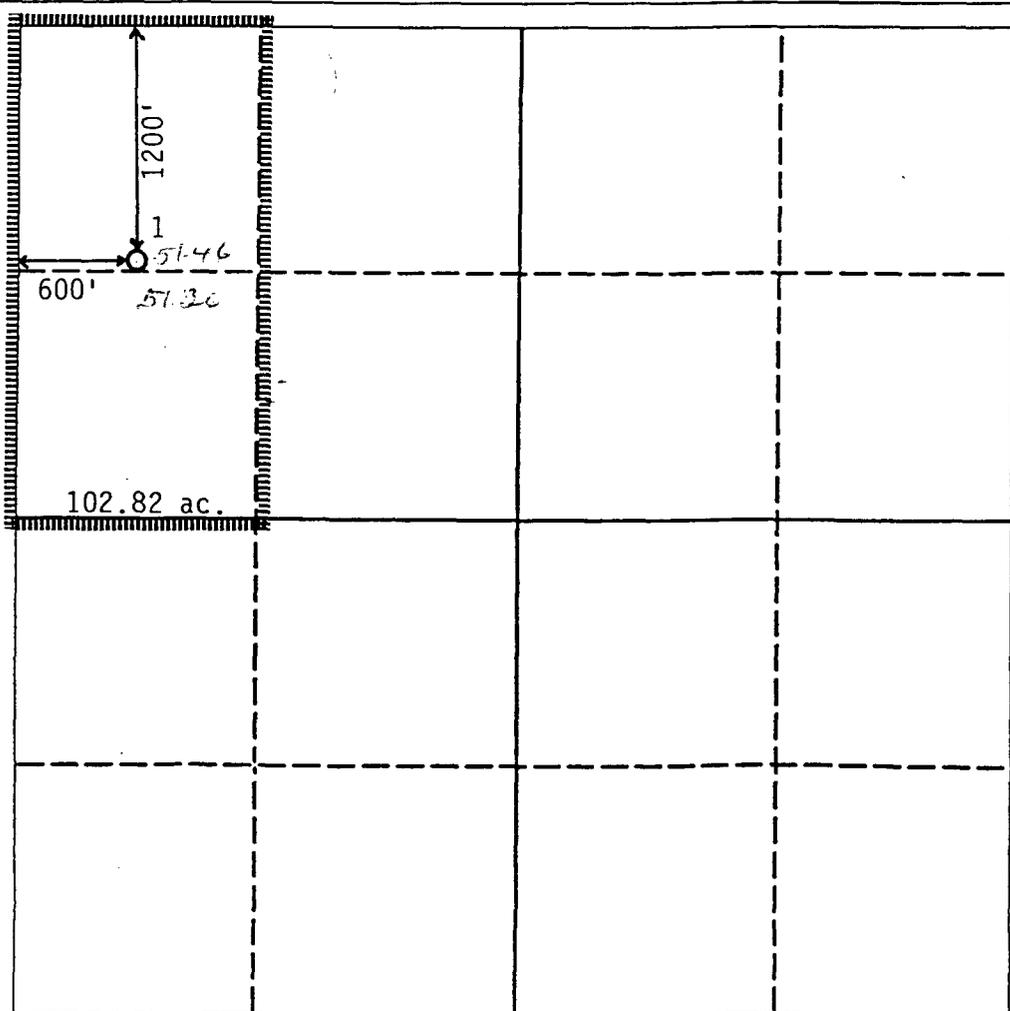
Ground level Elev. 3856.9	Producing Formation Penn. Wolfcamp	Pool Undesignated Lovington Penn. NE	Dedicated Acreage: 102.82 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Lease pooling provisions

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.

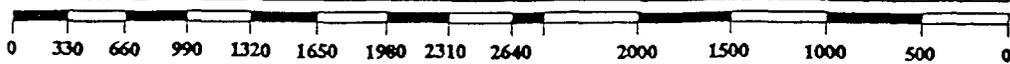


**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *William C. Bahlburg*  
 Printed Name: William C. Bahlburg  
 Position: Individual/Owner  
 Company: Individual  
 Date: 9/28/92

**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:  
 Signature & Seal of Professional Surveyor:  
 Certificate No.:





STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

September 30, 1992

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

BRUCE KING  
GOVERNOR

William C. Bahlburg  
14875 Landmark Blvd, Suite 216  
Dallas, TX 75240

RE: PROPOSED RE-ENTRY  
CHRISTMAS #1, Unit D, Sec. 7, T16S, R37E

Gentlemen:

This is to advise that after conferring with Larry Van Ryan and upon recommendation of Director LeMay we have this date approved your application to re-enter the above-referenced well and attempt a completion in the Wolfcamp formation. This approval is subject to stipulation that an allowable will not be approved for the Wolfcamp formation until the non-standard location has been resolved.

This acreage is adjacent to the Northeast Lovington Wolfcamp Pool which is spaced on 40 acres so a Wolfcamp completion would normally be governed by rules for that pool. The location of the well (1200/N & 600/W) is unorthodox for that pool and would require approval of a non-standard location order. The original non-standard location was approved by R-8382 and was for the Northeast Lovington Penn Pool which is spaced on 80 acres.

As I see it, the following options might be available to resolve the non-standard location for the Wolfcamp.

- 1) Seek approval for non-standard location for the Northeast Lovington Wolfcamp Pool. Under this 40-acre pool you might expect a considerable penalty due to proximity to the lease to the south.
- 2) Seek special 80-acre spacing for the Northeast Lovington Wolfcamp Pool
- 3) Or, if you can demonstrate that your well produces from a separate source, you might ask for a new pool spaced on 80 acres.

If you have any question, please feel free to call me at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I



OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

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DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.B.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO OPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT..." (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Estoril Producing Corporation	8. Farm or Lease Name Christmas
3. Address of Operator 400 W. Illinois #1600, Midland, Texas 79701	9. Well No. 1
4. Location of Well UNIT LETTER <u>D</u> <u>1200</u> FEET FROM THE <u>north</u> LINE AND <u>600</u> FEET FROM THE <u>west</u> LINE. SECTION <u>7</u> TOWNSHIP <u>16S</u> RANGE <u>37E</u> NMPM.	10. Field and Pool, or WHdcat Lovington Penn, NE
15. Elevation (Show whether DF, RT, GR, etc.) 3856.9 GR	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Plug and abandoned well.

Halliburton cemented with Premium Cement as follows:

- 35 sx from 11494' to 11394' @ 8:30 PM 2-4-87
- 130 sx from 10900' to 10680' @ 9:30 PM 2-4-87; tagged plug at 4:00 AM 2-5-87
- 35 sx from 9698' to 9598' @ 2:00 PM 2-7-87
- 35 sx from 7650' to 7550' @ 3:30 PM 2-7-87
- 35 sx from 6500' to 6400' @ 4:45 PM 2-7-87
- 35 sx from 4635' to 4535' @ 5:45 PM 2-7-87
- 35 sx from 1880' to 1780' @ 7:30 PM 2-7-87
- 10 sx at surface 9:30 PM 2-7-87

Verbal approved by Paul Kautz, NMOCC, on 2-3-87.

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

SIGNED *Cliff Srecher* TITLE Vice President - Engineer DATE 2-20-87

APPROVED BY *David P. Smith* OIL & GAS INSPECTOR DATE DEC 7 1988

CONDITIONS OF APPROVAL, IF ANY:

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

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OPERATOR	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.

1a. TYPE OF WELL  
OIL WELL  GAS WELL  DRY  OTHER P&A

b. TYPE OF COMPLETION  
NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF. RESVR.  OTHER

7. Unit Agreement Name

8. Farm or Lease Name  
Christmas

2. Name of Operator  
Estoril Producing Corporation

9. Well No.  
1

3. Address of Operator  
400 W. Illinois #1600, Midland, Texas 79701

10. Field and Pool, or Wildcat  
Lovington Penn, NE

4. Location of Well  
UNIT LETTER D LOCATED 1200 FEET FROM THE north LINE AND 600 FEET FROM

11. County  
Lea

THE west LINE OF SEC. 7 TWP. 16S RGE. 37E NMPM

15. Date Spudded 12-31-86 16. Date T.D. Reached 2-3-87 17. Date Compl. (Ready to Prod.) Dry 18. Elevations (DF, RKB, RT, GR, etc.) 3856.9 GR 19. Elev. Casinghead

20. Total Depth 11,750' 21. Plug Back T.D. 22. If Multiple Compl., How Many 23. Intervals Drilled By, Rotary Tools 0-TD Cable Tools

25. Was Directional Survey Made  
Yes

24. Producing Interval(s), of this completion - Top, Bottom, Name  
MAR - 9 1987

26. Type Electric and Other Logs Run  
DIL; Compensated Acoustic Velocity

27. Was Well Cored  
No

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

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8	68	373	17 1/2	395 sx	
8-5/8	32	4585	11	1600 sx	

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

31. Perforation Record (Interval, size and number)

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

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

33. PRODUCTION

Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in)

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Test Witnessed By

35. List of Attachments  
Logs; Inclination Report

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Cliff Prescher TITLE Vice President - Engineer DATE 2-26-87

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depth also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quadruplicate on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy _____	T. Canyon <u>11056</u>	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt <u>1800</u>	T. Strawn <u>11496</u>	T. Kirtland-Fruitland _____	T. Penn. "C" _____
D. Salt <u>1900</u>	T. Atoka <u>11666</u>	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates <u>3262</u>	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres <u>4906</u>	T. Simpson _____	T. Gallup _____	T. Ignacio Qute _____
T. Glorieta <u>6500</u>	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinbry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb <u>7727</u>	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo <u>8483</u>	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp <u>9698</u>	T. _____	T. Chinle _____	T. _____
T. Penn <u>10422</u>	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from Dry Hole to \_\_\_\_\_ No. 4, from \_\_\_\_\_ to \_\_\_\_\_

No. 2, from \_\_\_\_\_ to \_\_\_\_\_ No. 5, from \_\_\_\_\_ to \_\_\_\_\_

No. 3, from \_\_\_\_\_ to \_\_\_\_\_ No. 6, from \_\_\_\_\_ to \_\_\_\_\_

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_

No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_

No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_

No. 4, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
11496	11534	38	Upper Strawn				
11534	11666	132	Lower Strawn				

RECEIVED  
 MAR 4 1987  
 OGD  
 HOBBS OFFICE

**RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION**

Form W-12  
(1-1-71)

<b>INCLINATION REPORT</b> (One Copy Must Be Filed With Each Completion Report.)		6. RRC District
		7. RRC Lease Number. (Oil completions only)
1. FIELD NAME (as per RRC Records or Wildcat) <u>Lovington Penn, NE</u>	2. LEASE NAME <u>Christmas</u>	8. Well Number <u>1</u>
3. OPERATOR <u>Estoril Producing Corporation</u>		9. RRC Identification Number (Gas completions only)
4. ADDRESS <u>400 West Illinois, Independence Plaza, 16th Floor, Midland, Texas 79701</u>		10. County <u>Lea Co., N.M.</u>
5. LOCATION (Section, Block, and Survey) <u>600' FWL and 1200' FNL, Section 7, Township 16 South, Range 37 East</u>		

**RECORD OF INCLINATION**

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
372	372	3/4	1.31	4.88	4.88
410	38	1/2	0.87	0.33	5.21
944	534	1/2	0.87	4.65	9.86
1441	497	3/4	1.31	6.51	16.37
1940	499	3/4	1.31	6.54	22.91
2223	283	3/4	1.31	3.71	26.62
2716	493	1/2	0.87	4.29	30.91
3162	446	3/4	1.31	5.85	36.76
3649	487	1/2	0.87	4.24	41.00
4197	548	3/4	1.31	7.18	48.18
4584	387	1	1.75	6.78	54.96
5011	427	1/2	0.87	3.72	58.68
5507	496	3/4	1.31	6.50	65.18
6005	498	3/4	1.31	6.53	71.71
6505	500	3/4	1.31	6.55	78.26
6847	342	3/4	1.31	4.48	82.74

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form?  yes  no
18. Accumulative total displacement of well bore at total depth of 11,650 feet = 153.59 feet.
- \*19. Inclination measurements were made in -  Tubing  Casing  Open hole  Drill Pipe
20. Distance from surface location of well to the nearest lease line \_\_\_\_\_ feet.
21. Minimum distance to lease line as prescribed by field rules \_\_\_\_\_ feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No
- (If the answer to the above question is "yes", attach written explanation of the circumstances.)

<p><b>INCLINATION DATA CERTIFICATION</b></p> <p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.</p> <p><u>Linda K. Bell</u> Signature of Authorized Representative</p> <p><u>Linda K. Bell, Agent</u> Name of Person and Title (type or print)</p> <p><u>GENE SLEDGE DRILLING CORPORATION</u> Name of Company</p> <p>Telephone: <u>915</u> <u>683-5261</u> Area Code</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.</p> <p><u>Becky Middleton</u> Signature of Authorized Representative</p> <p><u>Becky Middleton, Prod. Supervisor</u> Name of Person and Title (type or print)</p> <p><u>Estoril Producing Corporation</u> Operator</p> <p>Telephone: <u>915</u> <u>683-6101</u> Area Code</p>
--	---

Railroad Commission Use Only:

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\* Designates items certified by company that conducted the inclination surveys.



OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

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DISTRIBUTION		
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U.S.O.S.		
LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease  
State  Farm

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT - A (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Estoril Producing Corporation	8. Farm or Lease Name Christmas
3. Address of Operator 400 W. Illinois #1600, Midland, Texas 79701	9. Well No. 1
4. Location of Well UNIT LETTER <u>D</u> <u>1200</u> FEET FROM THE <u>north</u> LINE AND <u>600</u> FEET FROM THE <u>west</u> LINE, SECTION <u>7</u> TOWNSHIP <u>16S</u> RANGE <u>37E</u> NMPM.	10. Field and Pool, or Wildcat Lovington Penn, NE
15. Elevation (Show whether DF, RT, GR, etc.) 3856.9 GR	12. County Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK

TEMPORARILY ABANDON

PULL OR ALTER CASING

OTHER

PLUG AND ABANDON

CHANGE PLANS

SUBSEQUENT REPORT OF:

REMEDIAL WORK

COMMENCE DRILLING OPNS.

CASING TEST AND CEMENT JOBS

OTHER Set intermediate casing

ALTERING CASING

PLUG AND ABANDONMENT

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1-9-87 Ran 106 jts 8-5/8" 32# casing; set at 4585'. Cemented with 1600 sx. Halliburton Lite + 3#/sx salt + 1/4#/sx paper. Followed by 250 sx Class "C" cement. Displaced with 277 barrels fresh water. Bumped plug at 8 PM with 1700#; floats failed. Circulated 300 sx to surface. WOC. Nipped up and tested BOP. Drilled out at 2 PM 1-10-87.

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

SIGNED Cliff Presuhn TITLE Vice-President - Engineering DATE 1-19-87

APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE JAN 23 1987

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

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LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Estoril Producing Corporation	8. Farm or Lease Name Christmas
3. Address of Operator 400 W. Illinois #1600, Midland, Texas 79701	9. Well No. 1
4. Location of Well UNIT LETTER <u>D</u> <u>1200</u> FEET FROM THE <u>north</u> LINE AND <u>600</u> FEET FROM THE <u>west</u> LINE, SECTION <u>7</u> TOWNSHIP <u>16S</u> RANGE <u>37E</u> N.M.P.M.	10. Field and Pool, or Wildcat Lovington Penn, NE
15. Elevation (Show whether DF, RT, GR, etc.) 3856.9 GR	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
FULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <u>Spud and set surface casing</u> <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work; SEE RULE 1103.

Spud @ 4:30 AM 12-31-86

Ran 10 jts 13-3/8" 68# K-55 casing; set at 373'. Cemented with 395 sx Cl "C" cement w/2% CaCl. Circulated 110 sx to pit. Plug down @ 3 PM 12-31-86. WOC 18 hrs. NU BOP & tested. Drilled out with 11" bit at 9 AM 1-1-87.

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

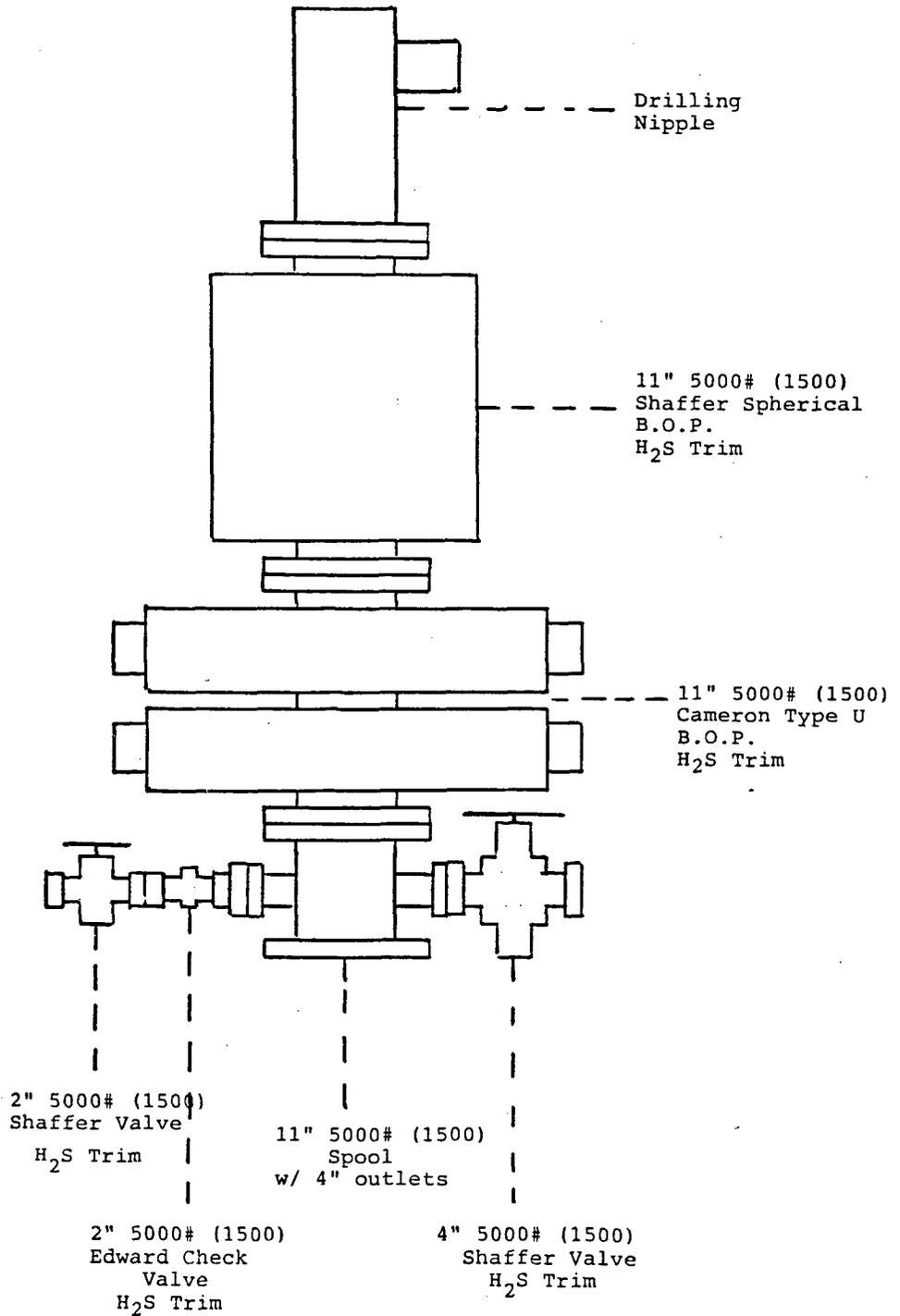
SIGNED Cliff Swisher TITLE Vice-President - Engineering DATE 1-19-87

APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE JAN 23 1987

CONDITIONS OF APPROVAL, IF ANY:

GENE SLEDGE DRILLING CORPORATION  
MIDLAND, TEXAS

BOP DIAGRAM



ESTORIL PRODUCING CORPORATION

Christmas No. 1

Sec. 7, T16S, R37E

Lea County, New Mexico

30-025-29817 ✓

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

Form C-101  
Revised 10-1-78

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OPERATOR	

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. Unit Agreement Name
2. Name of Operator Estoril Producing Corporation			8. Farm or Lease Name Christmas
3. Address of Operator 400 W. Illinois #1600, Midland, Texas 79701			9. Well No. 1
4. Location of Well UNIT LETTER <u>D</u> LOCATED <u>1200</u> FEET FROM THE <u>North</u> LINE AND <u>600</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>7</u> TWP. <u>16S</u> RGE. <u>37E</u> NMPM			10. Field and Pool, or Wildcat Lovington Penn, NE
19. Proposed Depth <u>11,750</u>			12. County Tea
			19A. Formation Penn
21. Elevations (Show whether DF, RT, etc.) 3856.9 GL		21A. Kind & Status Plug. Bond Blanket	20. Rotary or C.T. Rotary
		21B. Drilling Contractor Gene Sledge Drilling	22. Approx. Date Work will start 12-17-86

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17½"	13-3/8"	61#	375'	395	Circulate
11"	8-5/8"	32#	4630'	1800	Circulate
7-7/8"	5½"	17#	11,750'	500	10,000'

We propose to drill and test the Strawn or Penn formations to approximately 11,750'. Approximately 375' of surface casing will be set and cement circulated to shut off gravel and fresh water sands. Intermediate casing will be set approximately at 4630' with cement circulated. If productive, 5½" casing will be run and cemented adequately to perforate and stimulate for production. No other well is located on this 80 acres.

Mud Program: Surface to 375' - spud mud; 375' to 4630' - native mud with oil; 4630' to 11,000' - fresh water; 11,000' to TD - fresh water gel.

BOP Program: Will be installed on intermediate casing and tested.  
(See attached sketch)

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed [Signature] Title Vice President - Engineering Date 12-3-86

(This space for State Use)

APPROVED BY [Signature] TITLE \_\_\_\_\_ DATE DEC 24 1986

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

NSL R-73 82

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.

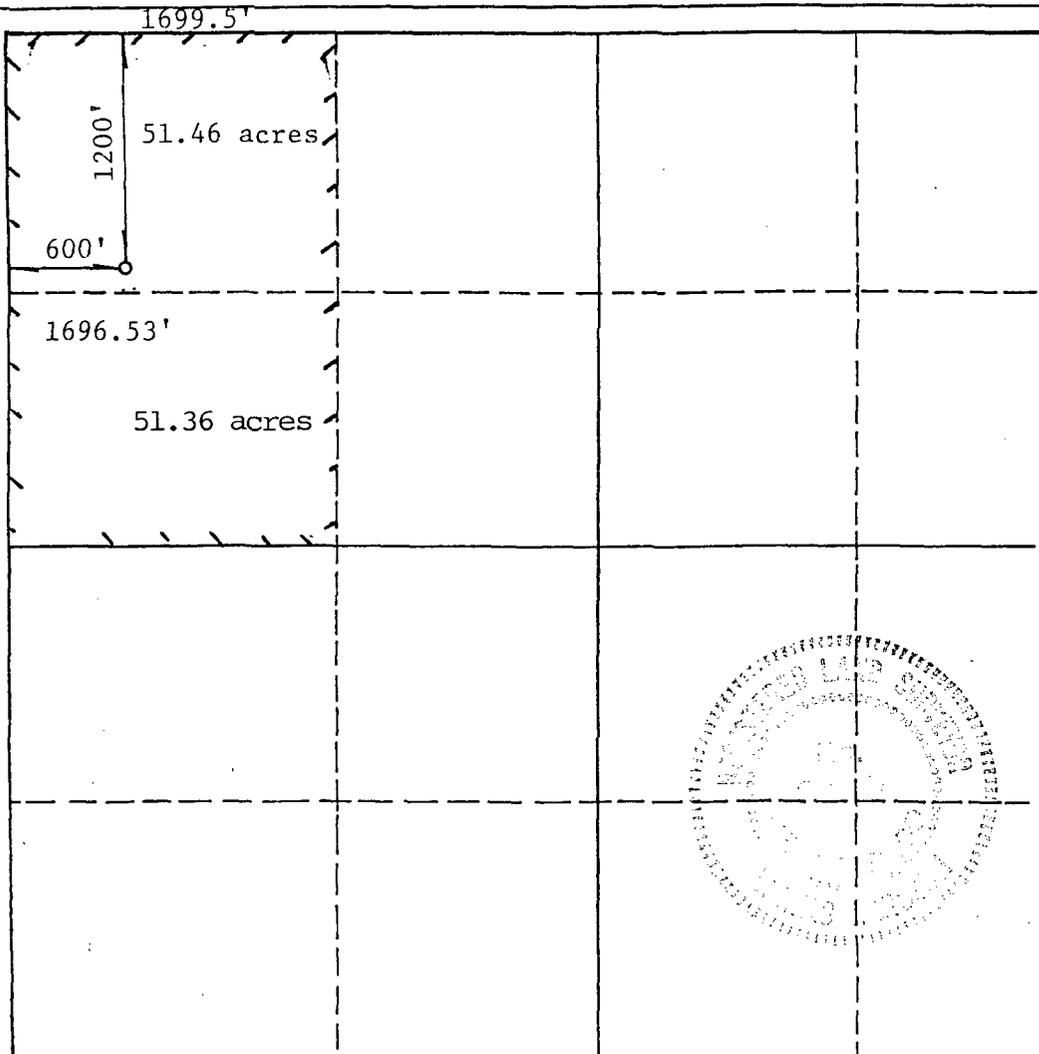
Operator Estoril Producing Corporation			Lease Christmas		Well No. 1
Unit Letter D	Section 7	Township 16-South	Range 37-East	County Lea	
Actual Footage Location of Well: 1200 feet from the North line and 600 feet from the West line					
Ground Level Elev. 3856.9	Producing Formation Penn		Pool Lovington Penn, NE	Dedicated Acreage: 102.82 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 Force-pooling pending

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

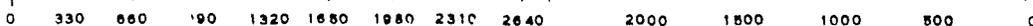
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
Cliff Pender  
Position  
Vice President - Engineering  
Company  
Estoril Producing Corp.  
Date  
12-3-86

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  
11-28-86  
Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson  
Certificate No. JOHN W. WEST 876



# WRS COMPLETION REPORT

COMPLETIONS SEC 7 TWP 16S RGE 37E  
PI# 30-T-0009 03/16/87 30-025-29817-0000 PAGE 1

NMEX LEA \* 1200FNL 660FWL SEC NW NW  
STATE COUNTY FOOTAGE SPOT

ESTORIL PRODUCING D D  
OPERATOR WELL CLASS INIT FIN

1 CHRISTMAS  
WELL NO. LEASE NAME

3874KB 3857GR LOVINGTON NE  
OPER ELEV FIELD POOL AREA

API 30-025-29817-0000  
LEASE TYPE NO. PERMIT OR WELL I.D. NO.

12/31/1986 02/08/1987 ROTARY D&A  
SPUD DATE COMP. DATE TYPE TOOL STATUS

11750 PNNSYLVN SLEDGE GENE DRLG 11 RIG SUB 16  
PROJ. DEPTH PROJ. FORM CONTRACTOR

DTD 11750 FM/TD ATOKA  
DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

## LOCATION DESCRIPTION

6 MI NW HUMBLE CITY, NM

## CASING/LINER DATA

CSG 8 5/8 @ 4585 W/ 1850 SACKS

TYPE	FORMATION	LTH	TOP	DEPTH/SUB	BSE	DEPTH/SUB
LOG	SN ANDRS		4906	-1032		
LOG	TUBB		7727	-3853		
LOG	ABO		8483	-4609		
LOG	WOLFCAMP		9698	-5824		
LOG	CANYON		11056	-7182		
LOG	STRAWN U		11496	-7622		
LOG	STRAWN L		11534	-7660		
LOG	ATOKA		11666	-7792		

## FORMATION TEST DATA

DST 1 11528-11650 STRAWN PKRFLR  
NO OTHER DETAILS

DST 2 10520-10680 WOLFCAMP  
REC 467.0 FT MUD 8030.0 FT WTR  
INIT OP 15M IFP 2798 FFP 3212  
FINAL OP 30M IFP 3322 FFP 3900  
ISIP 3900 1H FSIP 3900 2H IHP 4899 FHP 4899

CONTINUED IC# 300257035486

COMPLETIONS SEC 7 TWP 16S RGE 37E  
PI# 30-T-0009 03/16/87 30-025-29817-0000 PAGE 2

ESTORIL PRODUCING D D  
1 CHRISTMAS

DRILLING PROGRESS DETAILS

ESTORIL PRODUCING  
400 W ILLINOIS STE 1600  
MIDLAND, TX 79701  
915-683-6101  
12/10 LOC/1986/  
01/05 DRLG 3670  
01/15 DRLG 6815  
01/22 DRLG 9245  
01/29 DRLG 11180  
02/04 11750 TD, CIRC  
02/10 TD REACHED 02/02/87 RIG REL 02/08/87  
11750 TD  
COMP 2/8/87, D&A  
NO CORES, TWO DSTS RPTD