

Xeric Oil & Gas Corporation
200 N. Loraine, Suite 1111 - P.O. Box 51311
Midland, Texas 79710-1311
(915) 683-3171 Fax: (915) 683-3152

OIL CONSERVATION DIVISION
RECEIVED

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October 26, 1993

New Mexico Oil Conservation Division
PO Box 2088
Santa Fe, NM 87504-2088

Re: Application of Xeric Oil & Gas Co.
for unorthodox location for the Mesa Queen Field
Mesa Queen Unit
Lea County, New Mexico

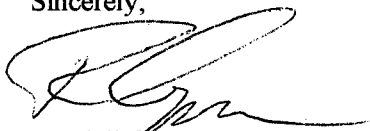
Gentlemen:

Xeric Oil & Gas Company has filed a permit to drill the Mesa Queen Unit well No. 26 to be located 1710 feet from the South line and 15 feet from the West line of Section 16, T16S, R32E, Lea County, New Mexico. Xeric Oil & Gas Company hereby requests an exception to well location requirement of Rule 104 C.I. (a) without notice or hearing in order to permit the completion of an efficient production and injection pattern within a secondary recovery project. Please note that the proposed well will not be closer than 10 feet from a quarter-quarter section nor closer than 330 feet from the outer boundary of the unit.

Xeric Oil & Gas Company respectfully requests administrative approval. Written notification of our intent has been furnished by certified mail to offset operators in the field in accordance with Statewide Rules, see attached list.

If no objections are received, please administratively approve this location after the prescribed 20 day waiting period.

Sincerely,



Randall Capps

RLC/dds

Xeric Oil & Gas Corporation

200 N. Loraine, Suite 1111 - P.O. Box 51311
Midland, Texas 79710-1311
(915) 683-3171 Fax: (915) 683-3152

October 26, 1993

Re: Application of Xeric Oil & Gas Company for administrative approval for an unorthodox location in the Mesa Queen Field, Lea County, New Mexico

Dear Sir:

Xeric Oil & Gas Company is filing for administrative approval for an unorthodox location in the Mesa Queen Field, Lea County, New Mexico. For your review and reference on this matter, we have attached a copy of our application. With submittal of this letter to your office, we are initiating the 20 day notice requirement for this request application.

If you object to this application you should respond to the New Mexico Oil Conservation Division, PO Drawer 2088, Capitol Station, Austin, Texas 78704-2088.

If you have any questions concerning this matter, please contact Randall Capps with Xeric Oil & Gas Company.

SERVICE LIST FOR MESA QUEEN FIELD

Arco Oil & Gas Company
P.O. Box 1610 C/O Reg Compl Dept
Midland, TX 79702

Conoco
P.O. Box 2197
Houston, TX 77252

Mobil
12450 Greenspoint Dr.
Houston., TX 77060-1991

Exxon
Southwestern Prod. Div. Office
P.O. Box 1600
Midland, TX 79702-1600

Shell
P.O. Box 2463
Houston, TX 77252

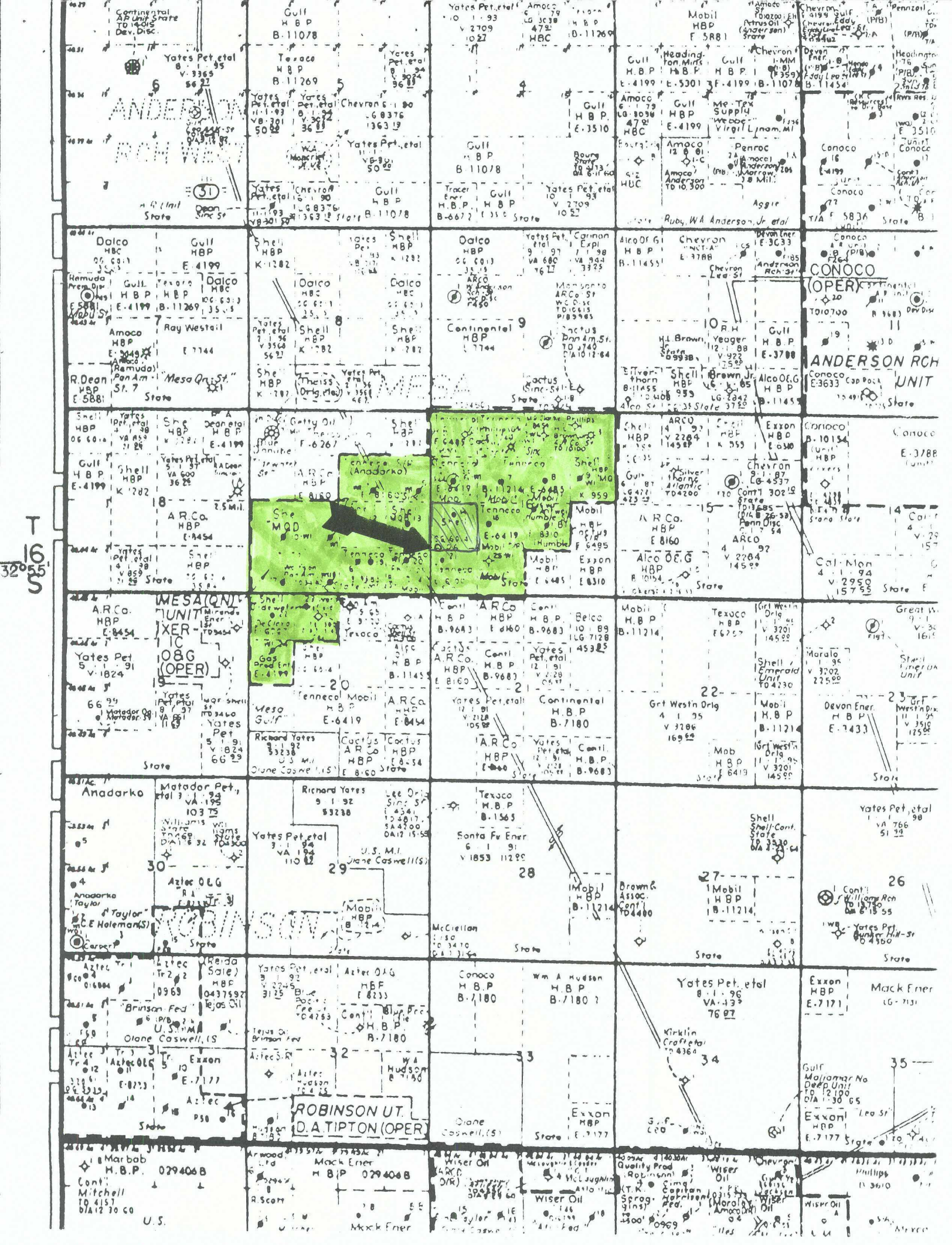
Texaco
P.O. Box 52332
Houston, TX 77052

Tenneco
P.O. Box 2511
Houston, TX 77252-2511

Amoco
P.O. Box 3092
Houston, TX 77253

Yates Petroleum
Yates Bldg.
105 South 4th
Artesia, NM 88210

Silverthorn
P.O. Box 19832
Houston, TX 77224-9832



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

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

API NO. (assigned by OCD on New Wells)

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 ☐

7. Lease Name or Unit Agreement Name

Mesa Queen Unit

8. Well No.

26

9. Pool name or Wildcat

Hobbs (C-S)

2. Name of Operator

Xeric Oil & Gas Company

3. Address of Operator

P.O. Box 51311, Midland, Texas 79710

4. Well Location

Unit Letter L : 1710 Feet From The South Line and 15 Feet From The West Line

Section 16

Township 16-S

Range 32-E

NMPM

County

10. Proposed Depth

3480'

11. Formation

Queen

12. Rotary or C.T.

Rotary

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

14. Kind & Status Plug Boon

blanket-current

15. Drilling Contractor

CapStar Drilling

16. Approx. Date Work will start

Nov. 10, 1993

17.

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| 12 1/4 | 8 5/8 | 24 lb. | 400' | 290 | circ. |
| 7 7/8 | 5 1/2 | 15.5 lb. | 4300' | 250 | 2950' |

Proposal:

-Drill to 3480' with rotary

-Set 400' of used 8 5/8 surface casing (23 lb) with enough sacks to circulate

-Set 3480' of used 5 1/2 casing (15.5 lb) with enough sacks to bring Est top to 2950'

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 Randall L. Capps title Owner

DATE 10/21/93

(915)

TYPE OR PRINT NAME Randall L. Capps

TELEPHONE NO 683-3171

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

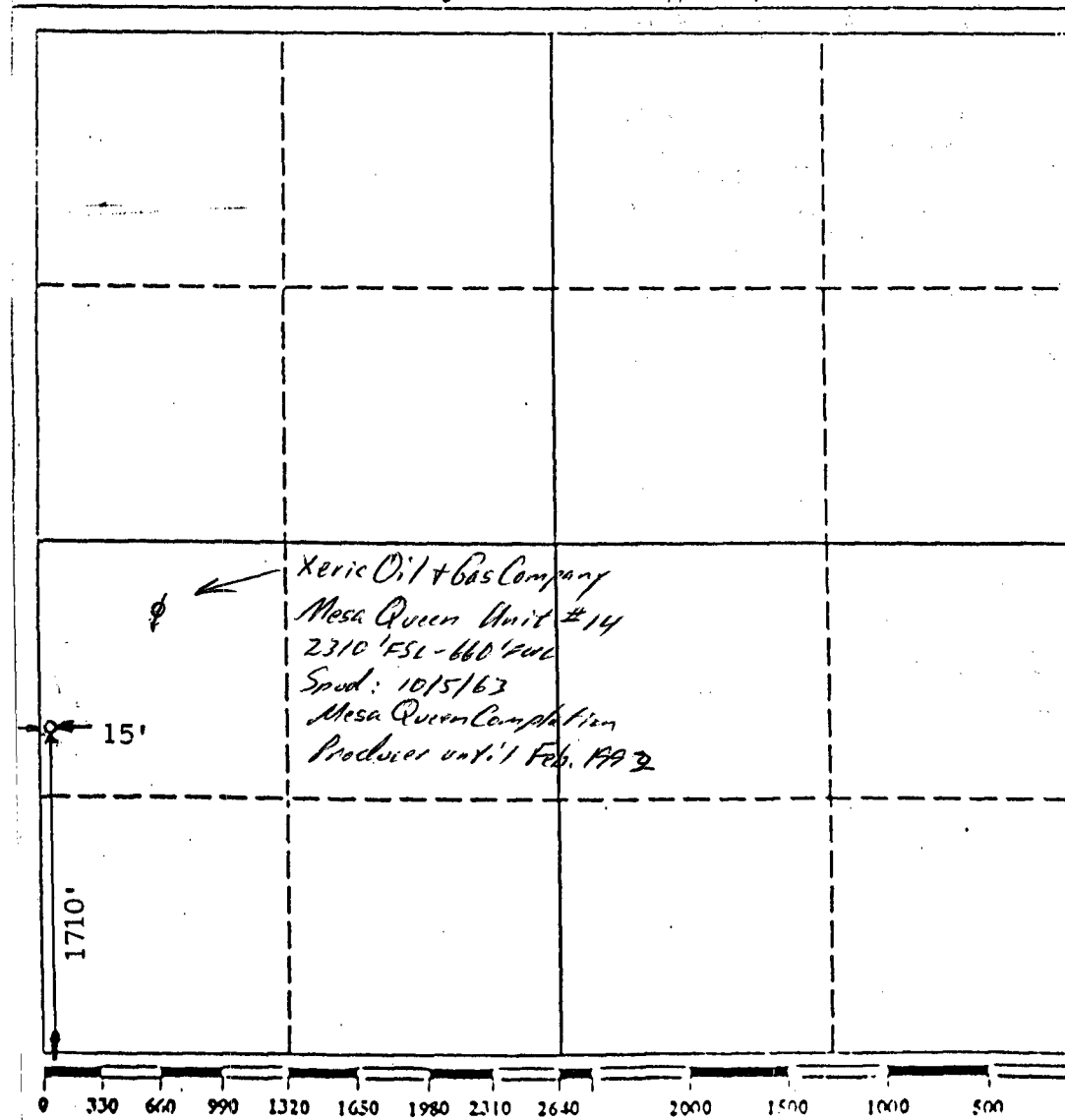
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|--|----------------------|-----------------------------|---------------------------------|---------------------------------|-----------------------|
| Operator Xeric Oil & Gas Company | | | Lease Mesa Queen Unit | | Well No. 26 |
| Unit Letter L | Section 16 | Township 16 South | Range 32 East | County Lea | |
| Actual Footage Location of Well: 1710 feet from the South line and 15 feet from the West line | | | | | |
| Ground level Elev. 4355 | | Producing Formation | | Pool | |
| | | | | Dedicated Acreage: Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 _____
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: *[Signature]*
Printed Name: **Randall Capps**
Position: **Owner**
Company: **Xeric Oil & Gas Co.**
Date: **10/21/93**

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: **May 5, 1993**
Signature & Seal of Professional Surveyor: *[Signature]*
P. R. Patton
Certificate No. **8112**

SECTION V

R. W. Byram & Co., - July, 1968

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.

en) Unit

(4) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

O. 3769
R-3420

(5) 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.

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MESA QUEEN UNIT
Lea County, New Mexico

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Order No. R-3443, Approving the Mesa Queen Unit Agreement,
Lea County, New Mexico, July 3, 1968.

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Application of Tenneco Oil Company for Approval of the Mesa Queen Unit Agreement,
Lea County, New Mexico.

CASE NO. 3789
Order No. R-3443

ORDER OF THE COMMISSION

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relative

BY THE COMMISSION: This cause came on for hearing at 9 a. m. on June 26, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

hereby

NOW, on this 3rd day of July, 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,

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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, Tenneco Oil Company, seeks approval of the Mesa Queen Unit Agreement covering 1040 acres, more or less, of State lands described as follows:

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reement
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LEA COUNTY, NEW MEXICO
TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 16: N/2, SW/4, and NE/4 SE/4
Section 17: S/2 and S/2 NE/4
Section 20: W/2 NW/4 and NE/4 NW/4

R. W. Byram & Co., - Nov., 1968

SECT

(MESA QUEEN UNIT - Cont'd.)

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

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

(2) That the plan contained in said unit agreement for the development and operation of the unit area 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 Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that 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.

(4) 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; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) 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.

WEST RED LAKE UNIT
Eddy County, New Mexico

Order No. R-3453, Approving the West Red Lake Unit Agreement, Eddy County, New Mexico, July 12, 1968.

Application of Atlantic Richfield Company for Approval of the West Red Lake Unit Agreement, Eddy County, New Mexico.

CASE NO. 3802
Order No. R-3453

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a. m. on July 10, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

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. 3790
Order No. R-3444

APPLICATION OF TENNECO OIL COMPANY
FOR A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 26, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of July, 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, Tenneco Oil Company, seeks permis-
sion to institute a waterflood project in its Mesa Queen Unit Area,
Mesa-Queen Pool, by the injection of water into the Queen formation
through twelve injection wells in Sections 16, 17, and 20, Town-
ship 16 South, Range 32 East, NMPM, Lea 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 waterflood project should result in
the recovery of otherwise unrecoverable oil, thereby preventing
waste.
- (5) That the subject application should be approved and the
project should be governed by the provisions of Rules 701, 702,
and 703 of the Commission Rules and Regulations.

-2-

CASE No. 3790
Order No. R-3444

IT IS THEREFORE ORDERED:

(1) That the applicant, Tenneco Oil Company, is hereby authorized to institute a waterflood project in its Mesa Queen Unit Area, Mesa-Queen Pool, by the injection of water into the Queen formation through the following-described wells in Township 16 South, Range 32 East, NMPM, Lea County, New Mexico:

| WELL | No. | Unit | Section |
|-------------------------|------|-----------|---------|
| Tenneco-Mesa Queen Unit | - 2 | NW/4 NE/4 | 16 |
| Tenneco-Mesa Queen Unit | - 1 | NE/4 NW/4 | 16 |
| Tenneco-Mesa Queen Unit | - 6 | SW/4 NW/4 | 16 |
| Tenneco-Mesa Queen Unit | - 15 | NE/4 SW/4 | 16 |
| Tenneco-Mesa Queen Unit | - 9 | SE/4 NE/4 | 16 |
| Tenneco-Mesa Queen Unit | - 5 | SE/4 NE/4 | 17 |
| Tenneco-Mesa Queen Unit | - 4 | SW/4 NE/4 | 17 |
| Tenneco-Mesa Queen Unit | - 18 | SE/4 SW/4 | 17 |
| Tenneco-Mesa Queen Unit | - 11 | NE/4 SW/4 | 17 |
| Tenneco-Mesa Queen Unit | - 10 | NW/4 SW/4 | 17 |
| Tenneco-Mesa Queen Unit | - 20 | SE/4 SE/4 | 17 |
| Tenneco-Mesa Queen Unit | - 22 | NW/4 NW/4 | 20 |

(2) That the subject waterflood project is hereby designated the Tenneco Mesa Queen Waterflood Project and 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 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

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. 3853
Order No. R-3444-A

APPLICATION OF TENNECO OIL COMPANY
FOR A WATERFLOOD EXPANSION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 4, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 12th day of September, 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 by Order No. R-3444, dated July 3, 1968, the applicant, Tenneco Oil Company, was authorized to institute a waterflood project in the Mesa Queen Unit Area, Mesa-Queen Pool, by the injection of water into the Queen formation through twelve injection wells in Sections 16, 17, and 20, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant now seeks amendment of Order No. R-3444 to delete the water injection wells previously authorized in the NE/4 SW/4 of said Section 16 and the NW/4 NW/4 of said Section 20, and to authorize for water injection two wells located in the NW/4 SE/4 of Section 16 and SW/4 NW/4 of Section 20.

(4) That the applicant further seeks an administrative procedure whereby said project could be expanded to include additional lands and injection wells in the area of the said project as may be necessary in order to complete an efficient injection pattern; that said administrative procedure should provide for administrative approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

(5) That approval of the subject application will not violate correlative rights and should increase the efficiency of the Mesa Queen Waterflood Project and result in greater ultimate recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order (1) of Order No. R-3444 is hereby amended to read in its entirety as follows:

"(1) That the applicant, Tenneco Oil Company, is hereby authorized to institute a waterflood project in its Mesa Queen Unit Area, Mesa-Queen Pool, by the injection of water into the Queen formation through the following-described wells in Township 16 South, Range 32 East, NMPM, Lea County, New Mexico:

| WELL | No. | Unit | Section |
|---------------------------|-----|-----------|---------|
| Tenneco-Mesa Queen Unit - | 2 | NW/4 NE/4 | 16 |
| Tenneco-Mesa Queen Unit - | 1 | NE/4 NW/4 | 16 |
| Tenneco-Mesa Queen Unit - | 6 | SW/4 NW/4 | 16 |
| Tenneco-Mesa Queen Unit - | 16 | NW/4 SE/4 | 16 |
| Tenneco-Mesa Queen Unit - | 9 | SE/4 NE/4 | 16 |
| Tenneco-Mesa Queen Unit - | 5 | SE/4 NE/4 | 17 |
| Tenneco-Mesa Queen Unit - | 4 | SW/4 NE/4 | 17 |
| Tenneco-Mesa Queen Unit - | 18 | SE/4 SW/4 | 17 |
| Tenneco-Mesa Queen Unit - | 11 | NE/4 SW/4 | 17 |
| Tenneco-Mesa Queen Unit - | 10 | NW/4 SW/4 | 17 |
| Tenneco-Mesa Queen Unit - | 20 | SE/4 SE/4 | 17 |
| Tenneco-Mesa Queen Unit - | 24 | SW/4 NW/4 | 20 " |

(2) That Order (2) of Order No. R-3444 is hereby amended to read in its entirety as follows:

"(2) That the subject waterflood project is hereby designated the Tenneco Mesa Queen Waterflood Project and shall be governed by

-3-

CASE No. 3853

Order No. R-3444-A

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 expansion of the Tenneco Mesa Queen Waterflood Project to include such additional lands and injection wells in the area of said project as may be necessary to complete an efficient water injection pattern; 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."

(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

GUYTON B. HAYS, Member

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

S E A L

esr/