

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

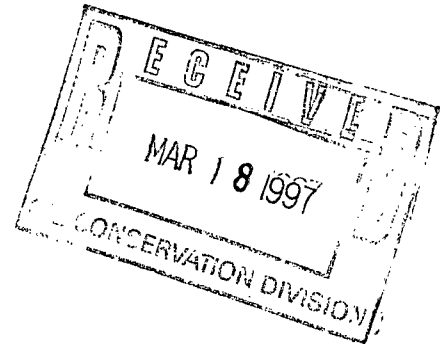
TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

March 18, 1997

HAND DELIVERED

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87501



RE: Federal "27-A" Well No. 2
Administrative Application of
H. L. Brown, Jr. for Approval
of an Unorthodox Oil Well Location,
Roosevelt County, New Mexico

Dear Mr. Stogner:

On February 4, 1997, I filed an administrative application for H. L. Brown, Jr., requesting approval of an unorthodox oil well location for its Federal "27-A" Well No. 2 to be drilled in and dedicated to a standard 80-acre oil proration and spacing unit in the North Bluitt Siluro-Devonian Pool, consisting of the S/2NE/4 of Section 27, T7S, R37E, Roosevelt County, New Mexico.

Thereafter, I asked you to withhold action on this application because Brown needed to move the location because its original location was too close to a powerline. I have now been provided with an amended location and request that you now continue your review of this request.

The following is enclosed:

(1) Plat of original location: 2310 feet FNL and 2310 feet FEL

Mr. Michael E. Stogner
March 18, 1997
Page 2.

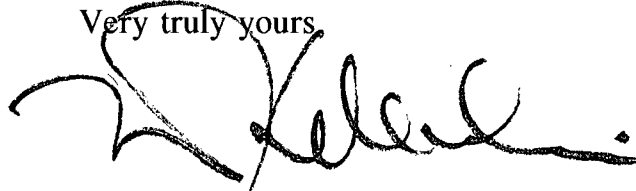
(2) Plat of amended location: 2360 feet FNL and 2460 feet FEL

(3) Amended APD showing amended location

H. L. Brown, Jr. is the only offsetting operator affected by this application and therefore no notice is required by the NMOCD rules.

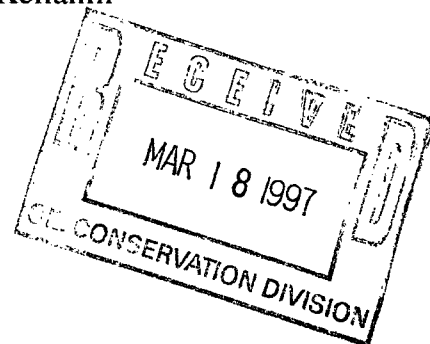
Please call me if you need anything further in order to process this application.

Very truly yours

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name below.

W. Thomas Kellahin

fxc: H. L. Brown, Jr.



DISTRICT I

P.O. Box 1928, Hobbs, NM 88241-1928

DISTRICT II

P.O. Drawer 88, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Grande Ed., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

JAN 20 1997

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 06910	Pool Name BLUITT (SILURO-DEVONIAN) NORTH
Property Code 002264	Property Name FEDERAL 27 A <i>Old Location</i>	Well Number 2
OGRID No. 009676	Operator Name H. L. BROWN, JR.	Elevation 4047'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	27	7 S	37 E		2310	NORTH	2310	EAST	ROOSEVELT

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT 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 CHRIS N BEZNER Printed Name OPERATIONS ENGINEER Title 3/4/97 Date
		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 belief. JAN. 13, 1997 Date Surveyed Signature of Surveyor Date 1-17-97 Certified Professional Surveyor JOHN M. WEST RONALD E. EIDSON CARL EIDSON 876 3239 12641
Move to: 2460' FEL 2360' FNL	EXHIBIT 	

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	06910	Bluitt (Siluro-Devonian) North
Property Code	Property Name	Well Number
002264	FEDERAL 27 A	2
OGRID No.	Operator Name	Elevation
009676	H. L. BROWN, JR.	4050'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	27	7 S	37 E		2360	NORTH	2460	EAST	ROOSEVELT

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>RECEIVED</p> <p>MAR 18 1997</p> <p>OIL CONSERVATION DIVISION</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Chris N. Bezner</i></p> <p>Signature</p> <p>Chris N. Bezner, P.E.</p> <p>Printed Name</p> <p>Operations Engineer</p> <p>Title</p> <p>3/4/97</p> <p>Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>FEBRUARY 28, 1997</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>RONALD J. EDSON</p> <p>Printed Name</p> <p>3-1-04</p> <p>Professional Surveyor</p>
		<p>Certified No. JOHN W. GIBST 676</p> <p>RONALD J. EDSON 3239</p> <p>PROFESSIONAL SURVEYOR 1264</p>

EXHIBIT

2

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
NM-12852

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal 27 A

9. WELL NO.
2

10. FIELD AND POOL OR FULDCAT
North Bluff
(SILURO-DEVONIAN)

11. SEC., T., R., M., OR BLM.
AND SURVEY OR AREA
Sec. 27, T-7-S, R-37-

12. COUNTY OR PARISH
Roosevelt

13. STATE
NM

1. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

2. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONES ☐

3. NAME OF OPERATOR
H.L. Brown, Jr.

4. ADDRESS OF OPERATOR
P.O. Box 2237, Midland, TX 79702

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
Unit G, 2360 FNL & 2460 FEL of Sec. 27, T-7-S, R-37-E
At proposed prod. zone
Same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
10 miles east of Milnesand, NM

7. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 2360'

8. NO. OF ACRES IN LEASE
800

9. NO. OF ACRES ASSIGNED
TO THIS WELL
80

10. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 1896'

11. PROPOSED DEPTH
9100'

12. ROTARY OR CABLE TOOLS
rotary

13. ELEVATIONS (Show whether DF, RT, GR, etc.)
4047' GR

14. APPROX. DATE WORK WILL START*
4-1-97

25. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	550'	525 C1 "C"
11"	8 5/8"	32#	3900'	1000 C1 "C" & lite
7 7/8"	5 1/2"	17#	9100'	1000 C1 "H" 50/50 POZ

Propose to drill to Devonian using rotary tools to 9100+.
Cement will be circulated on 13-3/8" & 8-5/8" casing strings.
A completion will be attempted in the North Bluff (SILURO-DEVONIAN) Pool @ 9100'. Completion or abandonment will be performed in accordance with prudent practices and regulatory requirements. A double ram series 900 BOP and choke manifold will be used from 8-5/8" casing to total depth.

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.

26. SIGNED Chris N. Bezner TITLE Chris N. Bezner, P.E. DATE 3/24/97
Operations Engineer

(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



2/4/97 2/24/97 MS KV NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or.

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Q. Peter Courtney

Print or Type Name

Signature

Land Manager

Title

2/04/97

Date

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

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

February 4, 1997

HAND DELIVERED

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87501

RE: **Federal "27-A" Well No. 2**
Administrative Application of
H. L. Brown, Jr. for Approval
of an Unorthodox Oil Well Location,
Roosevelt County, New Mexico

RECEIVED

FEB - 4 1997

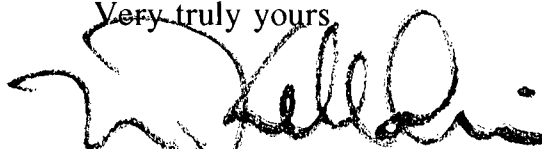
Oil Conservation Division

Dear Mr. Stogner:

On behalf of H. L. Brown, Jr., please find enclosed our administrative application for approval of an unorthodox oil well location for its Federal "27-A" Well No. 2 to be drilled in and dedicated to a standard 80-acre oil proration and spacing unit in the North Bluit Siluro-Devonian Pool, consisting of the S/2NE/4 of Section 27, T7S, R37E, Roosevelt County, New Mexico.

H. L. Brown Jr. is the only offsetting operator affected by this application and therefore no notice is required by the NMOCD rules.

Very truly yours,



W. Thomas Kellahin

fx: H. L. Brown, Jr.

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

**IN THE MATTER OF THE ADMINISTRATIVE
APPLICATION OF H. L. BROWN, JR. FOR
APPROVAL OF AN UNORTHODOX OIL WELL LOCATION,
ROOSEVELT COUNTY, NEW MEXICO**

RECEIVED

FEB - 4 1997

ADMINISTRATIVE APPLICATION

Oil Conservation Division

Comes now H. L. BROWN, JR., by and through its attorneys, Kellahin and Kellahin, and in accordance with Division General Rule 104.F applies to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location for any and all production from the North Bluit Siluro-Devonian Pool for its proposed Federal "27-A" Well No. 2 to be drilled at an unorthodox oil well location 2310 feet from the North line and 2310 feet from the East line (Unit G) of Section 27, T7S, R37E, NMPM, Roosevelt County, New Mexico and to be dedicated to a standard 80-acre spacing unit consisting of the S/2NE/4 of Section 27, and in support states:

(1) H. L. Brown, Jr. ("Brown") is the proposed operator of the subject well and is a working interest owner in the S/2NE/4 of Section 27. **See Exhibit 1.**

(2) Brown proposes to drill its Federal 27-A Well No. 2 at an unorthodox oil well location 2310 feet from the North line and 2310 feet from the East Line of Section 27, T7S, R37E, NMPM, Roosevelt County, New Mexico. **See Exhibit 2.**

(3) The Division had adopted special rules and regulations for this pool which require that wells be located within 150 feet of the center of either quarter-quarter section of its 80-acre spacing unit **See Exhibit 3.**

(4) The subject well will be a southeast offset to the H. L. Brown, Jr. Federal 27-A Well No. 1 in Unit C of Section 27.

(5) For geologic reasons, the subject well is to be drilled at an unorthodox well location so that it is located at the highest structural point in this spacing unit:

- (a) for the Devonian Reservoir. **See Exhibit 4.** and
- (b) for Wolfcamp reservoir. **See Exhibit 5.**

(6) Brown's geologic conclusion is that a well drilled at the closest standard location would place the well in an unfavorable structural position in both the Devonian and Wolfcamp which will substantially increase the risk of a non-commercial well while the proposed unorthodox well location has the best opportunity of encountering productive reservoirs.

(7) H. L. Brown Jr. is the only offsetting operator towards whom the well encroaches. **See Exhibit 1.**

(8) This application involves federal surface and an APD has been filed with the BLM. The proposed surface location has been inspected by the BLM and Brown believes its location will be approved by the BLM. **See Exhibit 5.**

WHEREFORE, H. L. Brown, Jr. requests that this matter be approved administratively by the Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285
Attorneys for Applicant

DISTRICT I
P.O. Box 1900, Hobbs, NM 88241-1900

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
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OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	06910	Bluitt (SILURO-DEVONIAN) North
Property Code	Property Name	Well Number
002264	FEDERAL 27 A	2
OGRID No.	Operator Name	Elevation
009676	H. L. BROWN, JR.	4047'

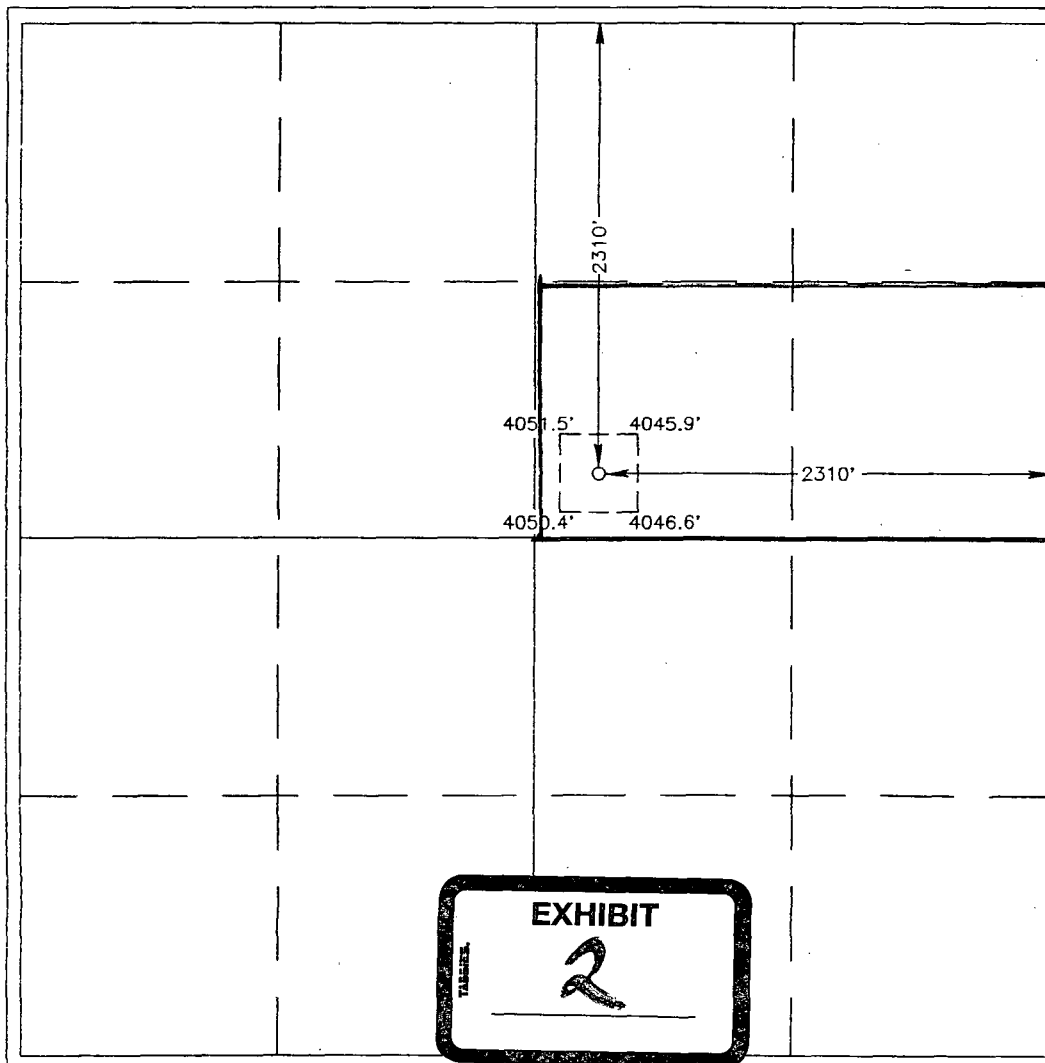
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	27	7 S	37 E		2310	NORTH	2310	EAST	ROOSEVELT

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Chris N. Bezner</i> Signature Chris N. Bezner, P.E. Printed Name Operations Engineer Title 1/23/97 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>JAN. 13, 1997 Date Surveyed CDG Signature & Seal of Professional Surveyor RONALD J. EIDSON 1229 197-11-0053 Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 GARY EIDSON 12641</p>
---	--

EXHIBIT

2

NORTH BLUITT SILURO-DEVONIAN POOL
Roosevelt County, New Mexico

Order No. R-8586, Creating and Adopting Temporary Operating Rules for the North Bluit Siluro-Devonian Pool, Roosevelt County, New Mexico, January 19, 1988.

Order No. R-8586-A, February 8, 1989, makes permanent the rules adopted in Order No. R-8586.

Application of H. L. Brown, Jr. for Pool Creation, Special Pool Rules and an Unorthodox Oil Well Location, Roosevelt County, New Mexico.

CASE NO. 9270
Order No. R-8586

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8:15 a.m. on December 2, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of January, 1988, 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, H. L. Brown, Jr., is the owner and operator of the Federal "27" Com Well No. 1 located 1650 feet from the North line and 660 feet from the West line (Unit E) of Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

(3) The applicant seeks the creation of a new oil pool for Siluro-Devonian production comprising the NW/4 of Section 27 and the NE/4 of Section 28, Township 7 South, Range 37 East, NMPM, Roosevelt County, New Mexico, and the promulgation of temporary special pool rules and regulations therefore including a provision for 80-acre spacing and proration units and designated well location requirements.

(4) The evidence presently available indicates that the aforementioned well has discovered a separate common source of supply in the Siluro-Devonian formation from 8,845 feet to 8,892 feet.

(5) The evidence presently available indicates that the Siluro-Devonian formation encountered in the above-described well is of high permeability, and that the drainage area of the well will be in excess of 40 acres.

(6) In order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells and to otherwise protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the proposed pool.

(7) The temporary special rules and regulations should also provide for restrictive well locations in order to assure orderly development of the pool and protect correlative rights.

(8) At the request of the applicant temporary special rules and regulations for the proposed pool should be established for a one-year period in order to allow the operators in the subject pool to gather sufficient reservoir information to show that an 80-acre unit in the area can be efficiently and economically drained and developed by one well.

(9) A new pool classified as an oil pool for Siluro-Devonian Pool, with vertical limits to include the Siluro-Devonian formation.

(10) There is insufficient geological data at this time that properly shows the horizontal extent of the productive interval of the Siluro-Devonian formation in this area.

(11) The horizontal extent of the proposed pool boundaries should therefore be limited to the 80-acre spacing and proration unit to be dedicated to said Federal "27" Com Well No. 1.

(12) Said well was originally drilled at a standard location for a statewide 40-acre oil spacing and proration unit; however, under the proposed Special Rules for the pool this location is unorthodox and an exception should therefore be approved.

(13) At the time of the hearing the applicant requested that the S/2 NW/4 of said Section 27 be dedicated to said well.

(14) This case should be reopened at an examiner hearing in January, 1989, at which time the operators in the subject pool should be prepared to appear and show cause why the temporary pool rules for the North Bluit Siluro-Devonian Pool should not be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) A new pool in Roosevelt County, New Mexico, classified as an oil pool for Siluro-Devonian production, is hereby created and designated the North Bluit Siluro-Devonian Pool, with vertical limits comprising the Siluro-Devonian formation, and the horizontal limits comprising the following described area:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM

Section 27: S/2 NW/4

(2) Temporary Special Rules for said pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
NORTH BLUITT SILURO-DEVONIAN POOL**

RULE 1. Each well completed or recompleted in the North Bluit Siluro-Devonian Pool or in the Siluro-Devonian formation within one mile thereof, and not nearer to or within the limits of another designated Siluro-Devonian Oil Pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2 or W/2 of a governmental quarter section being a legal subdivision of the United States Public Lands Survey, provided however, nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections on the unit.

RULE 3. The Director of the Oil Conservation Division, hereinafter referred to as the "Division", may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising one or more governmental quarter-quarter sections or lots, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.



SOUTH CARLSBAD-MOB
Eddy County, Ne

Order No. R-1670-L, Adopting Oper
the General Rules and Regulatio
Mexico, for the South Carlsbad-Mor
New Mexico, Septem

In the Matter of the Hearing Called
Conservation Commission on its O
to Consider Instituting Gas Proratio
South Carlsbad-Morrow Gas Pool, Ed
New Mexico.

ORDER OF THE CO

NOW, on this 30th day of June
quorum being present, having consid
and the exhibits received at sa
advised in the premises,

FINDS:
(1) That due public notice having been given by law, the Commission has jurisdiction over the matter thereof.

(2) That by Order No. R-3731 Commission created the South C. Eddy County, New Mexico, for the Morrow formation.

(3) That the horizontal limits of _____
from time to time by order of the Co _____

(4) That the horizontal limits of Pool, as defined by the Commission in this case comprised the following de-

EDDY COUN

TOWNSHIP 22 SOUTH, RANGE 10 EAST
Section 25: S/2

TOWNSHIP 22 SOUTH. RANGE 10 EAST.

Section 19:	S/2
Section 30:	All
Section 31:	All
Section 32:	W/2

TOWNSHIP 23 SOUTH, RANGE 10 EAST
 Section 1: W/2
 Section 2: All
 Section 11: All
 Section 12: All

TOWNSHIP 23 SOUTH, RANGE 10 EAST
Section 6: All
Section 7: N/2

T 7 S - R 37 E

26

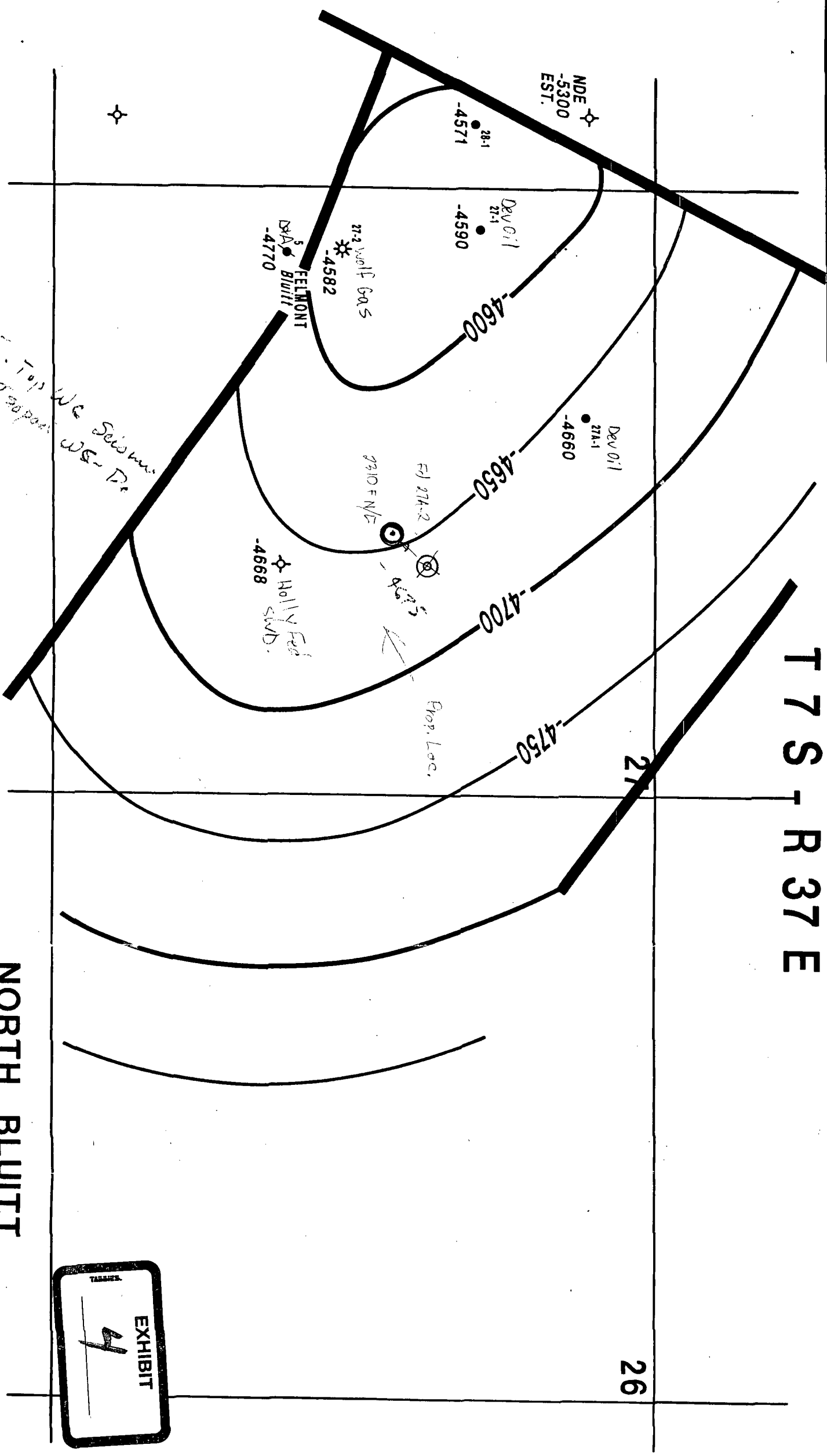
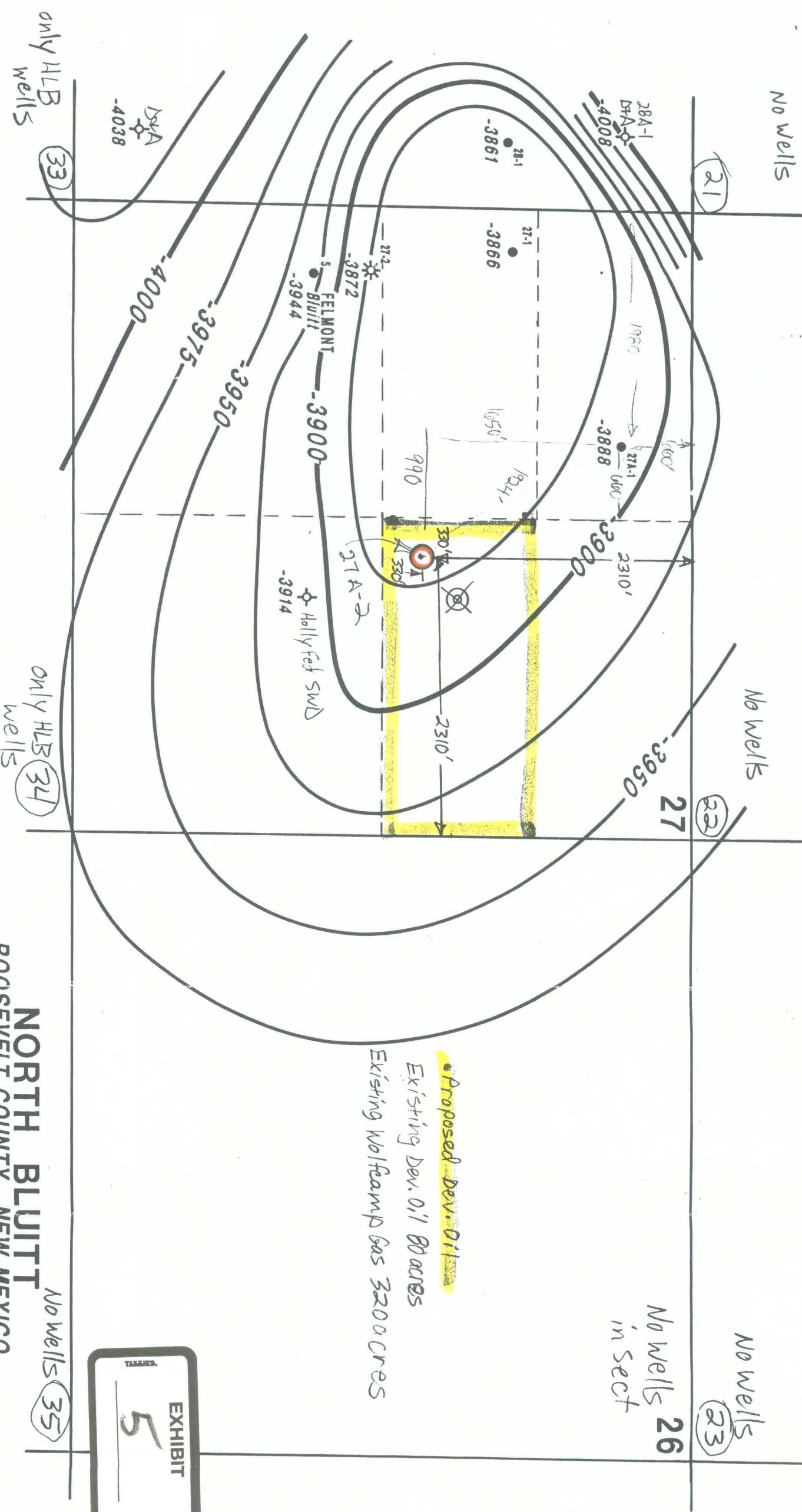


EXHIBIT
4

NORTH BLUFF
ROOSEVELT COUNTY, NEW MEXICO
DEVONIAN

SCALE: 1" = 1,000'
OCTOBER, 1996



Proposed Dev. Oil
Existing Dev. Oil 80 acres
Existing Wolfcamp Gas 3200 Acres

EXHIBIT
5

NORTH BLUFF
ROOSEVELT COUNTY, NEW MEXICO
TOP WOLFCAMP

SCALE : 1" = 1,000'
OCTOBER, 1996

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

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

H.L. Brown, Jr.

3. ADDRESS OF OPERATOR

P.O. Box 2237, Midland, TX 79702

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

At surface

Unit G, 2310 FNL & 2310 FEL of Sec. 27, T-7-S, R-37-E

At proposed prod. zone

Same

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

10 miles east of Milnesand, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

2310

16. NO. OF ACRES IN LEASE

800

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*

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

1924'

19. PROPOSED DEPTH

9100'

20. ROTARY OR CABLE TOOLS

rotary

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

4047' GR

22. APPROX. DATE WORK WILL START*

4-1-97

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	550'	525 C1 "C"
11"	8 5/8"	32#	3900'	1000 C1 "C" & lite
7 7/8"	5 1/2"	17#	9100'	1000 C1 "H" 50/50 POZ

Propose to drill to Devonian using rotary tools to 9100+.
Cement will be circulated on 13-3/8" & 8-5/8" casing strings.
A completion will be attempted in the North Bluit (SILURO-
DEVONIAN) Pool @ 9100'. Completion or abandonment will be
performed in accordance with prudent practices and regulatory
requirements. A double ram series 900 BOP and choke manifold
will be used from 8-5/8" casing to total depth.

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

Chris N. Bezner

TITLE

Chris N. Bezner, P.E.
Operations Engineer

DATE

1/23/97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

EXHIBIT

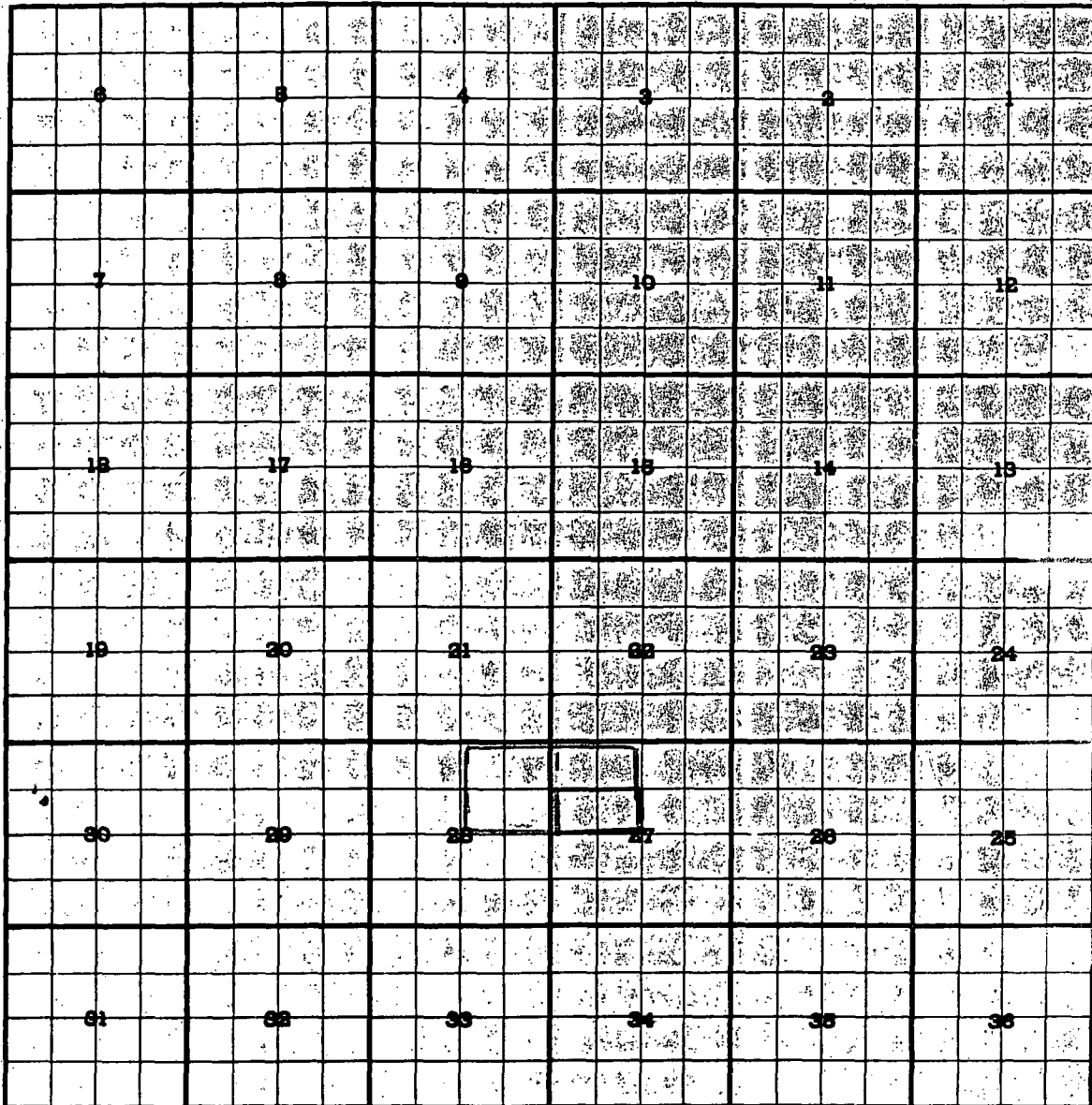
6

*See Instructions On Reverse Side

County ROOSEVELT

Pool NORTH BLUETT SILURO-DEVONIAN

TOWNSHIP 7 South, RANGE 37 East, NEW MEXICO PRINCIPAL MERIDIAN



DESC: $\frac{5}{2}$ NW $\frac{1}{4}$ SEC. 27 (R-8586, 1/19/88) EXT: $\frac{1}{2}$ NW $\frac{1}{4}$ SEC. 27, NE $\frac{1}{4}$ SEC. 28 (R-8626, 4/1/88)