

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]

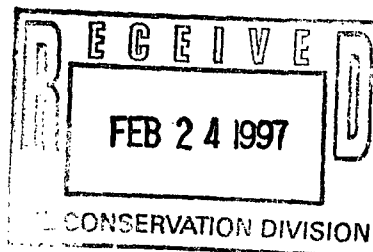
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[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.

C. WADE HOWARD
 Print or Type Name

C. Wade Howard
 Signature

ENGINEER ASSISTANT
 Title

2/19/97
 Date



Texaco Exploration
and Production Inc

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

February 19, 1997

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Location

S. J. Sarkeys Well No. 7

Wantz Abo, Drinkard Field

Lea County, New Mexico

State of New Mexico

Energy and Minerals Department

Oil Conservation Division

2040 South Pacheco

Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception to Rule 104 F. (3), by administrative approval, is requested for the captioned well. This well is located 330' FNL & 1050' FWL, Unit Letter "D", of Section 26, T-21-S, R-37-E.

This well must be drilled in this location due to topographic conditions. This well was to be staked at 990' FWL, but there was a Pipeline 53' from that location which prevented staking at a standard location. The well was moved 60' east to be a safe distance from the Pipeline. Geological condition were not favorable to move the well to the west.

We believe drilling a directional well to reach a legal bottom-hole location is not feasible due to the cost involved. A pumping completion is anticipated and the associated costs of pumping as well as drilling a directional well severely impacts the economics.

There are no "affected offset operators" to this location. Attached is the C-102 for this well.

Yours very truly,

C. W. Howard
Engineer Assistant

CWH:cwh Attachments

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

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

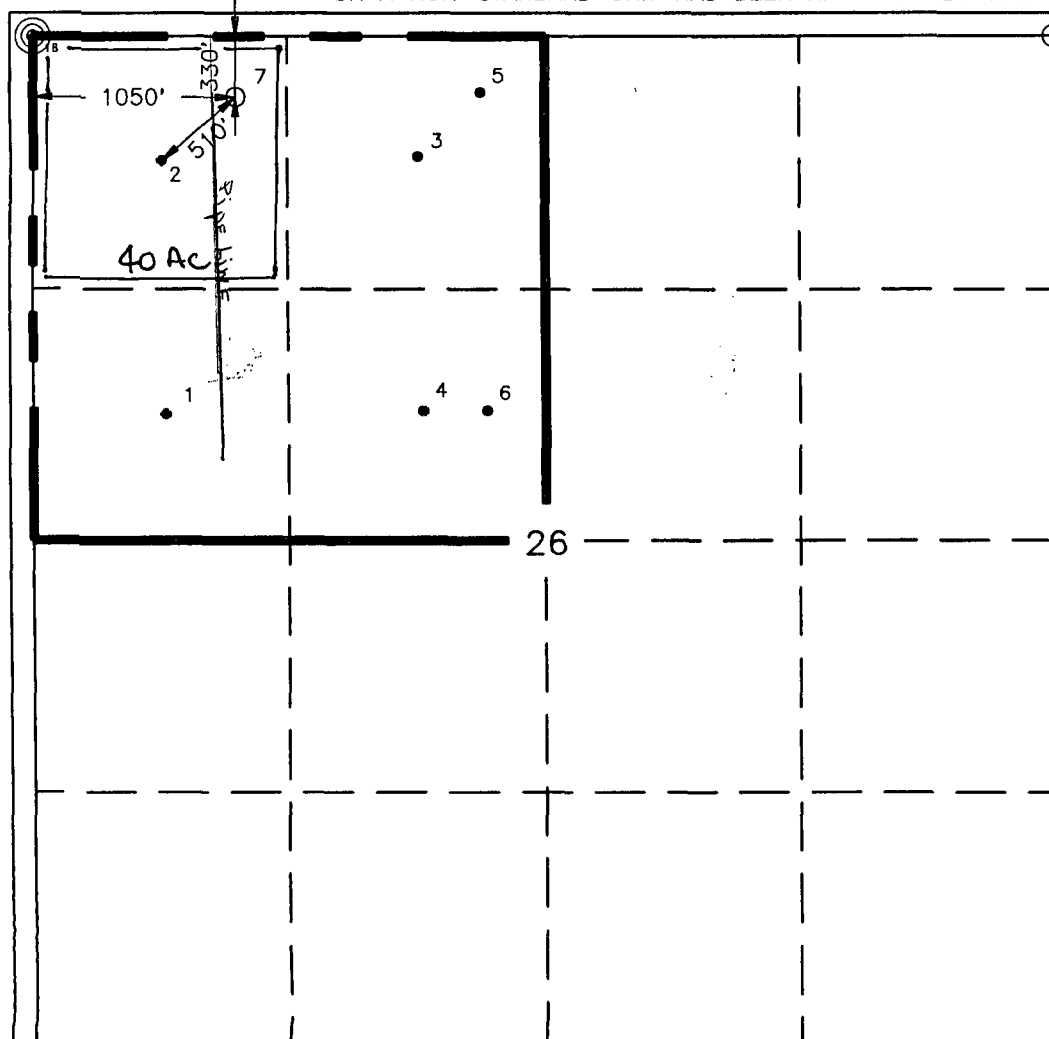
¹ API Number		² Pool Code		³ Pool Name Wantz Abo; Drinkard	
⁴ Property Code 11076		⁵ Property Name S. J. Sarkeys			⁶ Well Number 7
⁷ GRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 3393'

¹⁰ Surface Location									
UL or lot no. D	Section 26	Township 21-S	Range 37-E	Lot Idn	Feet from the 330'	North/South line North	Feet from the 1050'	East/West line West	⁷ County Lea

¹¹ 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	⁷ County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



¹ OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature C. Wade Howard	
Printed Name C. Wade Howard	
Position Engineer's Assistant	
Company Texaco Expl. & Prod. Inc.	
Date February 19, 1997	
¹⁶ 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 February 8, 1997	
Signature & Seal of Professional Surveyor John S. Piper	
Certificate No. 7254 John S. Piper	
Sheet	

○ = Staked Location ● = Producing Well = Injection Well ◇ = Water Supply Well ⊕ = Plugged & Abandon Well

2/24/97 3/17/97

3/4/97

3/24/97

MS

KV

NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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☒ NSL ☐ NSP ☐ DD ☐ SD

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☐ 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.

C. WADE HOWARD
Print or Type NameC. Wade Howard
SignatureENGINEER ASSISTANT
Title2/19/97
Date

RECEIVED

MAR 4 1997

Oil Conservation Division

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 4, 1997

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED

MAR 4 1997

Oil Conservation Division

Re: *Application of Texaco Exploration and Production Inc., for Administrative Approval of an Unorthodox Well Location for its S. J. Sarkeys Well No. 7, 330 feet from the North line and 1050 feet from the West line of Section 26, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.*

Dear Mr. LeMay:

Texaco Exploration and Production Inc. ("Texaco"), hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division") revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, of an unorthodox well location for its S. J. Sarkeys Well No. 7 to be drilled at an unorthodox well location 330 feet from the North line and 1050 feet from the West line Section 26, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

This location in the Drinkard formation, Drinkard Pool, and Abo formation, Wantz-Abo Pool, is unorthodox because these pools are governed by the General Rules and Regulations of the Division that provide for wells to be located no closer than 330 feet to the nearest boundary of the dedicated spacing or proration unit.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
March 4, 1997
Page 2

This well must be drilled at this location due to topographic conditions. Although the well was originally proposed at a location 990 feet from the West line, it was within 53 feet of a pipeline which prevented staking it at a standard location. The well was moved 60 feet to the east to be safe distance from this pipeline all as shown on Division Form C-102 attached hereto as Exhibit A.

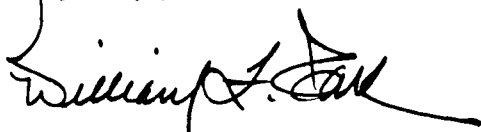
Attached hereto as Exhibit B is a bubble map which shows that the productive reservoir develops to the east and accordingly the well could not be moved to the west to avoid the pipeline.

There are no affected parties to whom notice of this application should be given.

Also enclosed is a proposed administrative order.

Your attention to this application is appreciated.

Very truly yours,



WILLIAM F. CARR
Attorney for Texaco Exploration and Production Inc.

Enclosures

WFC:mlh

cc: Mr. Ronald W. Lanning
Texaco Exploration and Production Inc.
500 North Loraine
Midland, TX 79701

Bureau of Land Management
1717 W. Second Street
Roswell, New Mexico 88201-2019

Oil Conservation Division
District I
Box 1980
Hobbs, New Mexico 88240

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

DISTRICT II
P. O. Drawer 00, Artesia, NM 88210

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Energy, Minerals and Natural Resources Department

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WELL LOCATION AND ACREAGE DEDICATION PLAT

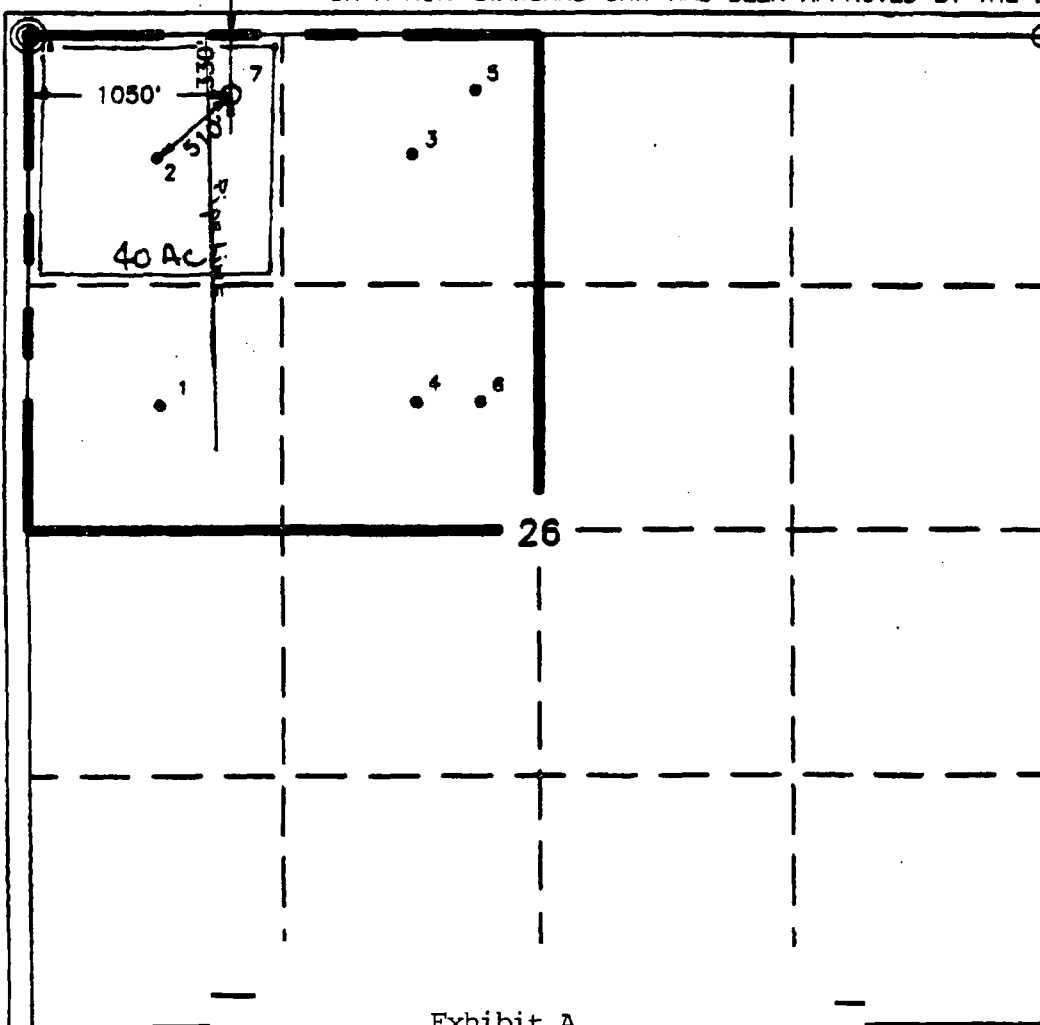
☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name Wentz Abo; Drinkard	
Property Code 11076		4 Property Name S. J. Sarkaya			5 Well Number 7
6 GRID No. 22351		7 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			8 Elevation 3393'

9 Surface Location									
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10 Bottom Hole Location if Different From Surface									
UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
11 Dedicated Acres 40		12 Joint or Infill		13 Consolidation Code		14 Order No.			

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15 OPERATOR CERTIFICATION

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

Signature
C. Wade Howard

Printed Name
C. Wade Howard

Position
Engineer's Assistant

Company
Texaco Expl. & Prod. Inc.

Date
February 19, 1997

16 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.

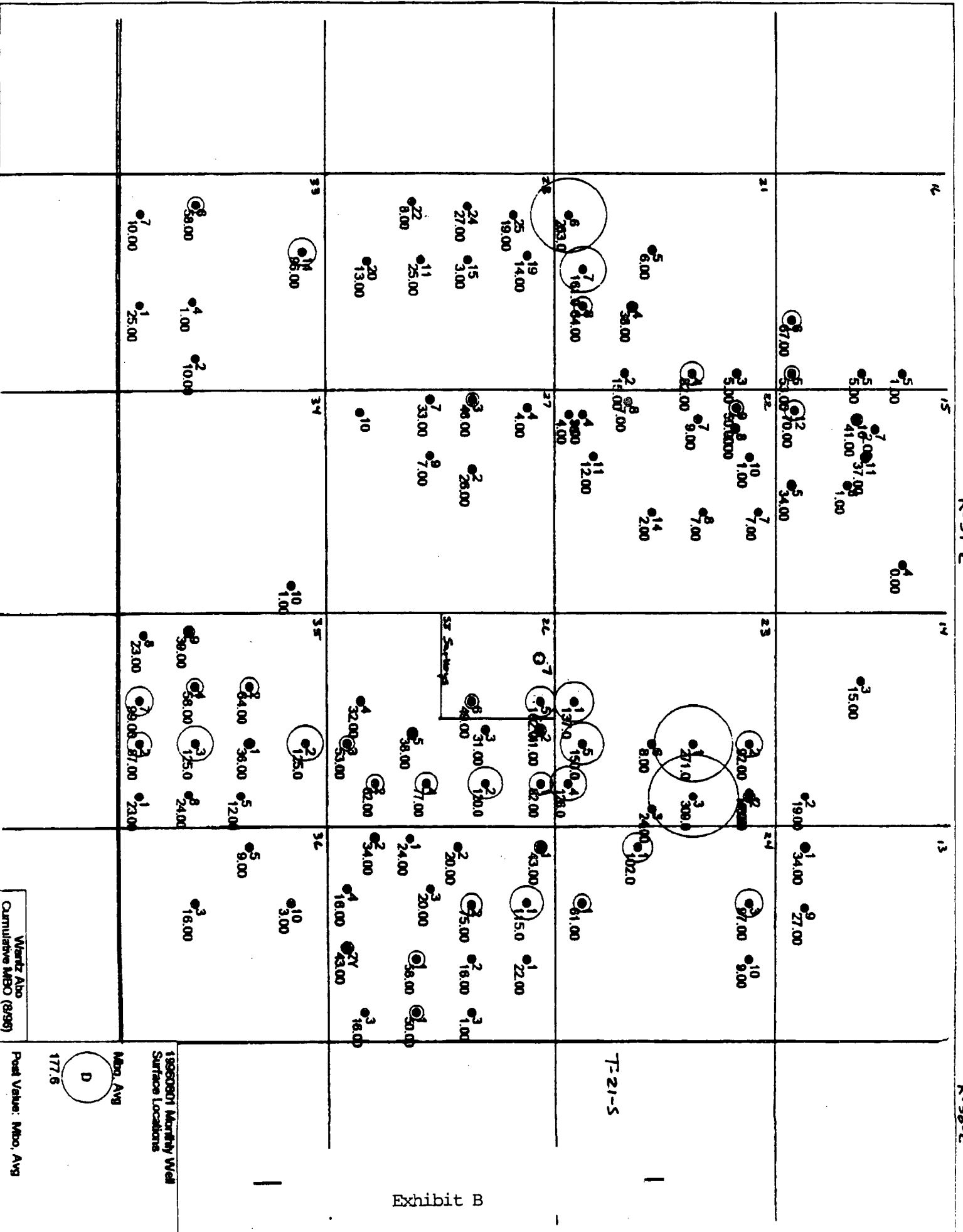
Date Surveyed
February 8, 1997

Signature & Seal of Professional Surveyor

John S. Piper

Certificate No.
7254 John S. Piper

Sheet



_____(DATE)_____

DRAFT ADMINISTRATIVE ORDER

Texaco Exploration and Production Inc.
Post Office Box 3109
Midland, Texas 79702

Attention: C. Wade Howard

Administrative Order NSL-_____

Dear Mr. Howard:

Reference is made to your application dated February 19, 1997 for an unorthodox well location for the Wantz-Abo Pool and Drinkard Pool for the proposed S. J. Sarkeys Well No. 7. Said well to be drilled 330 feet from the North line and 1050 feet from the West line (Unit D) of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

The existing standard 40-acre oil spacing and proration unit in the Wantz-Abo Pool and the Drinkard Pool comprising the NW/4 NW/4 of said Section 26, which is presently dedicated to the S. J. Sarkeys Well No. 7 (API No. _____), located at a standard oil well location 660 feet from the North and West line (Unit D) of said Section 26 is to be dedicated to said well.

By authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay
Director

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

03/07/97 13:30:55
OGOMES -EMF1

OGRID Idn : 22351 API Well No: 30 25 33851 APD Status(A/C/P): A
Opr Name, Addr: TEXACO EXPLORATION & PRODUCTION Aprvl/Cncl Date : 03-03-1997
205 EAST BENDER
HOBBS,NM 88240

Prop Idn: 11076 S J SARKEYS

Well No: 7

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn : D	26	21S	37E				FTG 330 F N	FTG 1050 F W
OCD U/L : D		API	County	25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 3393

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : 7550 Prpsd Frmtn : ABO

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

EDDY, West