### Ricks Exploration, Inc.

5600 North May, Suite 350

Oklahoma City, Oklahoma 73112 4299

March 12, 1998

Telephone 405 840 9099 Facsi<u>mile, 40</u>5 840 0152

Mr. Michael Stogner

New Mexico Oil Conservation Division

240 Pacheco Street

Santa Fe, New Mexico 87505-5472

Fax: (505) 827-1389

(Via Federal Express

MAR 1 3 1998

Subject

Well:

West Hobbs State Unit #1

Location:

1120' FSL & 860' FEL of Section 8-18S-37E

Lea County, New Mexico

Primary

Objective:

Abo Formation

Secondary

Objectives:

Grayburg, San Andres, and Drinkard

Total Depth: 8700'

Dear Sirs:

Please consider this our request for an unorthodox oil well location, to State of New Mexico Energy Mineral and Natural Resources Department Oil Conservation Division Rule Number 104, at the subject location.

This location was picked after an extensive 3-D seismic survey program of the area. We have located this well at what we believe to be very best Geologic position in order to maximize our probability for success at this wildcat location. Please find enclosed our "Abo Stacked Reef' Time Map as evidence for this location pick.

This well is located in the West Hobbs Exploratory Unit Area, as authorized in NMOCD Case No. 11886, effective February 2, 1998. Ricks Exploration, Inc. and its partners are the sole owners within the unit, and at this time there is no production within the unit boundary, or adjacent to the Unit, towards which we are moving.

Thank you.

Yours very truly,

Ricks Exploration Inc.

S. Collier, Landman

Enclosures:

Abo Stacked Reef Time Map

Form C-101 Form C-102





1.053 1.057

1.060 1.064 1.068 1.071

1.075 1.079 1.082 1.086

1.089

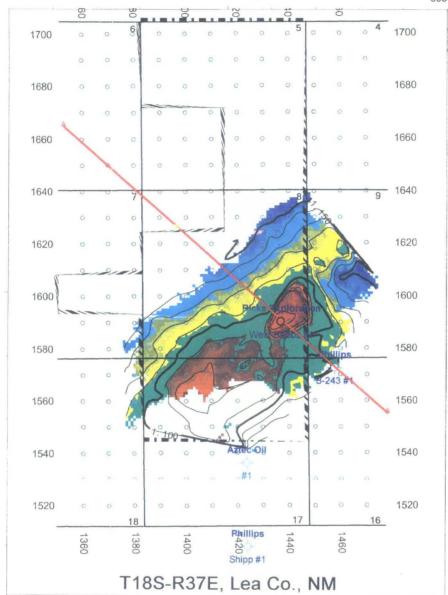
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1.108 1.111 1.115 1.119

1.122 1.126 1.129 1.133

1.137 1.140 1.144 1.148

1.151 1.155 1.159 1.162





"Abo Stacked Reef" Time Map

Scale: 1"=2000'

Contour Interval = 10 ms

#### District I PO Box 1980, Hobbs, NM 88241-1980 District II .

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Azzec, NM 87410

District IV

. 1

2040 South Pacheco, Santa Fe, NM 87505

### State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, NM 87505

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Form C-101

Fee Lease - 5 Copies

<u></u>	AMENDED	REPORT
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14-3/4" 13-3/8" 54.5# 350' 410sx Surface  12-1/4" 8-5/8" 24# 3000' 1200sx+1305 Surface  7-7/8" 5-1/2" 17# 8700' 500 sx 6600'  "Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new production. Section and proposed new production and proposed new production and proposed new production and proposed new production. Set 13-3/8" surface string 0350', & 8-5/8" 03000'. Production casing (5½") 0TD.  Hydril Double BOP PDL w/blind rams & pipe rams - 3000# Hydril ladder on top.  "I hereby certify that the information given above is true and complete to the best of my knowledge and belief.  Signature: OIL CONSERVATION DIVISION  Approved by:  Title: Drilling Operations Assistant  Phone Phone Continuent to the best of Continuent to the base.  Continuent to the best of Continuent to the base.  Continuent to the base of Continuent to the base.  Continuent to the base of Continuent to the base.  Continuent to the base of Continuent to the base.	APPLICA	TION I	FOR PE	RMIT 1	O DRII	L, RE-EN	ΓER, DEEPE	N, PLUGBA	ACK,	OR AD	D A ZONE	
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County   Proposed   Pool   P				WEST	HOBB						1	
P 8 188 37E 1120' South 860' East LEA  **Proposed 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    **Proposed Pool 1						<sup>7</sup> Surface	Location					
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March 11, 1998 405/8409099 Conditions of Approval: Attached D	<sub>Dыс</sub> Marc	h 11,	1998	Phone	405/84	09099	• •	: L				

#### C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will relief to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABLED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

- Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
- 2 Operator's name and address
- 3 API number of this well. If this is a new drift the OCD will assign the number and fill this in.
- 4 Property code. If this is a new property the OCD will easign the number and fill it in.
- 5 Property name that used to be called 'well name'
- 6 The number of this well on the property.
- 7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.
- 8 The proposed bottom hole location of this well at TD

9 and 10. The proposed pool(s) to which this wall is beeing drilled.

- 11 Work type code from the following table:
  - N Now well
  - E Rø-entry
  - D Drill deeper
  - P Pługback
  - A Add a zone
- 12 Well type code from the following table:
  - O Single oil completion
  - G Single gas completion
  - M Mutiple completion
  - Injection well
  - S SWD well
  - Water supply well
  - C Carbon dioxide well
- 13 Cable or rotary drilling code
  - C Propose to cable tool drill
  - R Propose to rotary (krill
- 14 Lease type gode from the following table:
  - S State
  - P Private
- 16 Ground level elevation above sea level
- 16 Intend to multiple complete? Yes or No
- 17 Proposed total depth of this well
- 18 Geologic formation at TD
- 19 Name of the intended drilling company if known.
- 20 Anticipated spud date.
- 21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed comenting volume, and estimated top of coment
- 22 Brief description of the proposed drilling program and BOP

program. Attach additional sheets if necessary.

23 The signeture, printed name, and title of the person authorized to make this report. The data this report was signed and the telephone number to call for questions about this report. DISTRICT | P.O. Bex 1980, Bobbs, NN 88240

### State of New Mexico

Form C=102
Bevised February 10, 1904
Instruction on back
Submit to Appropriate District Office
State Lease = 4 Copies
For Lease = 3 Copies

GENERAL SURVEYING

DISTRICT II P.D. Drawer DD, Artesia, NA 88210

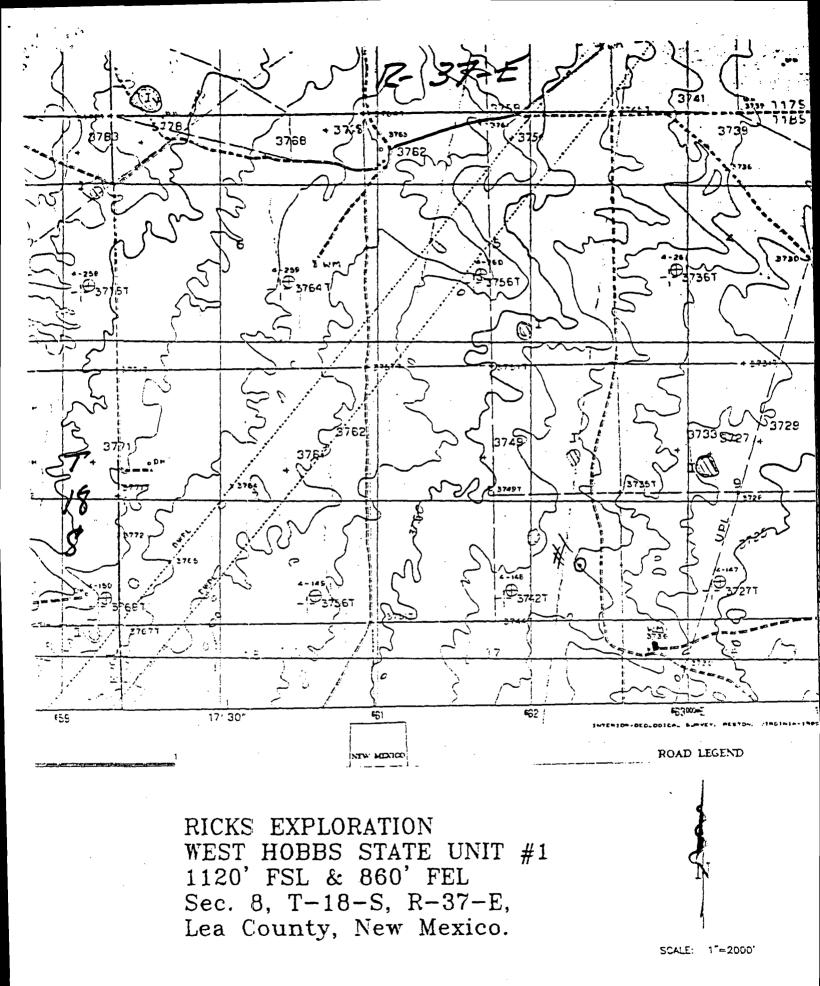
DISTRICT III 1000 Rio Brases Rd., Astec, NM 87410

## OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

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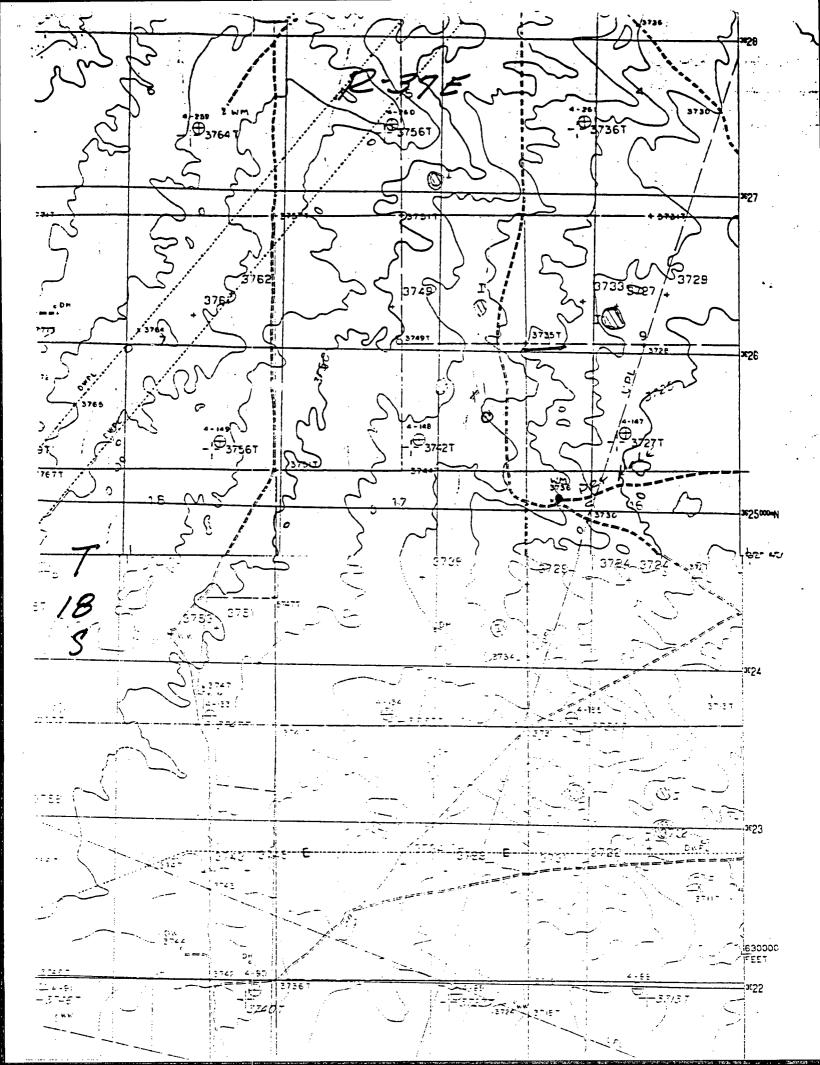
AMENDED REPORT

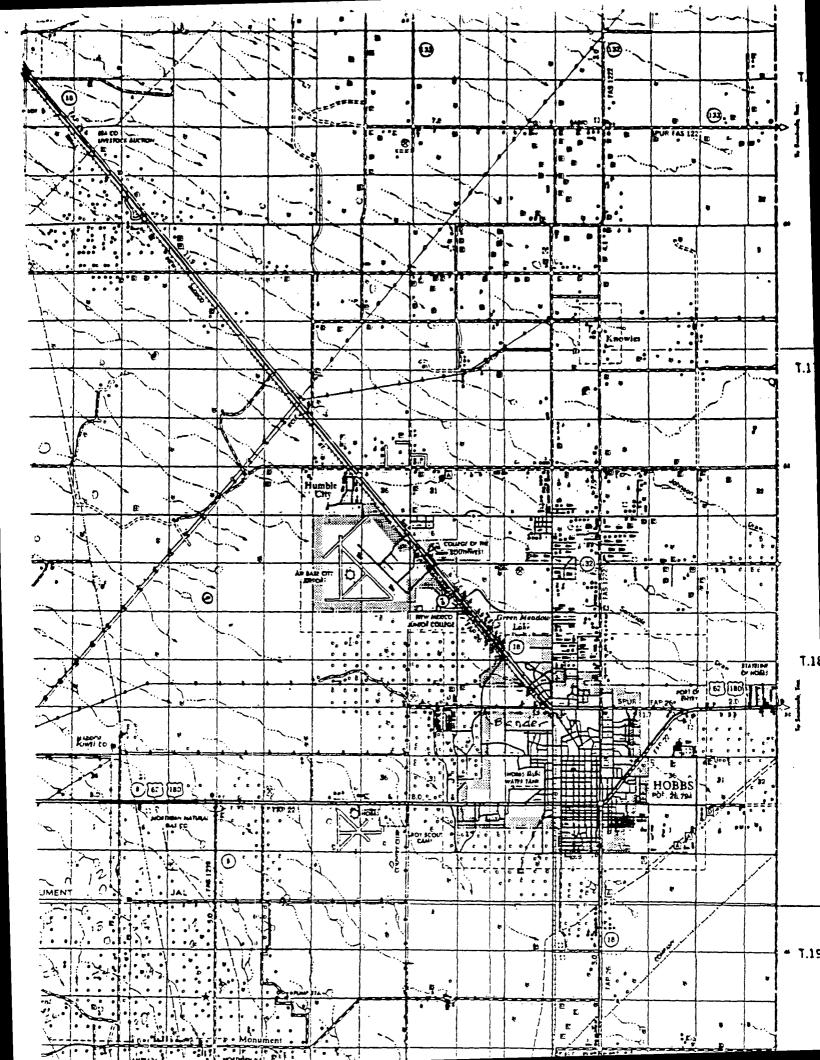
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 GENERAL SURVEYING
 LOVINGTON, NEW MEXICO
 2000'
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 2000'
 4000 Feet

 W.O. Number:
 Ricks
 Drown By:
 K. GOAD
 Survey Date:
 02-19-98
 Sheet 1 of 1 Sheets





BASIN SURVEYS

> RICKS EXPLORATION WEST HORBS STATE UNIT NO. ] 1120/S & 860'/E SEC. 8-18-37 LEA COUNTY, 13 M.

8M 3735° E 4 COR &F SEC. + 6.65 3741.65 + 2.44 3744.09 - 2.77 SEC 8

Elev. 3741 - 2 860.

100. OFF SET 3.

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POCK 7 8 1/20 18 17 5279.64 CAF. R35013

FORK 1/20

Brown Pryhole M.

R.B. 5063

3.44.2

PUT 104.

89°41'33'

GOOD CAUCHE S ROAD Ricks Exploration, Inc.

5600 North May Avenue, Suite 350,

Oklahoma City, Oklahoma 73112

### RicksFax

Date: March 12, 1998

Number of pages including cover sheet: 10

	Mr. Michael Stogner	
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Phone:	505 827 8185	

	Exploration, Inc.	
	Chet Collier	
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Phone:	(405) 840-9099	

REMARKS:	Urgent	For your review	Reply ASAP	Please comment
Dear Michael,				•
Thank you for you	ur help. We are t	forwarding the orginals	to you directly via t	federal express.

Clim

eu ahinst-DLL

### Ricks Exploration, Inc.

lando delepath, com

5600 North May, Suite 350

Oklahor, a City, Oklahoma 73112 4299

March 12, 1998

Telephone 405 840 9099 Facsimile 405 840 0152

Mr. Michael Stogner

New Mexico Oil Conservation Division

240 Pacheco Street

Santa Fe. New Mexico 87505-5472

(Via Federal Express)

Fax: (505) 827-1389

Subject

Well:

West Hobbs State Unit #1

Location:

1120' FSL & 860' FEL of Section 8-18S-37E

Lea County, New Mexico

Primary

Objective:

Abo Formation

Secondary Objectives:

Grayburg, San Andres, and Drinkard Wildeat

Total Depth:

Dear Sirs:

Please consider this our request for an unorthodox oil well location, to State of New Mexico Energy Mineral and Natural Resources Department Oil Conservation Division Rule Number 104, at the subject location,

This location was picked after an extensive 3-D seismic survey program of the area. We have located this well at what we believe to be very best Geologic position in order to maximize our probability for success at this wildcat location. Please find enclosed our "Abo Stacked Reef" Time Map as evidence for this location pick.

This well is located in the West Hobbs Exploratory Unit Area, as authorized in NMOCD Case No. 11886, effective February 2, 1998. Ricks Exploration, Inc. and its partners are the sole owners within the unit, and at this time there is no production within the unit boundary, or adjacent to the Unit, towards which we are moving.

Thank you.

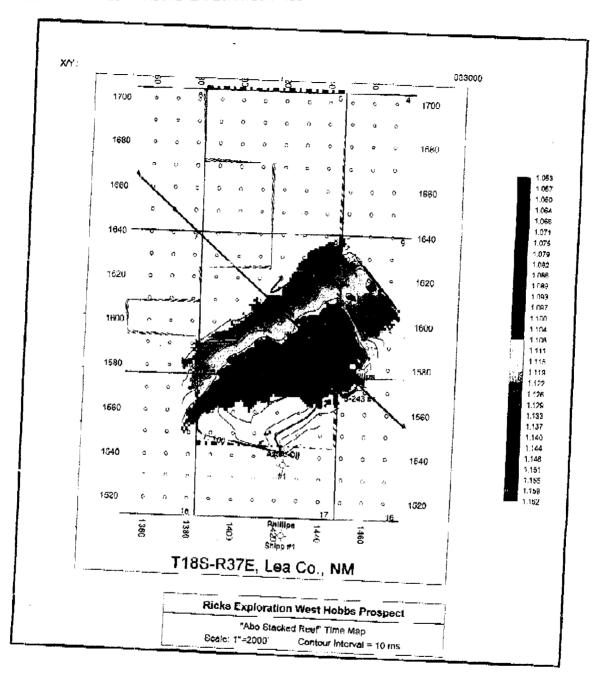
Yours very truly,

Ricks Exploration: Inc.

Enclosures:

Abo Stacked Reef Time Map

Form C-101 Form C-102



811 South First, Americ, NM 68210

Distry III

Form CP.4/10 Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies Fee Lease - 5 Copies

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Pe, NM 87505

1000 Rio Brazan I	Na., A2865.	NM 87410		Sa	nta Fe, NM	87505				Fee	Lease - 5 Copies
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#### C-101 Instituctions

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IF THE IS AN AMENDED REPORT CHECK THE BOX LABLED "AMENDED REPORT" AT THE TOP DF THIS DOCUMENT.

- Operator's OGRE) number. If you do not have one it will be assigned and filled to by the District office.
- Operator's name and address . . 2
  - API remitter of the well. If the is a new not the OCD will morten the number and fill this in.
  - Property code. If this is a new property the OCD will ession the number and fill it in.
  - Property hame that used to be called 'well name'
  - The number of this well on the property.
  - The surveyed location of this wall New Medico Principal 7 Meridian NOTE; It the United States government survey designation a Let Number for this location use that number in the 'UL or for no.' box. Otherwise use the OCD Unit Letter.
  - The expensed bottom hole luverium of the well at TD

9 and 10. The proposed peeks to widen this well is beeing striked.

- Work type code from the following table: 11
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- Brief description of the proposed drilling program and BOF 22

program, Assoch additional should if necessary.

The signature, printed name, and tide of the person authorized to make this report. The date this teport was signed and the relephone number to call for questions steam

## MAR 12 '98 04:40PM RICKS EXPLORATION 405

DISTRICT I P.D Box 1980, Bubbs, NM BESAN

#### State of New Mexico Boorgy, Minerals and Natural Resources Depurchant

Form C. 102 Revised February 10, 1904 instruction on bank Submit to appropriate District Office

State Lease - 4 Capies ban Innse - 3 Capine

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

DISTRICT III 1000 Rio Rrasse Rd., Axtee, NM 87410

### OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fc, New Mexico 87504 2088

IT AMENDED REPORT

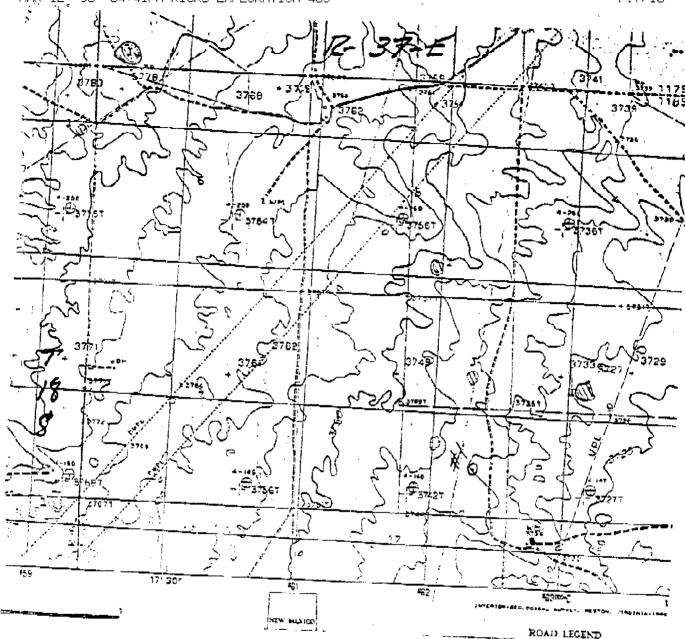
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Bottom Hole Location if Different From Surface East/West line COLLLY Lat Idn | Feet from the | North/South line Feet from the UL or lot No. Section Township Joint or Infill Consolidation Code Dedicated Acres Crder No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSULIDATED

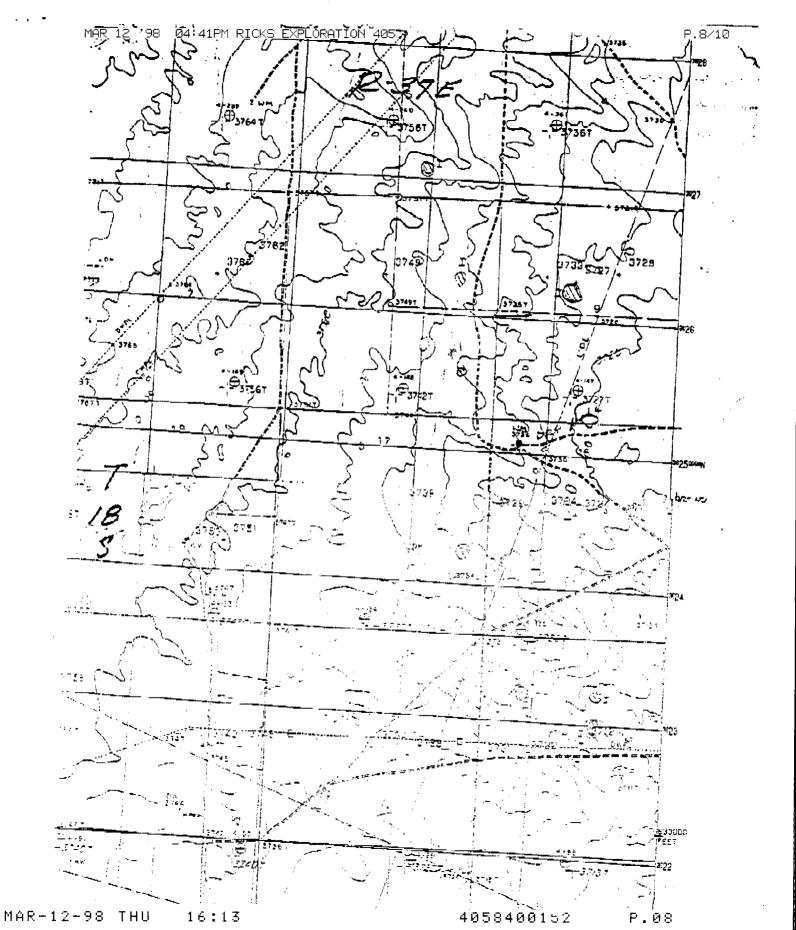
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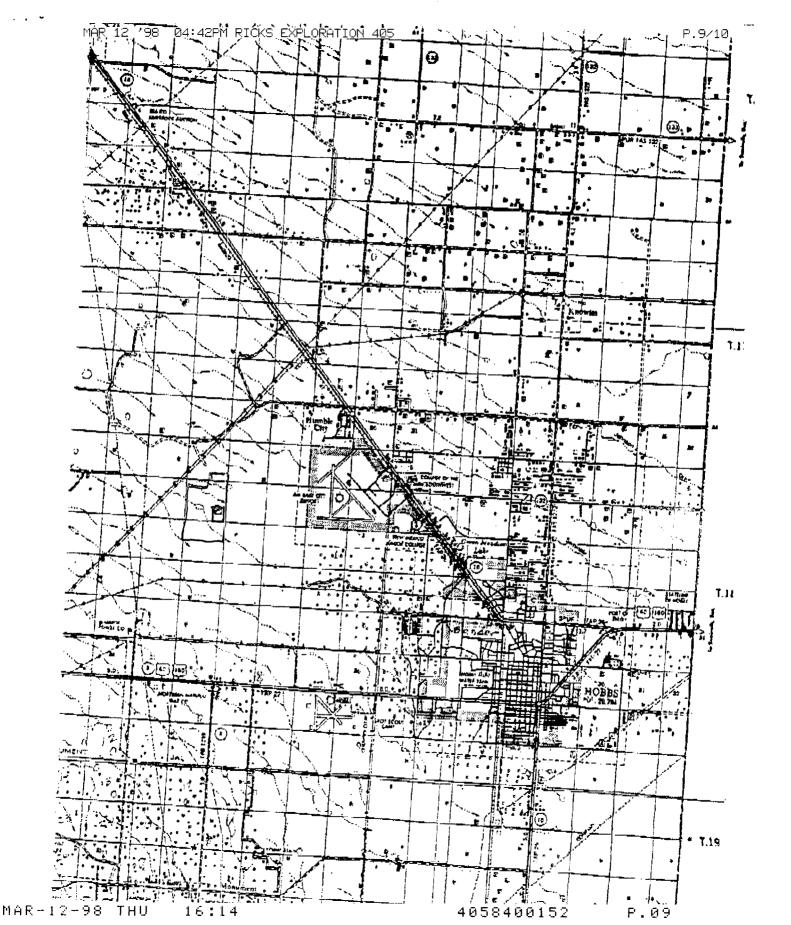


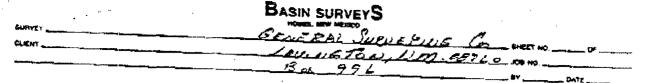
RICKS EXPLORATION WEST HOBBS STATE UNIT #1 1120' FSL & 860' FEL Sec. 8, T-18-S, R-37-E, Lea County, New Mexico.

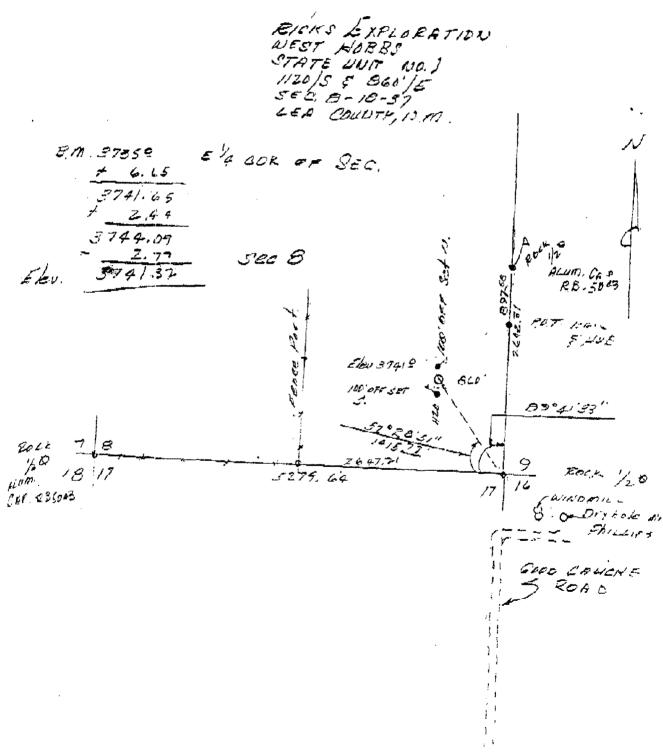
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# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 11886 ORDER NO. R-10932

APPLICATION OF NADEL AND GUSSMAN PERMIAN, L.L.C. FOR A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

#### **ORDER OF THE DIVISION:**

#### BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 4 and 18, 1997, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 7<sup>th</sup> day of January, 1998, 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, Nadel and Gussman Permian, L.L.C., seeks approval of the West Hobbs Unit Agreement for all oil and gas in any and all formations underlying the following described 1,359.6 acres, more or less, of State lands in Lea County, New Mexico:

#### TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 5: N/2, SE/4

Section 8: S/2, NE/4, S/2 NW/4

Section 17: N/2

- (3) No interested party appeared and objected to the proposed unit agreement.
- (4) All plans of development and operation, and creations, expansions or contractions of participating areas, or expansions or contractions of the unit area should be submitted to the Director of the Division for approval.
- (5) Approval of the proposed unit agreement should promote the prevention of waste and protection of correlative rights within the unit area.

#### **IT IS THEREFORE ORDERED THAT:**

(1) The West Hobbs Unit Agreement is hereby approved for all oil and gas in any and all formations underlying the following described 1,359.6 acres, more or less, of State lands in Lea County, New Mexico:

#### TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 5: N

N/2, SE/4

Section 8:

S/2, NE/4, S/2 NW/4

Section 17: N/2

- (2) 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, 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 Division to supervise and control operations for the unit and production of oil and gas therefrom.
- (3) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; in the event of subsequent joinder by any other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days thereafter, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.
- (4) All plans of development and operation, all unit participating areas and expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.
- (5) This order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; this order shall terminate ipso facto upon the termination of said unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.
- (6) 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

KATHLEEN GARLAND, Acting Director

SEAL