

10/17/01	11/6/01	ENGINEER MS	LOGGED IN KV	TYPE NSL	APP NO. 129039785
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☐ NSL ☐ NSP ☐ 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

[D] ☐ Other: Specify _____

OCT 17 2001

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Attorney for Applicant

Title

Date

jamesbruce@aol.com

e-mail Address

Print or Type Name

Signature

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

10/14/01



E. G. L. Resources, Inc. 214 West Texas, Suite 900 P.O. Box 10886 Midland, Texas 79702 915.687.6560 telephone 915.682.5852 facsimile

September 12, 2001

Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: Rock Tank #5
T23S, R24E, NMPM
Section 12
Eddy County, New Mexico

Dear Mr. Stogner:

This letter amends and supplements our April 9, 2001 administrative application, as requested in your letter of May 2, 2001.

Pursuant to Division Rule 104.F. (2), E.G.L. Resources, Inc. applies for administrative approval of an unorthodox gas well location for the following well:

Well: Rock Tank Fed. Com. Well No. 5
Location: 500 feet FNL & 2,265 feet FWL
Unit: All of Section 12, Township 23 South, Range 24 East, N.M.P.M.
Eddy County, New Mexico

The well will be drilled to test the **Morrow formation (Rock Tank-Lower Morrow Gas Pool)**. The pool is spaced on 640.0 acres, with wells to be no closer than 1,650 feet to the outer boundary of the section nor closer than 330 feet to a quarter-quarter section line. See Order No. R-3428. A form C-102 for the well is attached as Exhibit 1.


The application is based on the following geologic reasons:

1. The lower Morrow productive interval has experienced water encroachment during the past two years. The proposed location places the well in a structurally favorable position above what we perceive to be the oil-water contact. See Exhibits 2-7 for structure maps, isopachs and type logs for the Morrow Interval.
2. The proposed location is equidistant from the Rock Tank Unit Wells that have been abandoned due to mechanical problems and depletion.
3. Topographically the surface location is on a ridge that requires minimal surface disturbance. A well located at a standard location would be expensive and require re-contouring and extensive surface damage. See Exhibits 8 and 9 for copies of the topographic maps.

Attached as Exhibit 10 is a land plat of the area. The only affected offset is the operator of the Rock Tank Unit, which includes all of Section 1. The operator, Fasken Oil & Ranch, Ltd. has been notified of this application, as shown by the notice letter attached as Exhibit 11 indicating they do not object to the proposed location. All of Section 1 and all of Section 12 are federal minerals.

Please call me if you need any further information on this matter.

Very truly yours,


W. Wesley Perry
President

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 84000	Pool Name ROCK TANK - LOWER MORROW
Property Code	Property Name ROCK TANK FEDERAL	Well Number 5
OGRID No.	Operator Name E.G.L. RESOURCES	Elevation 4067'

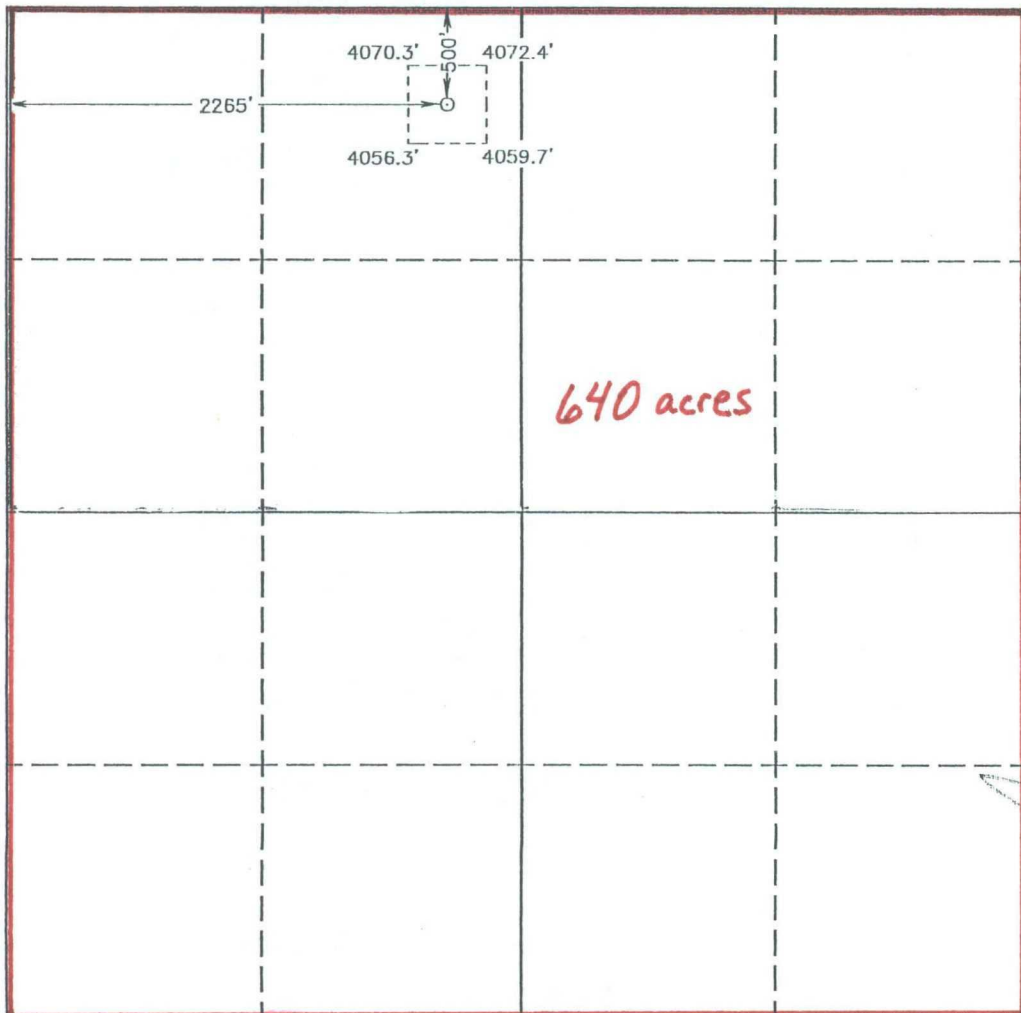
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	12	23 S	24 E		500	NORTH	2265	WEST	EDDY

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 640	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>640 acres</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>John A. Langhoff</i> Signature John A. Langhoff Printed Name Petroleum Engineer Title August 30, 2001 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>November 01, 2000 Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor 7972 W.O. Num. 0607 Certificate No. GARY L. JONES, 7977</p>
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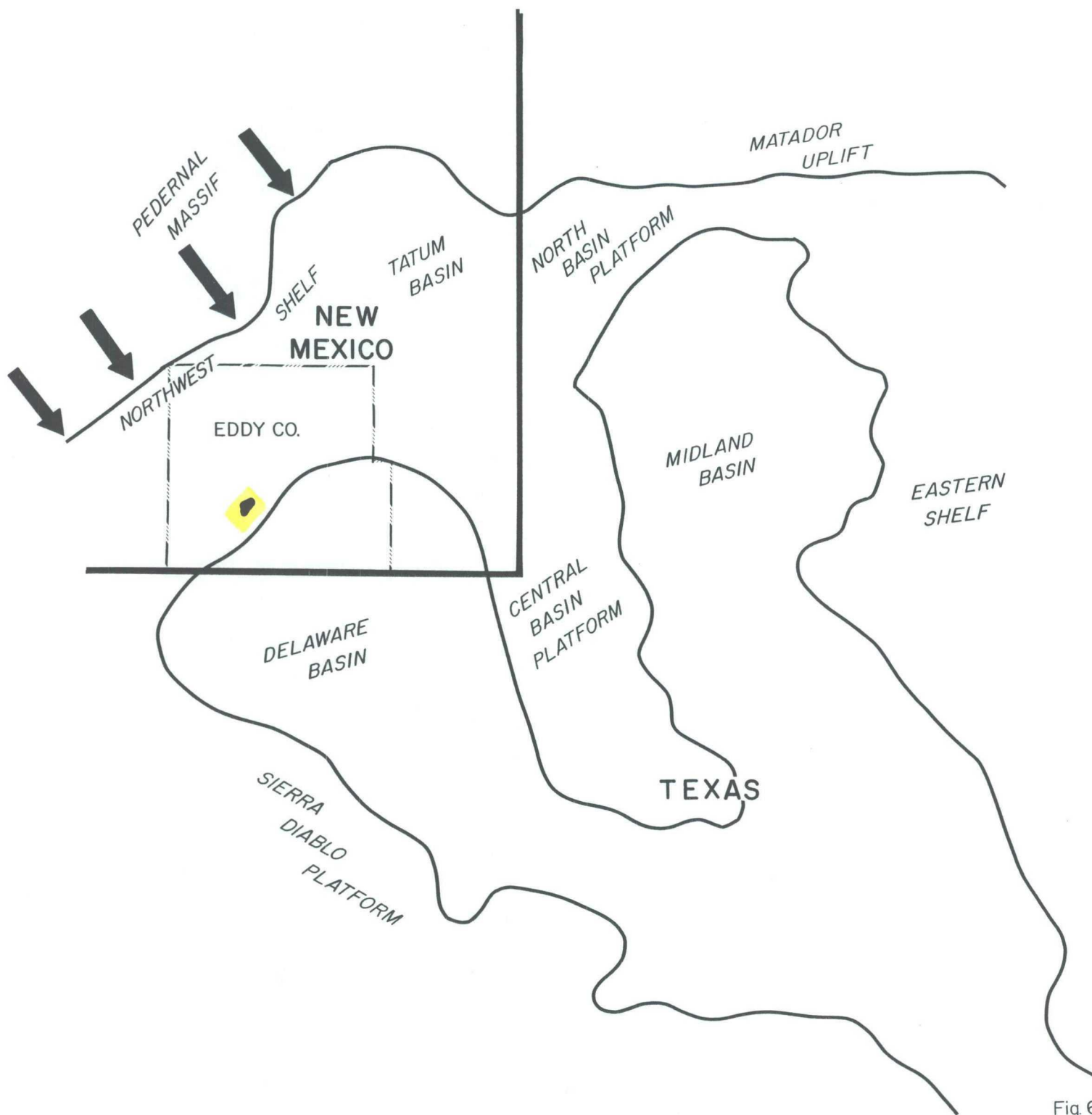


Fig. 6

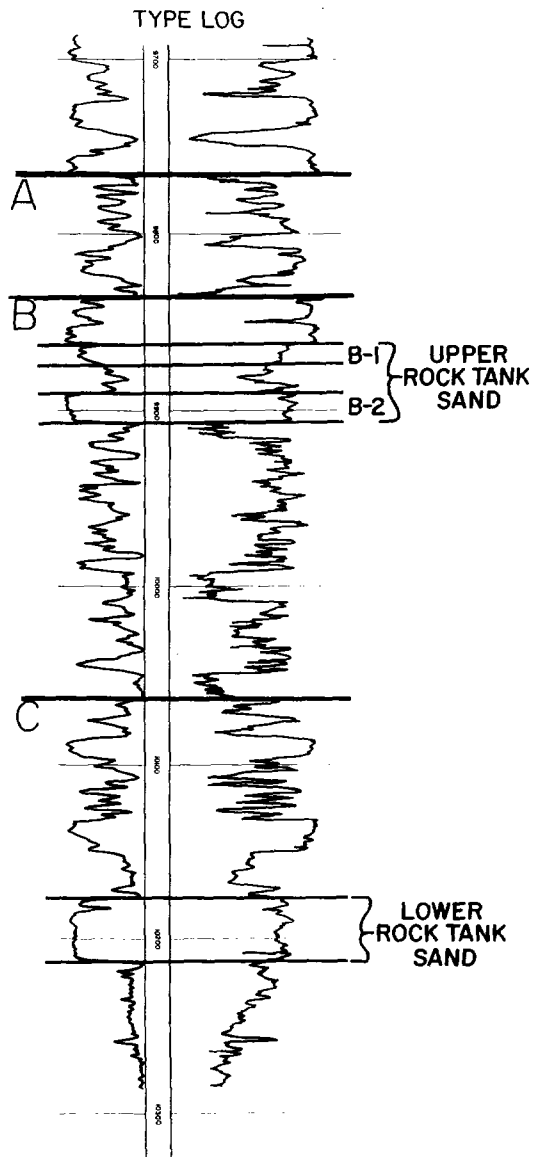


Fig. 7

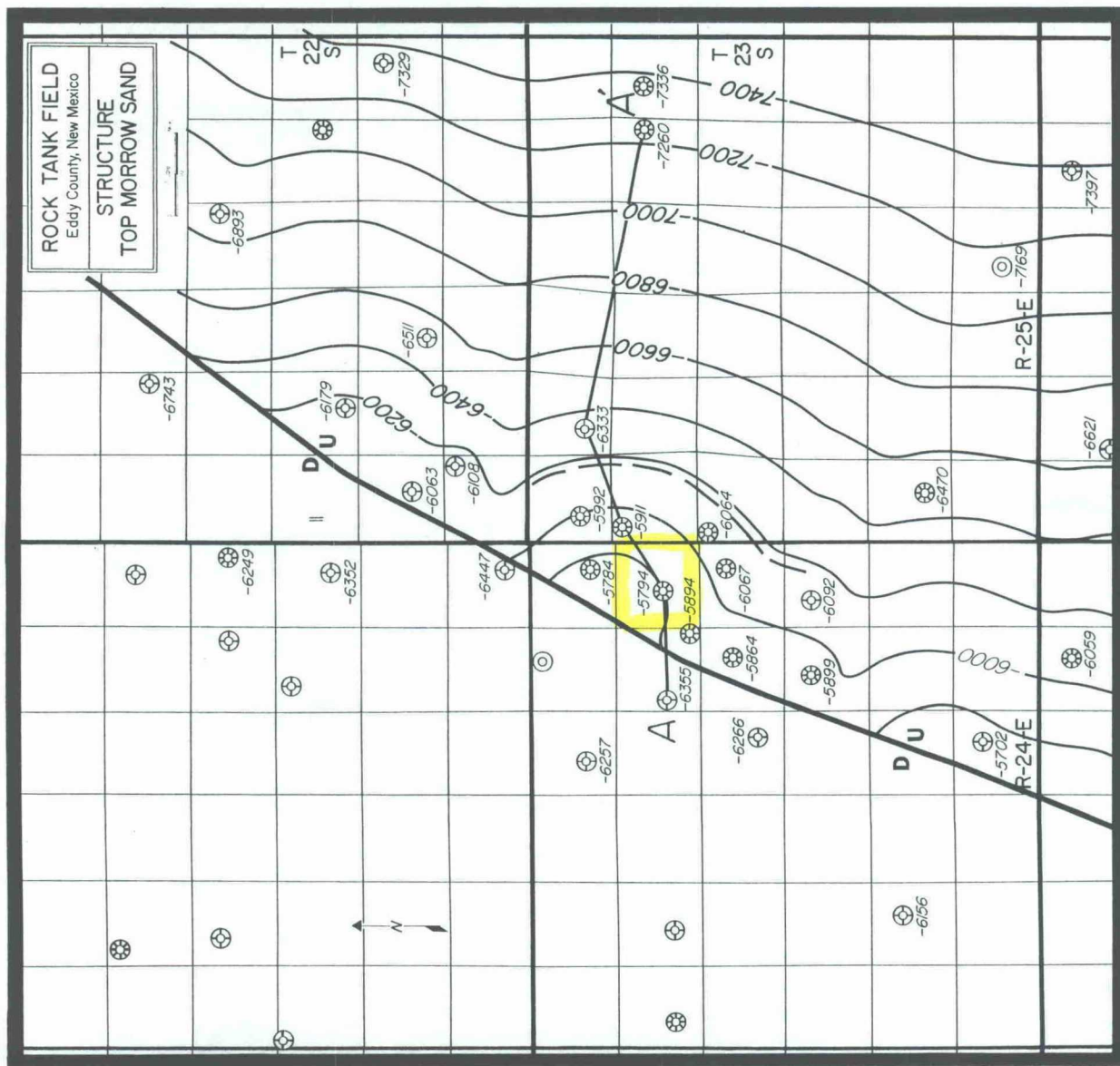


Fig. 3

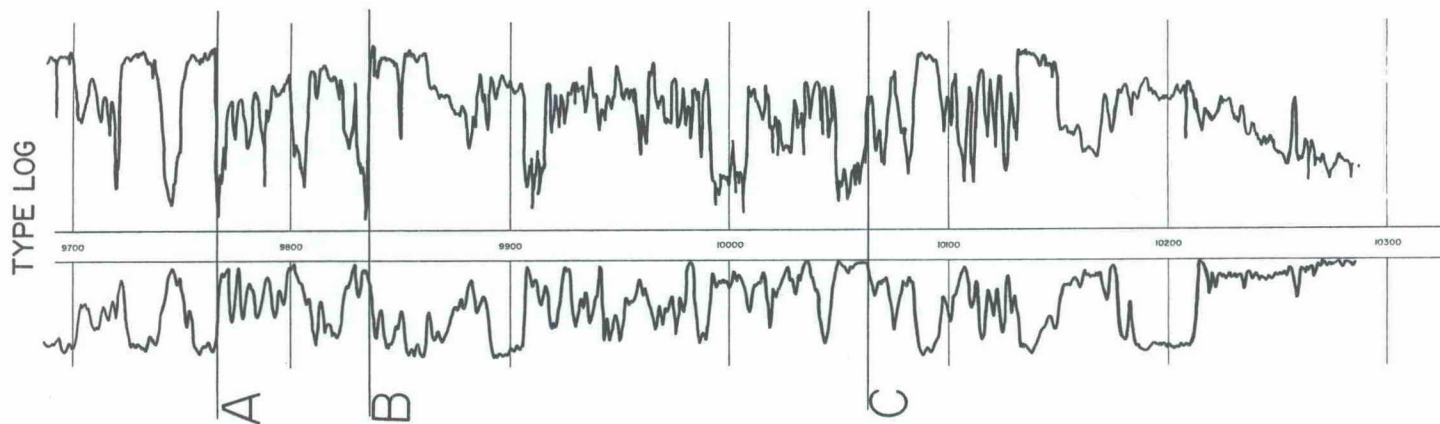
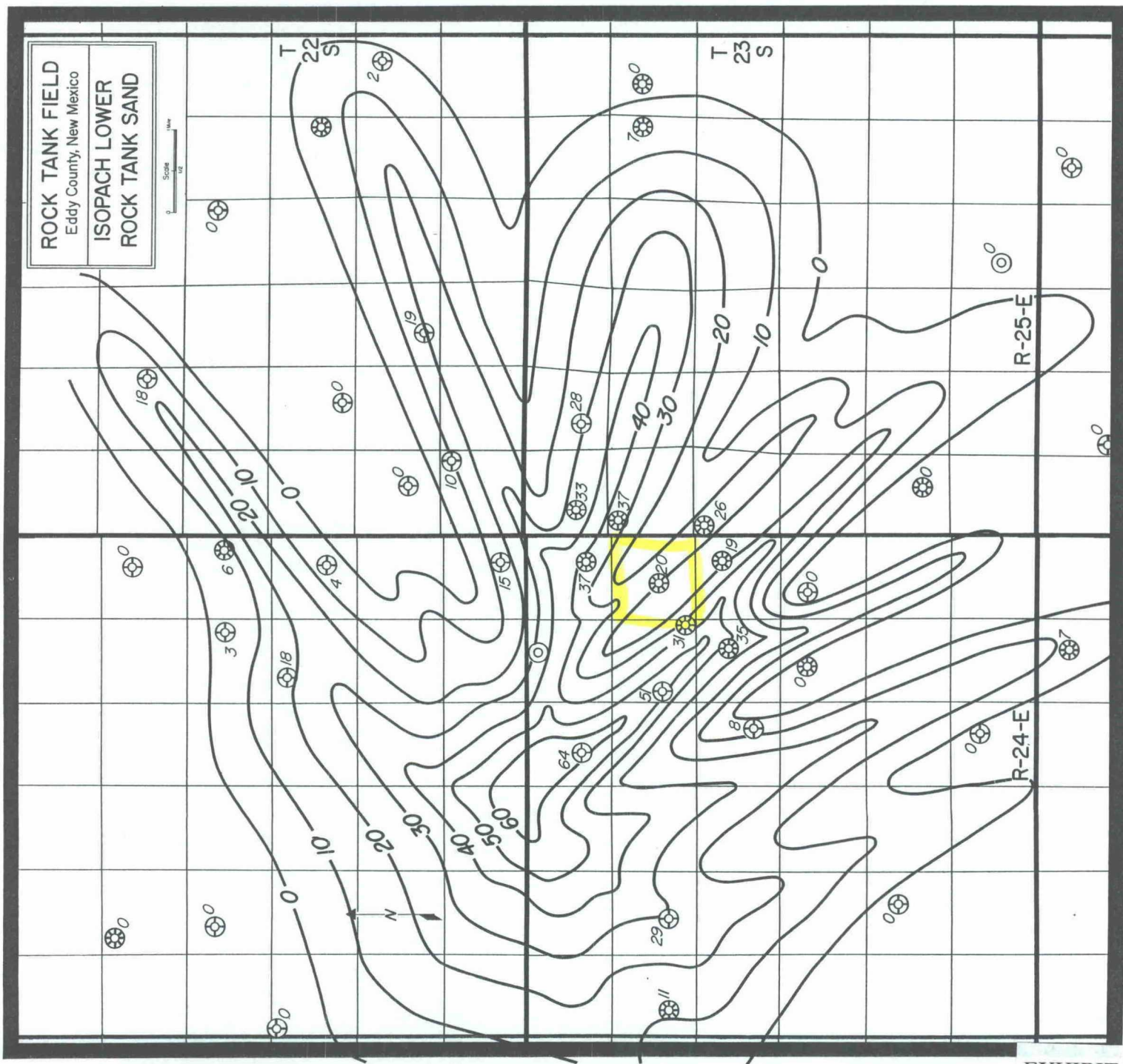


Fig. 8

TYPE LOG

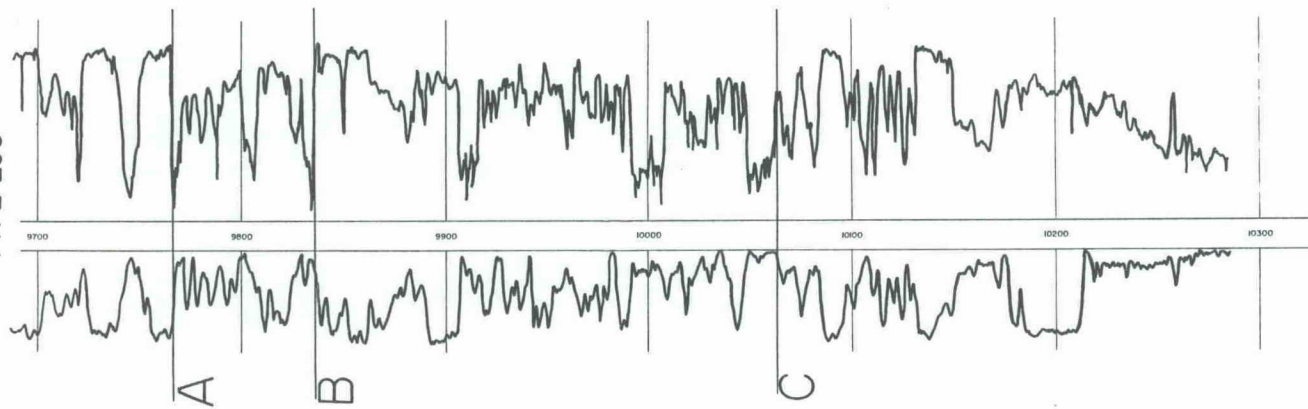
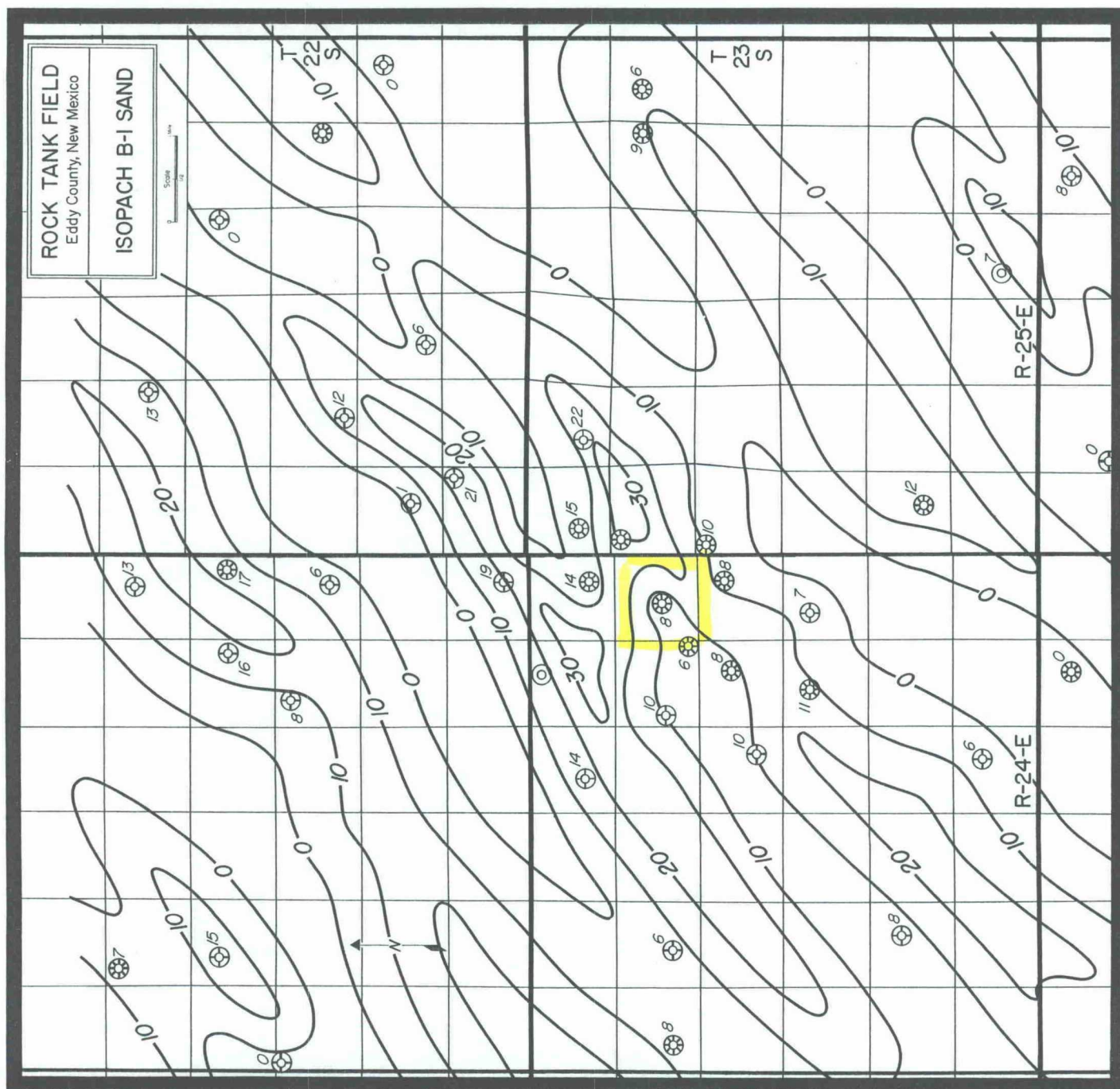


Fig. 13



TYPE LOG

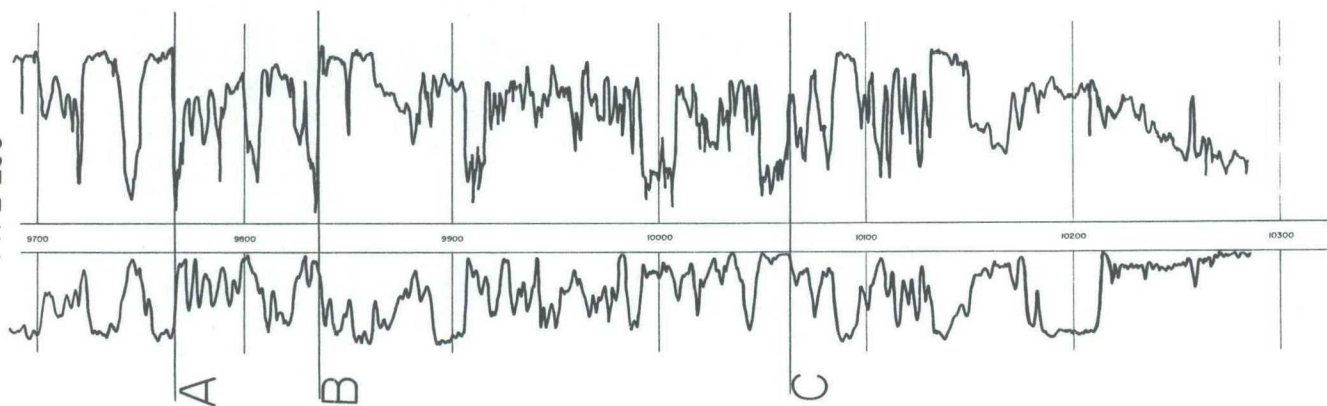
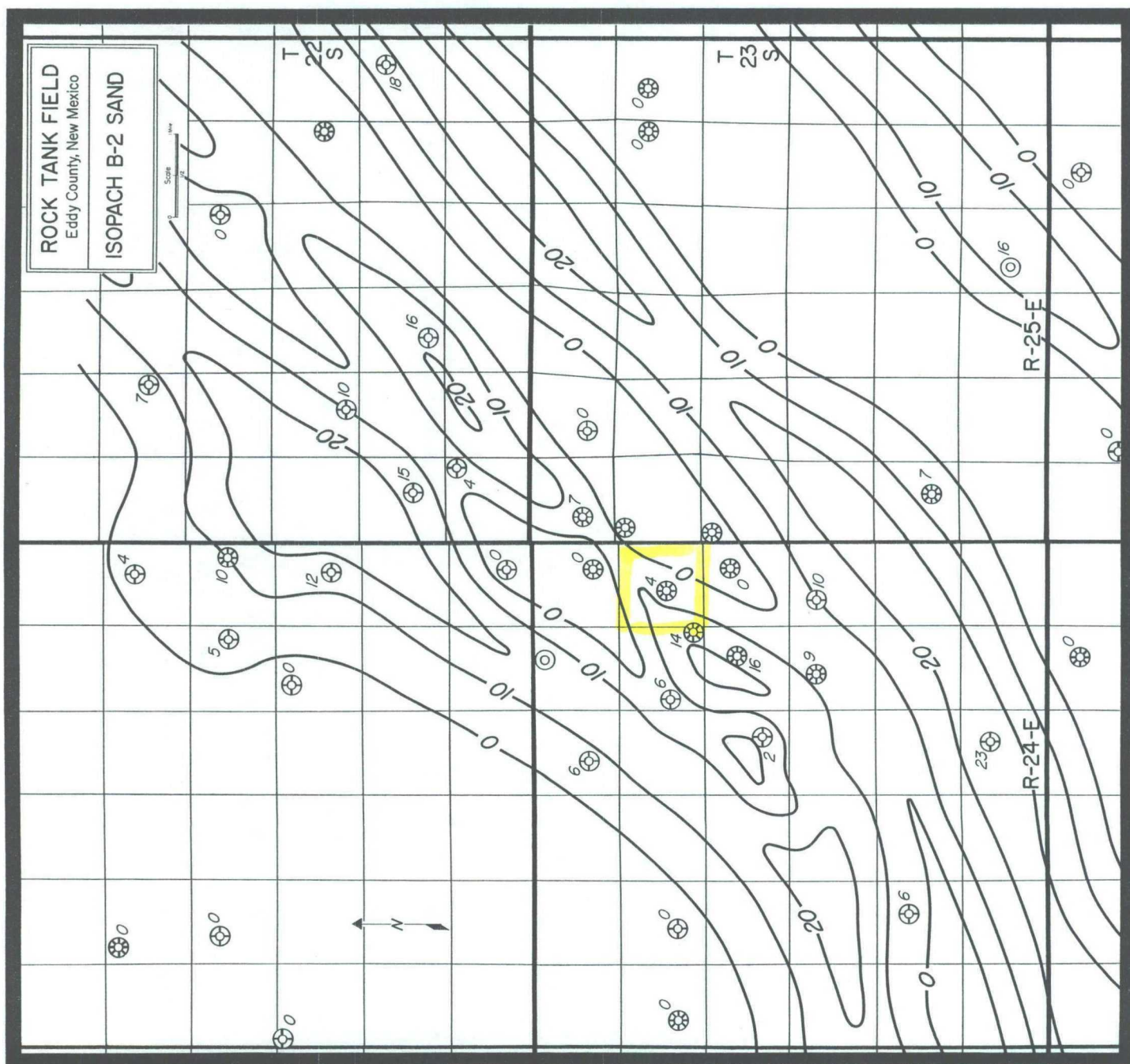
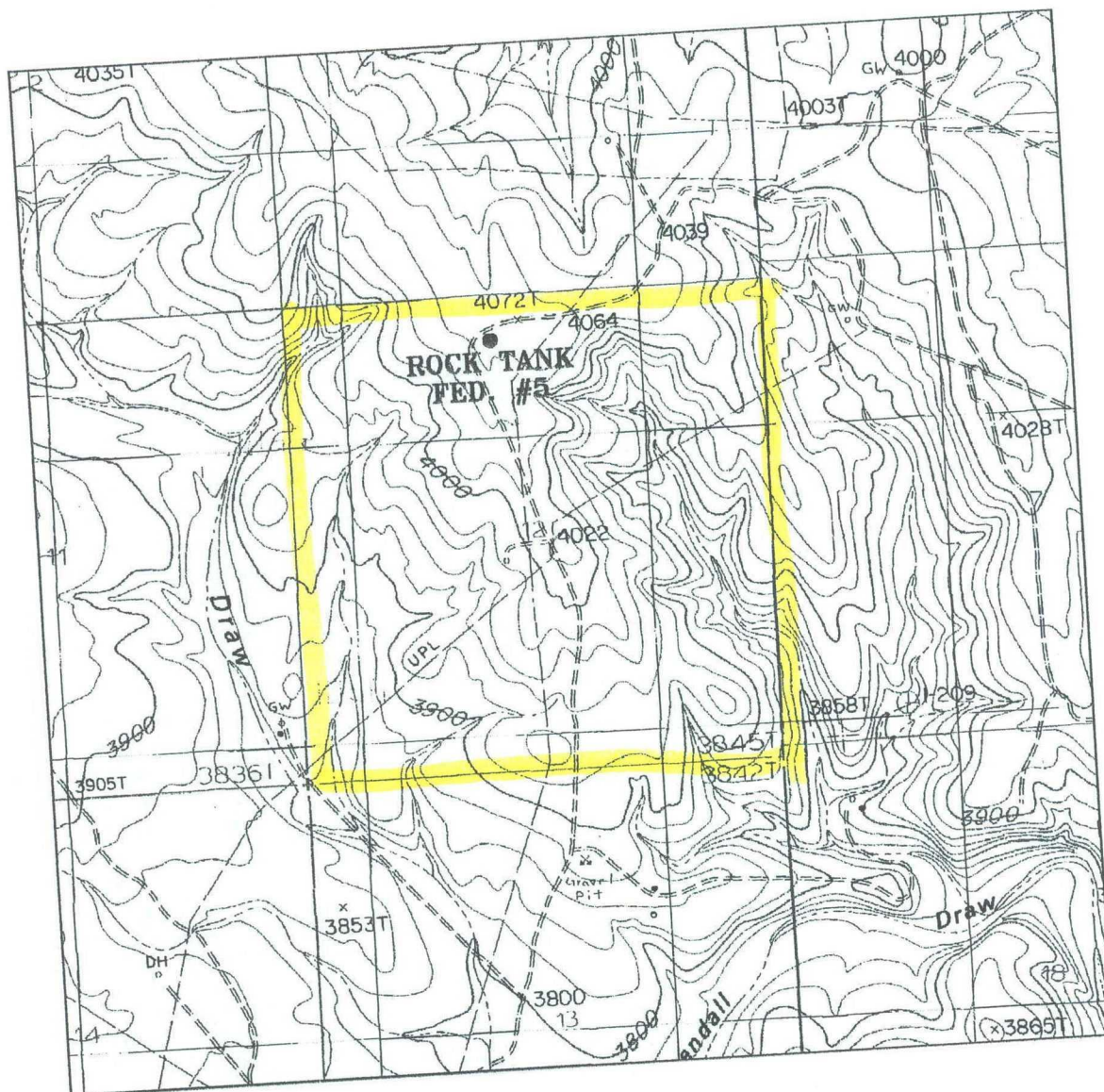


Fig. 14





ROCK TANK FEDERAL #5
 Located at 500' FNL and 2265' FWL
 Section 12, Township 23 South, Range 24 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 0607AA - KJG #122

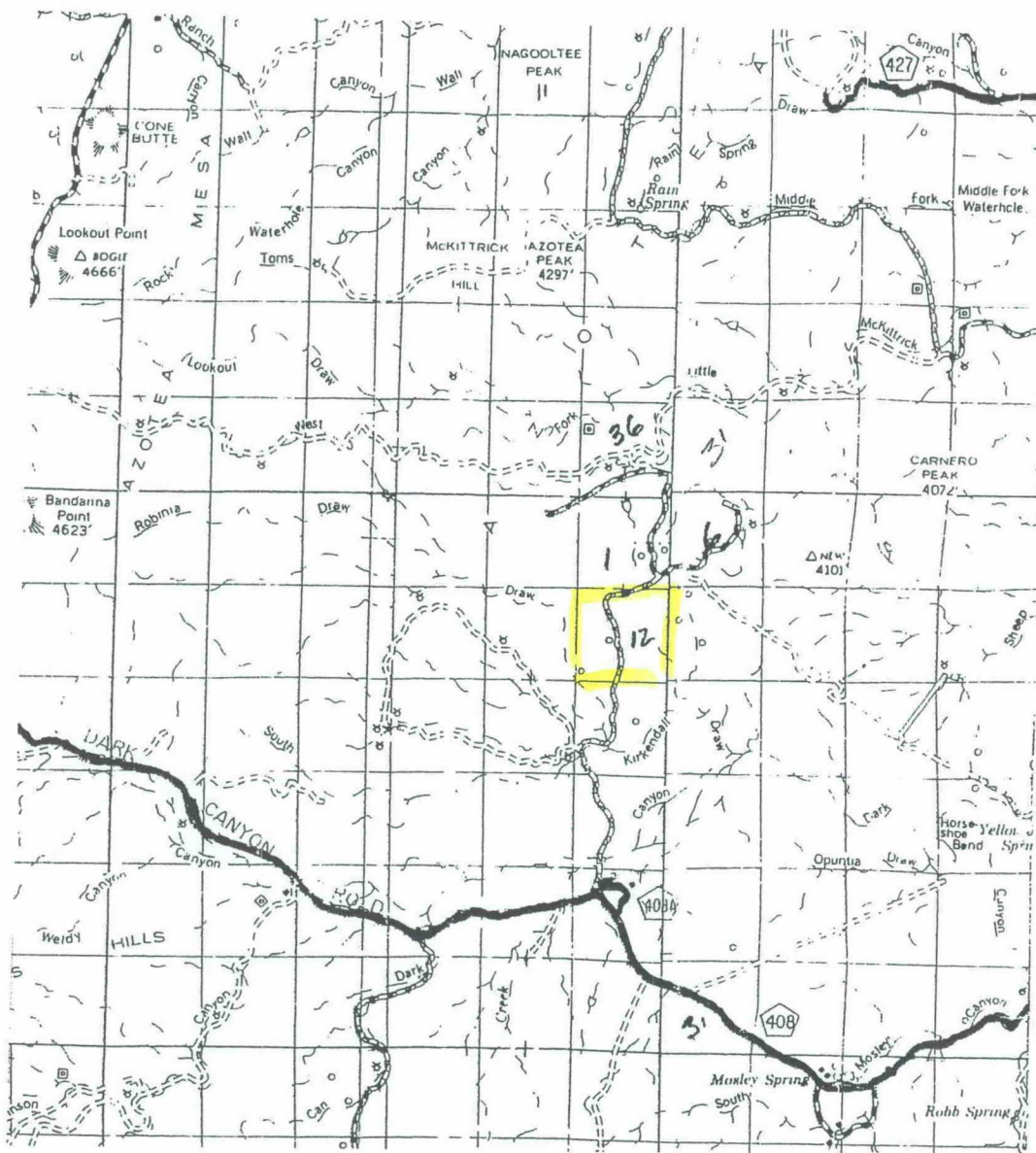
Survey Date: 11-01-2000

Scale: 1" = 2000'

Date: 11-02-2000

E.G.L. RESOURCES

EXHIBIT



ROCK TANK FEDERAL #5
 Located at 500' FNL and 2265' FWL
 Section 12, Township 23 South, Range 24 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 0607AA - KJG #122

Survey Date: 11-01-2000

Scale: 1" = 2 MILES

Date: 11-02-2000

E.G.L. RESOURCES



RECEIVED

SEP 04 2001

FASKEN OIL AND
RANCH, LTD.
LAND DEPT.

E. G. L. Resources, Inc. 214 West Texas, Suite 900 P.O. Box 10886 Midland, Texas 79702 915.687.6560 telephone 915.682.5852 facsimile

August 28, 2001

Sally Kvasnicka
Fasken Oil and Ranch, Ltd.
303 West Wall Avenue, Suite 1900
Midland, Texas 79701

RE: **Rock Tank #5**
T23S, R24E, NMPM
Section 12
Eddy County, New Mexico

Dear Sally:

Enclosed is a copy of an application, filed by E.G.L. Resources, Inc. with the Oil Conservation Division, requesting administrative approval of an unorthodox gas well location in the Morrow formation in Section 12, Township 23 South, Range 24 East, N.M.P.M. Eddy County, New Mexico. It is our understanding that you do not object to this proposed location and respectfully request your approval.

Therefore, please sign in the space below and return a copy of this letter. If you do object to the proposed well's location, you must notify the Division in writing no later than twenty (20) days from the date of this letter (Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

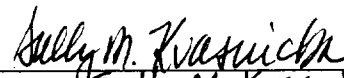
Very truly yours,


W. Wesley Perry
President

The undersigned does not object to the drilling of the Rock Tank Fed. Com #5 well located 500 feet FNL & 2,265 feet FWL of Section 12, Township 23 South, Range 24 East, N.M.P.M., Eddy County, New Mexico.

Signed this the 6th day of September, 2001.

Fasken Oil and Ranch, Ltd.

by: 
name: Sally M. Kvasnicka
title: Land Manager

CMD : ONGARD 10/22/01 13:07:23
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPKH

OGRID Idn : 151416 API Well No: 30 15 29953 APD Status(A/C/P): C
Opr Name, Addr: FASKEN OIL & RANCH LTD Aprvl/Cncl Date : 01-19-1999
303 W WALL
STE 1900

MIDLAND,TX 79701-5116

Prop Idn: 22166 CARNERO FEDERAL Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----		-----	-----
Surface Locn :	C	12	23S	24E			FTG 500 F N	FTG 2265 F W
OCD U/L :	C		API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 4067

State Lease No: Multiple Comp (S/M/C) : N
Prpsd Depth : 10350 Prpsd Frmtn : MORROW

E6927: Well is cancelled

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

ROCK TANK UNIT AREA

No. 14-08-0001-8889

APPROVED: October 31, 1967

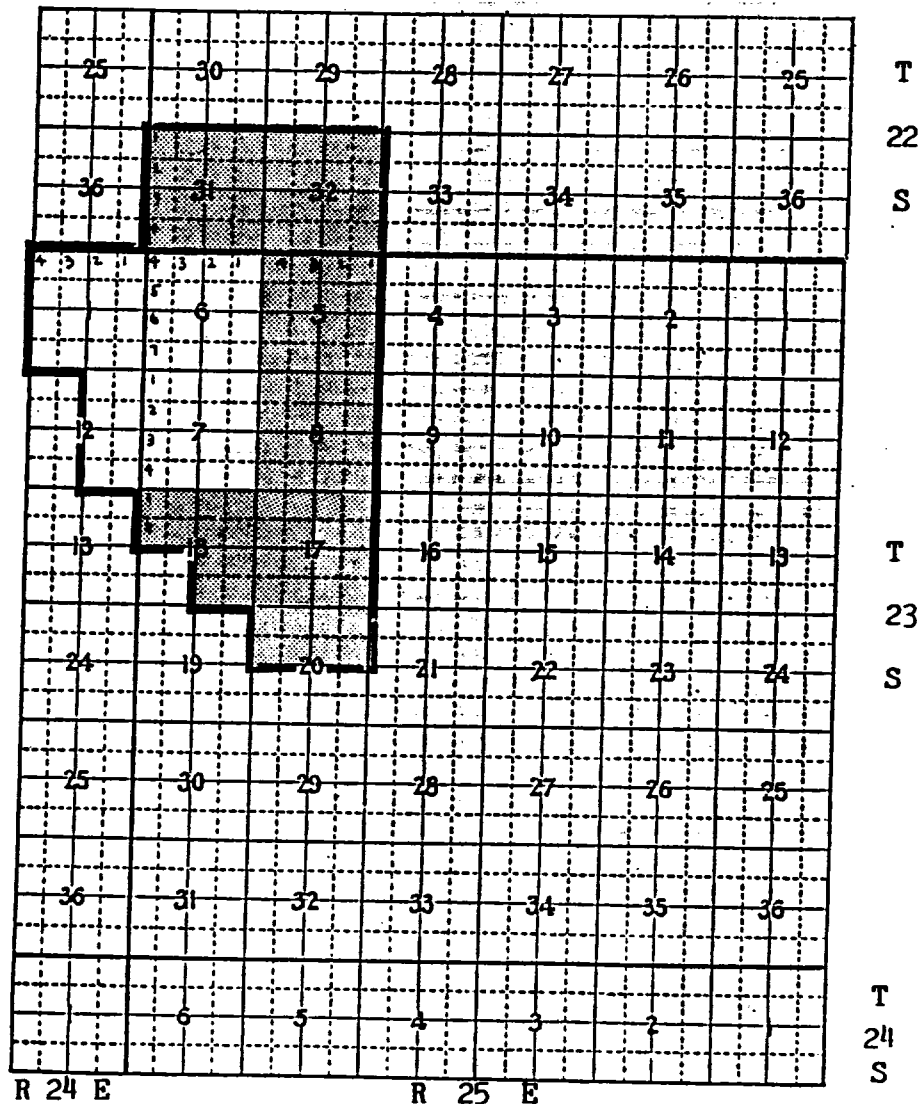
EFFECTIVE: October 31, 1967

EXPLORATORY

Eddy County, New Mexico

gulram, inc.

petroleum engineering and government regulation consultants



Original Unit Area - Federal, State, and Fee Lands 6,238.55 acres

-Lands Automatically Eliminated, Effective February 2, 1973

Remaining Unit Land - Federal 2,235.80 acres

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/22/01 11:10:02
OGOMES -TPXW
PAGE NO: 1

Sec : 12 Twp : 23S Rng : 24E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned	Federal owned	Federal owned
	C		
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/22/01 11:10:16
OGOMES -TPXW
PAGE NO: 2

Sec : 12 Twp : 23S Rng : 24E Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD : ONGARD 10/22/01 11:10:07
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPXW

OGRID Idn : 151416 API Well No: 30 15 29953 APD Status(A/C/P): C
Opr Name, Addr: FASKEN OIL & RANCH LTD Aprvl/Cncl Date : 01-19-1999
303 W WALL
STE 1900
MIDLAND,TX 79701-5116

Prop Idn: 22166 CARNERO FEDERAL Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	C	12	23S	24E			FTG 500 F N	FTG 2265 F W
OCD U/L :	C		API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 4067

State Lease No: Multiple Comp (S/M/C) : N
Prpsd Depth : 10350 Prpsd Frmtn : MORROW

E6927: Well is cancelled

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

CMD : ONGARD 10/22/01 10:59:01
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPXW
Page No: 1

OGRID Identifier : 34397 REDSTONE OIL & GAS CO
Pool Identifier : 84040 ROCK TANK;UPPER MORROW (GAS)
API Well No : 30 15 20320 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 20320	ROCK TANK UNIT	01 00		S
30 15 20320	ROCK TANK UNIT	02 00		S
30 15 20320	ROCK TANK UNIT	03 00		S

Reporting Period Total (Gas, Oil) :

M0001: This is the last page

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 30, 2001

E. G. L. Resources, Inc.

P. O. Box 10886

Midland, Texas 79702

Attention: Linda Johnson

Re: *Administrative application dated April 9, 2001 for E. G. L. Resources, Inc.'s proposed Rock Tank Federal Well No. 5 to be drilled at an unorthodox gas well location 500' FNL & 2265' FWL (C) of Section 12, Township 23 South, Range 24 East, NMPM, to test both the Rock Tank-Lower Morrow Gas Pool and Rock Tank-Upper Morrow Gas Pool, Eddy County, New Mexico.*

Dear Ms. Johnson:

On May 2, 2001, I sent a letter requesting additional information to support E. G. L. Resources, Inc.'s application dated April 9, 2001 (*Division application reference No. pKRV0-110646326*). To date I have not received a reply. This bureau has recently enacted a policy hereby any incomplete administrative filing older then 30 days is to be withdrawn and returned. This new policy, as I understand will, better serve our customers and help assure a quicker turn around time by this bureau on administrative filings.

In order to fully comply with this policy, I am withdrawing your application and returning it to you at this time. Thank you for your understanding and cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
Kathy Valdes, NMOCD - Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

E. G. L. Resources, Inc.

P. O. Box 10886

Midland, Texas 79702

May 2, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Attention: Linda Johnson

Re: *Administrative application dated April 9, 2001 for E. G. L. Resources, Inc.'s proposed Rock Tank Federal Well No. 5 to be drilled at an unorthodox gas well location 500' FNL & 2265' FWL (C) of Section 12, Township 23 South, Range 24 East, NMPM, to test both the Rock Tank-Lower Morrow Gas Pool and Rock Tank-Upper Morrow Gas Pool, Eddy County, New Mexico.*

Dear Ms. Johnson:

I have reviewed the subject application and find it incomplete. In order for the Division to finalize its evaluation, it will be necessary for E. G. L. Resources, Inc. to submit additional data.

What acreage is E.G.L. Resources, Inc. proposing to dedicate to the subject well? The "*Special Rules and Regulations for the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool*," as promulgated by Division Order No. R-3428, as amended, requires 640-acre spacing units. The C-102 that was attached to your application indicates the 320 acres comprising the N/2 of Section 12 is the assigned acreage within the Lower Morrow interval for this well while your land plat indicates otherwise. Please verify which is correct and, if applicable, please submit a corrected C-101?

Further, since the proposed location is only 500 feet from the nearest off-setting 640-acre unit that will be adversely affected by drainage from this well and in order to assure that correlative rights of all affected mineral interest are being protected from such adverse drainage it will be necessary to submit the following information before an administrative order will be issued by the Division, assuming that the full 640 acres is to be dedicated in both zones to this well:

1. a topographic map or aerial photo of the entire section which accurately details the surface features preventing E. G. L. Resources, Inc. from drilling this well at a standard location within the SW/4 NE/4 (Unit G), SE/4 NW/4 (Unit F), NE/4 SW/4 (Unit K), or NW/4 SE/4 (Unit J) of Section 12;
2. a detailed explanation why directional drilling to a standard bottomhole location is not an option;
3. identify the ownership of all mineral interest (royalty, overriding royalty, and working) within both the upper and lower Morrow intervals in Section 1, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico; and
4. proof of notification to all of those working (cost bearing) interest owners in Section 1 [see Division Rule 1207.A (2)].

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad

E.G.L. Resources, Inc.
P.O. Box 10886
Midland, TX 79702
(915) 687-6560

NSL

5/3/01
110646326

April 9, 2001

CERTIFIED MAIL

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

APR 13 2001

Re: ***Unorthodox Location***
Rock Tank Federal No. 5
500' FNL & 2265' FWL
Unit C, Sec. 12, T23S, R24E
Eddy County, NM


Gentlemen:

E.G.L. Resources, Inc. proposes to drill the above mentioned well at an unorthodox location as Field Rules in the Rock Tank-Upper Morrow Gas and Rock Tank-Lower Morrow Gas pools require 1650' to the outer boundary of the section. The proposed location is unorthodox in respect to being less than 1650' to the outer boundary of the section at a distance of 500' from the North Line.

The Rock Tank field lies in a mountainous area approximately 25 miles southwest of Carlsbad, NM. The proposed location is necessitated due to variable terrain encountered in this area and represents favorable topographical conditions for construction of a drill pad.

E.G.L. Resources, Inc. requests you waive any objection to the proposed unorthodox location of the above mentioned well. All offset operators to this unorthodox location have been notified by certified return receipt mail. If further information is required, please contact John A. Langhoff at (915) 687-6560.

Yours very truly,


Linda Johnston, Agent for
E.G.L. Resources, Inc.

E.G.L. Resources, Inc.
OFFSET OPERATORS
Rock Tank #5
500' FNL & 2265' FWL
Unit C, Sec. 12, T23S, R24E
Eddy County, NM

Notice is hereby given that E.G.L. Resources, Inc. is making application with the NMOCD to permit the above mentioned well in an unorthodox location for drilling and production purposes.

Offset Sec. 11 & 14

Devon SFS Operating, Inc.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Pride Energy Company
P. O. Box 701602
Tulsa, OK 74171

George E. Eccles Estate
79 South Main Street
Salt Lake City, UT 84147

James E. Logan
203 W. Wall
Midland, TX 79701

The Howard Boatwright Company
203 W. Wall
Midland, TX 79701

Offsets Sec. 1 & 6

E.G.L. Resources, Inc.
P. O. Box 10886
Midland, TX 79702

Offset Sec. 13

Yates Petroleum Corp.
105 South 4th Street
Artesia, NM 88210

Myco Industries, Inc.
P. O. Box 840
Artesia, NM 88202

Offsets Sec. 18

Fasken Oil & Ranch, Ltd.
303 W. Wall, Suite 1900
Midland, TX 79701

ICA Energy Inc.
P. O. Box 233
Odessa, TX 79760

Offsets Sec. 7

Fasken Oil & Ranch, Ltd.
303 W. Wall, Suite 1900
Midland, TX 79701

E.G.L. Resources, Inc.
P. O. Box 10886
Midland, TX 79702

CERTIFICATION

I, Linda Johnston, Agent for E.G.L. Resources, Inc., hereby certify that the above listed parties were notified of this application by certified return receipt mail and they understand they have 20 days from this date to file a written notice to the New Mexico Oil Conservation Division, Santa Fe, NM, in the event of protest to the location of said well.


Linda Johnston

Dated: April 11, 2001

DISTRICT I

1025 N. French Dr., Lubbock, NM 80340

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1009 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV

1040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1940 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 84000	Pool Name ROCK TANK - LOWER MORROW
Property Code	Property Name ROCK TANK FEDERAL	Well Number 5
OCRID No.	Operator Name E.G.L. RESOURCES	Elevation 4067'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	12	23 S	24 E		500	NORTH	2265	WEST	EDDY

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 320	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>320 Acres</p>	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature John A. Langhoff Printed Name Petroleum Engineer Title November 29, 2000 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. November 01, 2000 Date Signature W.D. Nunn, P.E. Professional Engineer 7977 Correlation No. 7977

OPERATION COPY

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1010-0136
Expires November 30, 2000

5. Lease Serial No.

NM-91505

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

E.C.L. Resources, Inc.

3a. Address

PO Box 10886, Midland, TX 79702

3b. Phone No. (include area code)

(915) 687-6560

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 500' FWL & 2265' FWL, Sec. 12, Twp. 23-S, Rge. 24-E

At proposed prod. zone

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

Rock Tank Federal No. 5

9. API Well No.

10. Field and Ppd, or Exploratory

Rock Tank - Lower Morrow

11. Sec., T., R., M., or Bk. and Survey or Area

Sec. 12, Twp. 23-S, Rge. 24-E

14. Distance in miles and direction from nearest town or post office*

25 MILES SOUTHWEST OF CARLSBAD, NM

12. County or Parish

Eddy

13. State

NM

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drg. unit line, if any)

375'

16. No. of Acres in lease

320

17. Spacing Unit dedicated to this well

320

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth

10,350'

20. BLM/BIA Bond No. on file

NM2693

21. Elevations (Show whether DR, KDR, RT, OL, etc.)

4067' (GL)

22. Approximate date work will start*

March 1, 2001

23. Estimated duration

2 months

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPU shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)

John A. Langhoff

Date

November 29, 2000

Title

Petroleum Engineer

Approved by (Signature)

Name (Printed/Typed)

JOHN A. LANGHOFF

Date

Title

Acting

Office

BLS/WALL, EDDY OFFICE

APPROVED FOR 1 YEAR

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make in any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

CARLSBAD CONTROLLED WATER BASIN

⊗ Surfaces casing must be set at 1575 ft.
 ⊗ ok w/ Operator

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS

**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. 11877
Order No. R-11007**

**APPLICATION OF FASKEN LAND AND
MINERALS, LTD. FOR COMPULSORY
POOLING AND AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 5 and March 5, 1998, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of July, 1998, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and, the Division has jurisdiction of this case and its subject matter.

(2) Case Nos. 11877 and 11927 were consolidated at the time of the February 5th hearing for the purpose of testimony.

(3) The applicant in Case No. 11877, Fasken Land and Minerals, Ltd. (Fasken), seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described area in Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, in the following manner:

all of Section 12 thereby forming a standard 640-acre gas spacing and proration unit for formations and/or pools spaced on 640 acres within that vertical extent, which presently include but are not necessarily limited to the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools;

the N/2 of Section 12 thereby forming a standard 320-acre gas spacing and proration unit for any formations and/or pools spaced on 320 acres within that vertical extent which presently include but are not necessarily limited to the Undesignated Rock Tank-Upper Pennsylvanian Gas Pool.

These units are to be dedicated to the applicant's proposed Carnero "12" Federal Com Well No. 1 to be drilled at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit C) of Section 12.

(4) This case was originally heard in conjunction with Case No. 11927, a competing force pooling application filed by Redstone Oil & Gas Company (Redstone).

(5) Pursuant to Fasken's motion to dismiss, Case No. 11927 was dismissed by the Division by Order No. R-10977 entered on April 17, 1998.

(6) At the request of Redstone, the record, evidence and testimony presented in Case No. 11927 were incorporated in Case No. 11960, which was heard by the Division on April 2, 1998.

(7) By letter dated July 1, 1998, Fasken advised the Division that it has reached a voluntary settlement with Redstone with regards to the development of the subject acreage, and requested that Case No. 11877 be dismissed.

(8) Fasken's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

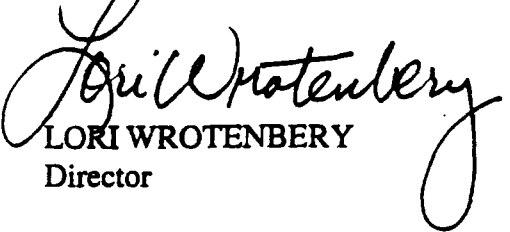
(1) The application of Fasken Land and Minerals, Ltd., for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, thereby forming a standard 640-acre gas spacing and proration unit, and the N/2 of Section 12 thereby forming a standard 320-acre gas spacing and proration unit, these units to be dedicated to its proposed Carnero "12" Federal Com Well No. 1 to be drilled at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit C) of Section 12, is hereby dismissed.

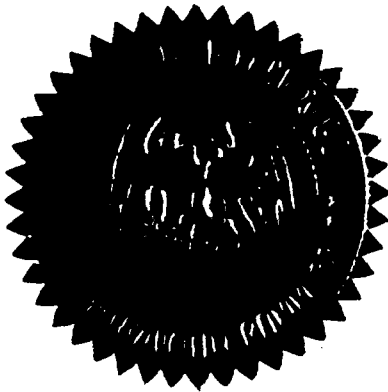
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 11877
Order No. R-11007
Page -3-

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director



S E A L

**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. 11927
Order No. R-10977**

**APPLICATION OF REDSTONE OIL & GAS
COMPANY FOR COMPULSORY POOLING
AND UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 19 and March 5, 1998, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of April, 1998, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised,

FINDS THAT:

(1) The applicant, Redstone Oil & Gas Company (Redstone), seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, and in the following manner:

all of Section 12 thereby forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools spaced on 640 acres within said vertical extent which presently includes but is not necessarily limited to the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools; and,

the N/2 thereby forming a standard 320-acre spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent.

Said units are to be dedicated to a well to be drilled at an unorthodox gas well location 500 feet from the North line and 2515 feet from the East line (Unit B) of Section 12.

(2) This case was consolidated with Case No. 11877 at the February 5, 1998 hearing for the purpose of testimony. In competing companion Case No. 11877, Fasken Land and Minerals, Ltd. (Fasken) seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, thereby forming a standard 640-acre gas spacing and proration unit for the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools, and the N/2 of said Section 12 thereby forming a standard 320-acre spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent. Said units are to be dedicated to the applicant's proposed Carnero "12" Federal Com Well No. 1 to be drilled at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit C) of Section 12.

(3) Subsequent to the February 5, 1998 hearing, Fasken filed a motion to dismiss Redstone's application in Case No. 11927 on the basis that Redstone's attempt to reach a voluntary agreement with the various interest owners in Section 12 for the drilling of its proposed well is insufficient for the following reasons:

- a) On January 26, 1998, counsel for Redstone Oil & Gas Company filed a compulsory pooling application with the Division seeking to pool acreage within Section 12, Township 23 South, Range 24 East, NMPM (Case No. 11927); and,
- b) Redstone did not formally propose the drilling of its well to the various interest owners in Section 12 until February 9, 1998.

(4) Oral arguments were presented to the Division on March 5, 1998, at which time the Division granted Fasken's motion to dismiss.


(5) Case No. 11927 should therefore be dismissed.

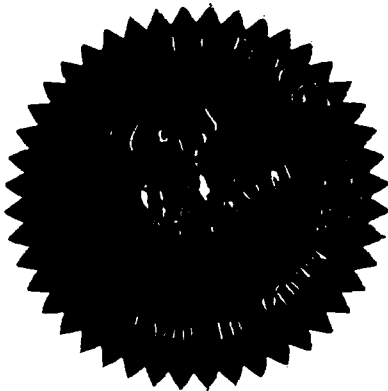
IT IS THEREFORE ORDERED THAT:

(1) The application of Redstone Oil & Gas Company for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, thereby forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools spaced on 640 acres within said vertical extent which presently includes but is not necessarily limited to the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools, and the N/2 of Section 12 thereby forming a standard 320 acre spacing and proration unit for any and all formations and/or pools spaced on 320-acres within said vertical extent, said units to be dedicated to a well to be drilled at an unorthodox gas well location 500 feet from the North line and 2515 feet from the East line (Unit B) of Section 12, is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director



S E A L

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WELL S T R	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 1993	PROD MP	ACCU	
MURPHY NW FEDERAL COM 1L 318525E GAS OIL WAT	RECOMPLETED TO		EAGLE CREEK PERMO PENN. (GAS)												21069 40 43
POWELL KISSINGER BS 203317825E GAS WAT	RECOMPLETED TO		EAGLE CREEK PERMO PENN. (GAS)												11206 5310
PUBCO NO STATE COM 1J3617824E GAS OIL WAT	ZONE ABANDONED														43238 137 38
SPEARMAN KB FEDERAL COM 1K1318524E GAS OIL WAT	RECOMPLETED TO		PENASCO DRAW PERMO PENN (GAS)												85418 197 12
STATE CY 1K3217825E GAS OIL WAT	361	287	345	353	365	342	352	329	321	334	317	314	4020	109402 831 100	
SYLSTER ABO COM 1P 818825E GAS OIL WAT	5235	4012	4192	3958	3968	3495	3571	3599	4421	3760	3297	3329	46837	353965 13 90	
THISTLE AKT 1L1018525E GAS OIL WAT	6	7	18	22	27	15	21	11	83		14	10	234	2605	
		32634	43142	42794	44115	42734	43528	42638	41146	44154	42222	42955	462082	462082	
		53	90	97	106	97	104	111	99	98	100	94	1049	1049	
		50	13	12	6	3	7	2	14	8	2	4	121	121	
COMPANY TOTAL OIL	1	34	97	98	108	98	108	112	99	98	103	98	1076	6880	
GAS	10538	40628	51608	51666	53108	51195	53527	52253	50516	53188	49615	51115	568935	4260205	
WAT	8	57	31	43	46	33	65	27	118	15	32	36	511	29327	
RIVERSIDE ATOKA (GAS) PA 8M TO 9M															
YATES PETROLEUM CORPORATION															
MOLDEN DE 1J1217824E GAS OIL WAT	1099	948	1351	377	1306	1916	3380	3400	1952	1823	1888	1384	20824	456267 858 72	
RIVERSIDE MORROW (GAS) (ABANDONED) PM 8M TO 9M															
JOHN A. YATES															
JEAN H 1N3116827E GAS OIL	PLUGGING APPROVED 1974														173847 144
ROBINA DRAW ATOKA (GAS) PA 9M TO 10M															
CENTRAL RESOURCES INC.															
FEDERAL BL 181723824E GAS OIL WAT					1332	773	426	593	721	435	367	225	4872	579014 753 192	
ROBINIA DRAW NO. (ABANDONED) PM 9M TO 10M															
AMERICAN GUASAR PETROLEUM CO. OF NEW MEXICO															
ROBINIA DRAW UNIT 1K 723824E GAS WAT	PLUGGING APPROVED 1980														26981 58
ROCK LAKE MORROW (GAS) (ABANDONED) PM 13M TO 14M															
UNION OIL COMPANY OF CALIFORNIA															
NORTHERN NATURAL ST COM 102823535E GAS OIL	RECOMPLETED TO		ROCK LAKE WOLF CAMP (ABANDONED)												49416 751
ROCK LAKE MORROW, NORTH (GAS) PM 13M TO 14M															
SHOW OIL & GAS INC.															
NORTH ROCK LAKE 161623535E GAS OIL WAT	1931	1602	1688	1134	1110	52	886	1357	922	1148	1255	1161	14244	320848 4332 1767	
ROCK TANK LOWER MORROW (GAS) LM 10M TO 11M															
ADDOE OIL COMPANY															
SMITH FEDERAL COM 2P1123524E GAS WAT	ZONE ABANDONED														457812 23
ARCO OIL & GAS COMPANY															
M & SMITH FED. 161323524E GAS OIL WAT	ZONE ABANDONED														5215683 1399 560
BLED SOE															
BARK CANYON 191823525E GAS OIL WAT	LAST PROD. DATE 01/92														3407275 263 2713
ROCK TANK UNIT 1D 723525E GAS OIL WAT	3985	29950	41156	40141	37419	33427	38056	42617	41619	42871	33344	37353	421938	13855584 2859	
2K 623525E GAS OIL WAT	LAST PROD. DATE 03/92														1678 13231673 3517 3239
LEASE TOTAL OIL	3985	29950	41156	40141	37419	33427	38056	42617	41619	42871	33344	37353	421938	27087257 4917	
GAS															
WAT															
COMPANY TOTAL OIL	3985	29950	41156	40141	37419	33427	38056	42617	41619	42871	33344	37353	421938	6639	
GAS														30494532	
WAT														7630	
HOWARD BOATRIGHT CO INC															
SMITH FEDERAL COM 161423524E GAS OIL WAT	ZONE ABANDONED														376464 115 492
GULF OIL CORPORATION															
BOOTHIE BO FEDERAL 1K1223524E GAS OIL	ZONE ABANDONED														5111402 1708
MONSANTO COMPANY															
ROCK TANK UNIT 4J 123524E GAS OIL WAT	RECOMPLETED TO		ROCK TANK UPPER MORROW (GAS)												7150991 1618 9611
ROCK TANK UPPER MORROW (GAS) UM 10M TO 11M															
BLED SOE															
ROCK TANK UNIT 1D 723825E GAS OIL WAT	LAST PROD. DATE 01/83														3033358 981 89
4J 123524E GAS OIL WAT	749	1325	955	499	532	924	4096	3197	5763	6429	6744	6965	38178	2599069 6400	
COMPANY TOTAL OIL	749	1325	955	499	532	924	4096	3197	5763	6429	6744	6965	38178	981	
GAS														5632427	
WAT														6489	
HOWARD BOATRIGHT CO INC															
SMITH FEDERAL 161423524E GAS OIL WAT	PLUGGING APPROVED 1988														535682 125 972

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/02/01 14:51:37
OGOMES -TPJ2
PAGE NO: 1

Sec : 12 Twp : 23S Rng : 24E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned	Federal owned	Federal owned
	C		
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/02/01 14:51:41
OGOMES -TPJ2
PAGE NO: 2

Sec : 12 Twp : 23S Rng : 24E Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD : ONGARD 05/02/01 14:51:57
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPJ2

OGRID Idn : 151416 API Well No: 30 15 29953 APD Status(A/C/P): C
Opr Name, Addr: FASKEN OIL & RANCH LTD Aprvl/Cncl Date : 01-19-1999
303 W WALL
STE 1900
MIDLAND,TX 79701-5116
Prop Idn: 22166 CARNERO FEDERAL Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----		-----	-----
Surface Locn :	C	12	23S	24E			FTG 500 F N	FTG 2265 F W
OCD U/L :	C		API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 4067

State Lease No: Multiple Comp (S/M/C) : N
Prpsd Depth : 10350 Prpsd Frmtn : MORROW

E6927: Well is cancelled

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

CMD : ONGARD 08/30/01 14:16:48
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQMX

OGRID Idn : 151416 API Well No: 30 15 29953 APD Status(A/C/P): C
Opr Name, Addr: FASKEN OIL & RANCH LTD Aprvl/Cncl Date : 01-19-1999
303 W WALL
STE 1900
MIDLAND, TX 79701-5116

Prop Idn: 22166 CARNERO FEDERAL Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: C	12	23S	24E			FTG 500 F N	FTG 2265 F W
OCD U/L	: C		API County	: 15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 4067

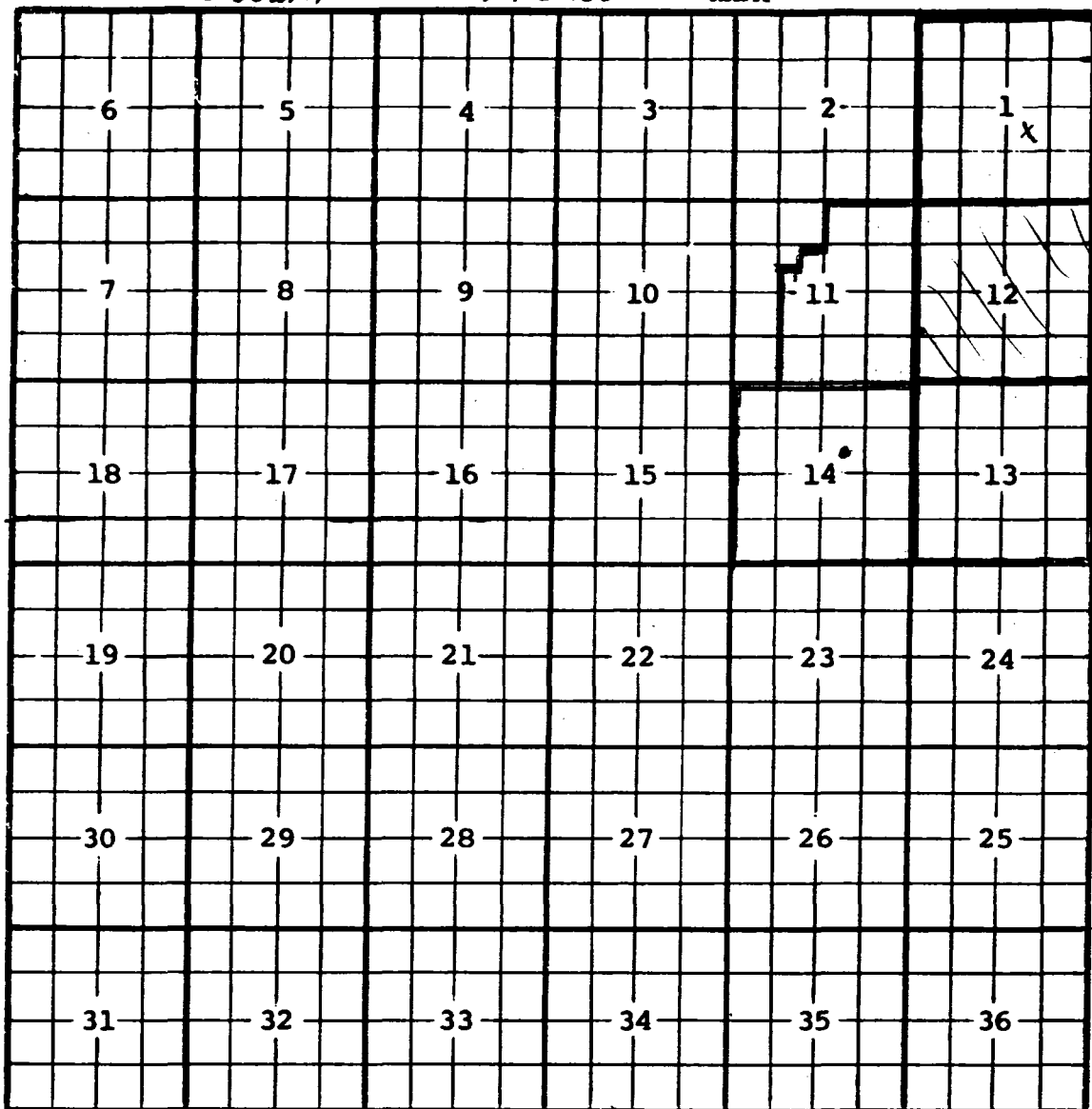
State Lease No: Multiple Comp (S/M/C) : N
Prpsd Depth : 10350 Prpsd Frmtn : MORROW

E6927: Well is cancelled

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

COUNTY *Eddy*POOL *Rock Tank - Lower Morrow Gas*TOWNSHIP *23 South*RANGE *24 East*

NMPM



Ext: All Sec. 12 (R-3964, 6-1-70) - All Sec. 1 (R-4106, 3-1-71) - All Sec. 13 (R-4291, 5-1-72)
- All Sec. 14 (R-4486, 3-1-73) - $\frac{E}{2}, \frac{E}{4}, \frac{SW}{4}, \frac{S}{2}, \frac{SE}{4}, \frac{NW}{4}, \frac{NE}{4}, \frac{SE}{4}, \frac{NW}{4}$ Sec. 11 (R-4622, 9-1-73)

COUNTY EddyPOOL Rock Tank - Upper Morrow GasTOWNSHIP 23 SouthRANGE 24 East

NMFM

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

Ext: All Sec. 12 (R-3964, 6-1-70) - All Secs 11, 14 & 23 (R-4486, 3-1-73)

Ext: All Sec 1 (R-5876, 12-1-78)

**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. 3727

Order No. R-3428

NOMENCLATURE

**APPLICATION OF MONSANTO COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
A NON-STANDARD PRORATION UNIT, A DUAL
COMPLETION, CREATION OF TWO GAS POOLS,
AND TEMPORARY SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 28, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of June, 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, Monsanto Company, seeks approval for the unorthodox gas well location of its Rock Tank Unit Well No. 1, located 660 feet from the North line and 920 feet from the West line of Section 7, Township 23 South, Range 25 East, NMPM, Eddy County, New Mexico, said well to be dedicated to the proposed non-standard proration unit comprising the W/2 of said Section 7 and the E/2 of Section 12, Township 23 South, Range 24 East.

(3) That the applicant also seeks authority to complete the subject well as a dual completion (conventional) to produce

gas from the Upper Morrow formation through the casing-tubing annulus and from the Lower Morrow formation through 2 7/8-inch tubing, with separation of zones by a packer set at approximately 10,200 feet.

(4) That the applicant further seeks the creation of Upper Morrow and Lower Morrow gas pools for said well and the promulgation of temporary special rules therefor, including provisions for 640-acre spacing.

(5) That the subject well was drilled as a wildcat oil well at a standard location to test the Devonian formation and was subsequently plugged back and completed in the Upper and Lower zones of the Morrow formation.

(6) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(7) That the said Monsanto Company Rock Tank Unit Well No. 1 has discovered a separate common source of supply which should be designated the Rock Tank-Upper Morrow Gas Pool; that the vertical limits of said pool should be that portion of the Morrow formation above the marker found at 10,155 feet in said discovery well; and that the horizontal limits of said pool should be all of the aforesaid Section 7.

(8) That the said Monsanto Company Rock Tank Unit Well No. 1 has discovered a separate common source of supply which should be designated the Rock Tank-Lower Morrow Gas Pool; that the vertical limits of said pool should be that portion of the Morrow formation from the marker found at 10,155 feet in said discovery well to the base of the Morrow formation; and that the horizontal limits of said pool should be all of the aforesaid Section 7.

(9) That approval of the unorthodox location, dual completion, and promulgation of temporary special rules and regulations providing for 640-acre spacing units for each of the proposed new gas pools will afford the applicant the opportunity to produce its just and equitable share of the gas in the pools, will 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, and otherwise prevent waste and protect correlative rights.

(10) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(11) That the special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in either or both of said pools; that during this temporary period all operators in the subject pools should gather all available information relative to drainage and recoverable reserves.

(12) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in either or both of said pools, at which time the operators in the subject pools should appear and show cause why the Rock Tank-Upper Morrow and/or the Rock Tank-Lower Morrow Gas Pools should not be developed on 320-acre spacing units.

(13) That the first operator to obtain a pipeline connection for a well in either or both of said pools should notify the Commission in writing of such fact, whereupon the Commission should notify the operator of the time for reopening this case.

(14) That the establishment of the proposed non-standard unit is unnecessary and would disrupt systematic and orderly development of the properties in the area of the pools and should, therefore, be denied.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Morrow production, is hereby created and designated the Rock Tank-Upper Morrow Gas Pool, with vertical limits comprising that portion of the Morrow formation above the marker found at 10,155 feet in the Monsanto Company Rock Tank Unit Well No. 1, located 660 feet from the North line and 920 feet from the West line of Section 7, Township 23 South, Range 25 East, NMPM, Eddy County, New Mexico, and horizontal limits comprising all of said Section 7.

(2) That a new pool in Eddy County, New Mexico, classified as a gas pool for Lower Morrow production, is hereby created and designated the Rock Tank-Lower Morrow Gas Pool, with vertical limits comprising that portion of the Morrow formation from the

aforesaid marker to the base of the Morrow formation, and horizontal limits comprising all of said Section 7.

(3) That temporary Special Rules and Regulations for the Rock Tank-Upper Morrow Gas Pool and for the Rock Tank-Lower Morrow Gas Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
ROCK TANK-UPPER MORROW GAS POOL
AND THE
ROCK TANK-LOWER MORROW GAS POOL

RULE 1. Each well completed or recompleted in the Rock Tank-Upper Morrow Gas Pool or in the Upper Morrow formation within one mile thereof, and not nearer to or within the limits of another designated Upper Morrow gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

Each well completed or recompleted in the Rock Tank-Lower Morrow Gas Pool or in the Lower Morrow formation within one mile thereof, and not nearer to or within the limits of another designated Lower Morrow gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission 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 and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.

- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Rock Tank-Upper Morrow Gas Pool or in the Upper Morrow formation within one mile thereof and any well presently drilling to or completed in the Rock Tank-Lower Morrow Gas Pool or in the Lower Morrow formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall

notify the Artesia District Office of the Commission in writing of the name and location of the well on or before June 30, 1968.

(2) That each well presently drilling to or completed in the Rock Tank-Upper Morrow Gas Pool or in the Upper Morrow formation within one mile thereof and any well presently drilling to or completed in the Rock Tank-Lower Morrow Gas Pool or in the Lower Morrow formation within one mile thereof shall not have more than 320 acres dedicated thereto until a Form C-102 dedicating 640 acres to the well has been filed with the Commission.

(3) That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in either or both of said pools, at which time the operators in the subject pools may appear and show cause why the Rock Tank-Upper Morrow and/or the Rock Tank-Lower Morrow Gas Pools should not be developed on 320-acre spacing units.

(4) That the first operator to obtain a pipeline connection for a well in either or both of said pools shall notify the Commission in writing of such fact, whereupon the Commission shall notify the operator of the time for reopening the case.

(5) That the applicant, Monsanto Company, is hereby authorized to complete its aforesaid Rock Tank Unit Well No. 1 as a dual completion (conventional) to produce gas from the Rock Tank-Upper Morrow Gas Pool through the casing-tubing annulus and from the Rock Tank-Lower Morrow Gas Pool through 2 7/8-inch tubing, with separation of zones by a packer set at approximately 10,200 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-in Pressure Test Period for the Rock Tank-Lower Morrow Gas Pool.

(6) That the applicant's request to dedicate a non-standard proration unit comprising the W/2 of Section 7, Township 23 South,

-7-

CASE No. 3727

Order No. R-3428

Range 25 East, and the E/2 of Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, is hereby denied.

(7) 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/

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. 3727
Order No. R-3428-A

APPLICATION OF MONSANTO COMPANY
FOR CREATION OF TWO GAS POOLS
AND TEMPORARY SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 13, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of May, 1970, 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-3428, dated June 6, 1968, temporary
Special Rules and Regulations were promulgated for the Rock Tank-
Upper Morrow Gas Pool and for the Rock Tank-Lower Morrow Gas Pool,
Eddy County, New Mexico, establishing 640-acre spacing units for
a period of one year after first pipeline connection in either
of said pools.

(3) That pursuant to the provisions of Order No. R-3428,
this case was reopened to allow the operators in the subject
pools to appear and show cause why the Rock Tank-Upper Morrow
Gas Pool and the Rock Tank-Lower Morrow Gas Pool should not
be developed on 320-acre spacing units.

(4) That the Special Rules and Regulations promulgated by Order No. R-3428 have afforded and will afford to the owner of each property in said pools the opportunity to produce his just and equitable share of the gas in said pools.

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-3428 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool, Eddy County, New Mexico, promulgated by Order No. R-3428, are hereby continued in full force and effect until further order of the Commission.

(2) 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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

esr/

129039785

New Mexico Oil Conservation Division---Enginerring Bureau
Administrative Application Process Documentation

Date Application Received:

10-17

Date of Preliminary Review:

(Note: Must be within 10-days of received date)

10-22

Results:

☒ **Application Complete** ☐ **Application Incomplete**

Date Incomplete Letter Sent:

NA

Deadline to Submit Requested Information:

NA

Phone Call Date:

(Note: Only applies if requested data is not submitted within the 7-day deadline)

NA

Phone Log Completed?

☒ **Yes**

☐ **No**

Date Application Processed:

10-22

Date Application Returned:

(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)