

NSL-OIL-N113

16
April 2, 2002

Dominion Oklahoma Texas Exploration, Inc.
14000 Quail Springs Parkway #600
Oklahoma City, Oklahoma 73134-2600

Telefax No. (405) 749-6662

Attention: Joe W. Hammond

~~Joe W. Hammond~~

Administrative Order NSL- 4719

Dear Mr. Hammond:

Reference is made to the following: (i) your initial application dated February 25, 2002 that was submitted to the New Mexico Oil Conservation Division ("Division") on March 15, 2002 (application reference No. pKRV0-207457116); (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated March 19, 2002; (iii) your amended application filed with the Division on March 27, 2002; and (iv) the records of the Division: all concerning your request for an exception to Rule 4 of the "*Special Rules and Regulations for the South Empire-Wolfcamp Pool*," as promulgated by Division Order No. R-4784, as amended, for its existing Geronimo "36" State Well No. 1 (API No. 30-015-31185), recently completed at an unorthodox oil well location 1060 feet from the North line and 1980 feet from the West line (Unit C) of Section 36, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

The N/2 NW/4 of Section 36 is to be dedicated to this well in order to form a standard 80-acre lay-down oil spacing and proration unit for the South Empire-Wolfcamp Pool (22430).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case 12119 on August 12, 1999.

It is understood that the N/2 and the N/2 S/2 of Section 36 is a single state lease issued by the New Mexico State Land Office (State Lease No. X-00647) in which Dominion Oklahoma Texas Exploration, Inc. is the leasehold operator and all mineral interest is common; therefore, there are no adversely effected offsets to the subject 80-acre tract.

By the authority granted me under the provision Rule 5 of these special pool rules and Division Rule 104.F (2), the above-described unorthodox Wolfcamp oil well location is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to this pool.

Sincerely,

(4-16)

Lori Wrotenbery
Director

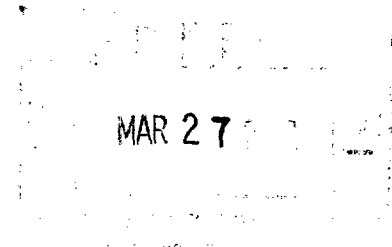
LW/MES/kv

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe

March 25, 2002

22430

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505



Re: Application for Unorthodox Location (Amended)
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico


Dear Mr. Stogner:

Pursuant to your letter of March 19, 2002, please find enclosed the amended application for your further review and handling.

Your assistance in this matter is appreciated and should you have any questions or need further information, please do not hesitate to call.


Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.


Joe W. Hammond, CPL
Staff Landman

JWH:rec

Joe W. Hammond
Staff Landman
Onshore - Western U.S.

 **Dominion™**
Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600, Oklahoma City, OK 73134
Phone: 405-749-5270, Fax: 405-749-6662
E-mail: Joe_W_Hammond@dom.com



March 25, 2002

VIA Overnight Mail

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Unorthodox Location (Amended)
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

Dear Mr. Stogner:

Dominion Oklahoma Texas Exploration & Production, Inc. (Dominion), successor by merger with Louis Dreyfus Natural Gas Corp., respectfully requests administrative approval for an unorthodox Wolfcamp oil well, the Geronimo "36" State #1. The well is located on State of New Mexico Lease #647, 1060' FNL and 1980' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. The well was originally drilled to and produced from the Morrow formation.

This well does not comply with the existing Special Rules and Regulations for the South Empire Wolfcamp Pool. The Pool rules require the well location for oil wells on 80-acre spacing to be located within 150' of the center of the quarter quarter section. The well is currently non-standard by 250 feet.

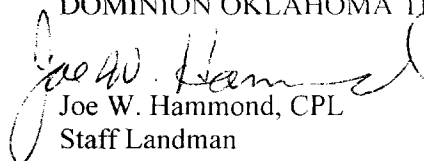
Please find enclosed Forms C-101, C-102, land plat, geological exhibit and a notification list of offset operators and/or owners including letters of waiver. Notification to the offset operators and/or owners will be made by certified mail including a copy of this application letter with all attachments.

Dominion respectfully requests that this unorthodox location be administratively approved if no objections are received within the cited twenty (20) days as required by OCD regulations, or earlier if waivers are received.

Please call me at (405) 749-5279 if you need further information.

Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.



Joe W. Hammond, CPL
Staff Landman

JWH:rec
Encls.

District I
PO Box 1980, Hobbs, NM 88241-1980
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
Oil, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

| | | |
|---|--|---|
| ¹ Operator Name and Address. Louis Dreyfus Natural Gas Corporation 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134 | | ² OGRID Number 025773 |
| ³ Property Code 26070 | | ³ API Number 30-015-31185 |
| ⁴ Property Name Geronimo "36" State Com | | ⁴ Well No. 1 |

⁷ 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 | 36 | 17S | 28E | | 1060 | North | 1980 | West | Eddy |

⁸ 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 |
|---|---------|----------|-------|---------|------------------------------|------------------|---------------|----------------|--------|
| ⁹ Proposed Pool 1 Empire South (Morrow) | | | | | ⁹ Proposed Pool 2 | | | | |

| | | | | |
|-----------------------------------|---|-----------------------------------|---------------------------------------|--|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3680 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 11,050' | ¹⁸ Formation Morrow | ¹⁹ Contractor Patterson | ²⁰ Spud Date 8/1/00 |

Minimum WOC time 8 hrs. ²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|--------------------|
| 17 1/2" | 13 3/8" | 54.5# | 425' | 450 sks | Surface |
| 12 1/4" | 9 5/8" | 36# | 2,700' | 900 sks | Surface |
| 8 3/4" | 5 1/2" | 17# | 11,050' | 1300 sks | Tie back to 9 5/8" |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 17 1/2" hole to \pm 425'. Run 13 3/8" csg. and cement to surface w/450 sks. cement.
2. Drill 12 1/4" hole to \pm 2,700'. Set 9 5/8" csg. and cement to surface w/900 sks cement.
3. Drill 8 3/4" hole to \pm 11,050'. Run 5 1/2" csg. and cement to 9 5/8" w/1300 sks cement.

See attached "Exhibit 6" for BOP assembly.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Carla Christian*

Printed name: Carla Christian

Title: Regulatory Technician

Date: 6/09/00

Phone: (405) 749-5263

OIL CONSERVATION DIVISION

Approved by: *BGA Jim W. Gunn*

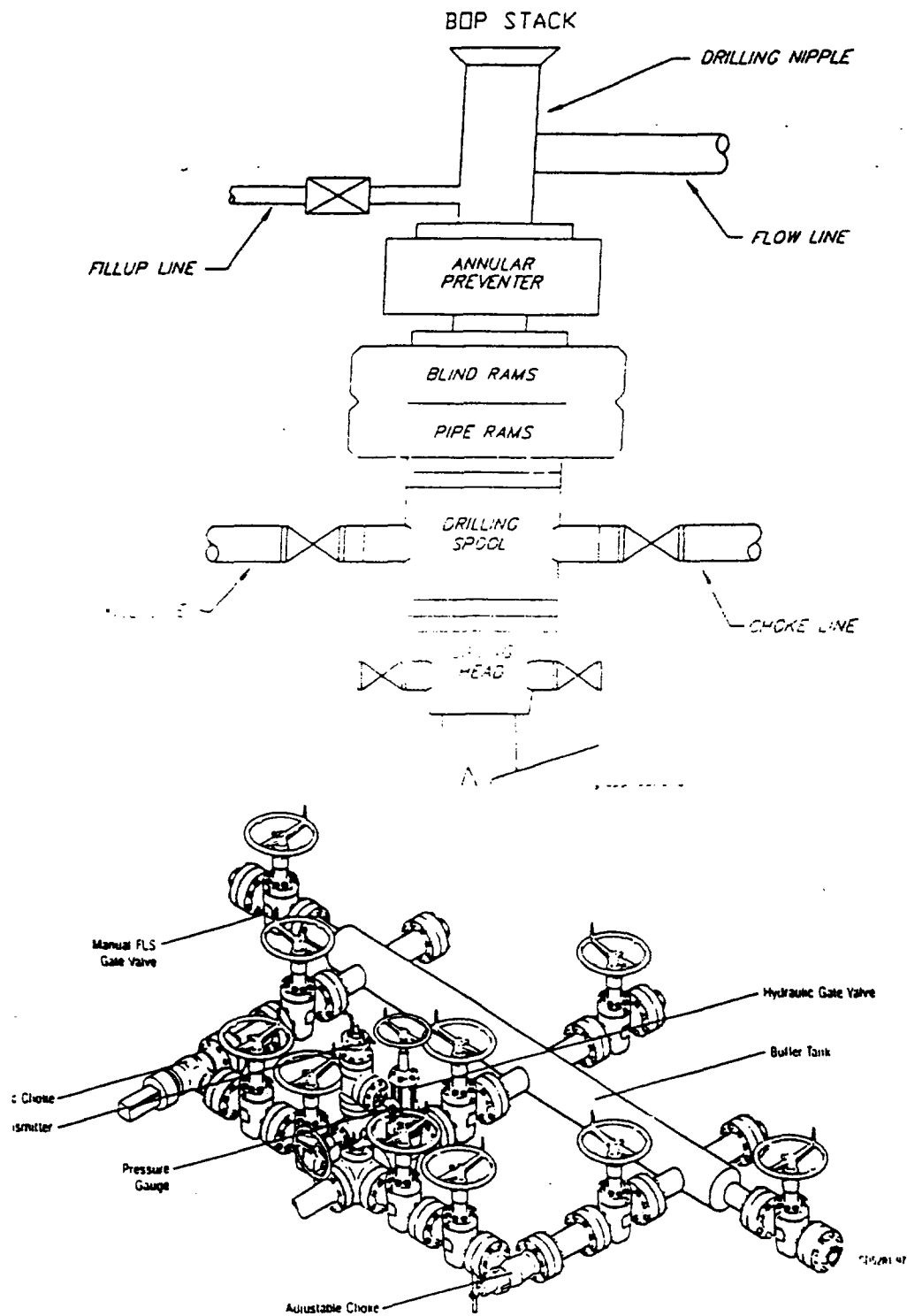
Title: *District Supervisor*

Approval Date: JUN 13 2000 Expiration Date: JUN 13 2001

Conditions of Approval :
Attached ☐

Exhibit 6

TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER & CHOKE MANIFOLD SCHEMATIC



Typical Choke Manifold Designed for Land Drilling Applications

DISTRICT I
1625 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 30-015-31185 | Pool Code | Pool Name South Empire; Wolfcamp |
| Property Code 26070 | Property Name GERONIMO "36" STATE | Well Number 1 |
| OGRID No. 025773 | Operator Name Dominion Oklahoma Texas Exploration & Prod., Inc. | Elevation 3680' |

Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or lot No. C | Section 36 | Township 17 S | Range 28 E | Lot Idn | Feet from the 1060 | North/South line NORTH | Feet from the 1980 | East/West line WEST | County EDDY |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

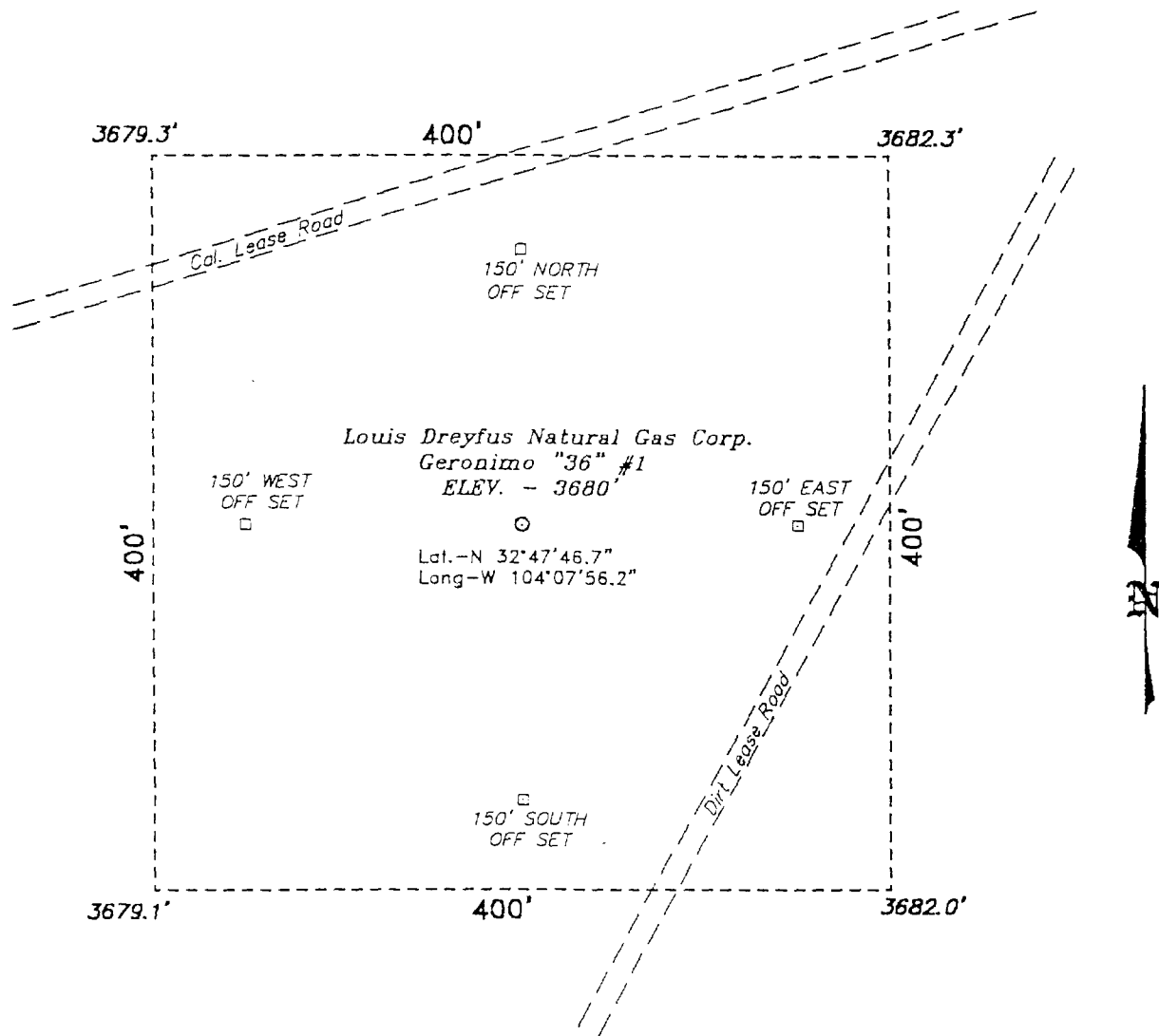
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-----------------------|-----------------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres 80 | Joint or Infill No | 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>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>Gene Simer</i></p> <p>Signature</p> <p>Gene Simer</p> <p>Printed Name</p> <p>Dist. Ops. Mgr.</p> <p>Title</p> <p>March 22, 2002</p> <p>Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>May 26, 2000</p> <p>Date Surveyed</p> <p><i>Gary L. Jones</i></p> <p>Signature & Seal of Professional Surveyor</p> <p>W.G. No. 0309</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p> |

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND STATE
HWY 360, GO EAST ON HWY 82 APPROX. 0.25 MILE
TO A POINT WHICH LIES APPROX. 2500 FEET NORTH
OF THE PROPOSED WELL LOCATION.

Louis Dreyfus Natural Gas Corp.

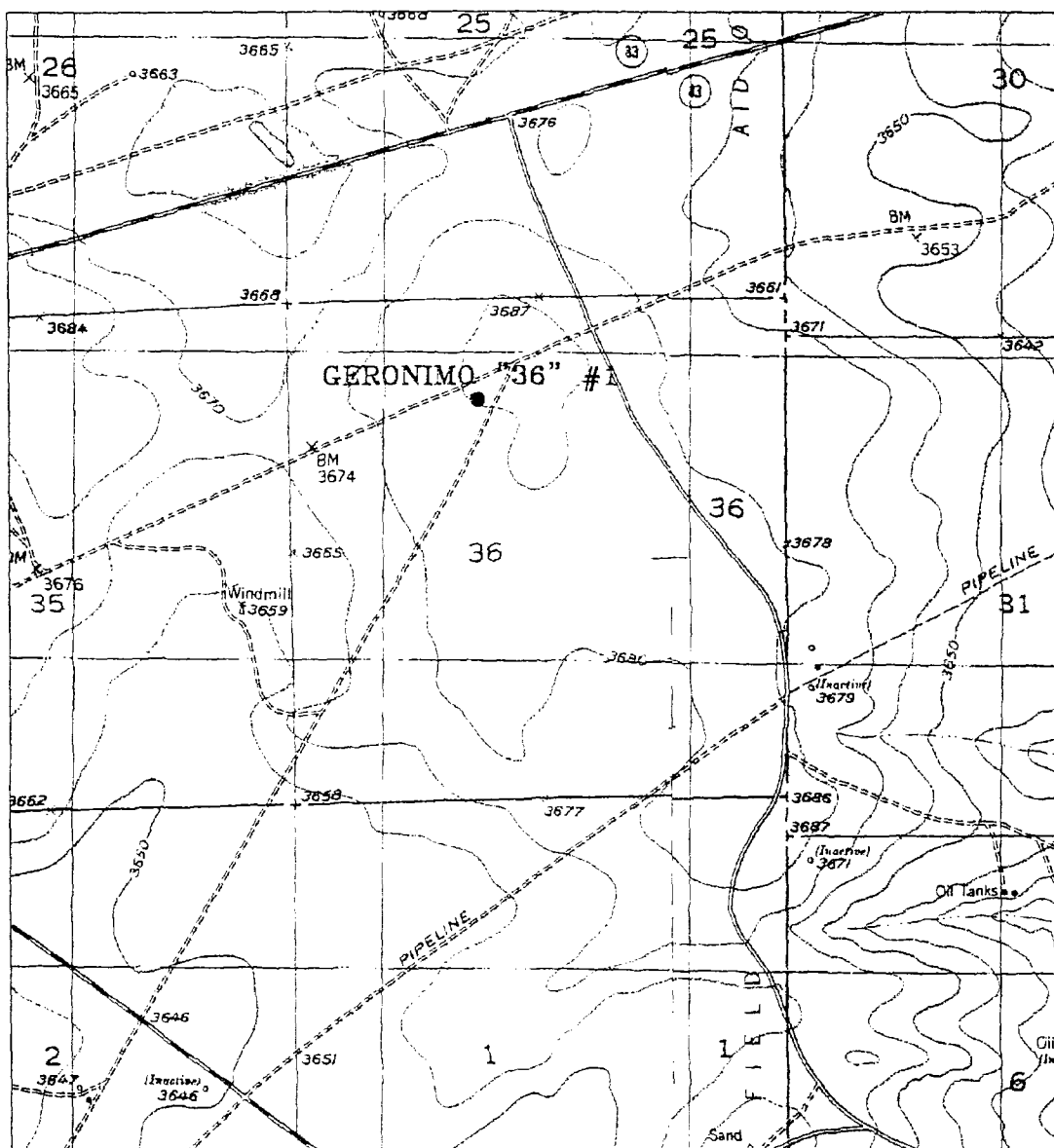
REF: Geronimo "36" #1 / Well Pad Topo

THE GERONIMO "36" No. 1 LOCATED 1060' FROM
THE NORTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 0301

Drawn By: K. GOAD



GERONIMO "36" #1

Located at 1060' FNL and 1980' FWL
Section 36, Township 17 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys
focused on excellence

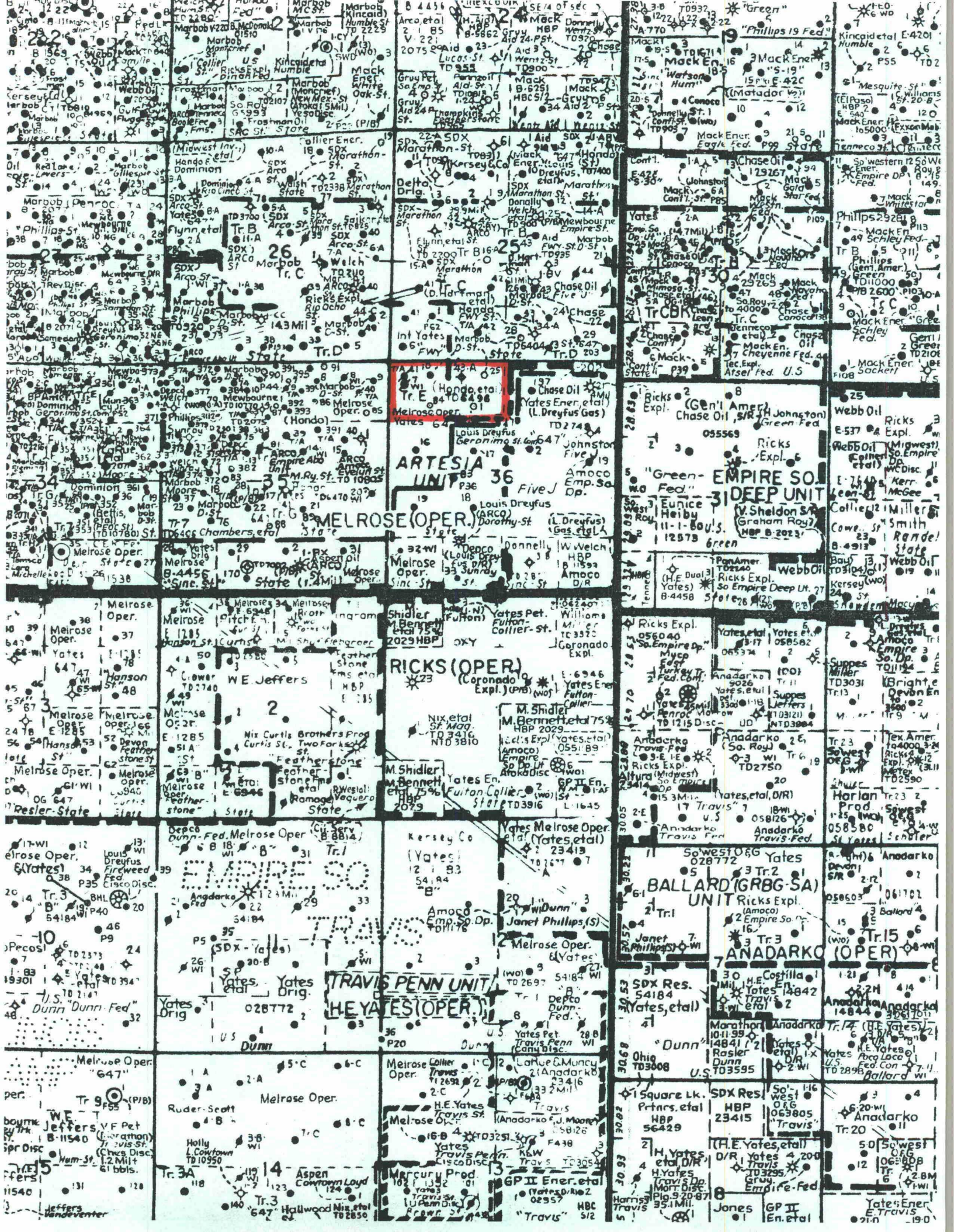
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax

W.O. Number: 0301AA - KJG #122

Survey Date: 05-26-2000

Scale: 1" = 2000'

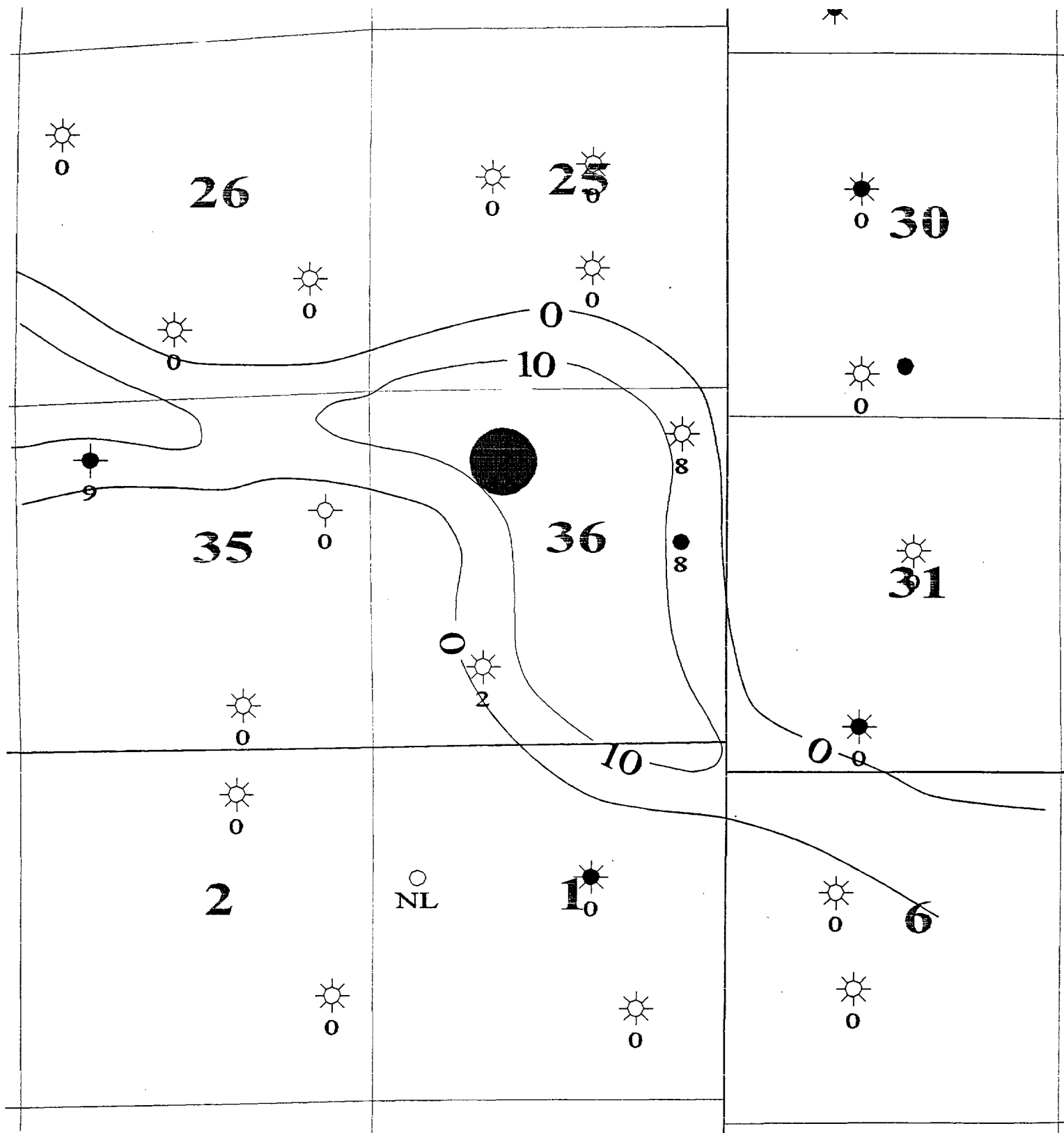
LOUIS DREYFUS
NATURAL GAS
CORPORATION



**NOTIFICATION LIST OF OFFSET
OPERATORS/LEASEHOLD OWNERS**

Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

1. Chase Oil Corporation
P.O. Box 1767
Artesia, New Mexico 88211
2. Ricks Exploration II, LP
3000 Oklahoma Tower
210 Park Avenue
Oklahoma City, Oklahoma 73102
3. Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210



LEGEND

● WOLFCAMP PROD

Wells=9000' and deeper

SUBJECT WELL SEC 36-17S-28E

| | | |
|---|---------------|----------------|
| DOMINION E&P | | |
| ISOPACH | | |
| WOLFCAMP(GERONIMO 36 #1 PAY) NET POROSI | | |
| Eddy Co., New Mexico | | |
| Geol. D. Shupley | C.1 = 10' | 2/22/02 |
| Techn. S. Swart | Scale 1:24000 | Fig. 36-17, 28 |

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, #600, Oklahoma City, OK 73134-2600



Phone: 405 749-5279; Land Fax: 405 749-6662

March 26, 2002

Via Certified Mail

Mr. Larry Fenity
Ricks Exploration II, LP
3000 Oklahoma Tower
210 Park Avenue
Oklahoma City, Oklahoma 73102

Re: Offset Operator/Leasehold Notification (Amended)
Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

Dear Larry:

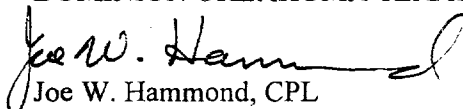
Dominion Oklahoma Texas Exploration & Production, Inc. (Dominion), successor by merger with Louis Dreyfus Natural Gas Corp., has been advised by the Oil Conservation Division that the Geronimo "36" State #1 is located at an unorthodox location which is described above. This location does not comply with existing well spacing and location rules for the South Empire Wolfcamp Pool. The Pool rules require the well location for oil wells on 80-acre spacing to be located within 150' of the center of the quarter quarter section.

If you have no objections to this location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Dominion's Geronimo "36" State #1 well.

Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.


Joe W. Hammond, CPL
Staff Landman

Ricks Exploration II, LP

Name: _____
Title: _____
Date: _____

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, #600, Oklahoma City, OK 73134-2600



Phone: 405 749-5279; Land Fax: 405 749-6662

March 26, 2002

Via Certified Mail

Mr. Ron Lanning
Chase Oil Corporation
P. O. Box 1767
Artesia, New Mexico 88211-1767

Re: Offset Operator/Leasehold Notification (Amended)
Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

Dear Ron:

Dominion Oklahoma Texas Exploration & Production, Inc. (Dominion), successor by merger with Louis Dreyfus Natural Gas Corp., has been advised by the Oil Conservation Division that the Geronimo "36" State #1 is located at an unorthodox location which is described above. This location does not comply with existing well spacing and location rules for the South Empire Wolfcamp Pool. The Pool rules require the well location for oil wells on 80-acre spacing to be located within 150' of the center of the quarter quarter section.

If you have no objections to this location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Dominion's Geronimo "36" State #1 well.

Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.

Joe W. Hammond, CPL
Staff Landman

Chase Oil Corporation

Name: _____
Title: _____
Date: _____

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, #600, Oklahoma City, OK 73134-2600



Phone: 405 749-5279; Land Fax: 405 749-6662

March 26, 2002

Via Certified Mail

Mr. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Re: Offset Operator/Leasehold Notification (Amended)
Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

Dear Robert:

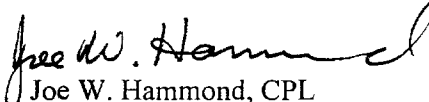
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If you have no objections to this location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Dominion's Geronimo "36" State #1 well.

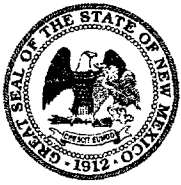
Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.


Joe W. Hammond, CPL
Staff Landman

Yates Petroleum Corporation

Name: _____
Title: _____
Date: _____



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

March 19, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Dominion Oklahoma Texas Exploration & Production, Inc.
14000 Quail Springs Parkway – No. 600
Oklahoma City, Oklahoma 73134-2600

Telefax No. (405) 749-6662

Attention: Joe W. Hammond

Re: *Administrative application filed with the New Mexico Oil Conservation Division ("Division") on March 15, 2002 (application reference No. pKRV0-207457116) for an unorthodox Wolfcamp oil well location for the existing Geronimo "36" State Well No. 1 (API No. 30-015-31185) located 1060 feet from the North line and 1980 feet from the West line (Unit C) Section 36, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Hammond:

My review of your application indicates that this well is within one-half mile of the South Empire-Wolfcamp Pool and is therefore governed by the "Special Rules and regulations for the South Empire-Wolfcamp Pool", as promulgated by Division Order No. R-4784, as amended (see copy attached), which requires 80-acre spacing.

This application is therefore deemed incomplete. Please amend your application accordingly and provided me a copy of an amended C-102 indicating the appropriate acreage dedication.

Please submit the above stated information by Thursday, March 28, 2002.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "mstogner@state.nm.us." Thank you.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

March 19, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Dominion Oklahoma Texas Exploration & Production, Inc.
14000 Quail Springs Parkway – No. 600
Oklahoma City, Oklahoma 73134-2600

Telefax No. (405) 749-6662

Attention: Joe W. Hammond

Re: *Administrative application filed with the New Mexico Oil Conservation Division ("Division") on March 15, 2002 (application reference No. pKRV0-207457116) for an unorthodox Wolfcamp oil well location for the existing Geronimo "36" State Well No. 1 (API No. 30-015-31185) located 1060 feet from the North line and 1980 feet from the West line (Unit C) Section 36, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Hammond:

My review of your application indicates that this well is within one-half mile of the South Empire-Wolfcamp Pool and is therefore governed by the "Special Rules and regulations for the South Empire-Wolfcamp Pool", as promulgated by Division Order No. R-4784, as amended (see copy attached), which requires 80-acre spacing.

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Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "mstogner@state.nm.us." Thank you.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe

| | | | | | |
|--------------------|--------------------|----------------|-----------------|-------------|----------------------|
| DATE IN 3/15/02 | SUSPENSE 4/4/02 | ENGINEER MS | LOGGED IN RW | TYPE NSL | APP NO. 207457116 |
|--------------------|--------------------|----------------|-----------------|-------------|----------------------|

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 _____

[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.

Joe W. Hammond
Print or Type Name

Joe W. Hammond
Signature

Staff Landman
Title

2-26-02
Date

Joe - W - Hammond@dom.com
e-mail Address

February 25, 2002

Certified Mail
Return Receipt Requested

Mr. Michael Stogner
New Mexico Oil Conservation Division
~~2040 South Pacheco~~
Santa Fe, New Mexico 87508

Re: Application for Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

Dear Mr. Stogner:

Dominion Oklahoma Texas Exploration & Production, Inc. (Dominion), successor by merger with Louis Dreyfus Natural Gas Corp., respectfully requests administrative approval for an unorthodox Wolfcamp oil well, the Geronimo "36" State #1. The well is located on State of New Mexico Lease #647, 1060' FNL and 1980' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. The well was originally drilled to and produced from the Morrow formation.

This well does not comply with existing well spacing and location rules for oil wells. Division Rule 104 requires the well location for oil wells on 40-acre spacing to be 330 feet from the quarter-quarter section. The well is currently non-standard by 70 feet.

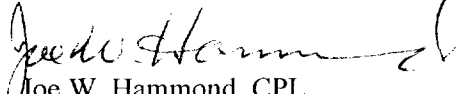
Please find enclosed Forms C-101, C-102, land plat, geological exhibit and a notification list of offset operators and/or owners including letters of waiver. Notification to the offset operators and/or owners will be made by certified mail including a copy of this application letter with all attachments.

Dominion respectfully requests that this unorthodox location be administratively approved if no objections are received within the cited twenty (20) days as required by OCD regulations, or earlier if waivers are received.

Please call me at (405) 749-5279 if you need further information.

Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.


Joe W. Hammond, CPL
Staff Landman

JWH:rec
Encls.

District I
PO Box 1980, Hobbs, NM 88241-1980
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
Oil, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies



☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

| | | |
|---|---|-------------------------------------|
| ¹ Operator Name and Address. Louis Dreyfus Natural Gas Corporation 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134 | | ² OGRID Number 025773 |
| ³ API Number 30-015-31185 | | |
| ⁴ Property Code 26070 | ⁵ Property Name Geronimo "36" State Com | ⁶ Well No. 1 |

⁷ 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 | 36 | 17S | 28E | | 1060 | North | 1980 | West | Eddy |

⁸ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

⁹ Proposed Pool 1

Empire South (Morrow)

¹⁰ Proposed Pool 2

| | | | | |
|-----------------------------------|---|-----------------------------------|---------------------------------------|--|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3680 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 11,050' | ¹⁸ Formation Morrow | ¹⁹ Contractor Patterson | ²⁰ Spud Date 8/1/00 |

Minimum WOC time 8 hrs.

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|--------------------|
| 17 1/2" | 13 3/8" | 54.5# | 425' | 450 sks | Surface |
| 12 1/4" | 9 5/8" | 36# | 2,700' | 900 sks | Surface |
| 8 3/4" | 5 1/2" | 17# | 11,050' | 1300 sks | Tie back to 9 5/8" |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 17 1/2" hole to \pm 425'. Run 13 3/8" csg. and cement to surface w/450 sks. cement.
2. Drill 12 1/4" hole to \pm 2,700'. Set 9 5/8" csg. and cement to surface w/900 sks cement.
3. Drill 8 3/4" hole to \pm 11,050'. Run 5 1/2" csg. and cement to 9 5/8" w/1300 sks cement.

See attached "Exhibit 6" for BOP assembly.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Carla Christian

Printed name: Carla Christian

Title: Regulatory Technician

Date: 6/09/00

Phone: (405) 749-5263

OIL CONSERVATION DIVISION

Approved by:

BGA Jim W. Gern

Title:

District Supervisor

Approval Date:

JUN 13 2000

Expiration Date:

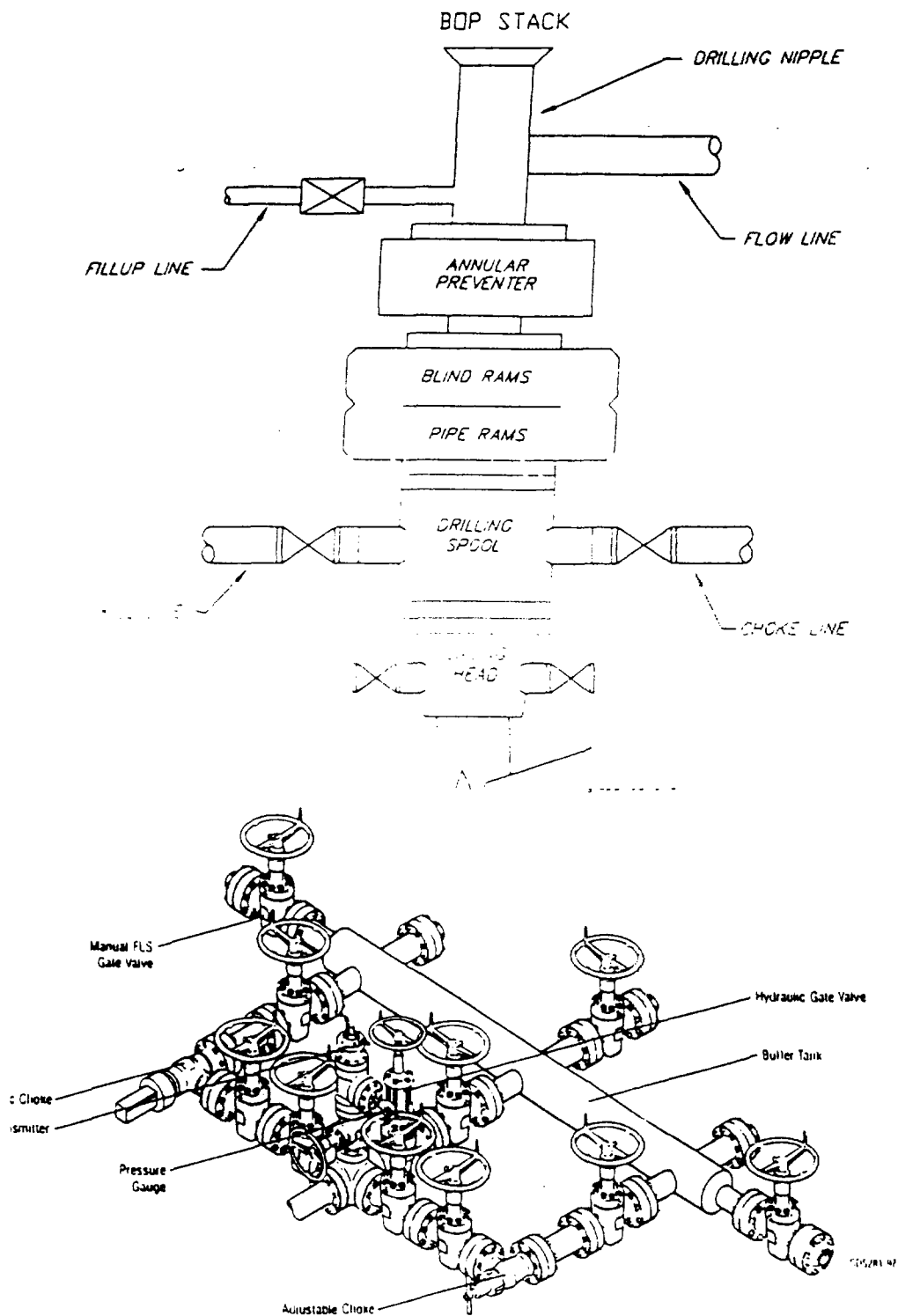
JUN 13 2001

Conditions of Approval:

Attached ☐

Exhibit 6

TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER & CHOKE MANIFOLD SCHEMATIC



Typical Choke Manifold Designed for Land Drilling Applications

DISTRICT I
1824 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., 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 30-015-31185 | Pool Code 22420 | Pool Name Empire; Wolfcamp |
| Property Code 26070 | Property Name GERONIMO "36" STATE | Well Number 1 |
| OGRID No. 025773 | Operator Name LOUIS DREYFUS NATURAL GAS CORPORATION | Elevation 3680' |

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 | 36 | 17 S | 28 E | | 1060 | NORTH | 1980 | WEST | EDDY |

Bottom Hole Location If Different From Surface

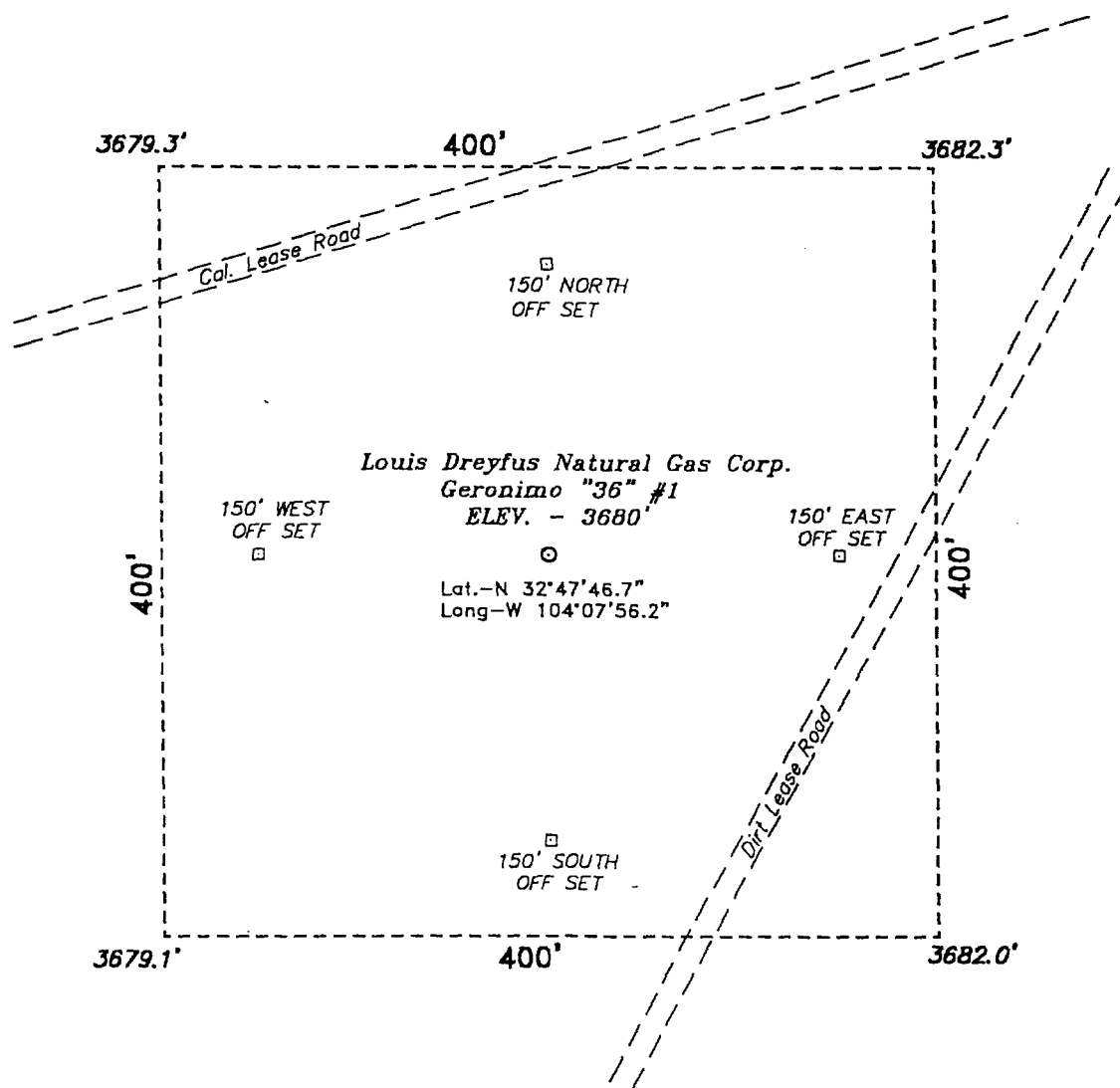
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------------|-----------------------|--------------------|-----------|
| Dedicated Acres 40 | Joint or Infill No | 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>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>Gene Simer</i> Signature</p> <p>Gene Simer Printed Name</p> <p>Dist. Ops. Mgr. Title</p> <p>November 20, 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>May 26, 2000 Date Surveyed</p> <p><i>GARY L. JONES</i> Signature Professional Surveyor NEW MEXICO 7977</p> <p>No. 030 Certified by Gary L. Jones 7977 BASIN SURVEYS</p> |

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND STATE HWY 360, GO EAST ON HWY 82 APPROX. 0.25 MILE TO A POINT WHICH LIES APPROX. 2500 FEET NORTH OF THE PROPOSED WELL LOCATION.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

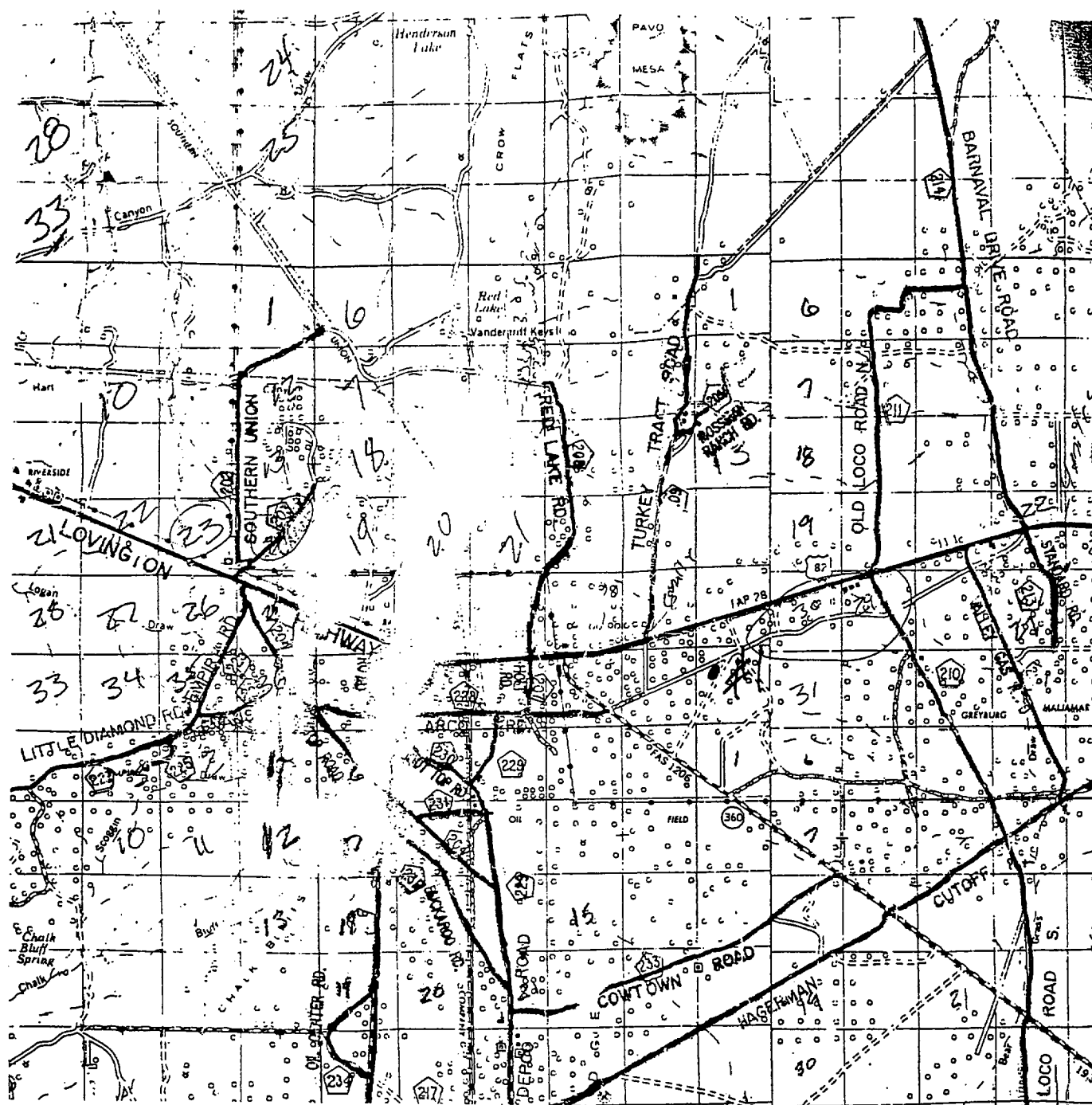
W.O. Number: 0301

Drawn By: K. GOAD

Louis Dreyfus Natural Gas Corp.

REF: Geronimo "36" #1 / Well Pad Topo

THE GERONIMO "36" No. 1 LOCATED 1060' FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



GERONIMO "36" #1

Located at 1060' FNL and 1980' FWL
Section 36, Township 17 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys

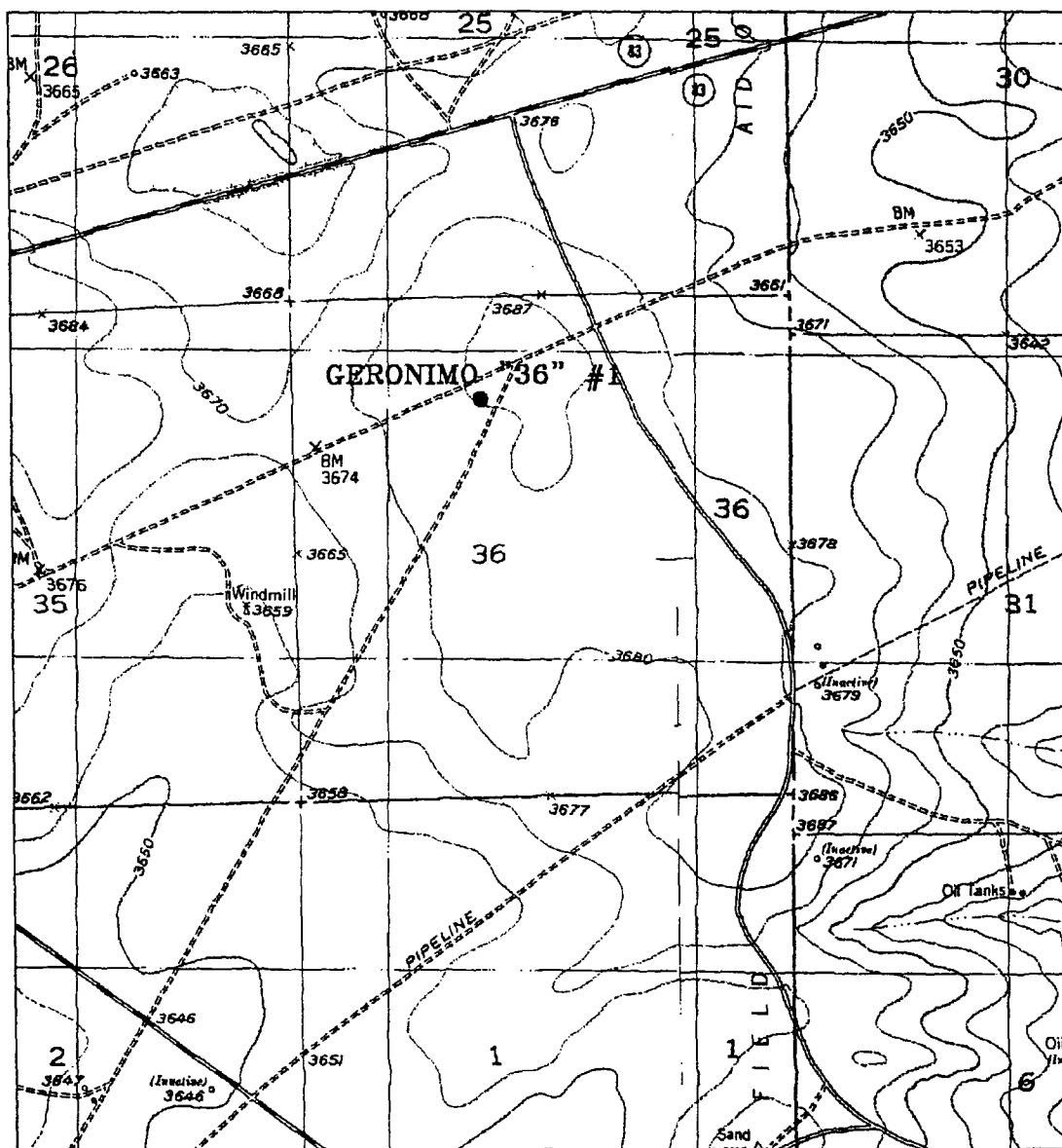
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax

W.O. Number: 0301AA - KJG #122

Survey Date: 05-26-2000

Scale: 1" = 2 MILES

LOUIS DREYFUS
NATURAL GAS
CORPORATION



GERONIMO "36" #1
 Located at 1060' FNL and 1980' FWL
 Section 36, Township 17 South, Range 28 East,
 N.M.P.M., Eddy County, New Mexico.

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surveys
 focused on excellence

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

W.O. Number: 0301AA - KJG #122

Survey Date: 05-26-2000

Scale: 1" = 2000'

LOUIS DREYFUS
NATURAL GAS
CORPORATION

DISTRICT I
1823 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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 | Pool Name |
| | | Empire South (Morrow) |
| Property Code | Property Name | Well Number |
| | GERONIMO "36" STATE COM | 1 |
| OGRID No. | Operator Name | Elevation |
| 025773 | LOUIS DREYFUS NATURAL GAS CORPORATION | 3680' |

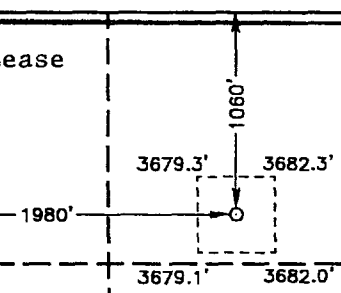
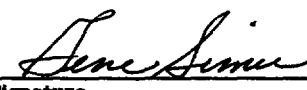
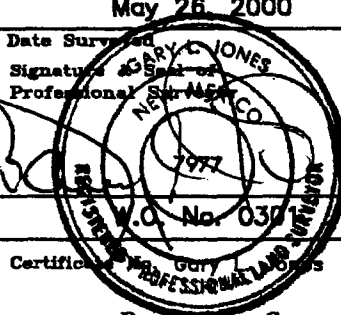
Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| C | 36 | 17 S | 28 E | | 1060 | NORTH | 1980 | WEST | EDDY |

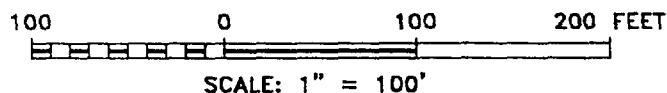
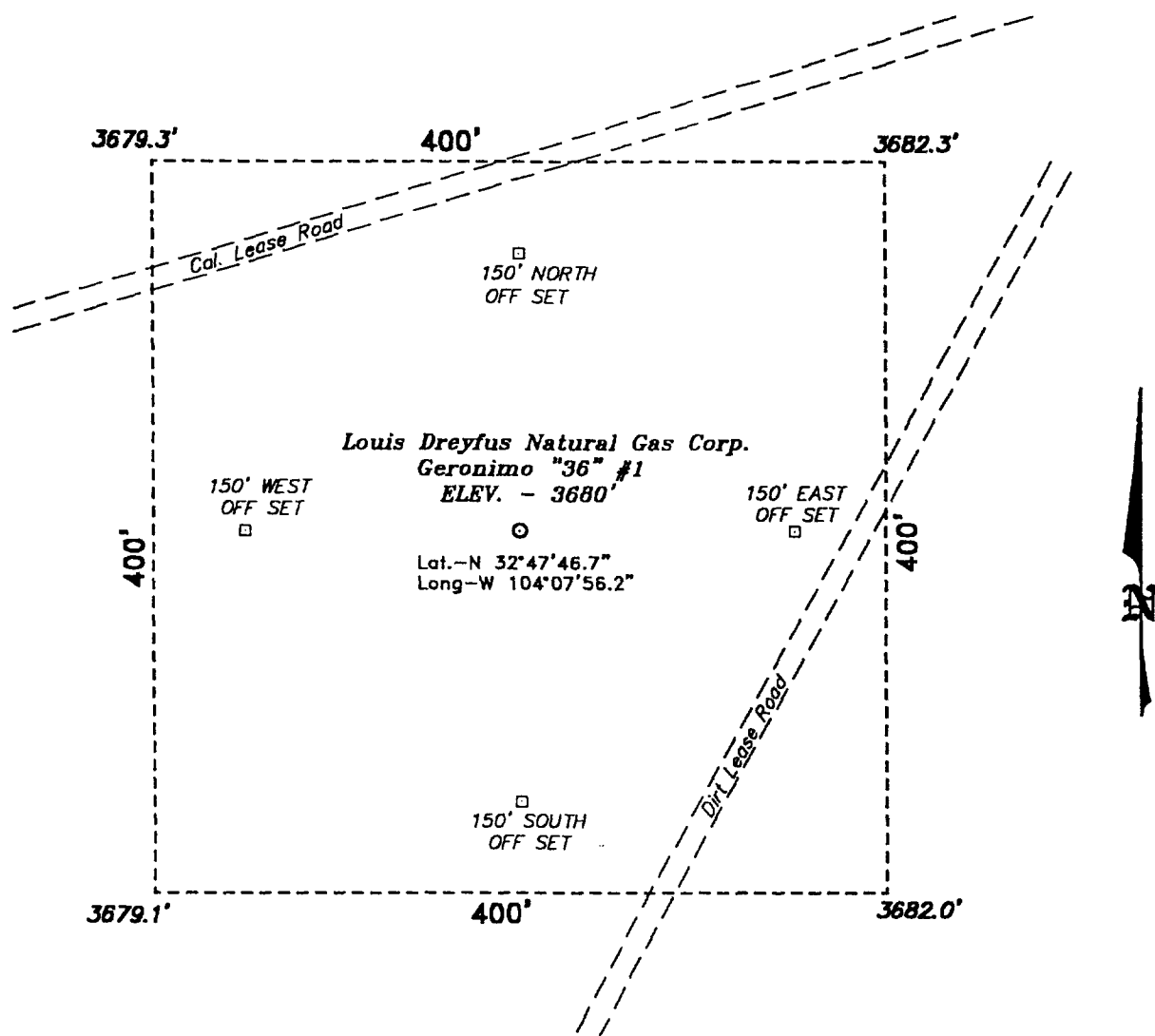
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |
| 320 | N | C | | | | | | | |

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

| | | | |
|----------------------|---|--|--|
| State Lease 647 |  | Lat.: N32°47'46.7" Long.: W104°07'56.2" | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Gene Simer Printed Name Dist. Ops. Mgr. Title 05-31-00 Date |
| State Lease B-949 | State Lease B-11593 | | 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. May 26, 2000 Date Surveyed  Signature of Professional Surveyor Gary C. Jones Certified Professional Surveyor BASIN SURVEYS |

**SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND STATE HWY 360, GO EAST ON HWY 82 APPROX. 0.25 MILE TO A POINT WHICH LIES APPROX. 2500 FEET NORTH OF THE PROPOSED WELL LOCATION.

Louis Dreyfus Natural Gas Corp.

REF: Geronimo "36" #1 / Well Pad Topo

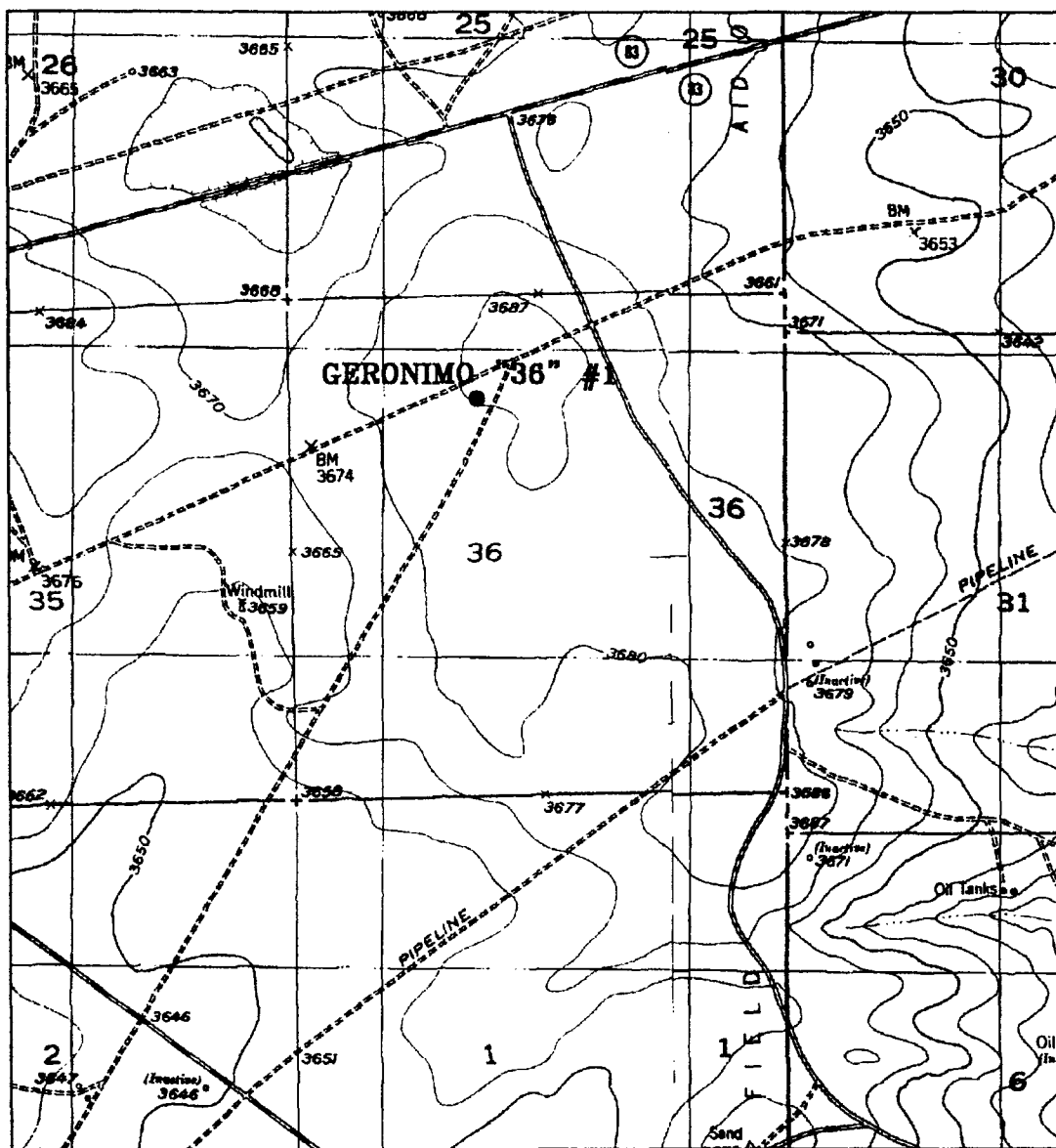
THE GERONIMO "36" No. 1 LOCATED 1060' FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 0301 Drawn By: K. GOAD

Date: 05-30-2000 Disk: KJG #122 - 0279A.DWG

Survey Date: 05-26-2000 Sheet 1 of 1 Sheets



GERONIMO "36" #1

Located at 1060' FNL and 1980' FWL
Section 36, Township 17 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.

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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

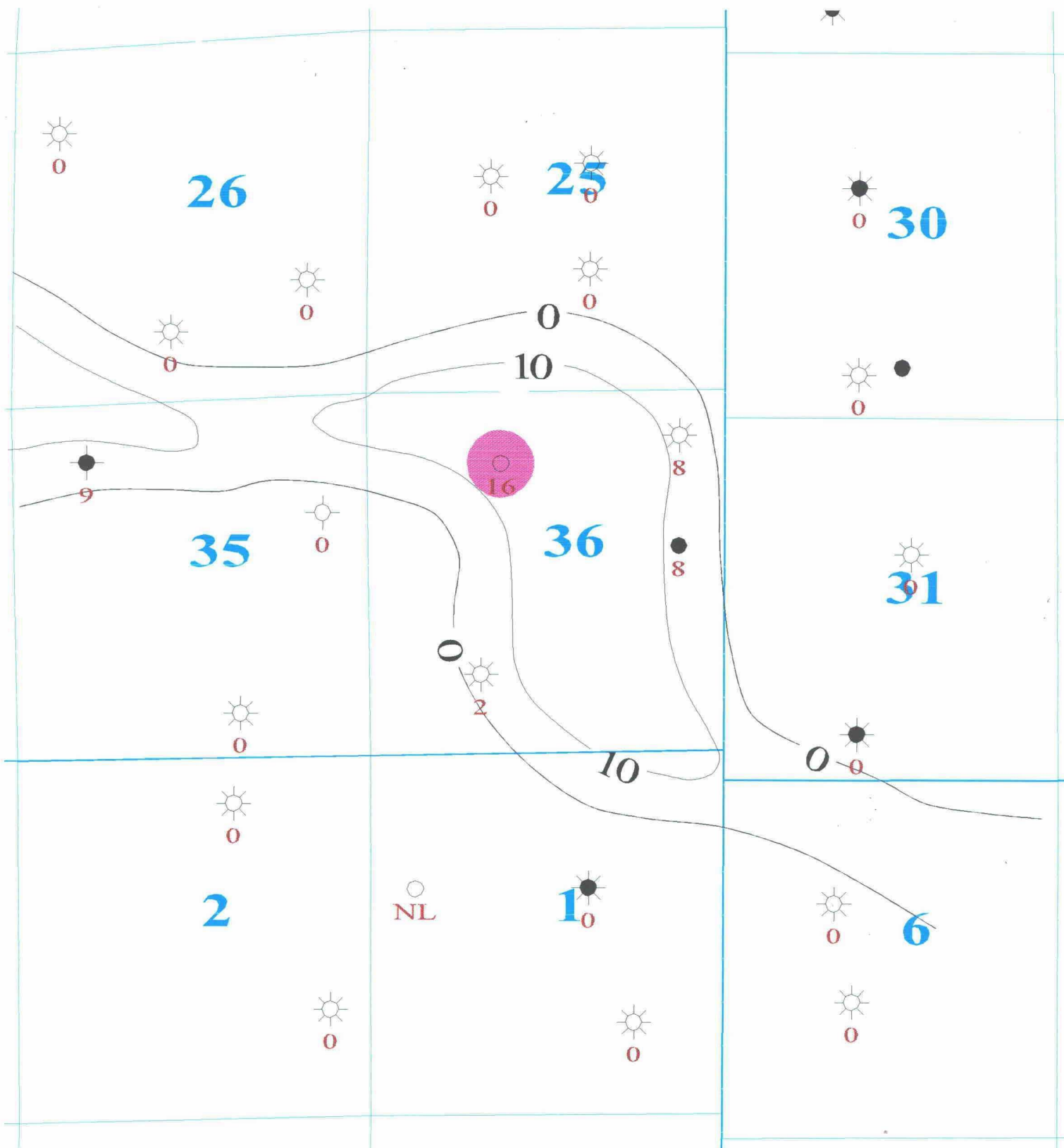
W.O. Number: 0301AA - KJG #122

Survey Date: 05-26-2000

Scale: 1" = 2000'

Date: 05-30-2000

LOUIS DREYFUS
NATURAL GAS
CORPORATION




LEGEND

 WOLFCAMP PROD



Wells=9000' and deeper

| | | |
|--|----------------|----------------|
|  DOMINION E&P | | |
| ISOPACH WOLFCAMP(GERONIMO 36 #1 PAY) NET POROSI Eddy Co., New Mexico | | |
| Geo: D. Shipley | C: 1" = 10' | 2/22/02 |
| Tech: S. Swart | Scale: 1:24000 | File: 36-17_28 |

SUBJECT WELL SEC 36-17S-28E

**NOTIFICATION LIST OF OFFSET
OPERATORS/LEASEHOLD OWNERS**

Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

1. Chase Oil Corporation
P.O. Box 1767
Artesia, New Mexico 88211
2. Ricks Exploration II, LP
3000 Oklahoma Tower
210 Park Avenue
Oklahoma City, Oklahoma 73102

February 25, 2002

Mr. Ron Lanning
Chase Oil Corporation
P. O. Box 1767
Artesia, New Mexico 88211-1767

Re: Offset Operator/Leasehold Notification
Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

Dear Ron:

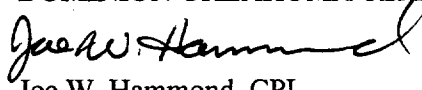
Dominion Oklahoma Texas Exploration & Production, Inc. (Dominion), successor by merger with Louis Dreyfus Natural Gas Corp., has been advised by the Artesia office of the Oil Conservation Division that the Geronimo "36" State #1 is located at an unorthodox location which is described above. This location does not comply with existing well spacing and location rules for oil wells. Division Rule 104 requires the well location for oil wells on 40-acre spacing to be 330 feet from the quarter-quarter section.

If you have no objections to this unorthodox location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Dominion's Geronimo "36" State #1 well.

Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.



Joe W. Hammond, CPL
Staff Landman

Chase Oil Corporation

Name: _____
Title: _____
Date: _____



February 25, 2002

Mr. Larry Fenity
Ricks Exploration II, LP
3000 Oklahoma Tower
210 Park Avenue
Oklahoma City, Oklahoma 73102

Re: Offset Operator/Leasehold Notification
Unorthodox Location
Geronimo "36" State #1
Township 17 South, Range 28 East
Section 36: 1060' FNL & 1980' FWL
Eddy County, New Mexico

Dear Larry:

Dominion Oklahoma Texas Exploration & Production, Inc. (Dominion), successor by merger with Louis Dreyfus Natural Gas Corp., has been advised by the Artesia office of the Oil Conservation Division that the Geronimo "36" State #1 is located at an unorthodox location which is described above. This location does not comply with existing well spacing and location rules for oil wells. Division Rule 104 requires the well location for oil wells on 40-acre spacing to be 330 feet from the quarter-quarter section.

If you have no objections to this unorthodox location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Dominion's Geronimo "36" State #1 well.

Sincerely,

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.

Joe W. Hammond, CPL
Staff Landman

Ricks Exploration II, LP

Name: _____
Title: _____
Date: _____

County Eddy Pool South Empire-Wolfcamp

TOWNSHIP 17 South Range 28 East NMPM

| | | | | | | |
|----|----|----|----|----|----|--|
| | | | | | | |
| 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 | |
| | | | | | | |

Description: Sec. 36 $E\frac{1}{2} - \frac{N\frac{1}{4}}{4}$ (L-7076-9-27-82)

Ext: $E\frac{1}{2} - \frac{SE\frac{1}{4}}{4}$ Sec. 36 (R-7503, 4-20-84)

County Eddy Pool Anderson-Wolfcamp

TOWNSHIP 17 South Range 28 East NMPM

| | | | | | | |
|----|----|----|----|----|----|--|
| | | | | | | |
| 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 | |
| | | | | | | |

Description: $\frac{E}{2}$ Sec. 23, All Sec. 24 (R-10951, 2-4-98)

Ext: $\frac{SW}{4}$ Sec. 23 (R-11544, 3-13-01)

Stogner, Michael

From: Arrant, Bryan
Sent: Thursday, February 21, 2002 2:25 PM
To: Stogner, Michael; Gum, Tim
Subject: ANOTHER!!!! Well Producing w/o an approved NSL

February 21, 2002

Dominion Exploration & Production
(formally Louis Dreyfus Natural Gas Corporation)
140000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Attn: To Whom It May Concern

RE:

**Dominion Exploration & Production's Geronimo '36' State Com. Well No. 1
Located in Unit C, 1060 feet from the North line and 1980 feet from the West line of Section 36,
Township 17 South, Range 28 East, Eddy County, NM, NMPM.**

Dear Sirs/Madams,

In reference to the above captioned well, a field inspection on 2/21/2002 reveled that said well is producing without an approved Form C-104, "Request for Testing Allowable and Authorization to Transport".

This well is considered non-standard for an oil well according to Division Rule 104.B(1). Said well is to be **shut-in immediately** until a NSL approval has been issued in addition to an approved Form C-104 by this district office.

Please call if you have any questions regarding this matter.

Respectfully yours,

Bryan G. Arrant
Petroleum Engineer Specialist

E-mail:

Michael E. Stogner, Engineering/Chief Hearing Officer, Santa Fe
Tim Gum, District Supervisor, Artesia

2/21/2002

District I
PO Box 1980, Hobbs, NM 88241-1980
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 & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

| | | |
|---|---|---|
| ¹ Operator Name and Address. Louis Dreyfus Natural Gas Corporation 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134 | | ² OGRID Number 025773 |
| | | ³ API Number 30-015-31185 |
| ⁴ Property Code 26070 | ⁵ Property Name Geronimo "36" State Com | ⁶ Well No. 1 |

⁷ 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 | 36 | 17S | 28E | | 1060 | North | 1980 | West | Eddy |

⁸ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | |
|--|-------------------------------|
| ⁹ Proposed Pool 1 Empire South (Morrow) | ¹⁰ Proposed Pool 2 |
|--|-------------------------------|

| | | | | |
|-----------------------------------|---|-----------------------------------|---------------------------------------|--|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3680 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 11,050' | ¹⁸ Formation Morrow | ¹⁹ Contractor Patterson | ²⁰ Spud Date 8/1/00 |

Minimum WOC time 8 hrs.

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|--------------------|
| 17 1/2" | 13 3/8" | 54.5# | 425' | 450 sks | Surface |
| 12 1/4" | 9 5/8" | 36# | 2,700' | 900 sks | Surface |
| 8 3/4" | 5 1/2" | 17# | 11,050' | 1300 sks | Tie back to 9 5/8" |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

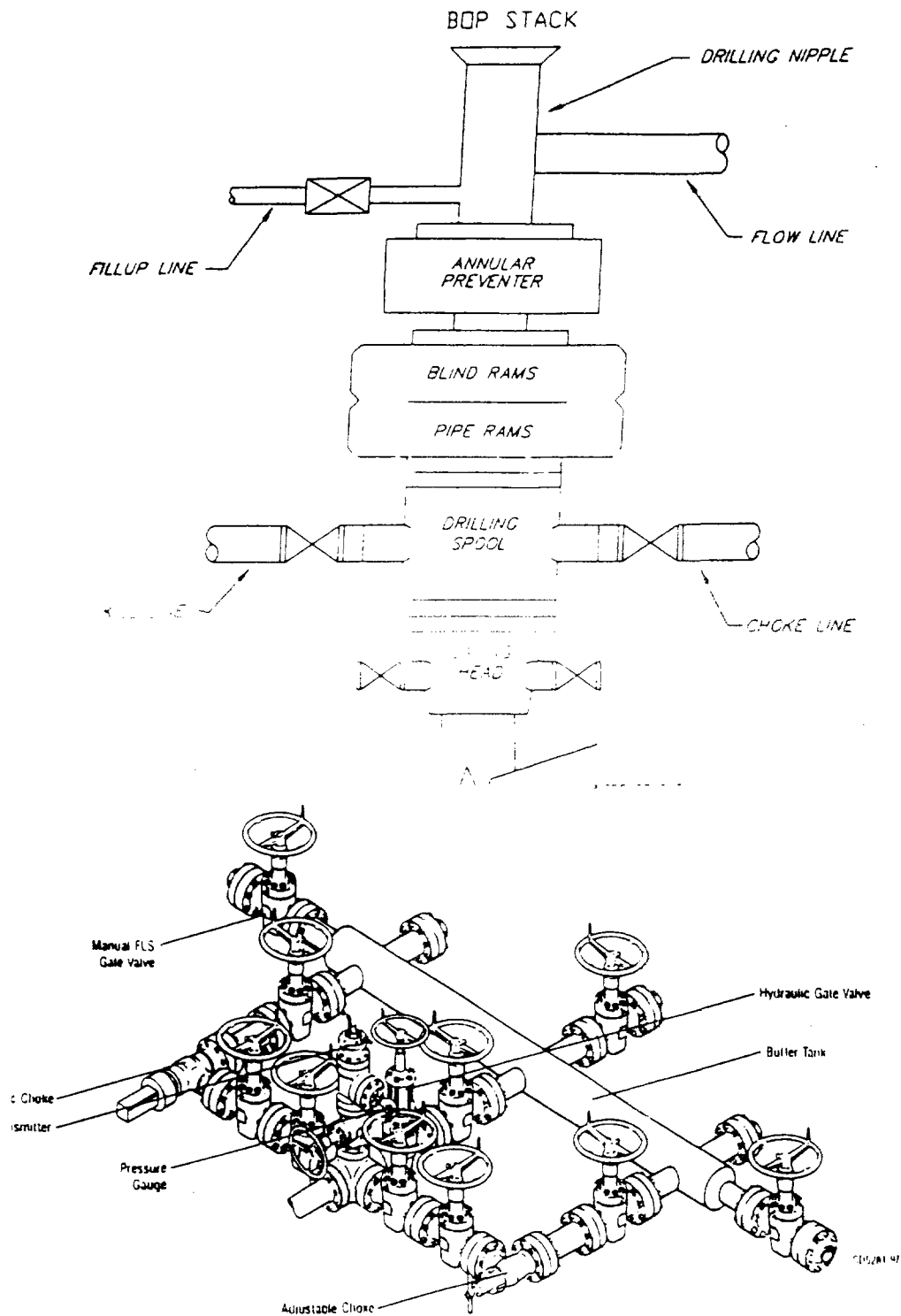
1. Drill 17 1/2" hole to \pm 425'. Run 13 3/8" csg. and cement to surface w/450 sks. cement.
2. Drill 12 1/4" hole to \pm 2,700'. Set 9 5/8" csg. and cement to surface w/900 sks cement.
3. Drill 8 3/4" hole to \pm 11,050'. Run 5 1/2" csg. and cement to 9 5/8" w/1300 sks cement.

See attached "Exhibit 6" for BOP assembly.

| | | | |
|---|-----------------------|--|-------------------------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Carla Christian</i> | | OIL CONSERVATION DIVISION | |
| Printed name: Carla Christian | | Approved by: ORIGINAL SIGNED BY TIM W. GUM | |
| Title: Regulatory Technician | | Title: <i>Box</i> DISTRICT II SUPERVISOR | |
| Date: 6/09/00 | Phone: (405) 749-5263 | Approval Date: JUN 13 2000 | Expiration Date: JUN 13 2001 |
| | | Conditions of Approval: Attached <input type="checkbox"/> | |

Exhibit 6

TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER & CHOKE MANIFOLD SCHEMATIC



Typical Choke Manifold Designed for Land Drilling Applications

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, 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 | Pool Name |
| | | Empire South (Morrow) |
| Property Code | Property Name | Well Number |
| | GERONIMO "36" STATE COM | 1 |
| OGRID No. | Operator Name | Elevation |
| 025773 | LOUIS DREYFUS NATURAL GAS CORPORATION | 3680' |

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 | 36 | 17 S | 28 E | | 1060 | NORTH | 1980 | WEST | EDDY |

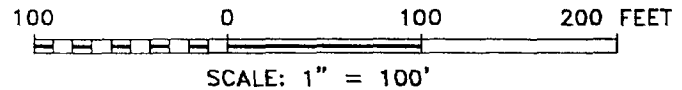
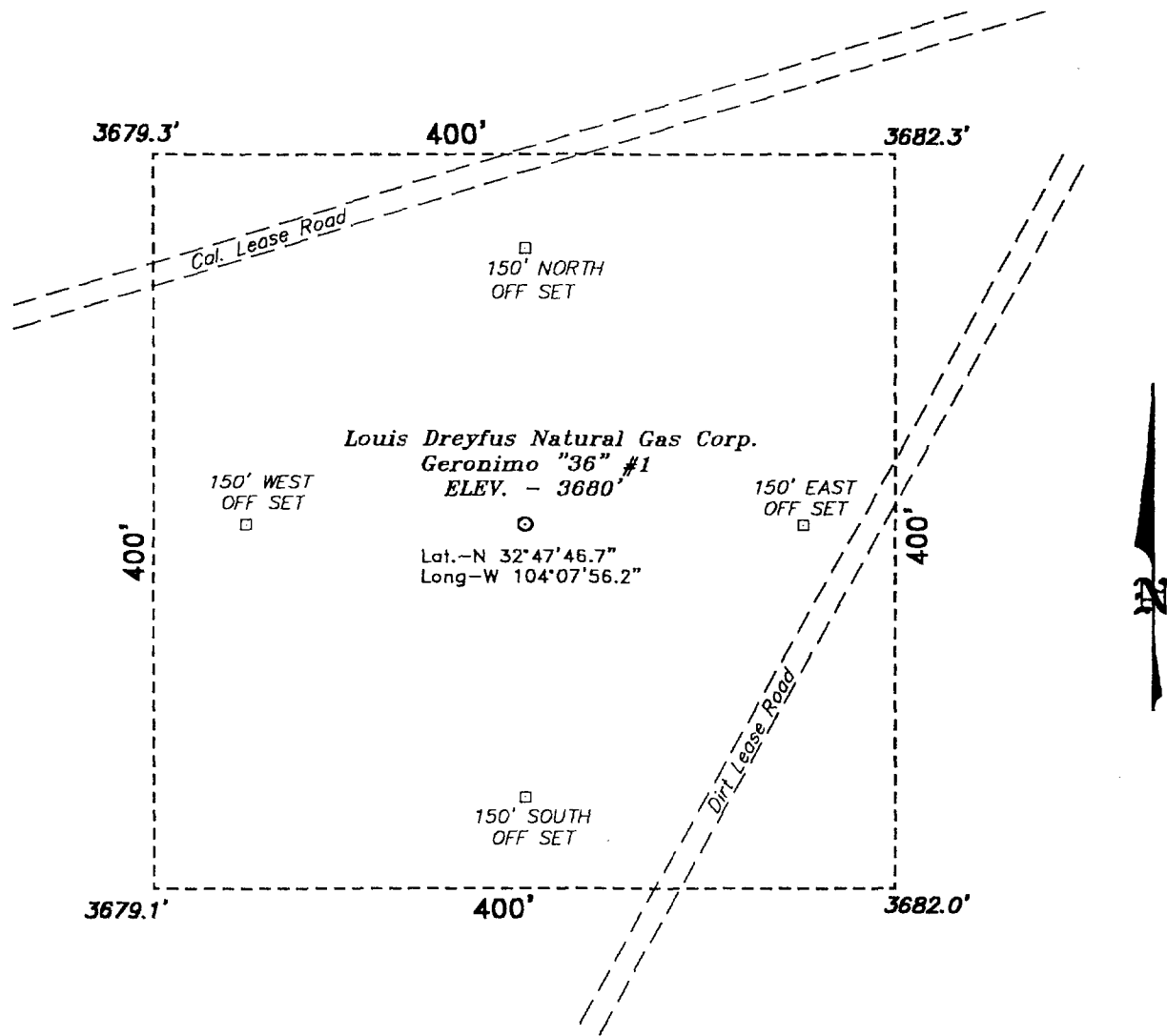
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |
| 320 | N | C | | | | | | | |

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>State Lease 647</p> | | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Gene Simer</u> Signature</p> <p>Gene Simer Printed Name</p> <p>Dist. Ops. Mgr. Title</p> <p>05-31-00 Date</p> |
| <p>State Lease B-949</p> <p>State Lease B-11593</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>May 26, 2000 Date Surveyed</p> <p><u>GARY C. JONES</u> Signature of Professional Surveyor</p> <p>7977 Professional Surveyor No.</p> <p>7977 Certificate No.</p> <p>BASIN SURVEYS</p> |

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND STATE HWY 360, GO EAST ON HWY 82 APPROX. 0.25 MILE TO A POINT WHICH LIES APPROX. 2500 FEET NORTH OF THE PROPOSED WELL LOCATION.

Louis Dreyfus Natural Gas Corp.

REF: Geronimo "36" #1 / Well Pad Topo

THE GERONIMO "36" No. 1 LOCATED 1060' FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

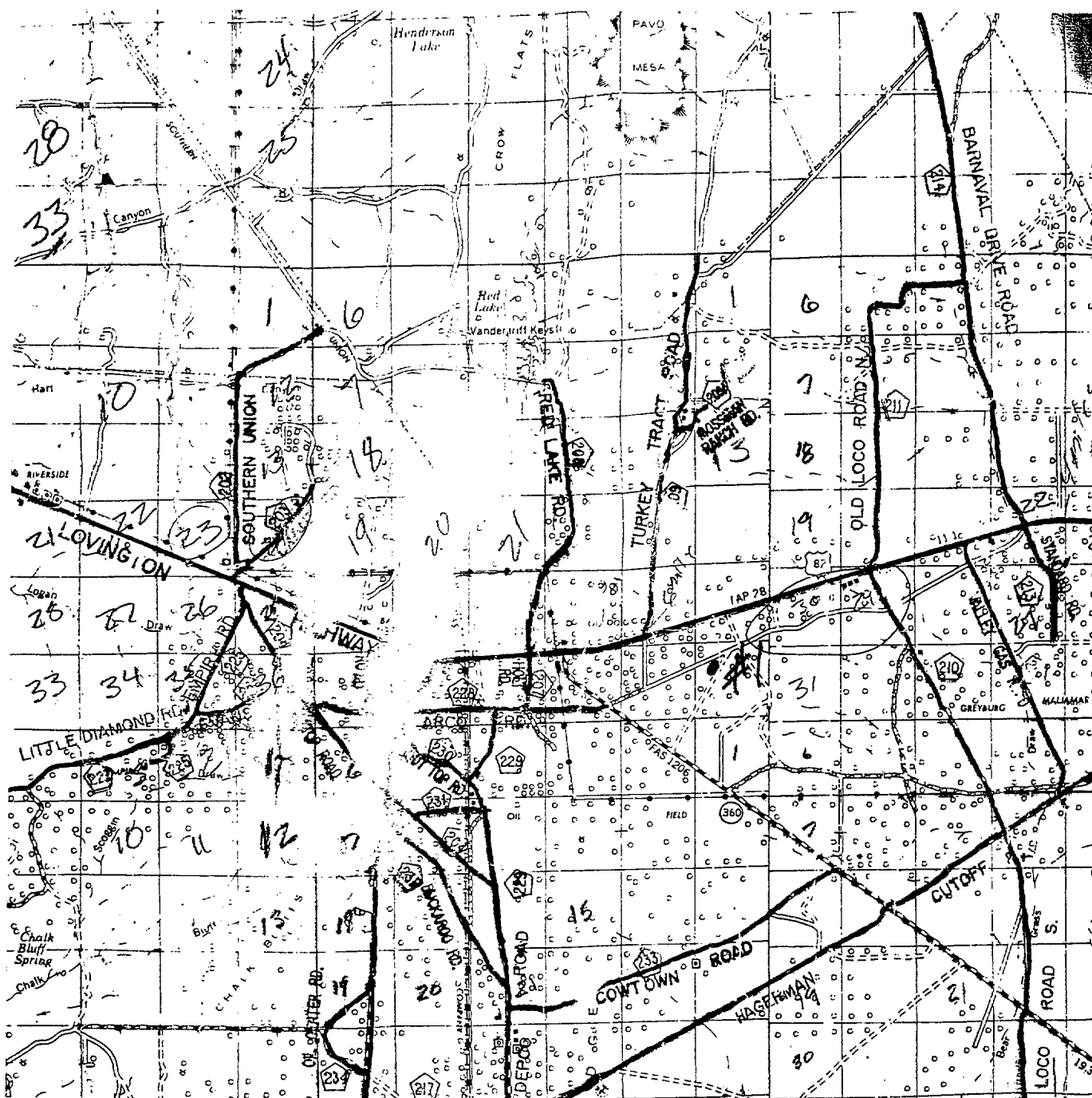
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 0301 Drawn By: **K. GOAD**

Date: 05-30-2000 Disk: KJG #122 - 0279A.DWG

Survey Date: 05-26-2000

Sheet 1 of 1 Sheets



GERONIMO "36" #1

Located at 1060' FNL and 1980' FWL
Section 36, Township 17 South, Range 28 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

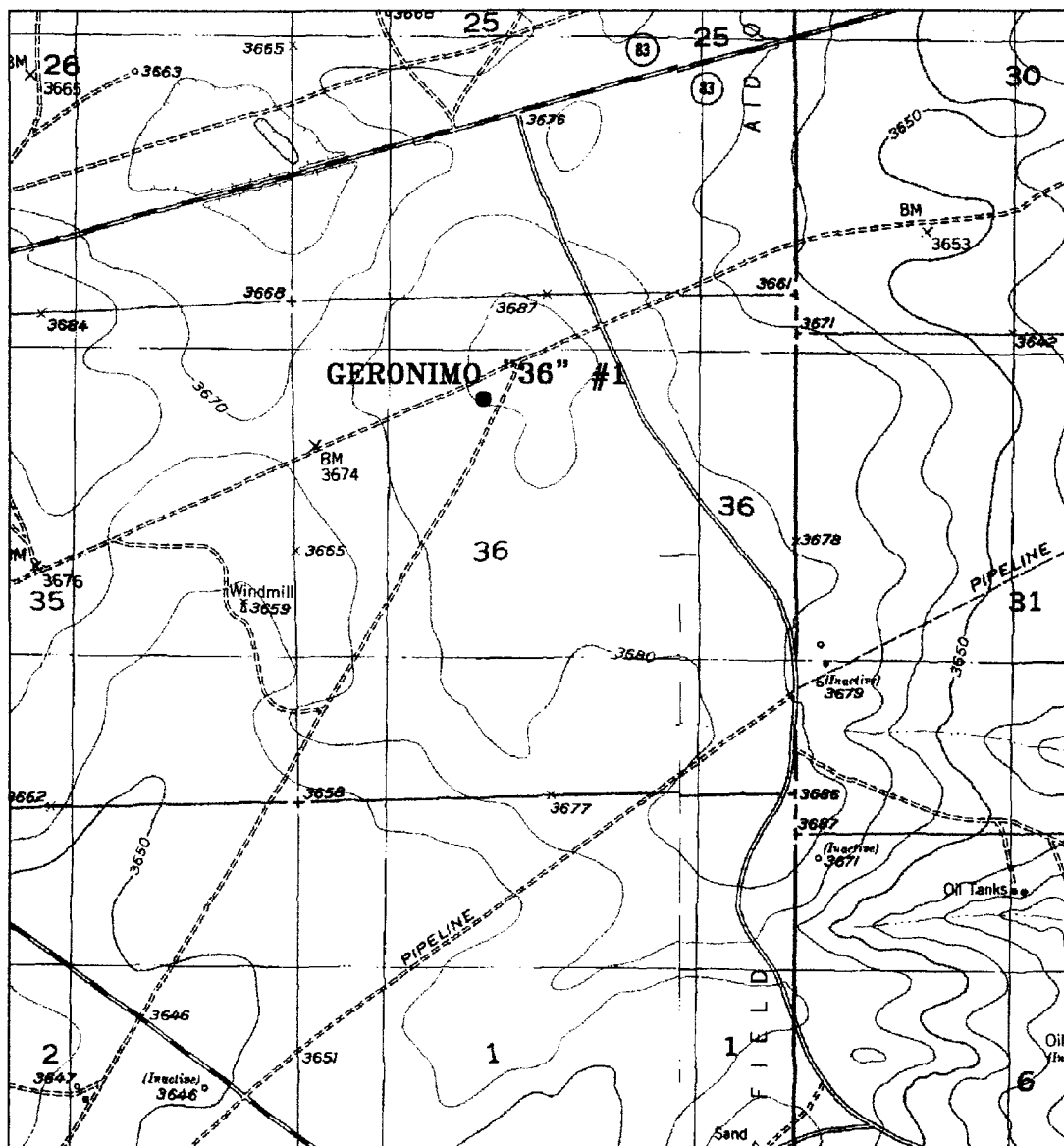
W.O. Number: 0301AA - KJG #122

Survey Date: 05-26-2000

Scale: 1" = 2 MILES

Date: 05-30-2000

LOUIS DREYFUS
NATURAL GAS
CORPORATION



GERONIMO "36" #1

Located at 1060' FNL and 1980' FWL
 Section 36, Township 17 South, Range 28 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: 0301AA - KJG #122

Survey Date: 05-26-2000

Scale: 1" = 2000'

Date: 05-30-2000

LOUIS DREYFUS
NATURAL GAS
CORPORATION

Submit 3 Copies to Appropriate District Office
DISTRICT I
625 n. French Dr., Hobbs, NM 88240
DISTRICT II
11 South First, Artesia, NM 88210
DISTRICT III
000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

SP

Form C-103
Revised March 25, 1999

WELL API NO.

30-015-31185

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

647, B-949, B-11593

7. Lease Name or Unit Agreement Name:

Geronimo "36" State Com

8. Well No.

1

9. Pool name or Wildcat

Empire South (Morrow)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

Type of Well:

Oil Well ☐ Gas Well ☒ Other ☐

Name of Operator

Louis Dreyfus Natural Gas Corp.

Address of Operator

14000 Quail Springs Parkway - Suite 600 - Oklahoma City, OK 73134

Well Location

Unit letter C 1060' feet from the North line and 1980' feet from the West line.

Section 36 Township 17S Range 28E NMPM Eddy County

10. Elevation (Show whether DR, RKB, RT, Gr, etc.)
3680'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/23/01 Perf'd Morrow from 10,567 - 10,574, 10,661 - 10,668, 10,672 - 10,674, 10,695 - 10,698 4 spf. 6/24/01, acid job, pumped a total of 2000 gal 15% NeFe acid w/10% methanol & clay control agent, comingled w/1000 SCF/BBL N2 & 60 ball sealers.

6/28/01 Set CIBP @ 10,520, dump bail 35' of cement on top. Perf'd upper Morrow f/10,437' - 10,442'. 6/29/01, acid job, pumped a total of 750 gal 15% NeFe acid w/10% methanol and clay control agent.

6/30/01 Set CIBP @ 10,390', dump bail 35' of cement on top. Perf'd Atoka f/10,252 - 10,266 4 SPF. Acidizing & Testing.

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

SIGNATURE Carla Christian TITLE Regulatory Technician DATE 07/10/01

Type or print name Carla Christian

Telephone No. 405-749-5263

This space for State use)

APPROVED BY BO Jim W. Sum TITLE SUPERVISOR, DISTRICT II DATE Jul 19 2001

Conditions of approval, if any:

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

SP

Form C-103

Revised March 25, 1999

WELL API NO.

30-015-31185

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

647, B-949, B-11593

7. Lease Name or Unit Agreement Name:

Geronimo "36" State Com

8. Well No.

1

9. Pool name or Wildcat

Empire South (Morrow)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

Type of Well:

Oil Well ☐ Gas Well ☒ Other ☐

Name of Operator

Louis Dreyfus Natural Gas Corp. /

Address of Operator

14000 Quail Springs Parkway - Suite 600 - Oklahoma City, OK 73134

Well Location

Unit letter C 1060' feet from the North line and 1980' feet from the West line.Section 36 Township 17S Range 28E NMPM Eddy County10. Elevation (Show whether DR, RKB, RT, Gr, etc.)
3680'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG ANDCASING TEST AND CEMENT JOB ☒ ABANDONMENT ☐OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/3/01 ran 5 1/2", 17#, N-80 LT&C csg., set @ 10,892'. Cemented lead w/400 sx 50/50 Poz H, tailed w/940 sx PV
lite. Cemented 2nd stage lead w/1150 sx 50:50 Poz H, tailed w/50 sx "C" neat. Plug down @ 11:32 p.m.
Rig released, waiting on completion.

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

SIGNATURE Carla Christian TITLE Regulatory Technician DATE 06/19/01Type or print name Carla ChristianTelephone No. 405-749-5263

(This space for State use)

APPROVED BY BBA Jim W. Green TITLE SUPERVISOR, DISTRICT II DATE JUN 26 2001

Conditions of approval, if any:

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

51

Form C-103

Revised March 25, 1999

WELL API NO.

30-015-31185

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

647, B-949, B-11593

7. Lease Name or Unit Agreement Name:

Geronimo "36" State Com

8. Well No.

1

9. Pool name or Wildcat

Empire South (Morrow)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator

Louis Dreyfus Natural Gas Corp.

3. Address of Operator

14000 Quail Springs Parkway - Suite 600 - Oklahoma City, OK 73134

4. Well Location

Unit letter C 1060' feet from the North line and 1980' feet from the West line.Section 36 Township 17S Range 28E NMPM Eddy County

10. Elevation (Show whether DR, RKB, RT, Gr, etc.)
3680'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOB ☐OTHER: Set CIBP & Plug Back ☒

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7-21-01 received verbal approval from Jerry Guy at OCD to come up to the Wolfcamp.

7-21-01 Set CIBP @ 10,210' and dump bailed 35' of cement on top. Perf'd Wolfcamp from 7990 - 8000.

Testing & Evaluating.

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

SIGNATURE Carla Christian TITLE Regulatory Technician DATE 07/24/01

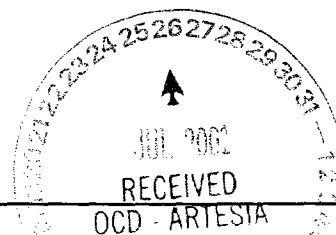
Type or print name Carla Christian

Telephone No. 405-749-5263

(This space for State use)

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE JUL 30 2001

Conditions of approval, if any:



Submit 3 Copies to Appropriate

District Office

DISTRICT I

625 n. French Dr., Hobbs, NM 88240

DISTRICT II

11 South First, Artesia, NM 88210

DISTRICT III

000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

SP

Form C-103

Revised March 25, 1999

WELL API NO.

30-015-31185

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

647, B-949, B-11593

7. Lease Name or Unit Agreement Name:

Geronimo "36" State Com

8. Well No.

1

9. Pool name or Wildcat

Empire South (Morrow)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator

Louis Dreyfus Natural Gas Corp. /

3. Address of Operator

14000 Quail Springs Parkway - Suite 600 - Oklahoma City, OK 73134

4. Well Location

Unit letter C 1060' feet from the North line and 1980' feet from the West line.

Section 36 Township 17S Range 28E NMPM Eddy County

10. Elevation (Show whether DR, RKB, RT, Gr, etc.)
3680'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☒

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4/22/01 spud well.

4/23/01 ran 10 jts 13 3/8", 48# csg, set at 444', cemented lead w/185 sks 35:65 Poz Class "C", tailed w/180 sks C. Displace w/64 bbl fresh water, did not bump plug, shut in for 8 hrs. Circulated 33 sx cement to reserve pit. Wait on cement 24 1/2 hrs., commenced drilling.

4/30/01 ran 61 jts 9 5/8", 30# J-55 csg, set at 2652.7', cemented lead w/960 sks 35:65 Poz Class "C", tailed w/260 sks Class "C", bumped plug, plug down @ 6:00 a.m., circulated 150 sks cement, float held. Wait on cement 19 1/2 hrs., commenced drilling.

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

SIGNATURE Carla Christian TITLE Regulatory Technician DATE 05/01/01

Type or print name Carla Christian

Telephone No. 405-749-5263

(This space for State use)

APPROVED BY Blaine W. Green TITLE SUPERVISOR, DISTRICT II DATE MAY 10 2001

Conditions of approval, if any:

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. 5219
Order No. R-4784

NOMENCLATURE

APPLICATION OF MIDWEST OIL
CORPORATION FOR POOL CREATION,
DISCOVERY ALLOWABLE, AND SPECIAL
POOL RULES, EDDY COUNTY, NEW MEXICO.

Also See R-4784A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 25, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of May, 1974, 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, Midwest Oil Corporation, seeks the creation of a new pool for production of oil from the Wolfcamp formation, Eddy County, New Mexico, and for promulgation of special rules and regulations for said pool, including a provision for 80-acre proration units.

(3) That the applicant also seeks the assignment of an oil discovery allowable in the amount of approximately 42,245 barrels to the discovery well for said pool.

(4) That the evidence presently available indicates that the Midwest Oil Corporation South Empire Deep Unit Well No. 4, located in Unit G of Section 32, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, has discovered a separate common source of supply which should be designated the South Empire-Wolfcamp Pool; that the vertical limits of said pool should be defined as the Wolfcamp formation, and that the horizontal limits of said pool should be defined as the NE/4 of said Section 32.

(5) That the subject discovery well for the aforesaid pool is entitled to and should receive a bonus discovery oil allowable in the amount of 42,245 barrels, based upon the top of the perforations in said well at 8,449 feet, to be assigned over a two-year period.

(6) 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, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the South Empire-Wolfcamp Pool.

(7) 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.

(8) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(9) That this case should be reopened at an examiner hearing in May, 1975, at which time the operators in the subject pool should be prepared to appear and show cause why the South Empire-Wolfcamp Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool for the production of oil from the Wolfcamp formation is hereby established and designated the South Empire-Wolfcamp Pool.

(2) That the vertical limits of said pool are the Wolfcamp formation and the horizontal limits are the NE/4 of Section 32, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the Midwest Oil Corporation South Empire Deep Unit Well No. 4, located in Unit G of Section 32, Township 17 South, Range 29 East, South Empire-Wolfcamp Pool, Eddy County, New Mexico, is hereby authorized an oil discovery allowable of 42,245 barrels to be assigned to said well at the rate of 58 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(4) That temporary Special Rules and Regulations for the South Empire-Wolfcamp Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH EMPIRE-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the South Empire-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof, and not nearer to or within the limits of another designated Wolfcamp oil 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 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

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 comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

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

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.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned a depth bracket allowance of 310 barrels of oil per day, subject to the market demand percentage factor, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Empire-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before July 1, 1974.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the South Empire-Wolfcamp Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

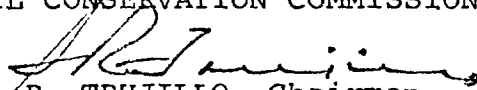
Failure to file new Forms C-102 with the Commission dedicating 80 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Empire-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in May, 1975, at which time the operators in the subject pool may appear and show cause why the South Empire-Wolfcamp Pool should not be developed on 40-acre spacing units.


(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

S E A L
jr/

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. 5219
Order No. R-4784-A

IN THE MATTER OF CASE NO. 5219 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
ORDER NO. R-4784, WHICH ORDER ESTABLISHED
TEMPORARY SPECIAL POOL RULES FOR THE SOUTH
EMPIRE-WOLFCAMP POOL, EDDY COUNTY, NEW
MEXICO, INCLUDING A PROVISION FOR 80-ACRE
SPACING.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 16, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of May, 1975, 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-4784, dated May 21, 1974, temporary special rules and regulations were promulgated for the South Empire-Wolfcamp Pool, Eddy County, New Mexico, establishing temporary 80-acre spacing units.

(3) That pursuant to the provisions of Order No. R-4784, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Empire-Wolfcamp Pool should not be developed on 40-acre spacing units.

(4) That the evidence establishes that one well in the South Empire-Wolfcamp Pool can efficiently and economically drain and develop 80 acres.

(5) That the Special Rules and Regulations promulgated by Order No. R-4784 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(6) 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-4784 should be continued in full force and effect until further order of the Commission.

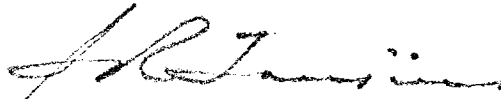
IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Empire-Wolfcamp Pool, Eddy County, New Mexico, promulgated by Order No. R-4784, are hereby continued in full force and effect until further order of the Commission.

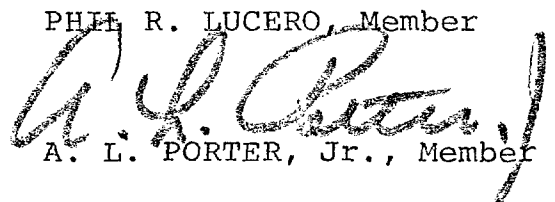
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


PHIL R. LUCERO, Member


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

S E A L

jr/

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