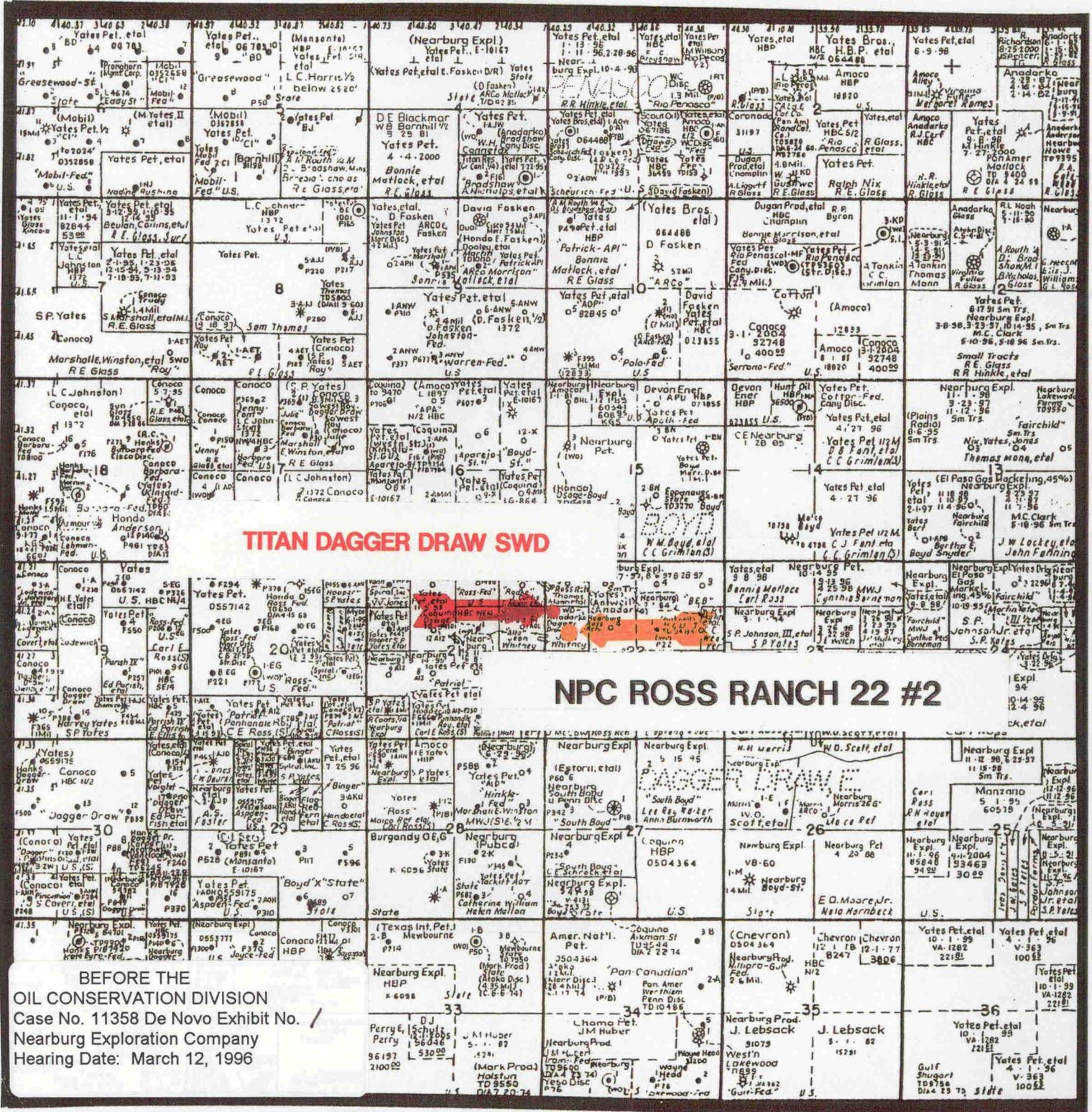


LOCATOR MAP

MOTION TO CEASE INJECTION



TITAN DAGGER DRAW SWD

NPC ROSS RANCH 22 #2

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No. /
Nearburg Exploration Company
Hearing Date: March 12, 1996

Chama Petroleum Company

Exploration and Production
P.O. Box 31405
5447 Glen Lakes Drive
Dallas, Texas 75231
214-739-1778

June 9, 1984

Anadarko Production Company
P. O. Box 2497
Midland, TX 79702

Attn: D. C. Kernnaghan

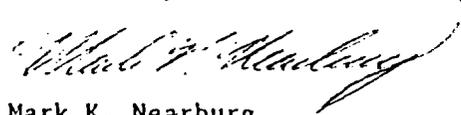
Dear Mr. Kernnaghan:

Please be advised that in reference to your letter of May 30, 1984, Chama Petroleum Company has advised the New Mexico Oil Conservation Commission of its opposition to Anadarko's proposed salt water disposal well in Section 22-19S-25E. Our opposition to the location of this salt water disposal well is based on several factors which we would prefer to discuss with you in a personal meeting.

We do feel that an agreement can be reached between Anadarko and Chama provided we can have a mutual understanding of each others goals and obligations in this area.

Please contact me at 214/739-1778 so that we may arrange for a meeting in Dallas to discuss Anadarko's application.

Yours truly,



Mark K. Nearburg
Landman

MKN/b

Enclosures

OIL CONSERVATION DIVISIO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 8234
Order No. R-7637

APPLICATION OF ANADARKO
PRODUCTION COMPANY FOR
SALT WATER DISPOSAL AND
AN UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 1, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of August, 1984, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Anadarko Production Company, seeks authority to dispose of produced salt water into the Cisco Canyon formation in the perforated interval from approximately 7800 feet to 8040 feet in its Dagger Draw SWD Well No. 1 to be located at an unorthodox location 1495 feet from the North line and 225 feet from the West line of Section 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

(3) That the proposed disposal zone in the above well encompasses the "C" and "D" zones of the Cisco Canyon formation.

Order No. R 637

(4) That no commercial oil and gas production has been found in the "C" and "D" zones in the immediate area of the said proposed disposal well.

(5) That the "C" and "D" zones appear to be separated from the "A" and "B" zones by impermeable non-porous dolomite and shales.

(6) That the disposal of produced water into the proposed disposal interval will not cause the premature drowning by water of any zone capable of producing commercial quantities of oil and gas in the area of said Section 22.

(7) That approval of the application will not impair correlative rights nor cause waste.

(8) That the injection should be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 7800 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(9) That the applicant should be authorized to dispose of up to a maximum of 10,000 Bbls/day of salt water into the proposed disposal well.

(10) That the injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1560 psi.

(11) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected water from the "C" and "D" zones of the Cisco Canyon formation.

(12) That the operator should notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(13) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to drill its Dagger Draw Salt Water Disposal Well No. 1 at an unorthodox location 1495 feet from the North line and 225 feet from the West line of Section 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the "C" and "D" zones of the Cisco Canyon formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 7800 feet, with injection into the perforated interval from approximately 7800 feet to 8040 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1560 psi.

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the "C" and "D" zones of the Cisco Canyon formation.

(4) That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

AA 900'300 70101 AA

-4-
Case No. 8254
Order No. R-7637

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

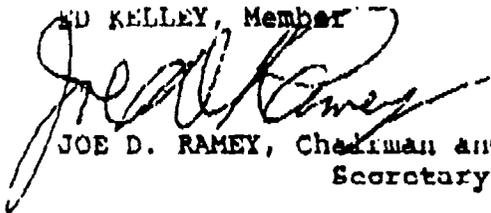
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member



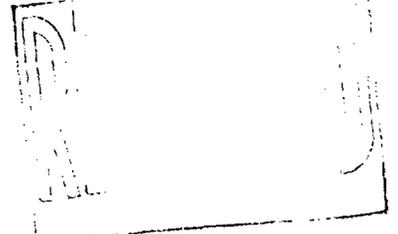
ED KELLEY, Member



JOE D. RAMEY, Chairman and Secretary

S E A L

Ed/



5400 Northwest Grand Boulevard • Grand Centre Building • Suite 210 • Oklahoma City, Oklahoma 73112 • (405) 948-1560 • FAX (405) 948-2038

March 1, 1996

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705-5421

Attn: Mr. Bob Shelton

Re: SWD Well
Sec. 22-19S-25E
Eddy Co., NM

Gentlemen:

Panhandle Royalty Company owns minerals in Section 22 and participated with those minerals as a working interest in the Nearburg-Ross Ranch #2-22 Canyon oil producer (NW/4 of Section 22). We have been made aware of continued water disposal into the Pennsylvanian age Canyon reservoir from a well in the NW/4 of Section 22. Extremely large volumes of water have been accompanying oil production from the Ross Ranch #2-22. These high volumes are considerably greater than other Canyon completions located further from the disposal well.

We support your efforts at the Conservation Commission to have this SWD well shut in. Continued disposal into the Canyon reservoir within this well will cause further economic waste and as our produced water volumes and costs increase will prevent full development and recovery of hydrocarbons within this 160 acre unit and possibly from adjacent units.

You may utilize this letter, should you desire, at a state hearing to evidence our support of your position requesting this SWD well be shut in immediately.

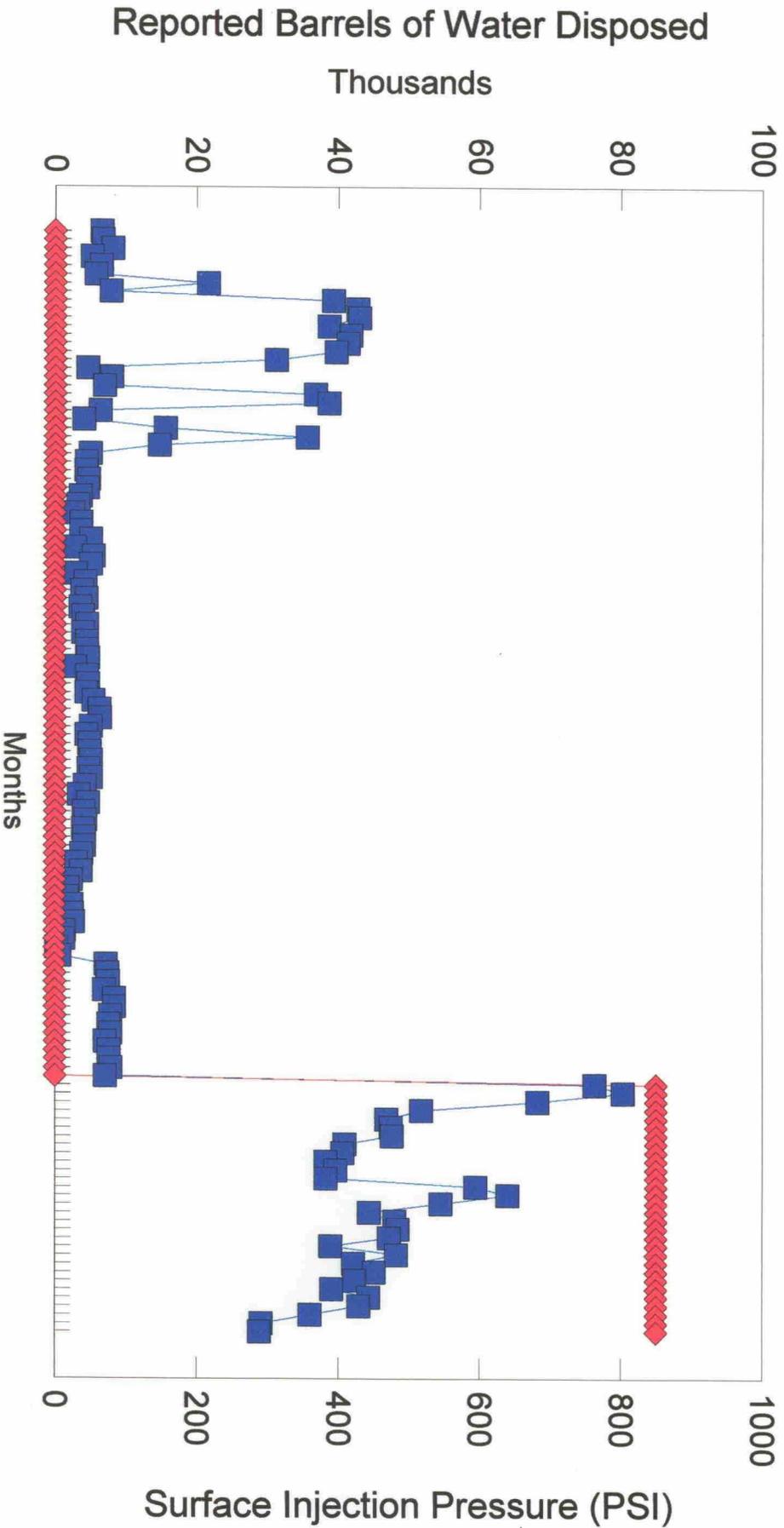
Sincerely,

H W Peace II
President

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No. 5
Nearburg Exploration Company
Hearing Date: March 12, 1996

Titan Dagger Draw SWD #1

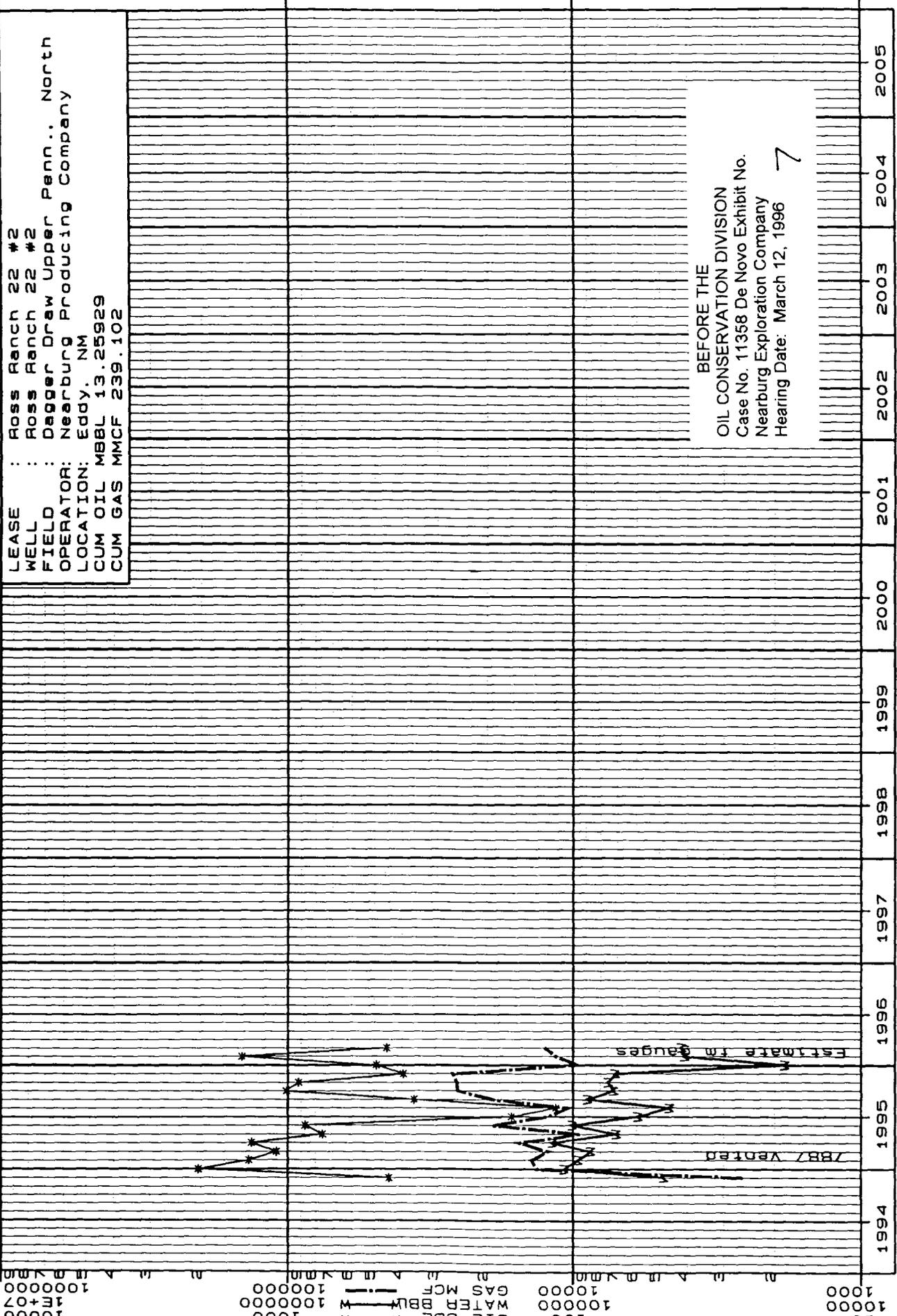
Historical Cisco/Canyon Injection Volumes and Pressures



March 1985 through December 1995 2,318,311 BW reported to the OCD injected in the Cisco/Canyon (Actual greater than 3.7 MM per Anadarko)

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No.
Nearburg Exploration Company
Hearing Date: March 12, 1996

1000 - 4000



LEASE : Ross Ranch 22 #2
 WELL : Ross Ranch 22 #2
 FIELD : Dagger Draw Upper Penn., North
 OPERATOR: Nearburg Producing Company
 LOCATION: Eddy, NM
 CUM OIL MMBL 13.25929
 CUM GAS MMCF 239.102

BEFORE THE
 OIL CONSERVATION DIVISION
 Case No. 11358 De Novo Exhibit No.
 Nearburg Exploration Company
 Hearing Date: March 12, 1996

Tests Prior to Stimulation

Anadarko Dagger Draw SWD #1:

Swabbed fluid down to 5,500'. Perforated 7,806'-14' with casing gun. Fluid level at 5,400' when coming out of hole. Went in hole with second gun and found FL at 4,000' and had 100# on casing. Perforated 7,830'-40'. FL at 2,300' when coming out of hole with 200# on casing. Made 3rd gun run and guns did not fire. FL at 1900' with 300# on casing. Finished perforating from 7,840'-50', 7,860'-66', 7,920'-30', and 7,980'-98'. FL at 450' with 800# on casing when finished perforating. Flowed gas off casing at approximately 30 MCFD for 2 hours with a little oil coming back with gas. SI well with 740# on casing. Next morning 840# on casing. Opened well and flowed 60 BO and 260 BW in 24 hours (19% oil cut). Well was then acidized and put in service as an injection well.

NPC Cisco/Canyon swab tests prior to stimulation:

Handwritten notes:
1/31/96 Cumulative: 272,584 BO & 639 MMCF
Avg Initial Production Rate: 362 BOPD; 2000 BWPD
Cumulative = 2 to 2 1/2 x 1000

Dagger Draw 31 Federal #1 (31D-T19S-R25E):

Perforated 7,678'-7,858' with casing gun (hole loaded). Ran tubing and packer. Swabbed 4 hours (initial fluid level at 400') and recovered 50 barrels of water with a 20% oil cut and a good gas show.

1/31/96 Cumulative: 272,584 BO & 639 MMCF
Avg Initial Production Rate: 362 BOPD; 2000 BWPD

Dagger Draw 31 Federal #2 (31B-T19S-R25E):

Perforated 7,795'-7,816' with casing gun (hole loaded). Ran tubing and packer. Swabbed 9 hours (initial fluid level at 300') and recovered 95 barrels of water. Last three hours 20% oil cut with a good gas show.

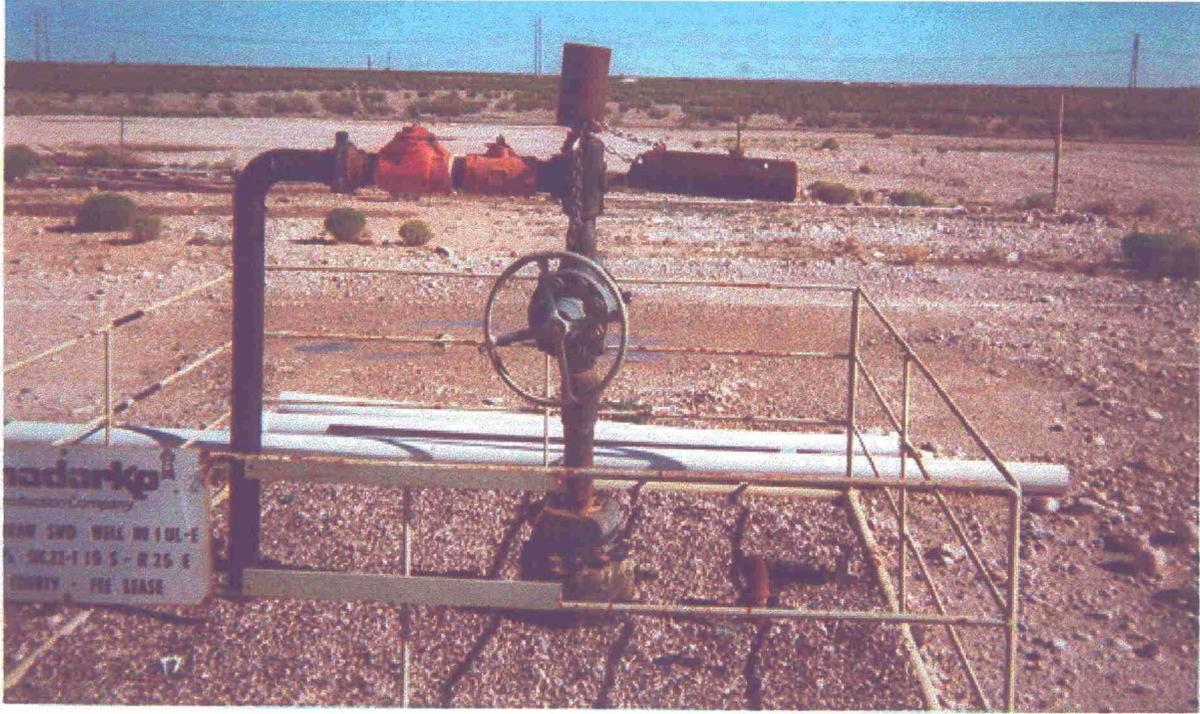
1/31/96 Cumulative: 496,970 BO & 835 MMCF
Avg Initial Production Rate: 650 BOPD; 1700 BWPD

Dagger Draw 31 Federal #4 (31E-T19S-R25E):

Perforated 7,710'-7,810' with casing gun (hole loaded). Ran tubing and packer. Swabbed 4-1/2 hours (initial fluid level at 300') and recovered 45 barrels of water. Slight show of gas - no oil show.

1/31/96 Cumulative: 253,396 BO & 271 MMF
Avg Initial Production Rate: 400 BOPD; 150 BWPD

ANADARKO'S RESPONSE TO 11/94 ARTESIA OCD MEETING



BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No.
Nearburg Exploration Company
Hearing Date: March 12, 1996

[Handwritten signature and scribbles]

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No.
Nearburg Exploration Company
Hearing Date: March 12, 1996

10

CMD : ONGARD 03/11/96 15:37:1
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOI -EM
Page No: 1

OGRID Identifier : 25575
Pool Identifier : 15472
API Well No : 30 15 28413 Report Period - From : 01 1995 To : 02 1996

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Volumes			Well Sta
				Gas	Oil	Water	
30 15 28413	APAREJO APA STATE CO	05 95	25	38366	27301	26843	P
30 15 28413	APAREJO APA STATE CO	06 95	30	22461	16716	30972	P
30 15 28413	APAREJO APA STATE CO	07 95	31	22975	16379	39901	P
30 15 28413	APAREJO APA STATE CO	08 95	29	16880	12633	36389	P
30 15 28413	APAREJO APA STATE CO	09 95	30	20647	15037	37365	P
30 15 28413	APAREJO APA STATE CO	10 95	31	22502	14965	36254	P
30 15 28413	APAREJO APA STATE CO	11 95	30	17656	11966	33789	P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll
 PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 PF12

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No.
Nearburg Exploration Company
Hearing Date: March 12, 1996

CMD :
OG61PRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

03/11/96 15:38:40
OGOI -EMEL
Page No: 1

OGR1D Identifier : 25575
Pool Identifier : 15472
API Well No : 30 15 28169 Report Period - From : 01 1995 To : 02 1996

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 28169	POLO AOP FEDERAL	08 95 8	11297 5956 4272	P
30 15 28169	POLO AOP FEDERAL	09 95 30	17849 10565 17330	P
30 15 28169	POLO AOP FEDERAL	10 95	10760 9391 14018	P
30 15 28169	POLO AOP FEDERAL	11 95 30	9411 9024 12329	P
30 15 28169	POLO AOP FEDERAL	12 95 28	9558 8553 11035	P
30 15 28169	POLO AOP FEDERAL	01 96 31	10874 11904 9879	P

Reporting Period Total (Gas, Oil) : 69749 55393

M0025: Enter PF keys to scroll

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

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No.
Nearburg Exploration Company
Hearing Date: March 12, 1996

CMD : ONGARD 03/11/96 15:35:2
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOI -EME.
Page No: 1

OGRID Identifier : 25575
Pool Identifier : 15472
API Well No : 30 15 21044 Report Period - From : 01 1995 To : 02 1996

API Well No	Property Name	Prod.	Days	Production Volumes			Well
		MM/YY	Prod	Gas	Oil	Water	Stat
30 15 21044		07 95	20	16485	11135	11319	P
30 15 21044	BOYD X COM	08 95	31	10018	8243	18991	P
30 15 21044	BOYD X COM	09 95	30	8534	6058	17504	P
30 15 21044	BOYD X COM	10 95	31	9872	7266	18037	P
30 15 21044	BOYD X COM	11 95	30	8936	6995	16041	P
30 15 21044	BOYD X COM	12 95	30	8170	6000	15967	P
30 15 21044	BOYD X COM	01 96	31	8386	5805	13831	P

Reporting Period Total (Gas, Oil) : 70401 51502

M0025: Enter PF keys to scroll

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

TIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELL

Osage Boyd Federal Com 15 #3

Cisco/Canyon

SHL: 2,011' FNL and 672' FWL

BHL: 729' FNL and 764' FWL

Eddy County, New Mexico

TD: 8,200'

AFE Number: 556136

**** ALL COSTS ARE FIELD ESTIMATES ****

12/07/95 - 12/08/95 Pumped 1,382 BO, 806 BW, 1,045 MCF in 24 hrs.

12/08/95 - 12/09/95 Pumped 1,189 BO, 676 BW, 1,069 MCF in 24 hrs.

12/09/95 - 12/10/95 Pumped 1,175 BO, 569 BW, 1,069 MCF in 24 hrs. FINAL REPORT.

01/29/96 MIRU well service unit. ND wellhead and NU BOPE. POH w/ completion setting. LD 3000 series pump and SDFN.

Current Operation This AM: RIH w/ 1750 series pump.

01/30/96 TIH w/ TD 1750 pump, 2-3/8" x 2-7/8" x-over, 2-7/8" SN w/ 2.25" ID and 255 jts 6.5# J55 EUE 8rd tbg. ND BOPE and NU wellhead. Start pump. Cable burned. TOH and send cable and motors to ESP for repairs. SDFN.

Current Operation This AM: TIH w/ 1750 series pump.

01/31/96 Run completion setting as follows: 1750 series submersible pump (shrouded), 2-3/8" x 2-7/8" xo, seating nipple and 254 jts 2-7/8" J55 6.5# EUE 8rd tbg. Bottom of pump at 8,029'. ND BOPE and NU wellhead. ISBHP 1,965 psi. Start pump at 1400 hrs 01/31/96. RDMO well service unit. FINAL REPORT.

Current Operation This AM: Release to production.

01/31/96 - 02/01/96 Pumped 209 BO, 1,625 BW and 201 MCF in 22 hrs.

02/01/96 - 02/02/96 Pumped 550 BO, 649 BW and 579 MCF in 24 hrs.

02/02/96 - 02/03/96 Pumped 466 BO, 712 BW and 564 MCF in 24 hrs.

02/03/96 - 02/04/96 Pumped 470 BO, 689 BW and 621 MCF in 22.5 hrs.

02/04/96 - 02/05/96 Pumped 465 BO, 599 BW and 572 MCF in 25 hrs. FINAL REPORT.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No.
Nearburg Exploration Company
Hearing Date: March 12, 1996

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 11358 De Novo Exhibit No.
Nearburg Exploration Company
Hearing Date: March 12, 1996

//

Schlumberger

DAGGER DRAW - ELAN

LOG ANALYSIS

OPEN HOLE

COMPANY: NEARBURG PRODUCING CO

WELL: ROSS RANCH #8

FIELD: NORTH DAGGER DRAW

COUNTY: EDDY

STATE: NEW MEXICO

DATE PROCESSED: 21-SEP-1995 DATE LOGGED: 19-SEP-1995

JOB NUMBER: PBCCO0000075574 PROCESSED AT: MIDLAND ICS

WELL LOCATION: 990' FSL & 660' FWL

Elevations: KB 3483.00 OF: 3482.00 GL: 3470.00

The well name, location and borehole reference data were furnished by the customer.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE