



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor

**Jennifer A. Salisbury**

Cabinet Secretary

February 15, 2001

**Lori Wrotenbery**

Director

Oil Conservation Division

**Nearburg Exploration Company, L.L.C.**  
c/o **Holland & Hart LLP and Campbell & Carr**  
**P. O. Box 2208**  
**Santa Fe, New Mexico 87504-2208**

Case 12622

**Attention: Michael H. Feldewert**

*Re: Administrative application initially filed with the New Mexico Oil Conservation Division in Santa Fe on January 8, 2001 for an exception to the spacing provisions of Division Rule 104C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, NMPM, Eddy County, New Mexico, to be dedicated to a well to be operated by Nearburg Producing Company; and (ii) the SE/4 of Section 34 to be dedicated to a well to be operated by EOG Resources, Inc.*

Dear Mr. Feldewert:

On Wednesday, February 14, 2001 I received the following: (i) a letter of opposition from Redrock Operating Ltd. Co. of Coppell, Texas dated February 12, 2001 to your application (see attached); (ii) your voice mail message left at 11:40 a.m.; and (iii) a faxed letter from Mr. W. Thomas Kellahin who represents Redrock Operating Ltd. Co. (also attached). This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for March 22, 2001. I prepared the following advertisement in this matter:

**"Application of Nearburg Exploration Company, L.L.C. for two non-standard gas spacing and proration units, Lea County, New Mexico.** Applicant seeks an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, NMPM, Eddy County, New Mexico, to be dedicated to the Nearburg Producing Company's existing Grama Ridge East "34" State Well No. 1 (API No. 30-025-34948), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and (ii) the SE/4 of Section 34 to be dedicated to the EOG Resources, Inc. operated Llano "34" State Well No. 1 (API No. 30-025-26318), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34. These two wells are located approximately 17 miles west of Eunice, New Mexico.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
Jeff Albers, Engineer - New Mexico State Land Office - Santa Fe  
W. Thomas Kellahin, Legal Counsel for Redrock Operating Ltd. Co.

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

February 14, 2001

Via Facsimile

Oil Conservation Division  
1220 South St. Francis  
Santa Fe, New Mexico 87504  
Attn: Mr. Michael E. Stogner

Re: **NOTICE OF OBJECTION:**  
*Nearburg Exploration Company, L.L.C.*  
*Administrative Application to NMOCD*  
*for Approval of Two Non-Standard 160-acre*  
*Gas Proration and Spacing Units*  
*NE/4 and SE/4, Section 34, T21S, R34E, NMPM,*  
*East Grama Ridge-Morrow Gas Pool, Lea County, New Mexico*

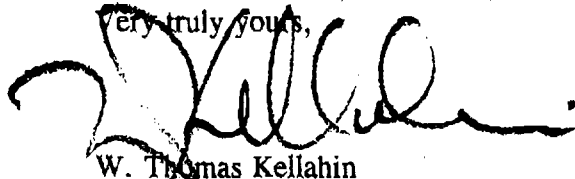
Dear Mr. Stogner:

By letter dated January 8, 2001, Nearburg Exploration Company, L.L.C. filed the referenced administrative application with the Division and by letter dated January 29, 2001 sent notification to Redrock Operating Ltd. Co. of the referenced request.

On behalf of Redrock Operating Ltd Co., an affected overriding royalty interest owner in the SE/4 of this section, we hereby object to the referenced application as described in its administrative application to the Division.

We request that this matter be set for hearing and that I on behalf of Redrock Operating Inc. be provided notification of the hearing in accordance with Division notice rules.

Very truly yours,



W. Thomas Kellahin

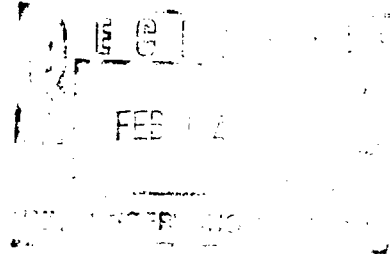
cfx: William F. Carr, Esq.  
Attorney for Nearburg Exploration, L.L.C.  
Commissioner of Public Lands State of New Mexico  
Attn: Jeff Alpers  
Redrock Operating Ltd. Co.  
Attn: Mark L. Stanger  
Tim Cashon

**Redrock Operating Ltd. Co.**

122 Allencrest  
Coppell, TX 75019  
(972)-393-6945

February 12, 2001

Mr. Mike Stogner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505



Re: Application of Nearburg Exploration, L.L.C. for  
Administrative Approval of Two Non-Standard 160-acre Gas  
Well Spacing Units in the E/2 of Section 34, Township 21 South, Range 34 East,  
N.M.P.M. , Lea County, New Mexico

Dear Mr. Stogner,

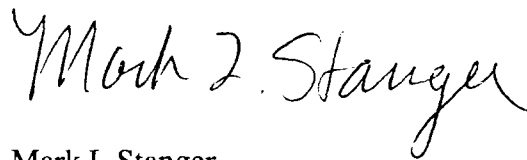
On or about January 29, 2001, Redrock Operating Ltd. Co. ("Redrock") received notice of the above referenced application from Nearburg Exploration Co. ("Nearburg"). Please be advised that Redrock intends to oppose this application and consequently the creation of two separate units in the E/2 of Section 34, Township 21 South, Range 34 East. Redrock owns an Overriding Royalty Interest in the SE/4 of Section 34, that would be adversely impacted by a change in the current unit configuration.

Contrary to Nearburg's assertion that their application will protect the correlative rights of all interested parties, Redrock would be precluded from participating in production from the NE/4 of Section 34. The working interest owners and other interests in the NE/4 shared in the opportunity to develop the production established by the Llano 34 State Com #1 well located in the SE/4. Therefore, interests in the SE/4 should be afforded the same opportunity to share in the production from the Nearburg - Grama East 34 well in the NE/4.

The existing unit and the OCD's past practices of providing for alternative unit wells will prevent waste and will protect the correlative rights of all parties. Past OCD practices have provided for infill drilling by methods other than reconfiguring existing units. Redrock sees no reason to make an exception to these past practices in this particular case.

Please advise me on any additional information that you may need from Redrock.  
Thank you for your consideration and I look forward to hearing from you on this matter  
soon. You can reach me at (214) 382-0234 during normal working hours.

Very Truly Yours,

A handwritten signature in cursive script that reads "Mark L. Stanger". The signature is written in dark ink and is positioned above the printed name and title.

Mark L Stanger  
Vice President

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

February 14, 2001

Via Facsimile

Oil Conservation Division  
1220 South St. Francis  
Santa Fe, New Mexico 87504  
Attn: Mr. Michael E. Stogner

Re: **NOTICE OF OBJECTION:**  
*Nearburg Exploration Company, L.L.C.*  
*Administrative Application to NMOCD*  
*for Approval of Two Non-Standard 160-acre*  
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*NE/4 and SE/4, Section 34, T21S, R34E, NMPM,*  
*East Grama Ridge-Morrow Gas Pool, Lea County, New Mexico*

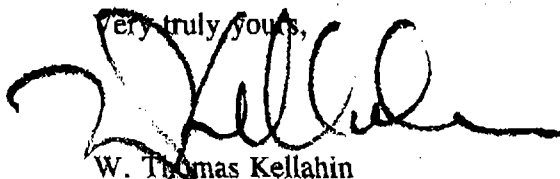
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We request that this matter be set for hearing and that I on behalf of Redrock Operating Inc. be provided notification of the hearing in accordance with Division notice rules.

Very truly yours,



W. Thomas Kellahin

cfx: William F. Carr, Esq.

Attorney for Nearburg Exploration, L.L.C.  
Commissioner of Public Lands State of New Mexico

Attn: Jeff Alpers  
Redrock Operating Ltd. Co.  
Attn: Mark L. Stanger  
Tim Cashon

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2266

SANTA FE, NEW MEXICO 87504-2266

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 14, 2001

Via Facsimile

Oil Conservation Division  
1220 South St. Francis  
Santa Fe, New Mexico 87504

Attn: Mr. Michael E. Stogner

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*Nearburg Exploration Company, L.L.C.*  
*Administrative Application to NMOC*  
*for Approval of Two Non-Standard 160-acre*  
*Gas Proration and Spacing Units*  
*NE/4 and SE/4, Section 34, T21S, R34E, NMPM,*  
*East Grama Ridge-Morrow Gas Pool, Lea County, New Mexico*

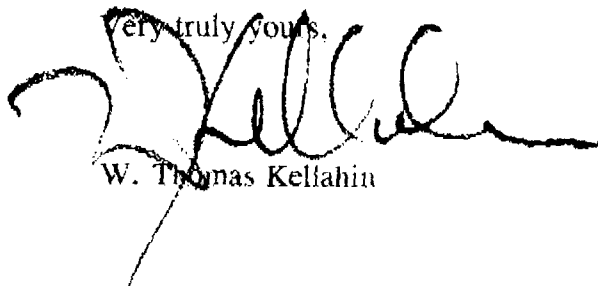
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Very truly yours,



W. Thomas Kellahin

cfx: William F. Carr, Esq.

*Attorney for Nearburg Exploration, L.L.C.*  
*Commissioner of Public Lands State of New Mexico**Attn: Jeff Alpers*  
*Redrock Operating Ltd. Co.*  
*Attn: Mark L. Stanger*  
*Tim Cashon*

11:40 AM 2-14-01

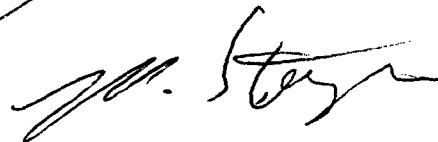
Voice Mail message

Michael Feldewert

Re: 1-8-01 Admin. Appl. for 2 USPs

- have trouble finding/getting approval to a royalty owner
- will set this matter for hearing

988-4421

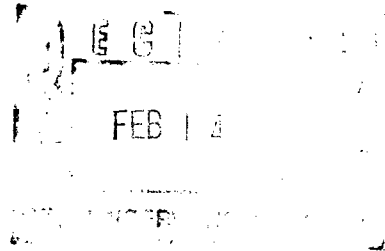
J.M. Steyer

**Redrock Operating Ltd. Co.**

122 Allencrest  
Coppell, TX 75019  
(972)-393-6945

February 12, 2001

Mr. Mike Stogner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505



*Case 12622*

Re: Application of Nearburg Exploration, L.L.C. for  
Administrative Approval of Two Non-Standard 160-acre Gas  
Well Spacing Units in the E/2 of Section 34, Township 21 South, Range 34 East,  
N.M.P.M. , Lea County, New Mexico

Dear Mr. Stogner,

On or about January 29, 2001, Redrock Operating Ltd. Co. ("Redrock") received notice of the above referenced application from Nearburg Exploration Co. ("Nearburg"). Please be advised that Redrock intends to oppose this application and consequently the creation of two separate units in the E/2 of Section 34, Township 21 South, Range 34 East. Redrock owns an Overriding Royalty Interest in the SE/4 of Section 34, that would be adversely impacted by a change in the current unit configuration.

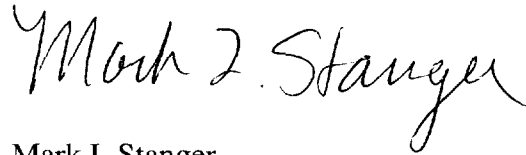
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The existing unit and the OCD's past practices of providing for alternative unit wells will prevent waste and will protect the correlative rights of all parties. Past OCD practices have provided for infill drilling by methods other than reconfiguring existing units. Redrock sees no reason to make an exception to these past practices in this particular case.



Please advise me on any additional information that you may need from Redrock. Thank you for your consideration and I look forward to hearing from you on this matter soon. You can reach me at (214) 382-0234 during normal working hours.

Very Truly Yours,

A handwritten signature in black ink that reads "Mark L. Stanger". The script is fluid and cursive, with the first name "Mark" and last name "Stanger" clearly legible, and the middle initial "L." written in a smaller, more compact style.

Mark L Stanger  
Vice President



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

February 5, 2001

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**Nearburg Exploration Company, L.L.C.**  
c/o **Holland & Hart LLP and Campbell & Carr**  
**P. O. Box 2208**  
**Santa Fe, New Mexico 87504-2208**

*Case 12622*

**Attention: Michael H. Feldewert**

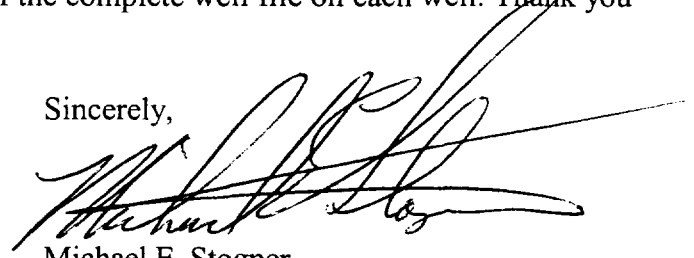
**Re: *Administrative application for an exception to the spacing provisions of Division Rule 104C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, NMPM, Eddy County, New Mexico, to be dedicated to a well to be operated by Nearburg Producing Company; and (ii) the SE/4 of Section 34 to be dedicated to a well to be operated by EOG Resources, Inc.***

Dear Mr. Feldewert:

Reference is made to the subject application submitted on January 8, 2001 and our meeting on Wednesday, January 24, 2001 in the Division's new offices in Santa Fe. To date I have not received any information concerning the identity of the working and overriding royalty interests within both 160-acre units. To complete this application identify by name, address, and percentage of ownership, all: (i) working interest; and (ii) over-riding royalty interest, within both 160-acre tracts and, pursuant to Division Rule 1207.A (3), please provide the necessary documentation that adequate notice was proved these parties.

Also, I need to reference within any order issued by the Division the wells in which both units are to be dedicated. Please provide copies of the complete well file on each well. Thank you for your cooperation in this matter.

Sincerely,



Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe

NSP 1/29/01  
102235852

HOLLAND & HART<sup>LLP</sup>  
and  
CAMPBELL & CARR  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

January 8, 2001

**HAND-DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: ***Application of Nearburg Exploration Company, L. L. C. for Administrative Approval of Two Non-Standard 160 Acre Gas Well Spacing Units in the E/2 of Section 34, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico***

Dear Ms. Wrotenbery:

Nearburg Exploration Company, L. L. C. hereby seeks administrative approval pursuant to the provisions of Division Rule 104.D(2)(b) to form:

Two non-standard 160 acre gas spacing and proration units in the East Grama Ridge-Morrow Gas Pool comprised of the NE/4 and the SE/4 of Section 34, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

The following attachments are provided with this application:

Attachment A is a plat showing the Morrow ownership in said Section 34 and demonstrating that the proposed NE/4 and SE/4 gas spacing and proration units are comprised of contiguous quarter sections that lie wholly within a single governmental half section.

Attachment B is a waiver letter from EOG Resources, Inc., the only party affected by this application.

Attachment C is a 1979 amended Well Location and Acreage Dedication Plat showing that the W/2 of said Section 34 is devoted to the Grama Ridge Morrow Unit Well No. 2 and therefore not affected by this application.

Since state leases are involved, attachment D is a certified letter to the New Mexico State Land Office advising them of this application.

Two Morrow gas pools are located in said Section 34: The W/2 of Section 34 is part of the Grama Ridge-Morrow Gas Pool and the E/2 of Section 34 is part of the East Grama Ridge-Morrow Gas Pool. The existence of two pools in said Section 34 is the result of the Division's finding that the Grama Ridge-Morrow Gas Pool is located "within an upthrust fault block bounded to the west by a northeast - southwest trending fault and on the east by a north-south trending fault." See Division Order No. R-5995 (entered May 2, 1979) (said order is also referenced at the bottom of Attachment C).

In January of 1999, the New Mexico State Land Office cancelled Lease No. K-3592 for the N/2 of said Section 34 for non-payment of rental. The State subsequently leased the N/2 of Section 34 to Nearburg under Lease No. V-5683. On February 28, 2000, the Division approved a drilling permit which dedicated the N/2 of Section 34 to Nearburg's East Grama Ridge Morrow State 34 No. 1 Well located in the NE/4 of Section 34. See Attachment E.

After Nearburg drilled and completed this well, the Division's Hobbs office informed Nearburg that a change in the acreage dedicated to Nearburg's well is necessary because (a) there are separate Morrow pools in the W/2 and E/2 of Section 34, (b) the W/2 of Section 34 is already devoted to the Grama Ridge Morrow Unit Well No. 2, and (c) the E/2 of Section 34 is presently devoted to the Llano 34 State Com #1 Well, located in the SE/4 of Section 34 (Unit I). The Llano 34 State Com #1 Well was drilled in 1979 under a communitization agreement with the state and is presently shut-in. EOG Resources, Inc. is the successor operator to this well.

As a result of these events, the respective acreage positions of Nearburg and EOG Resources, and their right to produce gas from the E/2 of Section 34, is in question. The operators in the E/2 of Section 34 desire to resolve these issues and protect their correlative rights. The creation of two non-standard gas spacing and proration units in Section 34 will clarify their respective acreage positions and right to produce gas from the East Grama Ridge-Morrow Gas Pool underlying the E/2 of Section 34 from their respective wells.

The granting of this application under this unique set of circumstances will protect the correlative rights of all interest owners in Section 34, will not cause waste, will avoid litigation and administrative hearings over the rights of the interest owners to develop the reserves under the E/2 of Section 34, accommodate the Divisions' desire to re-dedicate acreage to Nearburg's well in the NE/4 of Section 34, and provide EOG the opportunity to produce their well in the SE/4 of said Section 34 in the Morrow formation.

**Lori Wrotenbery**  
**January 8, 2001**  
**Page 3**

Since all of the interest owners in the E/2 of Section 34 support this application, there are no affected parties to whom notice of this application needs to be provided.

A proposed form of order is also enclosed.

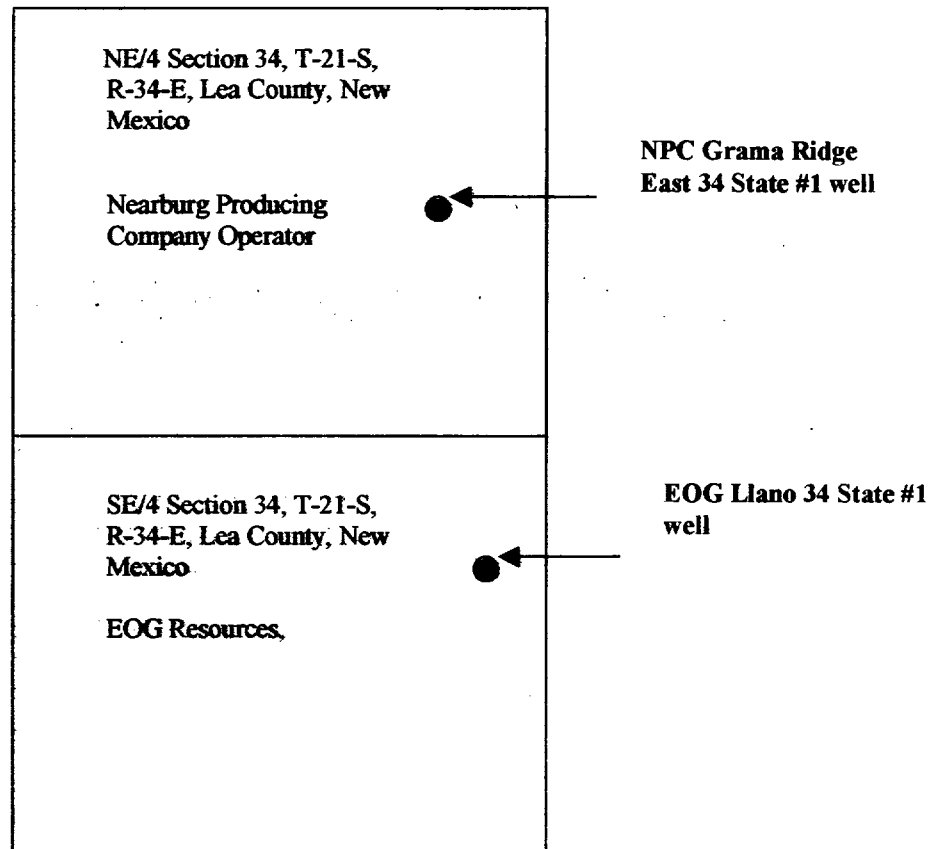
Very truly yours,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written in a cursive style.

Michael H. Feldewert

MHF/ras  
Enclosure

**E/2 of Section 34, T-21-S, R-34-E  
Lea County, New Mexico**



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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD G. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
ROBERT J. SUTPHIN, JR.  
  
JACK M. CAMPBELL  
12-6-1999

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: law@westofpecos.com

December 15, 2000

Mr. Steve Smith  
EOG Resources, Inc.  
4000 N. Big Spring, Suite 500  
Midland, Texas 79705

Re: ***Application of Nearburg Exploration Company, L. L. C. for Administrative Approval of Two Non-Standard 160 Acre Gas Well Spacing Units In The E/2 of Section 34, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico.***

Dear Mr. Smith:

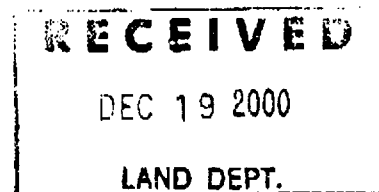
Nearburg Exploration Company, L.L.C. intends to file the attached administrative application and proposed order with the Santa Fe office of the New Mexico Oil Conservation Division pursuant to the provisions of Division Rule 104.D(2)(b) seeking approval to form:

Two non-standard 160 acre gas spacing and proration units in the East Grama Ridge-Morrow Gas Pool comprised of the NE/4 and the SE/4 of Section 34, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

I understand that you have been in contact with Bob Shelton, head of Nearburg's land department, about this application.

As the interest owner in the SE/4 of the said Section 34, please indicate your support for these non-standard gas spacing and proration units by signing below and returning a signed copy of this letter to this office in the self-addressed stamped envelope so that it may be included with Nearburg's application.

ATTACHMENT B



Mr. Steve Smith  
EOG Resources, Inc.  
December 15, 2000  
Page 2

Your prompt attention to this matter is appreciated.


Very truly yours,



Michael H. Feldcwert

WFC/ras

EOG Resources, Inc. hereby waives objection to creation of the two non-standard gas spacing and proration units identified above.

William R. Thomas (name)   
William R. Thomas, Sr. Vice-President (title) 573



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/37

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

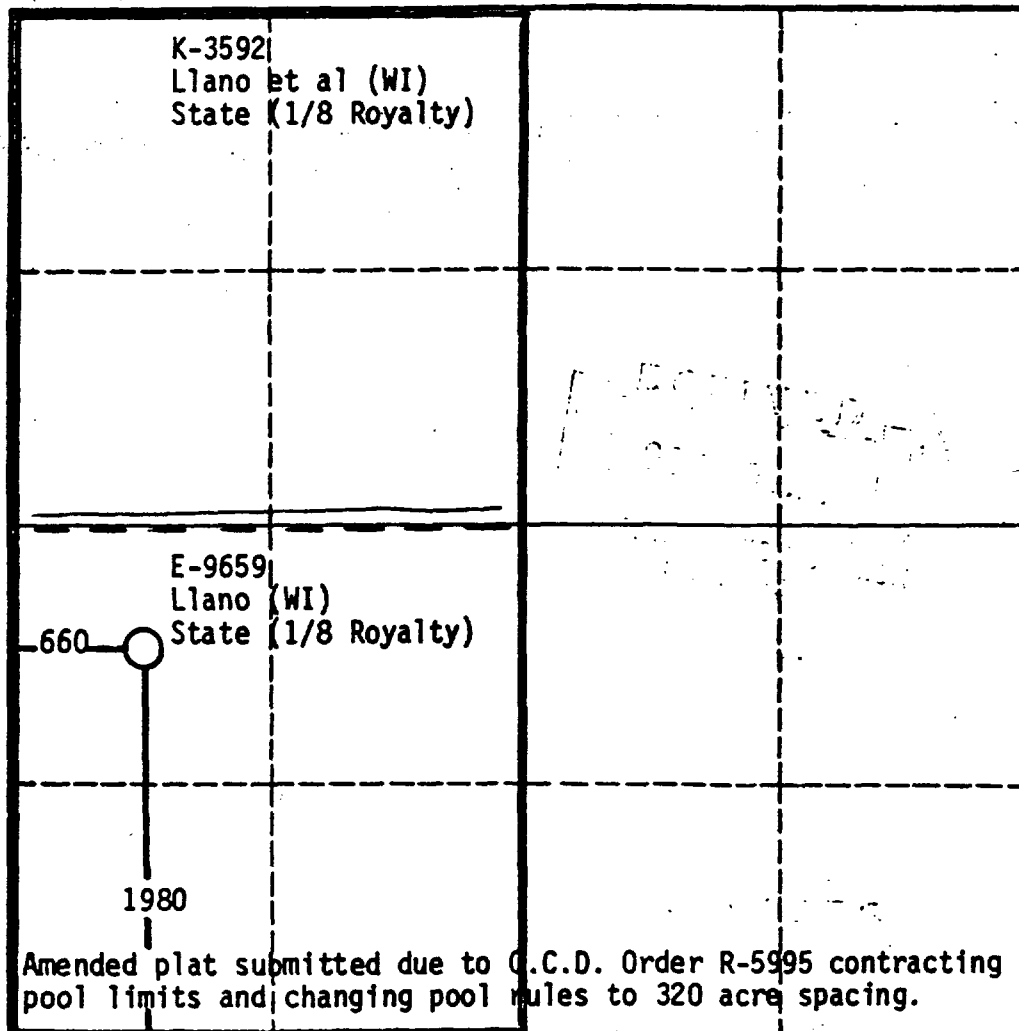
SECTION A

Operator Llano, Inc.		Lease Grama Ridge Morrow Unit		Well No. 2
Unit Letter L	Section 34	Township 21 South	Range 34 East	County Lea
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line				
Ground Level Elev. 3641	Producing Formation Morrow		Pool Grama Ridge Morrow (Gas)	Dedicated Acreage: 320 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES \_\_\_\_\_ NO X. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES X NO \_\_\_\_\_. If answer is "yes," Type of Consolidation Unit Agreement
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

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

*Al Klaar*

Name  
Al Klaar

Position  
Mgr. Pet. & N.G. Engr.

Company  
Llano, Inc.

Date  
May 2, 1979

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
9-30-65

Registered Professional Engineer  
and/or Land Surveyor

T. E. Chapman, Jr.

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

HOLLAND & HART<sup>LLP</sup>  
and  
CAMPBELL & CARR  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

January 8, 2001

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Bruce Frederick  
Associate Counsel  
New Mexico State Land Office  
Legal Division  
Post Office Box 1148  
Santa Fe, New Mexico 87504-1148

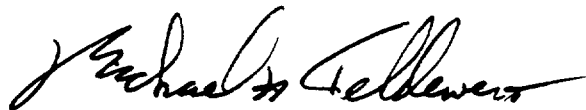
Re: *Application of Nearburg Exploration Company, L. L. C. for Administrative Approval of Two Non-Standard 160 Acre Gas Well Spacing Units In The E/2 of Section 34, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico.*

Dear Mr. Frederick:

Enclosed please find the above referenced application filed with the New Mexico Oil Conservation Division. You are being notified because the application involves lands leased by the State of New Mexico.

Pursuant to Division Rule 104.D(2), if the State Land Office has an objection to this application, that objection must be filed in writing within 20 days from the date the Division receives the application. The Director may approve the application upon receipt of waivers from all the notified persons, or if no person has filed an objection within the 20 day period.

Sincerely,

  
Michael H. Feldewert

MHF/ras  
Enclosure

ATTACHMENT D

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

Form C-101

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address Nearburg Producing Company 3500 N A St., Bldg 2, Suite 120 Midland, TX 79705		GRID Number 015742
		API Number 30-025-34948
Property Code 25382	Property Name Grama Ridge East 34 State	Well No. 1

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
H	34	21S	34E		1548	North	990	East	Lea

**Proposed Bottom Hole Location if Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
Proposed Pool 1 Grama Ridge Morrow, East					Proposed Pool 2				

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3689
Multiple No	Proposed Depth 13700	Formation Morrow	Contractor Patterson	Spud Date 03-05-00

**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"	48#	1300'	800 sxs	Circ to surface
12-1/4"	9-5/8"	24# & 32#	5700'	2000 sxs	Circ to surface
8-3/4"	5-1/2"	17# & 20#	13700'	1500 sxs	

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.

Propose to drill the well to sufficient depth to evaluate the Morrow formation. After reaching TD, logs will be run and casing set if the evaluation is positive. Perforate, test and stimulate as necessary to establish production.

Acreage dedication is 320 acres; N/2 of Section 34.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Kim Stewart</i>		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Kim Stewart		Approved By: <i>[Signature]</i>	
Title: Regulatory Analyst		Title: <i>[Signature]</i>	
Date: 02-23-00	Phone: 915/686-8235	Approval Date: FEB 28 2000	Expiration Date:
		Conditions of Approval: Attached: <input type="checkbox"/>	

## State of New Mexico

Form C-102

## DISTRICT I

P.O. Box 1000, Hobbs, NM 88241-1000

Energy, Minerals and Natural Resources Department

Revised February 10, 1994  
Submit to Appropriate District OfficeState Lease - 4 Copies  
Fee Lease - 3 Copies

## DISTRICT II

P.O. Drawer 20, Artesia, NM 88211-0710

## DISTRICT III

1000 Elm Branch Rd., Artesia, NM 87410

## DISTRICT IV

P.O. Box 2000, Santa Fe, N.M. 87504-2000

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-34948</b>	Pool Code <b>77690</b>	Pool Name <b>Gramma Ridge Morrow, East</b>
Property Code <b>25382</b>	Property Name <b>GRAMA RIDGE EAST 34 ST.</b>	Well Number <b>1</b>
OCED No. <b>15742</b>	Operator Name <b>NEARBURG PRODUCING COMPANY</b>	Elevation <b>3689</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>34</b>	<b>21 S</b>	<b>34 E</b>		<b>1548</b>	<b>NORTH</b>	<b>990</b>	<b>EAST</b>	<b>LEA</b>

## Bottom Hole Location If Different From Surface

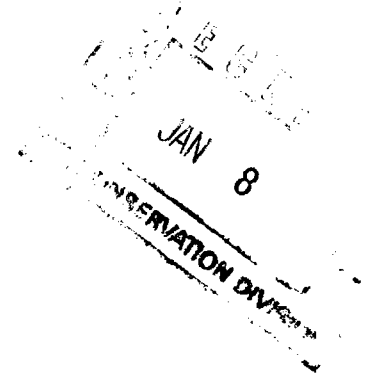
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>320</b>	<b>N</b>		

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

	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Kim Stewart</u> Signature <b>Kim Stewart</b> Printed Name <b>Regulatory Analyst</b> Title <b>February 23, 2000</b> Date
	<b>SURVEYOR CERTIFICATION</b> 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. <b>FEBRUARY 21, 2000</b> Date
	Date Signed <u>February 22, 2000</u> Signature  Professional Surveyor <b>RONALD S. EDSON</b> License No. <b>12641</b> State of <b>NEW MEXICO</b> Seal No. <b>20-11-0258</b>
	Certified to No. <b>RONALD S. EDSON</b> <b>3230</b> <b>12641</b> <b>PROFESSIONAL SURVEYOR</b> <b>12185</b>

Nearburg Exploration Company, L.L.C.  
c/o Holland & Hart LLP and Campbell & Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208



Attention: Michael H. Feldewert

*Administrative Order* \_\_\_\_\_

Dear Mr. Feldewert:

Reference is made to your application dated January 8, 2001 for the following non-standard gas spacing and proration units:

Two non-standard 160 acre gas spacing and proration units in the East Grama Ridge-Morrow Gas Pool comprised of the NE/4 and the SE/4 of Section 34, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

These proposed non-standard gas spacing and proration units in said Section 34 are comprised of contiguous quarter sections that lie wholly within a single governmental half section. Each of the affected interest owners in said Section 34 support this application.

By Division Order No. R-4491, dated March 16, 1973, the Division authorized the injection of gas for storage into specified intervals in the Grama Ridge Morrow Gas Pool in the State GRA Well No. 1 located in Unit E of Section 3, T-22-S, R-34-E and in the State GRB Well No. 1 located in Unit L of said Section 34.

By Division Order No. R-5995, dated May 2, 1979, the Division found that the Grama Ridge-Morrow Gas Pool is located "within an upthrust fault block bounded to the west by a northeast-southwest trending fault and on the east by a north-south trending fault." On May 2, 1979, the Division also approved an amended Well Location And Acreage Dedication Plat dedicating the W/2 of said Section 34 to the State GRB Well No. 1 (now known as the Gramma Ridge Morrow Unit Well No. 2). By Division Order No. R-6050, dated July 17, 1979, the Division created the East

Grama Ridge-Morrow Gas Pool. Today, the W/2 of said Section 34 is part of the Grama Ridge-Morrow Gas Pool and the E/2 of said Section 34 is part of the East Grama Ridge-Morrow Gas Pool.

In January of 1999, the New Mexico State Land Office cancelled Lease No. K-3592 for the N/2 of said Section 34 for non-payment of rental. The State subsequently leased the N/2 of said Section 34 to Nearburg under Lease No. V-5683. On February 28, 2000, the Division approved a drilling permit which dedicated the N/2 of said Section 34 to Nearburg's East Grama Ridge Morrow State 34 No. 1 Well located in the NE/4 of said Section 34. Nearburg has drilled and successfully completed said well.

The Division's Hobbs office has subsequently informed Nearburg that a change in the acreage dedicated to Nearburg's well in the NE/4 of said Section 34 is necessary because (a) there are separate Morrow pools in the W/2 and E/2 of Section 34, (b) the W/2 of Section 34 is already devoted to the Grama Ridge Morrow Unit Well No. 2, and (c) the E/2 of Section 34 is presently devoted to the Llano 34 State Com #1 Well, located in the SE/4 of Section 34 (Unit I). The Llano 34 State Com #1 Well was drilled in 1979 under a communitization agreement with the state and is presently shut-in. EOG Resources, Inc. is the successor operator to this well.

As a result of these events, the respective acreage positions of Nearburg and EOG Resources, and their right to produce gas from the E/2 of Section 34, is in question. The operators in the E/2 of Section 34 agree that the creation of the two non-standard spacing units proposed by Nearburg will clarify their acreage positions and right to produce gas from the East Grama Ridge Morrow Gas Pool. The State Land Office has also been notified of this application and submitted no objection.

The granting of this application under this unique set of circumstances will protect the correlative rights of all interest owners in said Section 34, will not cause waste, will avoid litigation and administrative hearings over the rights of the interest owners to develop the reserves under said Section 34, accommodate the Divisions' desire to re-dedicate acreage to Nearburg's well in the NE/4 of said Section 34, and provide EOG the opportunity to produce their well in the SE/4 of said Section 34 in the Morrow formation.

By authority granted me under Division Rule 104.D(2)(b), the following non-standard gas spacing and proration units are hereby approved:

**Two non-standard 160 acre gas spacing and proration units in the East Grama Ridge-Morrow Gas Pool comprised of the NE/4 and the SE/4 of Section 34, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico.**

Because of the unique circumstances presented by this matter, this administrative approval shall not be cited as precedent.

Nearburg Exploration Company, L.L.C.

\_\_\_\_\_, 2001

Page 3

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Lori Wrotenbery  
Director



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Legal Division  
(505) 827-5713  
Fax (505) 827-4282

January 23, 2001

Michael H. Feldewert, Esq.  
Holland and Hart LLP  
P.O. Box 2208  
Santa Fe, New Mexico 87501

Re: Non-Standard Proration Unit Proposal  
NE4 & SE4 (Respectively)  
Section 34-21S-34E  
Lea County, New Mexico

*Case 12622*

Dear Mr. Feldewert:

The New Mexico State Land Office hereby withdraws its objection to the creation of two non-standard 160-acre gas spacing and proration units in the Grama Ridge Morrow, East Gas pool. The creation of this non-standard unit is in the best interest of the state's trust beneficiaries, but only because of the unique geology and other special circumstances. However, the other administrative issues raised in Mr. Jeff Albers' letter, dated January 10, 2001, still need to be addressed.

If you have any questions, please do not hesitate to call me.

Sincerely,

Bruce Frederick  
Associate Counsel, NMSLO

pc: Mike Stogner, OCD



**NEW MEXICO STATE LAND OFFICE  
OFFICE OF THE GENERAL COUNSEL**

Phone: (505) 827-5713; FAX: (505) 827-4262

310 Old Santa Fe Trail

P.O. Box 1148

Santa Fe, NM 87504

The information in this communication is attorney privileged and confidential materials, intended only for the recipient named below. If the reader is not the intended recipient, or an employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any distribution, dissemination, or copy of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately at (505) 827-5713 and return the original to us via U.S. Mail. Thank you.

DATE: 1/23/01 SENT BY: Bfm

TO: Michael Feldewert, Esq.

FIRM: Holland and Hart LLP

FAX NO.: 983-6043

FROM: Bruce Frederick

Number of

pages transmitted (including cover) 2. If you do not receive all pages or there is a problem, please call.

MESSAGE: \_\_\_\_\_

Privileged and confidential material, if checked \_\_\_\_\_.

Originals of this document will be: ☐ sent by regular mail;  
☐ sent by FedEx;  
☐ will not be sent;  
☐ other.

Confirm receipt of transmittal: ☐ Yes; ☐ No.

1-24-2001

Nearburg Exploration Company, L.L.C.  
c/o Holland & Hart LLP and Campbell & Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208

Attention: Michael H. Feldewert

*Administrative Order* \_\_\_\_\_

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The granting of this application under this unique set of circumstances will protect the correlative rights of all interest owners in said Section 34, will not cause waste, will avoid litigation and administrative hearings over the rights of the interest owners to develop the reserves under said Section 34, accommodate the Divisions' desire to re-dedicate acreage to Nearburg's well in the NE/4 of said Section 34, and provide EOG the opportunity to produce their well in the SE/4 of said Section 34 in the Morrow formation.

By authority granted me under Division Rule 104.D(2)(b), the following non-standard gas spacing and proration units are hereby approved:

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Nearburg Exploration Company, L.L.C.

\_\_\_\_\_, 2001

Page 3

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Lori Wrotenbery  
Director

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766

ADMINISTRATION  
Phone (505) 827-5700  
Fax (505) 827-5853

GENERAL COUNSEL  
Phone (505) 827-5713  
Fax (505) 827-4262

PUBLIC AFFAIRS  
Phone (505) 827-1245  
Fax (505) 827-5766



1-24-2001

COMMERCIAL RESOURCES  
Phone (505) 827-5724  
Fax (505) 827-6157

MINERAL RESOURCES  
Phone (505) 827-5744  
Fax (505) 827-4739

ROYALTY MANAGEMENT  
Phone (505) 827-5772  
Fax (505) 827-4739

SURFACE RESOURCES  
Phone (505) 827-5793  
Fax (505) 827-5711

**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

January 10, 2001

Holland and Hart LLP  
Campbell and Carr, Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico 87501

Attn: Michael H. Feldewert

Re: Non-Standard Proration Unit Proposal  
NE4 & SE4 (Respectively)  
Section 34, Township 21 South, Range 34 East  
Lea County, New Mexico

Dear Mr. Feldewert:

We received your January 8, 2001 letter requesting approval from the Commissioner of Public Lands for two separate proration units for the NE4 and SE4 of said Section 34 for the Grama Ridge Morrow, East Gas pool. We are familiar with the distinction of this pool from that of the Grama Ridge Morrow Gas pool underlying the W2 of said Section 34. However, we would like to clarify a couple of points that were misstated in your letter.

Great Western Drilling Company is the lessee of record for the N2 of Section 34, not Nearburg Producing Company as you stated. However, we do concur that Nearburg Producing Company has obtained operating rights for the Morrow in this lease. In addition, we do not recognize EOG Resources as the operator of record for the Llano 34 State Com Well No. 1. Pecos River Operating, Inc. is the operator of record for this well. The Llano 34 State Com Well No. 1 has an E2 dedication in said Section 34 to the Grama Ridge Morrow, East Gas pool. We understand the error regarding a N2 dedication to the Nearburg well that was drilled in the NE4 of Section 34, and concur that an E2 dedication was necessary due to the differing Morrow Gas pools segregated by the North to South trending fault through the middle of Section 34.


Our concern has been and remains, that an E2 dedicated Grama Ridge Morrow, East Gas well already exists in Section 34, although inactive. Upon the presence of the Nearburg well in the NE4 of Section 34, and with an E2 dedication, we assumed that they would obtain operating rights to the Llano 34 State Com Well No. 1 and possibly produce both wells within the E2. Or, that Pecos River Operating, Inc. would be required to plug the Llano 34 State Com Well No.1. Regardless, two separate operators within the same pool and proration unit can not be allowed.

We understand the desire of your client to operate and produce separately within Section 34, thus the necessity of the quarter section proration units. However, we concur with the current rules, regulations, and spacing requirements affecting the Grama Ridge Morrow, East Gas pool established by the New Mexico Oil Conservation Division. We believe that 320 acre spacing is correct and justified for this pool.

Therefore, please be informed that a recommendation for a waiver of objection from the Commissioner of Public Lands will not be made.

If you care to discuss this further, please contact Jeff Albers at (505) 827-5759.

Sincerely,



JAMI BAILEY, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

JB/ja

Xc: New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505  
Attn: Mr. Michael Stogner

January 10, 2001

Holland and Hart LLP  
Campbell and Carr, Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico 87501

*Case 12622*

Attn: Michael H. Feldewert

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NE4 & SE4 (Respectively)  
Section 34, Township 21 South, Range 34 East  
Lea County, New Mexico

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Therefore, please be informed that a recommendation for a waiver of objection from the Commissioner of Public Lands will not be made.

If you care to discuss this further, please contact Jeff Albers at (505) 827-5759.

Sincerely,

JAMI BAILEY, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

JB/ja

Xc: New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505  
Attn: Mr. Michael Stogner



**Stogner, Michael**

---

**From:** Albers, Jeff  
**Sent:** Thursday, January 18, 2001 11:54 AM  
**To:** Stogner, Michael

Hi Michael,

I wanted to ask you what your position is on the Nearburg & EOG NSL deal for the NE4 & SE4 of 34 in 21S 34E ?

It doesn't matter much to us, \$ wise, but I hear through our attorneys they are really pushing this. I guess Nearburg and EOG want to do there own thing ?

What are your thoughts on this ? I hope you received my initial letter and/or e-mail on this subject.

Jeff



1-2-01  
JAN 24  
1:00 PM

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Legal Division  
(505) 827-5713  
Fax (505) 827-4262

January 23, 2001

Michael H. Feldewert, Esq.  
Holland and Hart LLP  
P.O. Box 2208  
Santa Fe, New Mexico 87501

Re: Non-Standard Proration Unit Proposal  
NE4 & SE4 (Respectively)  
Section 34-21S-34E  
Lea County, New Mexico

Dear Mr. Feldewert:

The New Mexico State Land Office hereby withdraws its objection to the creation of two non-standard 160-acre gas spacing and proration units in the Grama Ridge Morrow, East Gas pool. The creation of this non-standard unit is in the best interest of the state's trust beneficiaries, but only because of the unique geology and other special circumstances. However, the other administrative issues raised in Mr. Jeff Albers' letter, dated January 10, 2001, still need to be addressed.

If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in dark ink, appearing to read "B. Frederick", is written over a horizontal line.

Bruce Frederick  
Associate Counsel, NMSLO

pc: Mike Stogner, OCD

## **Stogner, Michael**

**From:** Albers, Jeff  
**Sent:** Monday, January 22, 2001 9:56 AM  
**To:** Stogner, Michael  
**Subject:** RE: NSP proposal for Nearburg and EOG

Our attitude is not lethargic at all. That's why the initial letter. And we are not setting a precedent here. As always, case by case is the way to look at it. There's more to this than meets the eye, and if you know about the Grama Ridge Morrow and Grama Ridge Morrow, East pool(s) then you'll see where things got messed up. It all has to do with the Grama Ridge Gas Storage Unit, and the initial approval of the N2 of Sec. 34 spacing for the newly drilled Nearburg well ? Now it's E2 after this pool differentiation was rediscovered. N2 of Sec. 34 is the same owner. E2 is not.

I may not be aware of such proposals like this as they occur, and I appreciate your help in this and all cases, but in the situation you chose for an example, I will catch it eventually and I will act accordingly. You're not aware of "our" statutory provisions. We've got more authority than you realize. The state owned 1/4 section will get tested within a reasonable amount of time, or the lease terminated. Or compensatory royalty will be paid. We do it all the time in examples like this.

-----Original Message-----

**From:** Stogner, Michael  
**Sent:** Friday, January 19, 2001 4:26 PM  
**To:** Albers, Jeff  
**Subject:** RE: NSP proposal for Nearburg and EOG

Don't like the sound of this already. Stands to set bad precedents. The land office should reconsider its lethargic attitude towards such proposals. Consider this, say in some 320-acre 1/2 section somewhere out there, one of the 1/4 sections is federal and the other 1/4 section is state land. The first well is drilled on federal land and is good. What obligation would the operator (which could even be the same) of the State acreage have to even test the other 1/4 section. You probably would not even be aware of such proposal. Especially if "I" was not here to catch such matter and my replacement or worst, my supervisor, would probably not even care. Food for thought....not good....

-----  
**From:** Albers, Jeff  
**Sent:** Friday, January 19, 2001 1:32 PM  
**To:** Stogner, Michael  
**Subject:** NSP proposal for Nearburg and EOG

Mike, the attached letter is what I was talking about. I sent it to you last week regarding Mike Feldewert's proposal on behalf of Nearburg and EOG.

We initially objected to this basically to stick to conventional spacing rules as you and I have discussed in the past. However, a standard 320 or two 160 proration units really do not make any difference to us, (\$) royalty wise. They are persistent in wanting to do this and Feldewert said he has talked with you about it and that you are not in opposition to it ?

I just wanted to know your stance on this first hand.

<<File: Grama-Ridge.doc>>

-----  
**From:** Albers, Jeff  
**Sent:** Friday, January 19, 2001 1:32 PM  
**To:** Stogner, Michael  
**Subject:** NSP proposal for Nearburg and EOG

*Case 12622*

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I just wanted to know your stance on this first hand.

<<File: Grama-Ridge.doc>>

January 10, 2001

Holland and Hart LLP  
Campbell and Carr, Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico 87501

Attn: Michael H. Feldewert

Re: Non-Standard Proration Unit Proposal  
NE4 & SE4 (Respectively)  
Section 34, Township 21 South, Range 34 East  
Lea County, New Mexico

Dear Mr. Feldewert:

We received your January 8, 2001 letter requesting approval from the Commissioner of Public Lands for two separate proration units for the NE4 and SE4 of said Section 34 for the Grama Ridge Morrow, East Gas pool. We are familiar with the distinction of this pool from that of the Grama Ridge Morrow Gas pool underlying the W2 of said Section 34. However, we would like to clarify a couple of points that were misstated in your letter.

Great Western Drilling Company is the lessee of record for the N2 of Section 34, not Nearburg Producing Company as you stated. However, we do concur that Nearburg Producing Company has obtained operating rights for the Morrow in this lease. In addition, we do not recognize EOG Resources as the operator of record for the Llano 34 State Com Well No. 1. Pecos River Operating, Inc. is the operator of record for this well. The Llano 34 State Com Well No. 1 has an E2 dedication in said Section 34 to the Grama Ridge Morrow, East Gas pool. We understand the error regarding a N2 dedication to the Nearburg well that was drilled in the NE4 of Section 34, and concur that an E2 dedication was necessary due to the differing Morrow Gas pools segregated by the North to South trending fault through the middle of Section 34.

Our concern has been and remains, that an E2 dedicated Grama Ridge Morrow, East Gas well already exists in Section 34, although inactive. Upon the presence of the Nearburg well in the NE4 of Section 34, and with an E2 dedication, we assumed that they would obtain operating rights to the Llano 34 State Com Well No. 1 and possibly produce both wells within the E2. Or, that Pecos River Operating, Inc. would be required to plug the Llano 34 State Com Well No.1. Regardless, two separate operators within the same pool and proration unit can not be allowed.

We understand the desire of your client to operate and produce separately within Section 34, thus the necessity of the quarter section proration units. However, we concur with the current rules, regulations, and

spacing requirements affecting the Grama Ridge Morrow, East Gas pool established by the New Mexico Oil Conservation Division. We believe that 320 acre spacing is correct and justified for this pool.

Therefore, please be informed that a recommendation for a waiver of objection from the Commissioner of Public Lands will not be made.

If you care to discuss this further, please contact Jeff Albers at (505) 827-5759.

Sincerely,

JAMI BAILEY, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

JB/ja

Xc: New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505  
Attn: Mr. Michael Stogner

January 10, 2001

Holland and Hart LLP  
Campbell and Carr, Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico 87501

Attn: Michael H. Feldewert

Re: Non-Standard Proration Unit Proposal  
NE4 & SE4 (Respectively)  
Section 34, Township 21 South, Range 34 East  
Lea County, New Mexico

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Sincerely,

JAMI BAILEY, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

JB/ja

Xc: New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505  
Attn: Mr. Michael Stogner



COUNTY LEA

POOL EAST GRAMA RIDGE - MORROW GAS

TOWNSHIP 21S

RANGE 34E

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:  $\frac{1}{2}$  SEC 35 (R-6050 7-17-79) EXT:  $\frac{1}{2}$  SEC. 35,  $\frac{1}{2}$  SEC 36  
(R-6170, 11-1-79) EXT:  $\frac{1}{2}$  SEC. 34 (R-6211, 12-31-79) EXT:  $\frac{1}{2}$  SEC. 36 (R-6420, 8-1-80)  
EXT:  $\frac{1}{2}$  SEC 25 (R-6657-4-20-81) EXT:  $\frac{1}{2}$  SEC. 25 (R-8024, 8-30-85)  
EXT: E/2 SEC 27 (R-9472, 4-1-91)

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/05/01 12:59:45  
OGOMES -TQAS  
PAGE NO: 1

Sec : 34 Twp : 21S Rng : 34E    Section Type : NORMAL

D 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05	C 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05	B 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05	A 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05
E 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05	F 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05	G 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05	H 40.00 CS V05683 0000 GREAT WESTERN DRI R 01/01/05  A

PF01 HELP    PF02    PF03 EXIT    PF04 GoTo    PF05    PF06

PF07 BKWD    PF08 FWD    PF09 PRINT    PF10 SDIV    PF11    PF12

Date: 2/5/2001 Time: 01:23:08 PM

CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION02/05/01 12:59:53  
OGOMES -TQAS  
PAGE NO: 2

Sec : 34 Twp : 21S Rng : 34E Section Type : NORMAL

L 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65 A	K 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65	J 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65	I 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65 A
M 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65	N 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65	O 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65	P 40.00 CS E09659 0000 CHEVRON U S A INC R 12/20/65

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12

CMD : ONGARD  
OG6IWCM INQUIRE WELL COMPLETIONS

02/05/01 13:00:13  
OGOMES -TQAS

API Well No : 30 25 34948 Eff Date : 03-07-2000 WC Status :  
Pool Idn : 77690 GRAMA RIDGE;MORROW, EAST (GAS)  
OGRID Idn : 15742 NEARBURG PRODUCING CO  
Prop Idn : 25382 GRAMA RIDGE EAST 34 STATE

Well No : 001  
GL Elevation: 3689

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: H	34	21S	34E	FTG 1548 F N	FTG 990 F E	A
Lot Identifier:							
Dedicated Acre:							
Lease Type	: S						
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O)	:						

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD  
OG6IWCM INQUIRE WELL COMPLETIONS

02/05/01 13:00:37  
OGOMES -TQAE

API Well No : 30 25 26318 Eff Date : 03-01-1998 WC Status : S  
Pool Idn : 77690 GRAMA RIDGE;MORROW, EAST (GAS)  
OGRID Idn : 17081 PECOS RIVER OP INC  
Prop Idn : 23260 LLANO 34 STATE COM

Well No : 001  
GL Elevation: 3651

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : I	34	21S	34E	FTG 1650 F S	FTG 660 F E	A	

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 02/05/01 13:00:48  
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQAS  
 Page No : 1

API Well No : 30 25 26318 Eff Date : 04-30-1991  
 Pool Idn : 77690 GRAMA RIDGE;MORROW, EAST (GAS)  
 Prop Idn : 23260 LLANO 34 STATE COM Well No : 001  
 Spacing Unit : 23487 OCD Order : Simultaneous Dedication:  
 Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :  
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
A	34	21S	34E	40.00	N	ST				
B	34	21S	34E	40.00	N	ST				
G	34	21S	34E	40.00	N	ST				
H	34	21S	34E	40.00	N	ST				
I	34	21S	34E	40.00	N	ST				
J	34	21S	34E	40.00	N	ST				
O	34	21S	34E	40.00	N	ST				
P	34	21S	34E	40.00	N	ST				

E0005: Enter data to modify or PF keys to scroll

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

Nearburg Exploration Company, L.L.C.

Page 1, 2001

*Draft*  
*21513-Gas*

February 5, 2001

**Holland & Hart LLP and Campbell & Carr**  
**Attention: Michael H. Feldewert**  
**P.O. Box 2208**  
**Santa Fe, New Mexico 87504-2208**

***Administrative Order NSP-***

Dear Mr. Feldewert:

Reference is made to the following: (i) your application filed on behalf of Nearburg Producing Company and EOG Resources, Inc. dated January 8, 2001; (ii) your meeting in Santa Fe on Wednesday, January 24, 2001 with Mr. Michael E. Stogner, Chief Hearing Officer/Engineer with the New Mexico Oil Conservation Division ("Division"); (iii) Mr. Stogner's letter dated February 5, 2001; and (iv) the Division's records in Santa Fe: all concerning both Nearburg's and EOG's requests to reorient the dedicated acreage for Morrow gas production within the E/2 of Section 34, Township 21 South, Range 34 East, NMPM, East Grama Ridge-Morrow Gas Pool, Lea County, New Mexico, by establishing the following two described non-standard gas spacing and proration units:

- (a) the 160 acres comprising the NE/4 of Section 34, to be operated by Nearburg, is to be dedicated to the existing Grama Ridge East "34" State Well No. 1 (API No. 30-025-34948), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and
- (b) the 160 acres comprising the SE/4 of Section 34, to be operated by EOG, is to be dedicated to the existing Llano "34" State Well No. 1 (API No. 30-025-26318), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34.

*17 mi. west of E-111*

NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT



GARY E. JOHNSON

Governor

Jennifer A. Saltsbury

Cabinet Secretary

February 5, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Nearburg Exploration Company, L.L.C.  
C/o Holland & Hart LLP and Campbell & Carr  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208

Attention: Michael H. Feldewert

Re:

*Administrative application for an exception to the spacing provisions of Division Rule 104C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, NMPM, Eddy County, New Mexico, to be dedicated to a well to be operated by Nearburg Producing Company; and (ii) the SE/4 of Section 34 to be dedicated to a well to be operated by EOG Resources, Inc.*

Dear Mr. Feldewert:

Reference is made to the subject application submitted on January 8, 2001 and our meeting on Wednesday, January 24, 2001 in the Division's new offices in Santa Fe. To date I have not received any information concerning profiles of the working interests in both 160-acre units. To complete this application please identify all working interest underlying both 160-acre tracts and, pursuant to Division Rule 1207.A (3), please provide the necessary documentation that adequate notice was proved these parties, if applicable.

Also, I need to reference within any order issued by the Division the wells in which both units are to be dedicated. Please provide copies of the complete well file on each well. Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe



These proposed non-standard gas spacing and proration units in Section 34 are comprised of contiguous quarter sections that lie wholly within a single governmental half section. Each of the affected interest owners in Section 34 support this application.

By Division Order No. R-4491, issued in Case No. \_\_\_\_\_ and dated March 16, 1973, the Division authorized the injection of gas for storage into specified intervals in the Grama Ridge-Morrow Gas Pool in the \_\_\_\_\_ operated State GRA Well No. 1 (API No. 30-025-\_\_\_\_\_), located \_\_\_\_\_ feet from the North line and \_\_\_\_\_ feet from the \_\_\_\_\_ line (Unit E) of Section 3 and State "GRB" Well No. 1 (API No. 30-025-\_\_\_\_\_), located \_\_\_\_\_ feet from the South line and \_\_\_\_\_ feet from the West line (Unit L) of Section 34.

By Division Order No. R-5995, issued in Case No. \_\_\_\_\_ and dated May 2, 1979, the Division found that the Grama Ridge-Morrow Gas Pool is located "within an upthrust fault block bounded to the west by a northeast - southwest trending fault and on the east by a north-south trending fault." On May 2, 1979, the Division also approved an amended Well Location And Acreage Dedication Plat dedicating the W/2 of Section 34 to the State GRB Well No. 1 (now known as the Gramma Ridge Morrow Unit Well No. 2). By Division Order No. R-6050, issued in Case No. \_\_\_\_\_ and dated July 17, 1979, the Division created the East Grama Ridge-Morrow Gas Pool. Presently, the W/2 of Section 34 is part of the Grama Ridge-Morrow Gas Pool and the E/2 of said Section 34 is part of the East Grama Ridge-Morrow Gas Pool.

In January, 1999, the New Mexico State Land Office cancelled Lease No. K-3592 for the N/2 of Section 34 for non-payment of rental. The State subsequently leased the N/2 of Section 34 to Nearburg under Lease No. V-5683. On February 28, 2000, upon application filed by \_\_\_\_\_ the Division approved a drilling permit which dedicated the N/2 of Section 34 to Nearburg's East Grama Ridge Morrow State 34 No. 1 Well located in the NE/4 of said Section 34. Nearburg has drilled and successfully completed said well.

The Division's Hobbs office has subsequently informed Nearburg that a change in the acreage dedicated to Nearburg's well in the NE/4 of Section 34 is necessary because (a) there are separate Morrow pools in the W/2 and E/2 of Section 34, (b) the W/2 of Section 34 is already devoted to the Grama Ridge Morrow Unit Well No. 2, and (c) the E/2 of Section 34 is presently devoted to the Llano 34 State Com #1 Well, located in the SE/4 of Section 34 (Unit I). The Llano 34 State Com Well No. 1 was drilled in 1979 under a communitization agreement with the state and is presently shut-in. EOG Resources, Inc. is the successor operator to this well.

As a result of these events, the respective acreage positions of Nearburg and EOG, and



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

February 5, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Nearburg Exploration Company, L.L.C.  
c/o Holland & Hart LLP and Campbell & Carr  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Attention: Michael H. Feldewert

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Dear Mr. Feldewert:

Reference is made to the subject application submitted on January 8, 2001 and our meeting on Wednesday, January 24, 2001 in the Division's new offices in Santa Fe. To date I have not received any information concerning profiles of the working interests in both 160-acre units. To complete this application please identify all working interest underlying both 160-acre tracts and, pursuant to Division Rule 1207.A (3), please provide the necessary documentation that adequate notice was proved these parties, if applicable.

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Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe

their right to produce gas from the E/2 of Section 34, is in question. The operators in the E/2 of Section 34 agree that the creation of the two non-standard spacing units proposed by Nearburg will clarify their acreage positions and right to produce gas from the East Grama Ridge Morrow Gas Pool. The State Land Office has also been notified of this application and submitted no objection.

The granting of this application under this unique set of circumstances will protect the correlative rights of all interest owners in said Section 34, will not cause waste, will avoid litigation and administrative hearings over the rights of the interest owners to develop the reserves under said Section 34, accommodate the Divisions' desire to re-dedicate acreage to Nearburg's well in the NE/4 of said Section 34, and provide EOG the opportunity to produce their well in the SE/4 of said Section 34 in the Morrow formation.

By authority granted me under Division Rule \_\_\_\_\_ 104.D (2) (b), the above-described 160-acre non-standard gas spacing and proration units are hereby approved.

**It is further ordered however** because of the unique circumstances presented by this matter, this administrative approval shall not be cited as precedent.

**IT IS FURTHER ORDERED THAT**, as a contingency of approval, EOG and Nearburg shall submit corrected OCD Forms C-102 for each well showing the proper acreage now dedicated to these wells to the Hobbs District Office of the Division. Failure by either operator to file its form within 20 days from the date of this order will result in the cancellation of allowable for both units.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

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

NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT



GARY E. JOHNSON

Governor  
Jennifer A. Saltsbury  
Cabinet Secretary

February 5, 2001

Lori Wrotenbery  
Director  
Oil Conservation Division

Nearburg Exploration Company, L.L.C.  
c/o Holland & Hart LLP and Campbell & Carr  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Attention: Michael H. Feldewert

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Dear Mr. Feldewert:

Reference is made to the subject application submitted on January 8, 2001 and our meeting on Wednesday, January 24, 2001 in the Division's new offices in Santa Fe. To date I have not received any information concerning the identity of the working and overriding royalty interests within both 160-acre units. To complete this application identify by name, address, and percentage of ownership, all: (i) working interest; and (ii) overriding royalty interest, within both 160-acre tracts and, pursuant to Division Rule 1207.A (3), please provide the necessary documentation that adequate notice was proved these parties, if applicable.

Also, I need to reference within any order issued by the Division the wells in which both units are to be dedicated. Please provide copies of the complete well file on each well. Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe

File: Division Case No. \_\_\_\_\_  
Division Case No. \_\_\_\_\_  
Division Case No. \_\_\_\_\_  
Division Case No. \_\_\_\_\_

**ADMINISTRATIVE ORDER TURNAROUND**

11-Feb-00

JANUARY 2000

TYP	NUMBER	TOTAL DAYS	DAYS PER ORDER
CTB	3	62	20.7
DHC	63	1500	23.8
NSL	15	209	13.9
NSL(SD)	4	56	14.0
NSP	1	1	1.0
NSP(L)(S)	2	21	10.5
PC	1	1	1.0
PLC	4	80	20.0
SWD	1	15	15.0
	<b>94</b>	<b>1945</b>	<b>20.69</b>

*It is further ordered that*

(3) North Dagger Draw-Upper Pennsylvanian Pool production from the above-described South Boyd "27" Well No. 12 is to be simultaneously dedicated with the following three wells all located in the SW/4 of Section 27:

- (a) South Boyd "27" Com. Well No. 4 (**API No. 30-015-28289**) located at a standard oil well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 27;
- (b) South Boyd "27" Com. Well No. 5 (**API No. 30-015-28801**) located at a standard oil well location 820 feet from the South line and 990 feet from the West line (Unit M) of Section 27; and
- (c) South Boyd "27" Well No. 7 (**API No. 30-015-29010**) located at a standard oil well location 1980 feet from the South and West lines (Unit K) of Section 27.

(4) The operator shall comply with all applicable requirements and conditions set forth in Division Rule 111 and Division Order No. R-4691, as amended.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

LORI WROTENBERY  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

Submit to Appropriate  
District Office  
State Lease - 3 copies  
Fee Lease - 5 copies  
**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

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

**DISTRICT III**  
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-105  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO.  
30-025-34948

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐  
b. Type of Completion:  
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER ☐

7. Lease Name or Unit Agreement Name

Grama Ridge East 34 State

2. Name of Operator  
Nearburg Producing Company

8. Well No.  
1

3. Address of Operator  
3300 N A St., Bldg 2, Suite 120, Midland, TX 79705

9. Pool name or Wildcat  
Grama Ridge Morrow; East

4. Well Location  
Unit Letter H : 1548 Feet From The North Line and 990 Feet From The East Line  
Section 34 Township 21S Range 34E NMPM Lea County

10. Date Spudded 03/07/00 11. Date T.D. Reached 04/28/00 12. Date Compl. (Ready to Prod.) 06/09/00 13. Elevations (DF & RKB, RT, GR, etc.) 3689' GL 3706' KB 14. Elev. Casinghead

15. Total Depth 13,500' 16. Plug Back T.D. 13,412' 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools ☒ Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name 13,134' - 13,156' (Morrow) 20. Was Directional Survey Made No

21. Type Electric and Other Logs Run DLL/CNL/LDT/GR 22. Was Well Cored No

**CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	68#	1296'	17-1/2"	872 sx	NA
9-5/8"	36 & 40#	5763'	12-1/4"	1903 sx	NA
7"	23, 26 & 29#	11250'	8-3/4"	180 sx	NA

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
4-1/2"	11,018'	13,500'	350 sx		2-3/8		13,055'

26. Perforation record (interval, size, and number)  
13,134' - 13,156' 5 JSPF (110 holes)  
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
DEPTH INTERVAL 13,134' - 13,156' AMOUNT AND KIND MATERIAL USED

**PRODUCTION**

28. Date First Production 06/09/00 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) Producing  
Date of Test 06/16/00 Hours Tested 24 Choke Size 9/64" Prod'n For Test Period Oil - BbL. 20 Gas - MCF 1239 Water - BbL. 0 Gas - Oil Ratio 61950:1  
Flow Tubing Press. 5000 Casing Pressure -- Calculated 24-Hour Rate Oil - BbL. 20 Gas - MCF 1239 Water - BbL. 0 Oil Gravity - API - (Corr.) 52.5

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold Test Witnessed By Matt Lee

30. List Attachments  
C-104, Deviations and Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Kim Stewart Printed Name Kim Stewart Title Regulatory Analyst Date 06/27/00

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

T. Anhy \_\_\_\_\_ 1755.0  
T. Salt \_\_\_\_\_  
B. Salt \_\_\_\_\_ 3870.0  
T. Yates \_\_\_\_\_ 3925.0  
T. 7 Rivers \_\_\_\_\_  
T. Queen \_\_\_\_\_  
T. Grayburg \_\_\_\_\_  
T. San Andres \_\_\_\_\_  
T. Glorieta \_\_\_\_\_  
T. Paddock \_\_\_\_\_  
T. Blinbry \_\_\_\_\_  
T. Tubb \_\_\_\_\_  
T. Drinkard \_\_\_\_\_  
T. Abo \_\_\_\_\_  
T. Wolfcamp \_\_\_\_\_ 12240.0  
T. Penn \_\_\_\_\_  
T. Cisco (Bough C) \_\_\_\_\_

T. Canyon \_\_\_\_\_  
T. Strawn \_\_\_\_\_ 11684.0  
T. Atoka \_\_\_\_\_ 11966.0  
T. Miss \_\_\_\_\_  
T. Devonian \_\_\_\_\_  
T. Silurian \_\_\_\_\_  
T. Montoya \_\_\_\_\_  
T. Simpson \_\_\_\_\_  
T. McKee \_\_\_\_\_  
T. Ellenburger \_\_\_\_\_  
T. Gr. Wash \_\_\_\_\_  
T. Delaware Sand \_\_\_\_\_ 5613.0  
T. Bone Springs \_\_\_\_\_ 8395.0  
T. Morrow \_\_\_\_\_ 12090.0  
T. \_\_\_\_\_  
T. \_\_\_\_\_  
T. \_\_\_\_\_

### Northwestern New Mexico

T. Ojo Alamo \_\_\_\_\_  
T. Kirtland-Fruitland \_\_\_\_\_  
T. Pictured Cliffs \_\_\_\_\_  
T. Cliff House \_\_\_\_\_  
T. Menefee \_\_\_\_\_  
T. Point Lookout \_\_\_\_\_  
T. Mancos \_\_\_\_\_  
T. Gallup \_\_\_\_\_  
Base Greenhorn \_\_\_\_\_  
T. Dakota \_\_\_\_\_  
T. Morrison \_\_\_\_\_  
T. Todilto \_\_\_\_\_  
T. Entrada \_\_\_\_\_  
T. Wingate \_\_\_\_\_  
T. Chinle \_\_\_\_\_  
T. Permian \_\_\_\_\_  
T. Penn. "A" \_\_\_\_\_

T. Penn. "B" \_\_\_\_\_  
T. Penn. "C" \_\_\_\_\_  
T. Penn. "D" \_\_\_\_\_  
T. Leadville \_\_\_\_\_  
T. Madison \_\_\_\_\_  
T. Elbert \_\_\_\_\_  
T. McCracken \_\_\_\_\_  
T. Ignacio Otzte \_\_\_\_\_  
T. Granite \_\_\_\_\_  
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### OIL OR GAS SANDS OR ZONES

No. 1, from \_\_\_\_\_ 12730 \_\_\_\_\_ to \_\_\_\_\_ 13160 \_\_\_\_\_  
No. 2, from \_\_\_\_\_ to \_\_\_\_\_  
No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
No. 4, from \_\_\_\_\_ to \_\_\_\_\_

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet  
No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet  
No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
3900.0	5613.0	1713.0	dolo, anhydrite				
5613.0	8395.0	2782.0	sand, dolomite				
8395.0	12240.0	2845.0	limestone, sand				
11240.0	11684.0	444.0	shale, limestone				
11684.0	11966.0	282.0	limestone				
11966.0	12090.0	124.0	shale				
12090.0	13500.0	1410.0	limestone, sand, shale				





# PATTERSON DRILLING COMPANY LP

A LIMITED PARTNERSHIP

410 North Loraine Street • Midland, Texas 79701

(915) 682-9401 • Fax (915) 682-1565

May 18, 2000

Nearburg Producing Company  
3300 N "A" St, Bldg 2, Ste 120  
Midland, TX 79705

RE: Inclination Report  
Grama Ridge East 34 St #1  
Sec 34; T-21-S; R-34-E

Unit H

1548/N 2990/E  
30-025-34948

Gentlemen:

The following is an inclination survey on the above referenced well located in Lea County, New Mexico:

225' - 0.75	2603' - 3.00	3832' - 1.75	6494' - 0.50
436' - 0.50	2728' - 3.00	3925' - 2.00	6992' - 0.50
712' - 0.50	2852' - 3.25	4019' - 1.50	7488' - 0.50
900' - 0.50	3010' - 3.75	4080' - 1.00	8078' - 1.00
1152' - 1.00	3078' - 3.50	4204' - 1.00	8516' - 0.75
1341' - 2.00	3141' - 3.00	4358' - 0.50	9014' - 0.75
1468' - 1.50	3203' - 3.00	4818' - 1.25	9509' - 0.75
1564' - 1.50	3266' - 2.25	5035' - 2.00	10001' - 0.50
1754' - 1.00	3327' - 2.50	5128' - 2.00	10477' - 0.25
2006' - 2.50	3392' - 2.25	5222' - 1.50	11464' - 0.50
2101' - 2.25	3455' - 1.50	5346' - 1.25	11828' - 1.50
2195' - 2.25	3549' - 1.50	5760' - 1.25	12280' - 1.00
2351' - 2.25	3645' - 1.25	6002' - 1.00	
2475' - 2.50	3729' - 2.50	6254' - 0.75	

Sincerely,

*Rebecca Edwards*

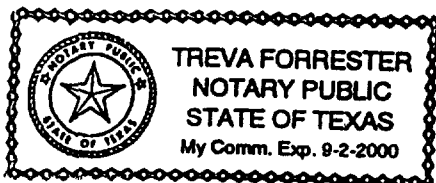
Rebecca A. Edwards  
Administrative Assistant

STATE OF TEXAS )  
COUNTY OF MIDLAND )

Rebecca A. Edwards acknowledged the foregoing before me this 18<sup>th</sup> day of May 2000.

MY COMMISSION EXPIRES:

*Treva Forrester*  
NOTARY PUBLIC



*ad*

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

Form C-104  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
5 Copies  
☐ AMENDED REPORT

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Nearburg Producing Company 3300 North A Street, Building 2, Suite 120 Midland, Texas 79705		<sup>2</sup> OGRID Number 15742	
		<sup>3</sup> Reason for Filing Code NW	
<sup>4</sup> API Number 30 - 0 25 34948	<sup>5</sup> Pool Name Grama Ridge Morrow; East		<sup>6</sup> Pool Code 77690
<sup>7</sup> Property Code 25382	<sup>8</sup> Property Name Grama Ridge East 34 State		<sup>9</sup> Well Number 1

II. <sup>10</sup> Surface Location

UI or lot no. H	Section 34	Township 21S	Range 34E	Lot Idn	Feet from the 1548	North/South Line North	Feet from the 990	East/West line East	County Lea
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<sup>11</sup> Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<sup>12</sup> Lse Code F	<sup>13</sup> Producing Method Code Flowing		<sup>14</sup> Gas Connection Date 06/09/00		<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date		<sup>17</sup> C-129 Expiration Date	

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
21778	Sunoco Inc. (R&M) 907 South Detroit Tulsa, OK 74102	2825726	O	Section 34, T21S, R34E Tank Battery
032109	LG&E Natural Gas Gathering & Processing 2777 Stemmon Freeway, Suite 700 Dallas, TX 75207	2825727	G	Section 34, T21S, R34E Tank Battery

IV. Produced Water

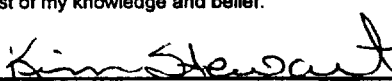


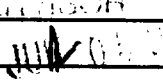
<sup>23</sup> POD 2825728	<sup>24</sup> POD ULSTR Location and Description Section 34, T21S, R34E Tank Battery
------------------------------	-----------------------------------------------------------------------------------------

V. Well Completion Data

<sup>25</sup> Spud Date 03/07/00	<sup>26</sup> Ready Date 06/09/00	<sup>27</sup> TD 13,500'	<sup>28</sup> PBDT 13,402'	<sup>29</sup> Perforations 13,134' - 13,156'	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Size 17-1/2"	<sup>32</sup> Casing & Tubing Size 13-3/8"	<sup>33</sup> Depth Set 1296'		<sup>34</sup> Sacks Cement 872 sx	
12-1/4"	9-5/8"	5763'		1903 sx	
8-3/4"	7"	11,250'		180 sx	
6-1/8"	4-1/2" LR	13,500'		350 sx	

VI. Well Test Data

<sup>35</sup> Date New Oil 06/09/00	<sup>36</sup> Gas Delivery Date 06/09/00	<sup>37</sup> Test Date 06/16/00	<sup>38</sup> Test Length 24 hrs	<sup>39</sup> Tbg. Pressure 5000	<sup>40</sup> Csg. Pressure --
<sup>41</sup> Choke Size 9/64"	<sup>42</sup> Oil 20	<sup>43</sup> Water 0	<sup>44</sup> Gas 1239	<sup>45</sup> AOF	<sup>46</sup> Test Method Flowing

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Kim Stewart		Title: 	
Title: Regulatory Analyst		Approval Date: 	
Date: 06/27/00	Phone: (915) 686-8235		

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

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-104  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
5 Copies  
☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Nearburg Producing Company 3300 North A Street, Building 2, Suite 120 Midland, Texas 79705		<sup>2</sup> OGRID Number 15742
		<sup>3</sup> Reason for Filing Code Change Transporters
<sup>4</sup> API Number 30 - 0 25 34948	<sup>5</sup> Pool Name Grama Ridge Morrow; East	<sup>6</sup> Pool Code 77690
<sup>7</sup> Property Code 25382	<sup>8</sup> Property Name Grama Ridge East 34 State	<sup>9</sup> Well Number 1

II. <sup>10</sup> Surface Location

UI or lot no. H	Section 34	Township 21S	Range 34E	Lot Idn	Feet from the 1548	North/South Line North	Feet from the 990	East/West line East	County Lea
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<sup>11</sup> Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<sup>12</sup> Lse Code F	<sup>13</sup> Producing Method Code Flowing	<sup>14</sup> Gas Connection Date 06/09/00	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date				

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
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032109	LG&E Natural Gas Gathering & Processing 2777 Stemmon Freeway, Suite 700 Dallas, TX 75207	2825727	G	Section 34, T21S, R34E Tank Battery

IV. Produced Water

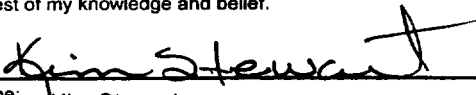
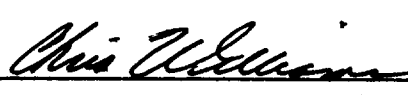
<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description Section 34, T21S, R34E Tank Battery
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V. Well Completion Data

<sup>25</sup> Spud Date 03/07/00	<sup>26</sup> Ready Date 06/09/00	<sup>27</sup> TD 13,500'	<sup>28</sup> PBDT 13,402'	<sup>29</sup> Perforations 13,134' - 13,156'	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Size 17-1/2"	<sup>32</sup> Casing & Tubing Size 13-3/8"	<sup>33</sup> Depth Set 1296'	<sup>34</sup> Sacks Cement 872 sx		
12-1/4"	9-5/8"	5763'	1903 sx		
8-3/4"	7"	11,250'	180 sx		
6-1/8"	4-1/2" LR	13,500'	350 sx		

VI. Well Test Data

<sup>35</sup> Date New Oil	<sup>36</sup> Gas Delivery Date	<sup>37</sup> Test Date	<sup>38</sup> Test Length	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOF	<sup>46</sup> Test Method

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Kim Stewart		Title: DISTRICT 1 SUPERVISOR	
Title: Regulatory Analyst		Approval Date:	
Date: 06/14/00	Phone: (915) 686-8235		

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
-----------------------------	--------------	-------	------

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

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<sup>1</sup> Operator name and Address Nearburg Producing Company 3300 North A Street, Building 2, Suite 120 Midland, Texas 79705		<sup>2</sup> OGRID Number 15742
		<sup>3</sup> Reason for Filing Code RT - 3000 (June, 2000)
<sup>4</sup> API Number 30 - 0 25 34948	<sup>5</sup> Pool Name Grama Ridge Morrow; East	<sup>6</sup> Pool Code 77690
<sup>7</sup> Property Code 25382	<sup>8</sup> Property Name Grama Ridge East 34 State	<sup>9</sup> Well Number 1

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UI or lot no. H	Section 34	Township 21S	Range 34E	Lot Idn	Feet from the 1548	North/South Line North	Feet from the 990	East/West line East	County Lea
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<sup>11</sup> Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<sup>12</sup> Lse Code F	<sup>13</sup> Producing Method Code Flowing		<sup>14</sup> Gas Connection Date 06/09/00		<sup>15</sup> C-129 Permit Number		<sup>16</sup> C-129 Effective Date		<sup>17</sup> C-129 Expiration Date

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
138648	Amoco Pipeline - ICT 502 North West Avenue Levelland, TX 79336	2825726	O	Section 34, T21S, R34E Tank Battery
032109	LG&E Natural Gas Gathering & Processing 2777 Stemmon Freeway, Suite 700 Dallas, TX 75207	2825727	G	Section 34, T21S, R34E Tank Battery

IV. Produced Water

<sup>23</sup> POD 2825728	<sup>24</sup> POD ULSTR Location and Description Section 34, T21S, R34E Tank Battery
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V. Well Completion Data

<sup>25</sup> Spud Date 03/07/00	<sup>26</sup> Ready Date 06/09/00	<sup>27</sup> TD 13,500'	<sup>28</sup> PBSD 13,402'	<sup>29</sup> Perforations 13,134' - 13,156'	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Size 17-1/2"	<sup>32</sup> Casing & Tubing Size 13-3/8"	<sup>33</sup> Depth Set 1296'		<sup>34</sup> Sacks Cement 872 sx	
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<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOF	<sup>46</sup> Test Method
<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Kim Stewart</i> Printed name: Kim Stewart Title: Regulatory Analyst Date: 06/09/00 Phone: (915) 686-8235			OIL CONSERVATION DIVISION Approved by: <i>Chris Williams</i> Title: Approval Date: JUN 19 2000 DISTRICT I SUPERVISOR		

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO.

30-025-34948

Indicate Type of Lease

STATE ☒

FEE

State Oil & Gas Lease No.

**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

Lease Name or Unit Agreement Name

Grama Ridge East 34 State

Well No.

1

Pool name or Wildcat

Grama Ridge Morrow; East

Name of Operator

Nearburg Producing Company

Address of Operator

3300 N A St., Bldg 2, Suite 120, Midland, TX 79705

Well Location

Unit Letter

H

1548

Feet From The

North

Line and

990

Feet From The

East

Line

34 Section

21S

Township

34E

Range

NMPM

Lea

County

Elevation (Show whether DF, RKB, RT, GR, etc.)

3689' GR

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

☐

OTHER:

☐

### SUBSEQUENT REPORT OF:

REMEDIAL WORK

☐

ALTERING CASING

COMMENCE DRILLING OPNS.

☐

PLUG AND ANBANDONMENT

CASING TEST AND CEMENT JOB

☐

OTHER: 4-1/2 " Production Liner



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.

05/03/00: Drilled to 13,500'. Set liner hanger at 11,016'. Cemented with 350 sx Class "H" + additives. Test liner top to 2500 psi. NU BOPE and NU B section. Clean pits and release rig at 1800 hrs on 5/3/00.

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

SIGNATURE

*Kim Stewart*

TITLE Regulatory Analyst

DATE 05-08-00

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. 915/686-8235

(This space for State Use)

APPROVED BY

*Hay W. Wink*

FIELD REPRESENTATIVE II

TITLE

DATE

05-08-00

CONDITIONS OF APPROVAL, IF ANY

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO.

30-025-34948

Indicate Type of Lease

STATE ☒ FEE

State Oil & Gas Lease No.

### 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

Lease Name or Unit Agreement Name

Gramma Ridge East 34 State

Well No.

1

Pool name or Wildcat

Gramma Ridge Morrow; East

Name of Operator

Nearburg Producing Company

Address of Operator

3300 N A St., Bldg 2, Suite 120, Midland, TX 79705

Well Location

Unit Letter **H** **1548** Feet From The **North** Line and **990** Feet From The **East** Line

**34** Section **21S** Township **34E** Range **NMPM** **Lea** County

Elevation (Show whether DF, RKB, RT, GR, etc.)

3689' GR

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 ☐

OTHER: ☐

#### SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: 7" Protection casing and cement ☒

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.

04/11/00: Drilled to 10,841', lost circ, dry drilled to 11,250'. RU and ran 275 jts 7" 23#, 26#, 29#, LTC & BTC csg. Cmt 1st stage csg using 90 sx cmt + additives. Cmt 2nd stage using 90 sx cmt + additives. ND BOPE and set slips. NU BOPE and test. Will drill 6-1/8" hole to original TD and set 4-1/2" liner tied back 200' into 7" csg if productive.

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

SIGNATURE

*Kim Stewart*

TITLE Regulatory Analyst

DATE 04-18-00

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. 915/686-8235

(This space for State Use)

APPROVED BY

*Chris Williams*

TITLE

DATE

APR 24 2000

CONDITIONS OF APPROVAL, IF ANY:

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO.  
30-025-34948

Indicate Type of Lease  
STATE ☒ FEE

State Oil & Gas Lease No.

**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.)

Lease Name or Unit Agreement Name  
Grama Ridge East 34 State

Type of Well:  
OIL WELL ☒ GAS WELL ☐ OTHER ☐

Well No.  
1

Name of Operator  
Nearburg Producing Company

Pool name or Wildcat  
Grama Ridge Morrow; East

Address of Operator  
3300 N A St., Bldg 2, Suite 120, Midland, TX 79705

Well Location  
Unit Letter H 1548 Feet From The North Line and 990 Feet From The East Line  
34 Section 21S Township 34E Range NMPM Lea County

Elevation (Show whether DF, RKB, RT, GR, etc.)  
3689' GR

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 ☐

OTHER: ☐

### SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Intermediate Casing and Cement ☒

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.

03/27/00: Drilled to 5,763'. C&C hole. RU and ran 139 jts 9-5/8" 36#, 40#, K55, N80, S95, LT&C & STC csg. Set csg @ 5,763'. Cmt 1st stage csg using 403 sx cmt + additives. Cmt 2nd stage using 1500 sx cmt + additives. Circ 210 sx to surface. WOC. Cut off casing and NU BOPE and test.

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

SIGNATURE

TITLE Regulatory Analyst

DATE 04-03-00

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. 915/686-8235

(This space for State Use)

APPROVED BY

TITLE

Chris Williams

DATE

APR 12 2000

CONDITIONS OF APPROVAL, IF ANY:

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO.  
30-025-34948

Indicate Type of Lease  
STATE ☒ FEE

State Oil & Gas Lease No.

**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.)

Lease Name or Unit Agreement Name  
Grama Ridge East 34 State

Type of Well:  
OIL WELL ☒ GAS WELL ☐ OTHER

Well No.  
1

Name of Operator  
Nearburg Producing Company

Address of Operator  
3300 N A St., Bldg 2, Suite 120, Midland, TX 79705

Pool name or Wildcat  
Grama Ridge Morrow; East

Well Location  
Unit Letter H : 1548 Feet From The North Line and 990 Feet From The East Line  
34 Section 21S Township 34E Range NMPM Lea County

Elevation (Show whether DF, RKB, RT, GR, etc.)  
3689' GR

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 ☐

OTHER: ☐

### SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Surface Casing and Cement ☒

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.

03/07/00: Spud well @2300 hrs on 03/07/00.

03/11/00: Drilled to 1,296'. C&C hole. RU and ran 32 jts 13-3/8" 68#, K55, N80, BT&C csg. Set csg @ 1,296'. Cmt csg using 872 sx cmt + additives. Circ 54 sx to surface. WOC 18 hrs. Cut off casing and NU BOPE and test.

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

SIGNATURE

*Kim Stewart*

TITLE Regulatory Analyst

DATE 03-14-00

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. 915/686-8235

(This space for State Use)

APPROVED BY

*Chris Williams*

CONDITIONS OF APPROVAL, IF ANY:

DISTRICT I SUPERVISOR

DATE

MAR 27 2000



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

Form C-101

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Suite 120 Midland, TX 79705		<sup>2</sup> OGRID Number 015742
		<sup>3</sup> API Number 30 - 025 - 34948
<sup>4</sup> Property Code 25382	<sup>5</sup> Property Name Grama Ridge East 34 State	<sup>6</sup> Well No. 1

<sup>7</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
H	34	21S	34E		1548	North	990	East	Lea

<sup>8</sup>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
<sup>9</sup> Proposed Pool 1 Grama Ridge Morrow, East						<sup>10</sup> Proposed Pool 2			

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3689
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 13700	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor Patterson	<sup>20</sup> Spud Date 03-05-00

<sup>21</sup>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"	48#	1300'	800 sxs	Circ to surface
12-1/4"	9-5/8"	24# & 32#	5700'	2000 sxs	Circ to surface
8-3/4"	5-1/2"	17# & 20#	13700'	1500 sxs	

<sup>22</sup>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.

Propose to drill the well to sufficient depth to evaluate the Morrow formation. After reaching TD, logs will be run and casing set if the evaluation is positive. Perforate, test and stimulate as necessary to establish production.

Acreage dedication is 320 acres; N/2 of Section 34.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

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

Signature:

*Kim Stewart*

Printed name: Kim Stewart

Title: Regulatory Analyst

Date: 02-23-00

Phone: 915/686-8235

OIL CONSERVATION DIVISION

Approved By:

*Hay W. Wink*

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached: ☐

DISTRICT I  
P.O. Box 1960, Hobbs, NM 88241-1960

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87419

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-025-34948</u>	Pool Code 77690	Pool Name Grama Ridge Morrow, East
Property Code <u>25382</u>	Property Name GRAMA RIDGE EAST 34 ST.	Well Number 1
OGRID No. 15742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3689

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	34	21 S	34 E		1548	NORTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

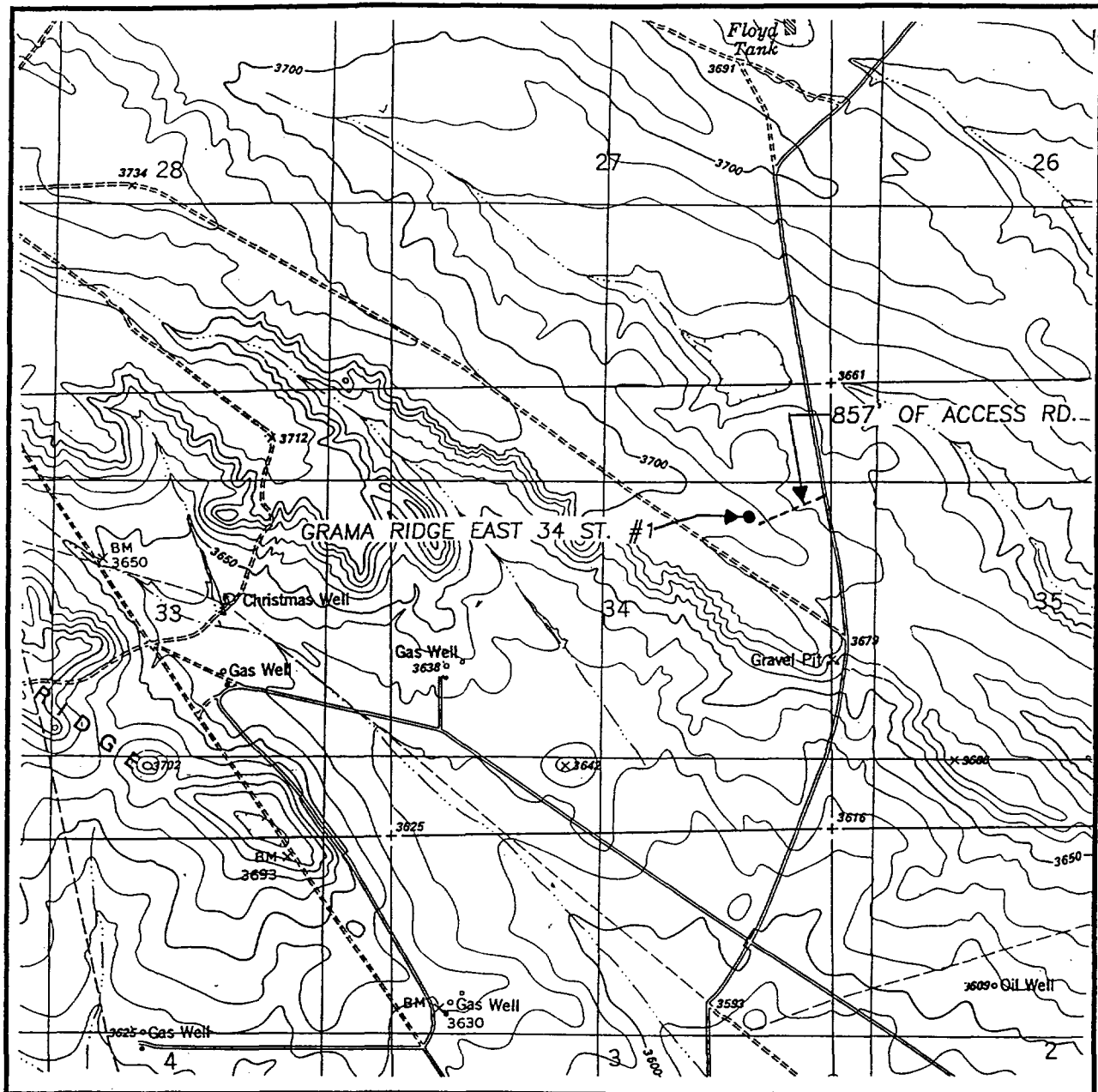
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.						

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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Kim Stewart</u> Signature Kim Stewart Printed Name Regulatory Analyst Title February 23, 2000 Date</p> <p><b>SURVEYOR CERTIFICATION</b></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>FEBRUARY 21, 2000</p> <p>Date Surveyed _____ LMP Signature &amp; Seal of Professional Surveyor <u>Ronald J. Eidson 2/22/2000</u> 00-11-0259</p> <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 MACON-MCDONALD 12185</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
SAN SIMON RANCH, N.M.— 10'

SEC. 34 TWP. 21-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1548' FNL & 990' FEL

ELEVATION 3689

OPERATOR NEARBURG PRODUCING CO.

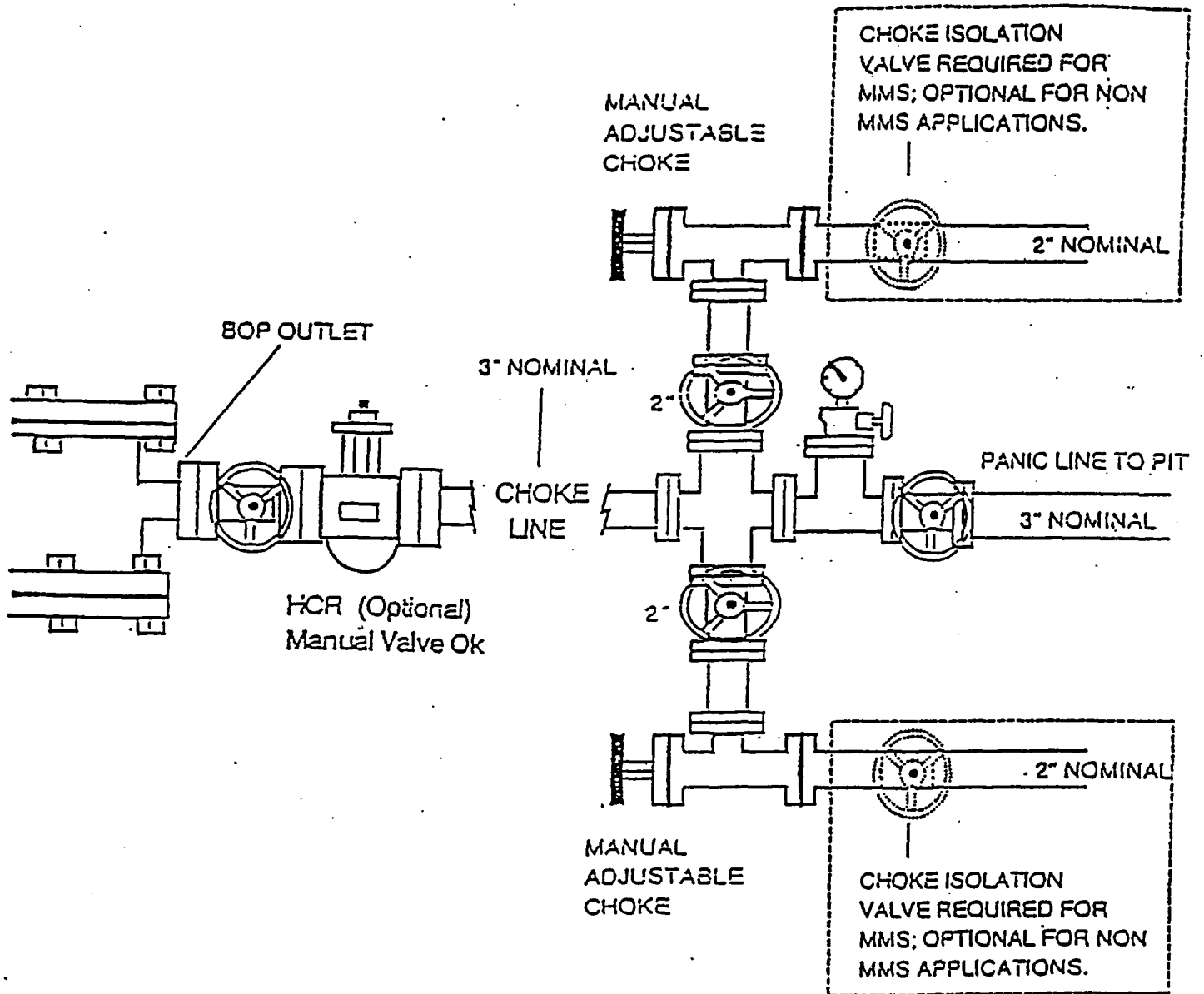
LEASE GRAMA RIDGE EAST 34 ST.

U.S.G.S. TOPOGRAPHIC MAP

SAN SIMON RANCH, N.M.

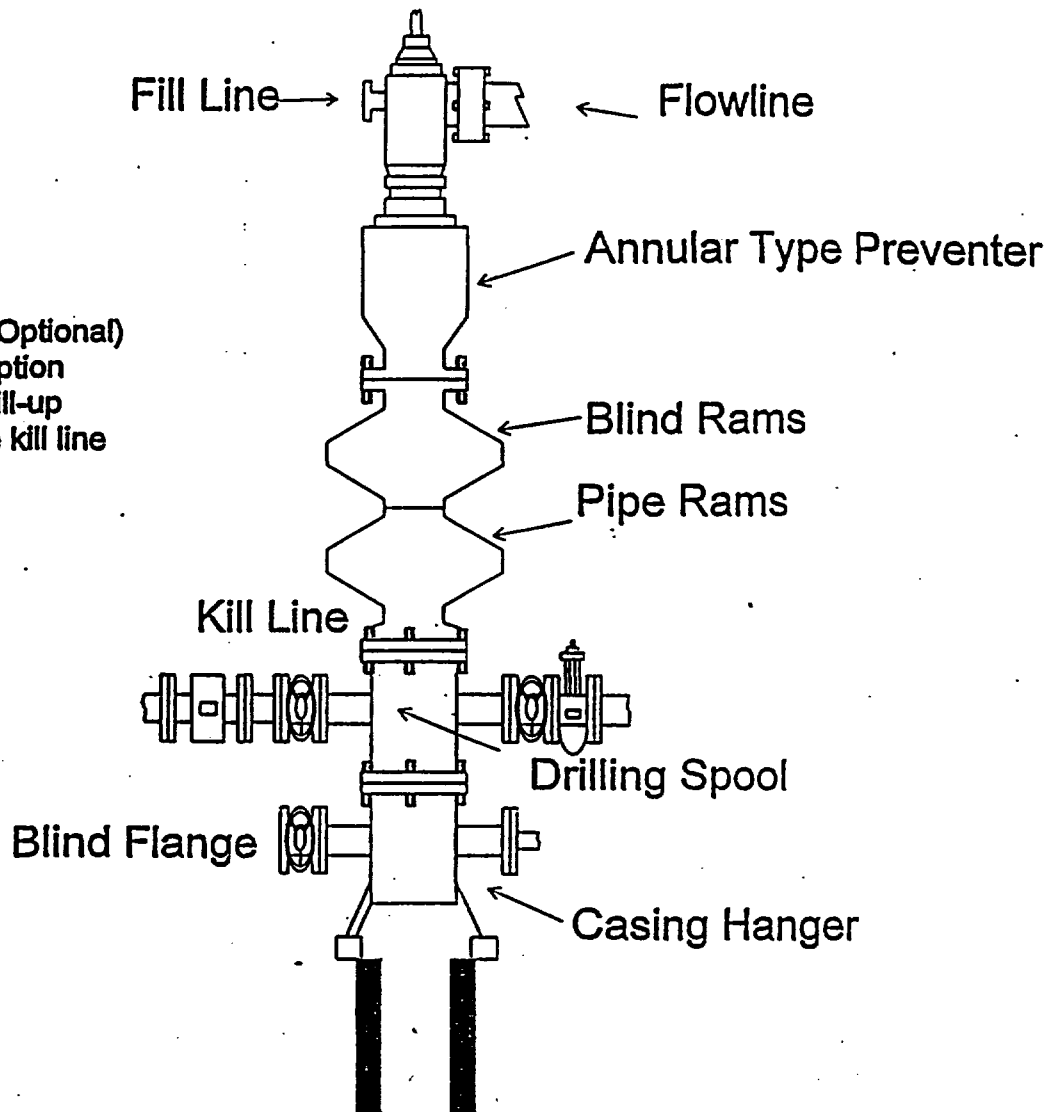
**JOHN WEST SURVEYING**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

NEARBURG PRODUCING COMPANY  
CHOKE MANIFOLD  
5M SERVICE



NEARBURG PRODUCING COMPANY  
BOPE SCHEMATIC

Rotating Head (Optional)  
Drilling Nipple option  
must include a fill-up  
line. Do not use kill line  
for fill up.



1500 Series

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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105  
Revised 11-74

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
E-9656; K-3592	

1a. TYPE OF WELL	
OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>
b. TYPE OF COMPLETION	
NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/>	DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>

7. Unit Agreement Name
8. Farm or Lease Name
Llano "34" State Com.
9. Well No.
1
10. Field and Pool, or Wildcat
Grama Ridge Morrow East

2. Name of Operator	
Minerals, Inc.	
3. Address of Operator	
P. O. Box 1320, Hobbs, New Mexico 88240	
4. Location of Well	

UNIT LETTER	I	LOCATED	1650	FEET FROM THE	South	LINE AND	660	FEET FROM
THE	East	LINE OF SEC.	34	TWP.	21-S	RGE.	34-E	NADP

12. County
Lea

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Casinghead
May 21, 1979	9-1-79	October 10, 1979	3651' GL; 3672' KB	-

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
13,280'	13,188'		→	0-T.D.	

24. Producing interval(s), of this completion - Top, Bottom, Name	25. Was Directional Survey Made
12,824'-13,170'; Morrow	Yes

26. Type Electric and Other Logs Run	27. Was Well Cored
CNL-FDC, GR, CAL, DLL	No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	
16"	65	1,200'	20"	1100 sx. Lite + 200 sx. Class "C" Circ.	
10-3/4"	45.5	5,773'	14-3/4"	5400 sx. Lite + 300 sx. Class "C" Circ.	
7-5/8"	29.7	11,200'	9 1/2"	900 sx. Lite + 600 sx. Class "H" Top	
				cmt. @ 5250'	

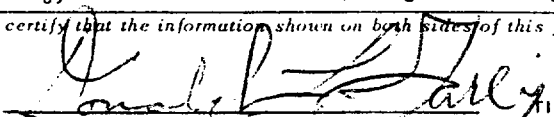
29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
4 1/2"	10,728'	13,279'	500 sx. Class "H" Circ.		2-3/8"	10,573	10,573
					2-3/8"	12,875	12,875

31. Perforation Record (Interval, size and number) 12,824-38, 12,986-99, 13,002-04, 13,008-18, 13,020-26, 13,033-36, 13,038-44, 13,165-70, 2 shots per foot.	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	12,824'-13,170'	Natural completion

33. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
10-6-79		Flowing				SI-WOPC	
Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
10-9-79	4	16/64"	→	23	663	0	28,826:1
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	
1,524 PSIG	Packer	→	140	3980	0	51° API	

34. Disposition of Gas (Sold, used for fuel, vented, etc.)	Test Witnessed By
To be connected to Phillips Petroleum Company	Al Klaar & J.B. Swinney

35. List of Attachments
DST Summary, Deviation Record, Logs, Multipoint, Bottom Hole Pressure

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.		
SIGNED	TITLE	DATE
	President	October 16, 1979

This form is to be filed with the appropriate District Office of the Commission not later than 30 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and geoelectricity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1405.

**INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE**

### Southeastern New Mexico

T. Anhy _____	T. Canyon _____
T. Salt <u>1,856</u>	T. Strawn <u>11,626</u>
B. Salt <u>3,810</u>	T. Atoka <u>11,908</u>
T. Yates <u>4,104</u>	T. Miss _____
T. 7 Rivers <u>4,459</u>	T. Devonian _____
T. Queen _____	T. Silurian _____
T. Grayburg _____	T. Montoya _____
T. San Andres _____	T. Simpson _____
T. Glorieta _____	T. McKee _____
T. Paddock _____	T. Ellenburger _____
T. Blinebry _____	T. Gr. Wash _____
T. Tubb _____	T. Granite _____
T. Drinkard _____	T. Delaware Sand <u>5,498</u>
T. Abo _____	T. Bone Springs <u>8,348</u>
T. Wolfcamp _____	T. <u>Morrow Clastic 12,71</u>
T. Penn. _____	T. <u>Barnett 13,23</u>
T. Cisco (Bough C) _____	T. _____

### Northwestern New Mexico

T. Ojo Alamo _____	T. Penn. "B" _____
T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Pictured Cliffs _____	T. Penn. "D" _____
T. Cliff House _____	T. Leadville _____
T. Menefee _____	T. Madison _____
T. Point Lookout _____	T. Elbert _____
T. Mancos _____	T. McCracken _____
T. Gallup _____	T. Ignacio Qtzte _____
Base Greenhorn _____	T. Granite _____
T. Dakota _____	T. _____
T. Morrison _____	T. _____
T. Todilto _____	T. _____
T. Entrada _____	T. _____
T. Wingate _____	T. _____
3 T. Chinle _____	T. _____
5 T. Permian _____	T. _____
T. Penn. "A" _____	T. _____

## OIL OR GAS SANDS OR ZONES

No. 1, from 12,824 to 13,170 No. 4, from to  
No. 2, from to No. 5, from to  
No. 3, from to No. 6, from to

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet. ....

No. 2, from.....to.....feet. ....

No. 3, from.....to.....feet. ....

No. 4, from.....to.....feet. ....

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation

RECEIVED  
OCT 18 1907  
Q.C.D. HOBBS, OFFICE

RECEIVED  
OCT 18 1954  
Q.C.D. HOBBS, OFFICE



Llano 34 State Com. No. 1

DST No. 1 - Bone Springs: 10,730' - 10,800' (70'). Tool open 1 hr. 35 mins., 5 min. preflow, 1½ hrs. initial shut-in, 1½ hrs. final flow, 3 hrs. final shut-in. Tool opened w/fair blow of air and decreased to zero blow in 1 hr. Rec. 6,170' gas and 330' gas cut mud w/trace of oil. Sample chamber recovered: 0.48 cu. ft. of gas, 10 c.c. of oil, 40 c.c. mud at 100 psi pressure. Pressures: initial hydrostatic 5793, preflow 18-18, initial shut-in 1873, final flow 12-18, final shut-in 940, final hydrostatic 5789, BHT 154° F.

DST No. 2: 11,110' - 11,155' (45'). Tool open 1 hr. 35 mins., 5 min. preflow, 1 hr. 5 mins. initial shut-in, 1½ hrs. final flow, 3 hrs. final shut-in. Tool opened with weak blow of air - steady throughout test. Rec. 4665' gas, 180' gas cut mud. Sample chamber recovered: 0.39 cu. ft. gas, 20 c.c. mud @ 85 PSI. Pressures: initial hydrostatic 5980, preflow 12-12, initial shut-in 305, final flow 10-17, final shut-in 398, final hydrostatic 5998, BHT 150° F.

DST No. 3: 11,265'-11,421' (156'). Tool open 40 mins., 10 min. preflow, 30 min. initial shut in, 30 min. final flow, 1 hr. final shut-in. Tool opened with no blow at surface throughout test. Recovered 1500' of water blanket. Sample chamber recovered: 3.8 cu. ft. gas, 15 c.c. mud @ 550 psi. Pressures: initial hydrostatic 6,089, preflow 749 - 749, initial shut-in 1,277, final flow 749 - 749, final shut-in 1,040, final hydrostatic 6,107, BHT 186° F.

DST No. 4: Strawn 11,690' - 11,792' (102'). Tool open 3 hrs., 10 min. preflow, 2 hr. initial shut-in, 2 hrs. 50 mins. final flow, 6 hrs. final shut-in. GTS in 1 hr. 5 mins., flow max 50 MCFPD @ 23 PSI on ¼" choke. Recovered 2000' water-blanket & 630' gas & dist. Pressures: Initial hydrostatic 6,838, Initial flow 958 - 940, initial shut-in 7,062, final flow 921 - 1201, final shut-in 6,932, final hydrostatic 6,857, BHT 170°.

DST No. 5: Atoka 12,173' - 12,278' (105'). Tool open 2 hrs. 50 mins., 10 min. preflow, 1½ hrs. initial shut-in, 2 hrs. 40 mins. final flow, 5 hrs. final shut-in. Tool opened with fair blow of air. Gas to surface in 1 hr. 10 mins., flow max 40 MCFPD @ 16 PSI on ¼" choke prior to declining to zero flow @ end of final flow period. Recovered 3000' of gas cut water blanket plus 200' of gas cut mud. Pressures: Initial hydrostatic 7,405, initial flow 1436 - 1491, Initial shut-in 6658, final flow 1509 - 1509 final shut-in 6879, final hydrostatic 7401, BHT 178°.

DST No. 6: Atoka 12,396' - 12,630' (234'). Tool open 2 hrs. 10 mins., 1 min. preflow, 1½ hrs. initial shut-in, 2 hrs. final flow, 4 hrs. final shut-in. Tool opened with fair blow of air. Gas to surface 24 mins. After tool opened on preflow. Max flow 60 MCFPD on ¼" choke @ 29 psi. Recovered 1000' water blanket gas cut and 280' distillate and gas cut mud. Sample chamber: 1.25 cu. ft. gas @ 425 psi, 185 cc distillate, 140 cc mud. Pressures: Initial hydrostatic 8059, initial flow 599 - 599, initial shut-in 7596, final flow 506 - 599, final shut-in 6893, final hydrostatic 7966, BHT 178°.

DST No. 7: 12,644' - 12,733' (89') Atoka. Tool open 1 hr. 20 mins. 10 min. preflow, 1 hr. 2nd flow, 10 min. 3rd flow, 1½ hr. initial shut-in, 15 min. 2nd shut-in, 2 hr. final shut-in. Open tool with very weak air blow on preflow. No blow during 2nd & 3rd flow periods. Recovered 3000' water blanket plus 30' mud. Sample Chamber: 0.3 cu. ft. gas, trace oil, 500 cc mud @ 75 psig. Pressures: Initial hydrostatic 8148, initial flow 1472-1472, initial shut-in 2410, 2nd flow 1472-1472, 2nd shut-in 1528, final flow 1454-1454, final shut-in 1822, final hydrostatic 8056, BHT 179°.

WELL NAME AND NUMBER Llano State "34" Com #1

LOCATION Section 34, T21S, R34E, Lea County, New Mexico  
(New Mexico give U.S.T&R: Texas give S, BLK, SURV. and TWP)

OPERATOR Minerals, Inc.

DRILLING CONTRACTOR MORANCO

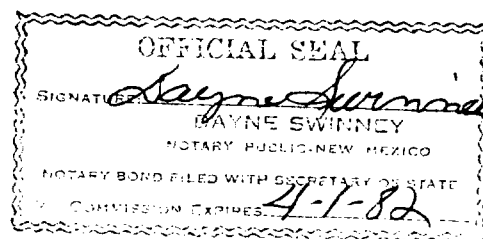
The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

Degrees and Depth	Degrees and Depth	Degrees and Depth	Degrees and Depth
<u>1/2 217</u>	<u>1 1/2 3670</u>	<u>3/4 8639</u>	<u>1 1/2 12,180</u>
<u>1/2 519</u>	<u>1 3784</u>	<u>1 9125</u>	<u>1 12,425</u>
<u>1/2 922</u>	<u>1 4182</u>	<u>1 1/4 9128</u>	<u>3/4 12,630</u>
<u>1 1200</u>	<u>1 1/2 4650</u>	<u>1 1/4 9437</u>	<u>1/2 12,902</u>
<u>1/2 1475</u>	<u>3/4 5150</u>	<u>1/4 9747</u>	<u>3/4 13,275</u>
<u>1/2 1741</u>	<u>3/4 5638</u>	<u>1/2 10,251</u>	
<u>3/4 1970</u>	<u>1 6130</u>	<u>1 1/4 10,665</u>	
<u>1 2200</u>	<u>3/4 6593</u>	<u>1 10,800</u>	
<u>3/4 2488</u>	<u>1 7087</u>	<u>1 3/4 10,951</u>	
<u>3/4 2830</u>	<u>3/4 7568</u>	<u>1 1/4 11,200</u>	
<u>1 3108</u>	<u>3/4 7858</u>	<u>1 1/4 11,421</u>	
<u>1 1/4 3455</u>	<u>3/4 8148</u>	<u>1 11,792</u>	

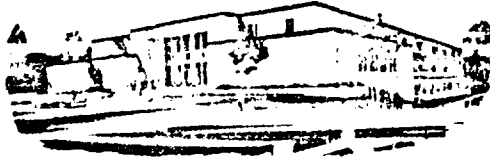
Drilling Contractor MORANCO

By Jerry Gilbert  
Jerry Gilbert, Vice-President Engineer

Subscribed and sworn to before me this 1st day of October 1979



# State of New Mexico



## Commissioner of Public Lands

October 19, 1979

ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Minerals, Inc.  
P. O. Box 1320  
Hobbs, New Mexico 88240

Re: Minerals, Inc.-  
Llano State "34" Com Well No. 1  
E/2 Sec 34-T21S-R34E  
Lea County, New Mexico

ATTENTION: Mr. G. W. Edwards

Gentlemen:

The Commissioner of Public Lands has this date approved your communitization agreement covering the E/2 of Section 34, Township 21 South, Range 34 East, Lea County, New Mexico. Such agreement covers the MORROW formation. The effective date to be as of May 1, 1979, being the date of your agreement.

Enclosed are Five (5) Certificates of approval.

Your Ten (\$10.00) Dollar filing fee has been received.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division

AJA/RDG/s  
encl.  
cc:

OCD-Santa Fe, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease  
 State ☒ Fee ☐  
 5. State Oil & Gas Lease No.  
 E-9659

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO REOPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.  
 USE APPLICATION FOR PERMIT TO DRILL (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Minerals, Inc.	8. Farm or Lease Name Llano "34" State Com.
3. Address of Operator P. O. Box 1320, Hobbs, New Mexico 88240	9. Well No. 1
4. Location of Well UNIT LETTER <u>I</u> <u>1650</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE, SECTION <u>34</u> TOWNSHIP <u>21S</u> RANGE <u>34E</u> N.M.P.M.	10. Field and Pool, or Wildcat Undesignated
15. Elevation (Show whether DF, RT, GR, etc.) 3651' GL, 3671' DF	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
 NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	
		OTHER <u>Strawn completion attempt</u>	

17. 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.

9-17-79 - 9-25-79 Perf. Strawn w/2 JSPF @ 11,712-14, 11,717-19, 11,723-25, 11,730-36, 11,742-44, 11,746-52, 11,759-61, 11,770-72, 11,784-86. Acidize with 7000 gals. 20% HCL and ball sealers. Recovered 204 bbls. load water. Acidized perf. 11,712 to 11,786 with 15,000 gals. 20% acid in 3 stages containing 25# of XR-2 plus 5# FR-16 plus 1.5 gal. LT-22 & 1 gal. I-15 for each 5000 gal. stage. Recovered 680 bbls. load water with trace of oil and gas. Squeezed Strawn perfs. w/200 sx. Class "H" neat cmt. containing .2% HR-4 & .9% Halad 9 per sx. Tested squeeze perf. to 1000 lbs. for 30 minutes with no pressure loss. Drill out and clean out to PBTD 13,188. Prep. to complete in Morrow.

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

SIGNED *[Signature]* TITLE President DATE October 12, 1979  
 APPROVED BY *[Signature]* TITLE SUPERVISOR DISTRICT 1 DATE OCT 22 1979  
 CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL**

Form C-122  
 Revised 9-1-65

<input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Date: 10/9/79	
Company: Minerals, Inc.		Operator: Phillips Petr. Co.	
Well: Undesignated (East Grama Ridge)		Formation: Upper Morrow	
Completion Date: 10/6/79	Total Depth: 13,280	Plug Depth: 13,188	Elevation: 3672 KB
Casing Size: 4 1/2"      Wt.: 13.5      ID: 3.920      Set At: 13,279	Perforations: From 12,824 To 12,838		Well No.: 1
Tubing Size: 2-3/8"      Wt.: 4.6      ID: 1.995      Set At: 10,600	Perforations: From - To -		Unit: I      Sec: 34      Twp: 21S      Rge: 34E
Type Well - Single - Production - G.G. or G.O. Multiple: Single		Packer Set At: 10,573	County: Lea
Producing thru: TBG	Reservoir Temp. °F: 177 ± 13,280	Mean Annual Temp. °F: 60	State: New Mexico
L: 12,831      H: 12,831      Gg: 0.591      % CO <sub>2</sub> : -      % N <sub>2</sub> : -      % H <sub>2</sub> S: -      Prover: -	Meter Run: 4"      Flange		

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h <sub>w</sub>	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	of Flow
51	90 hours						4635		Packer		
1.	4 x 2.250			42	5.5	65	3060	70			1 hour
2.	4 x 2.250			80	9.5	79	2660	68			1 hour
3.	4 x 2.250			160	17.0	83	1810	64			1 hour
4.	4 x 2.250			200	19.5	86	1453	64			1 hour
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft.	Gravity Factor Fg	Super Compress. Factor, Fpv	Rate of Flow Q, Mcf
1	28.23	17.42	55.2	0.9952	1.301	1.004	639
2	28.23	29.76	93.2	0.9822	1.301	1.006	1,080
3	28.23	54.26	173.2	0.9786	1.301	1.013	1,976
4	28.23	64.48	213.2	0.9759	1.301	1.015	2,346
5.							

NO.	P <sub>1</sub>	Temp. °R	T <sub>1</sub>	Z	Gas Liquid Hydrocarbon Ratio _____ 35 _____ Mol/Std.
1	0.08	525	1.48	0.993	A.P.L. Gravity of Liquid Hydrocarbons _____ 50 _____ Deg.
2	0.14	539	1.52	0.988	Specific Gravity Separator Gas _____ 0.591 _____ X X X X X X X X
3	0.26	543	1.53	0.975	Specific Gravity Flowing Fluid _____ X X X X X _____
4	0.32	546	1.54	0.970	Critical Pressure _____ 672 _____ P.S.I.A. _____ P.S.I.A.
5.					Critical Temperature _____ 354 _____ R _____ R

1. 4,648.2      P <sub>1</sub> <sup>2</sup> 21,606	(1) $\frac{P_1^2}{P_1^2 - P_w^2} = 1.36032$	(2) $\left[ \frac{P_1^2}{P_1^2 - P_w^2} \right]^n = 1.35239$			
NO.      P <sub>1</sub> P <sub>1</sub> *      P <sub>1</sub> <sup>2</sup> P <sub>1</sub> <sup>2</sup> - P <sub>w</sub> <sup>2</sup>					
1		4,179.2	17,466	4,140	
2		3,923.2	15,391	6,215	
3		3,347.2	11,204	10,402	
4		2,392.2	5,723	15,883	
5.					

3,173      Mol/Lb. 11,625      Angle of Slope α 45°33'      Slope, n 0.981
----------------------------------------------------------------------------

\*Bottom-hole pressure bomb utilized.

Approved By:	Conducted By: J. B. Swinney & Jarrel Serv. Inc.	Calculated By: Al Klaar	Checked By: GWE
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MINERALS, INC.

LAND 34 STATE COM. No. 1

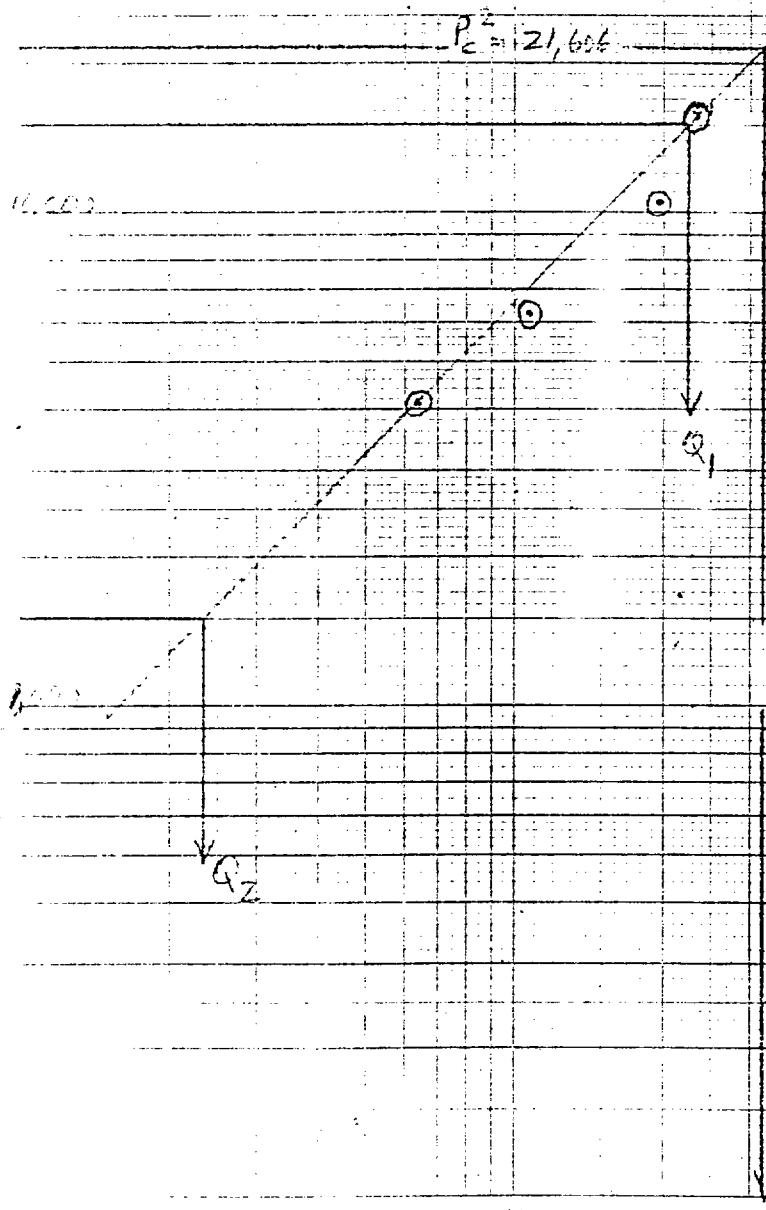
I-34-215-34E  
LEA COUNTY, NEW MEXICO

UPPER MORROW

ILLEGIBLE

UNDESIGNATED (ACT GRAMA RIDGE MORROW)

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2000  
3000  
4000  
5000  
6000  
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8000  
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99000  
100000



ABSOLUTE OPEN  
FLOW = 3,200 MCFD

Q (MCFD)

$$LOS Q_1 = 3,352,183$$

$$LOS Q_2 = 2,371,068$$

$$m = 0.981115 = 0.981$$

# JARREL SERVICES, INC.

POST OFFICE BOX 1654

PHONE 505 393-5396

HOBBS, NEW MEXICO 88240

ILLEGIBLE

## BOTTOM HOLE PRESSURE RECORD

OPERATOR Minerals Inc.  
 FIELD Indesignated  
 FORMATION Morrow-A  
 LEASE Llano 34 State Com WELL #1  
 COUNTY Lea STATE New Mexico  
 DATE October 9, 1979 TIME 9:25 AM  
 Status Shut in  
 Test Depth 10600'  
 Time S. I. 90.0 hrs. Last test date -  
 Tub Pres. 1655 DWT BHP last test -  
 Cas. Pres. Dual BHP change -  
 Elev. 3672' AB-21 Fluid top None  
 Datum 1-91591 \*\* Water top None  
 Temp. @ 168°F Run by JSI #20  
 Cal. No. A 18478 N Chart No. 1

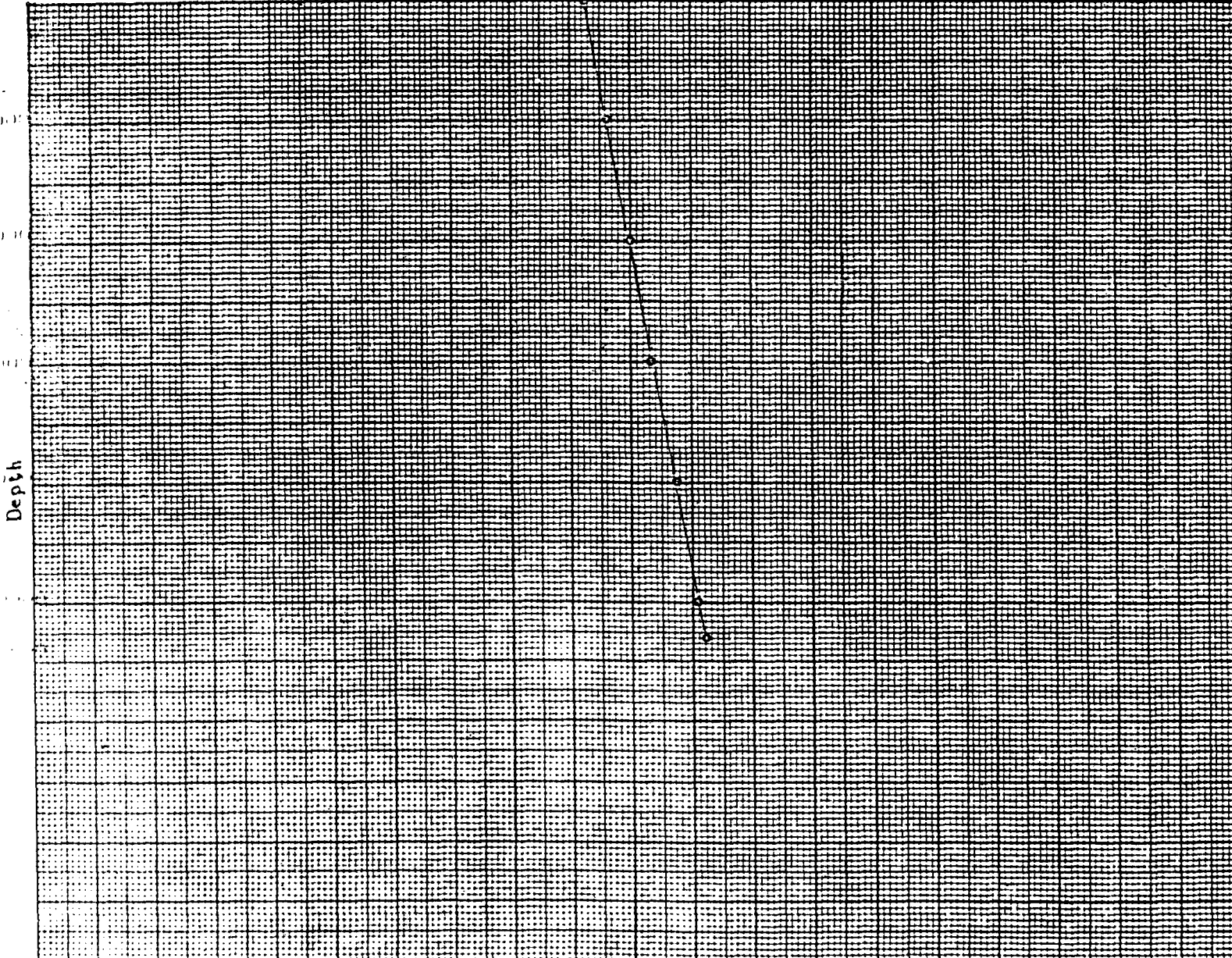
Depth	Pressure	Gradient
0	4635	-
2000	4800	.083
4000	4984	.092
6000	5170	.093
8000	5358	.094
10000	5546	.094
10600	5603	.095
12831 (-9159)	5815 * **	(.095)

\* EXTRAPOLATED PRESSURE

\*\* MIDPOINT OF CASING PERFORATIONS

Pressure

1000 2000 3000 4000 5000 6000



**NEW MEXICO OIL CONSERVATION COMMISSION**  
**MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL**

Form C-122  
 Revised 9-1-66

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special				Test Date 10/8/79	
Company Minerals, Inc.			Connection Phillips Petr. Co.		
Pool Undesignated (East Grama Ridge)			Formation Lower Morrow		Well
Completion Date 10/6/79		Total Depth 13,280		Perforations To 13,188	Elevation 3672 KB
Casing Size 4 1/2	Wt. 13.5	d 3.920	Set At 13,279	Perforations: From 12,896 To 13,170	
Tub. Size 2-3/8	Wt. 4.6	d 1.995	Set At 12,870	Perforations: From - To -	
Type Well - Single - Production - G.G. or G.O. Multiple Single				Packer Set At 12,870	County Lea
Producing thru TBG		Reservoir Temp. °F 177 @ 13,280		Mean Annual Temp. °F 60°	
				Baro. Press. - P <sub>a</sub> 13.2	
L 12,870		R 12,870	G <sub>g</sub> 0.675	% CO <sub>2</sub> NIL	% H <sub>2</sub> S -
				Prover 4"	Meter Run Flange

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Crifice Size	Press. p.s.i.g.	Diff. h <sub>w</sub>	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
S1	36 hours							5,014		Packer	
1.	4 x 2.250			130	7.8	93	2,710	72			1 hour
2.	4 x 2.250			148	8.5	99	2,120	69			1 hour
3.	4 x 2.250			160	9.0	99	1,890	67			1 hour
4.	4 x 2.250			200	11.0	100	1,595	67			1 hour
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft	Gravity Factor Fg	Super Compress. Factor Fpv	Rate of Flow Q, Mhd
1	28.23	33.42	143.2	0.9697	1.217	1.012	1,127
2	28.23	37.02	161.2	0.9645	1.217	1.013	1,243
3	28.23	39.48	173.2	0.9645	1.217	1.015	1,328
4	28.23	48.43	213.2	0.9636	1.217	1.019	1,634
5.							

NO.	P <sub>r</sub>	Temp. °R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio _____ 14 Mcf/bbl.
1	0.21	553	1.44	0.976	A.P.I. Gravity of Liquid Hydrocarbons _____ 52
2	0.24	559	1.46	0.974	Specific Gravity Separator Gas _____ 0.675
3	0.26	559	1.46	0.971	Specific Gravity Flowing Fluid _____ X X X X X
4	0.32	560	1.46	0.963	Critical Pressure _____ 669 P.S.I.A.
5					Critical Temperature _____ 383 R

P <sub>r</sub> 5,027.2 P <sub>w</sub> <sup>2</sup> 25,273				
NO.	P <sub>r</sub>	P <sub>w</sub> *	P <sub>r</sub> <sup>2</sup>	P <sub>r</sub> <sup>2</sup> - P <sub>w</sub> <sup>2</sup>
1		4,648.2	21,606	3,667
2		3,686.2	13,588	11,685
3		3,289.2	10,819	14,454
4		2,898.2	8,400	16,873
5				

(1)  $\frac{P_r^2}{P_r^2 - P_w^2} = 1.49784$

ACT = Q  $\left[ \frac{P_r^2}{P_r^2 - P_w^2} \right]^n = 2402$

(2)  $\left[ \frac{P_r^2}{P_r^2 - P_w^2} \right]^n = 1.47026$

Actual test gas flow _____ 2,402 Mhd @ 15,025	Angle of Slope @ _____ 46021'	Slope, n _____ 0.954
-----------------------------------------------	-------------------------------	----------------------

\*Bottom-hole pressure bomb utilized for pressure calculations.

Approved by _____	Conducted by: J. B. Swinney & Jarrel Serv. Inc.	Collected by: Al Klaar	Checked by: GWE
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MINERALS, INC.

LLANO 34 STATE COM. No. 1

I, 34-215-34E

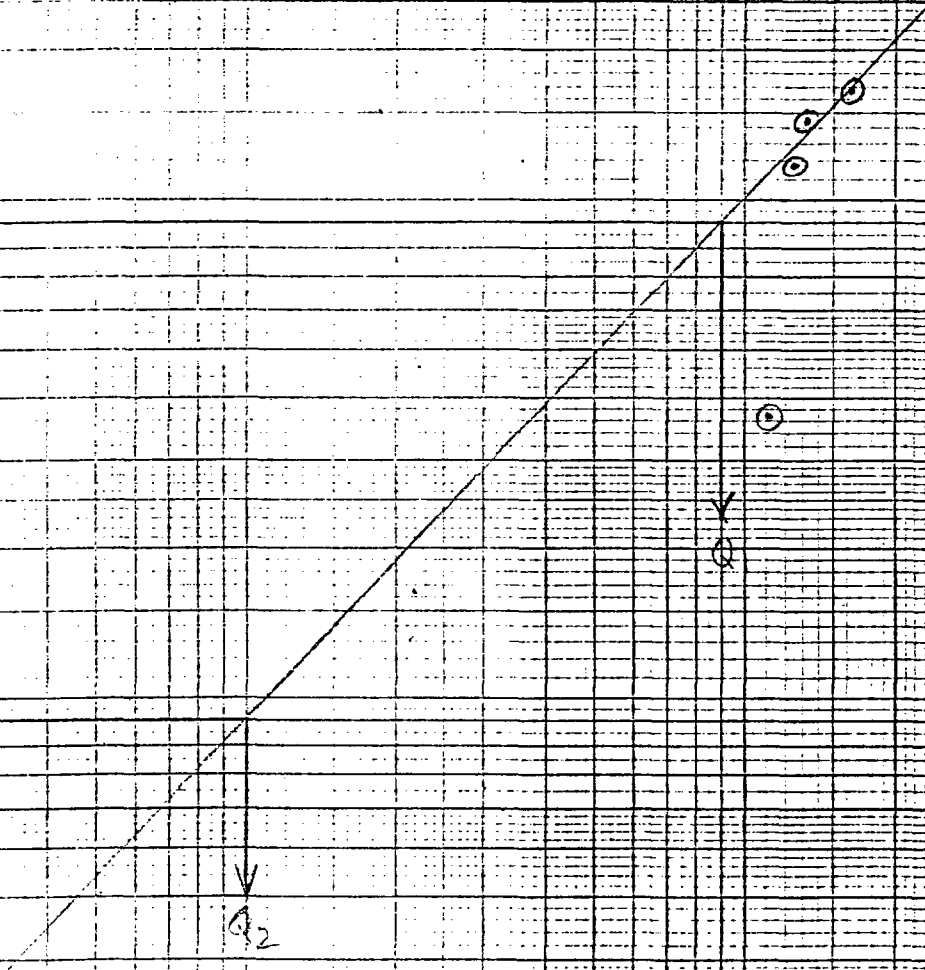
LEA COUNTY, NEW MEXICO

LOWER MORROW

UNDESIGNATED (EAST GRAMA RIDGE MORROW)

ILLEGIBLE

P<sup>2</sup> 5.73



ABSOLUTE (GSE)  
FLOW = 2,400  
MCTPD

100

Q (MCTPD)

$$\log Q_1 = 2.954243$$

$$\log Q_2 = 2.000000$$

$$n = 0.954243 = 0.954$$

# JARREL SERVICES, INC.

OST OFFICE BOX 1654

PHONE 505 393.5396

# ILLEGIBLE

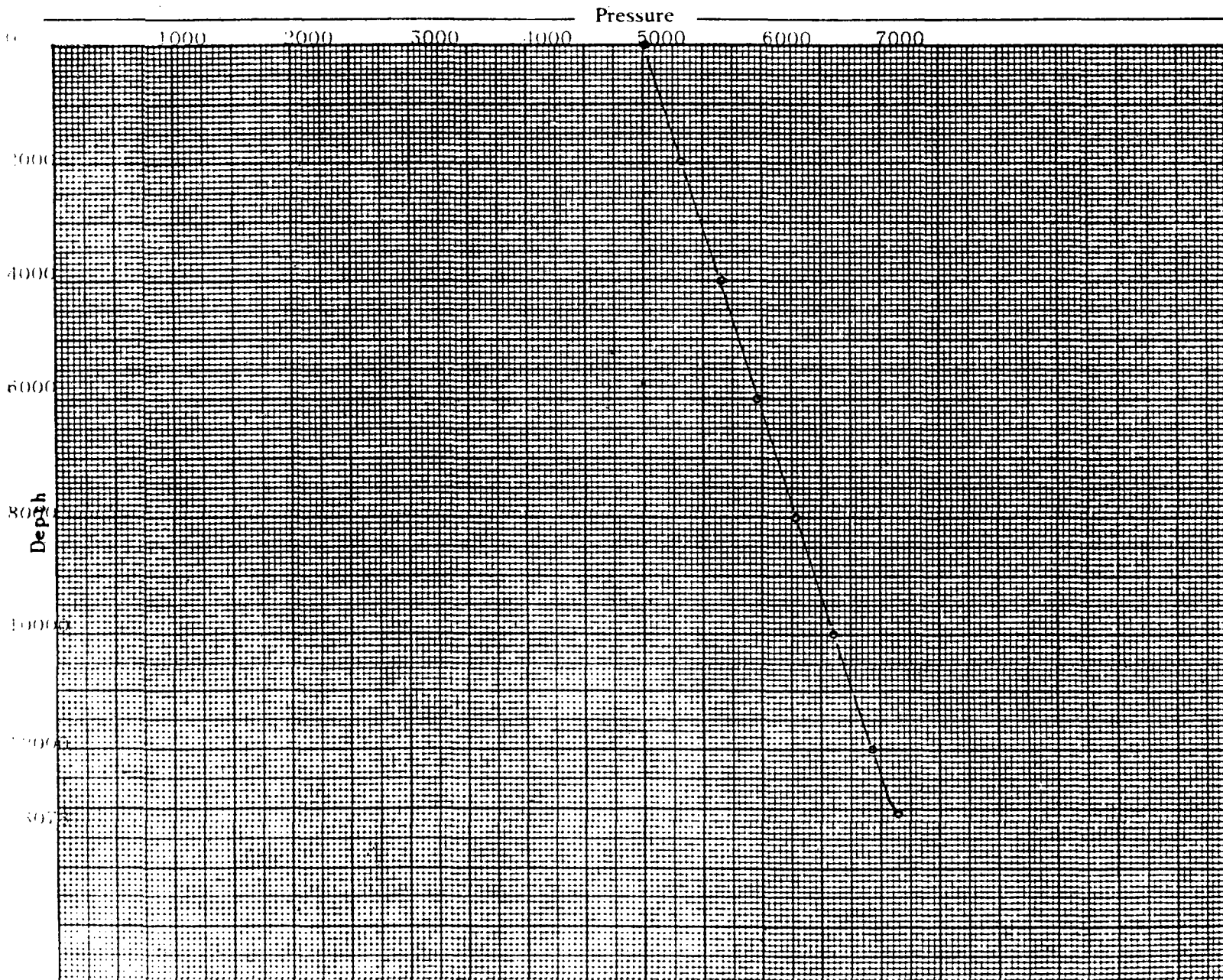
HOBBS, NEW MEXICO 88240

## BOTTOM HOLE PRESSURE RECORD

OPERATOR Minerals Inc.  
 FIELD Indesignated  
 FORMATION Morrow-Lower  
 LEASE Llano 54 State Com WELL # 1  
 COUNTY Lea STATE New Mexico  
 DATE October 8, 1979 TIME 12:50 PM  
 Status Shut in  
 Test Depth 13078'  
 Time S. I. 36 hrs. Last test date -  
 Tub Pres. 5014 DWT BHP last test -  
 Cas. Pres. Dual BHP change -  
 Elev. 3651' GL Fluid top 12865  
 Datum (-9427) \*\* Water top None  
 Temp. @ 188° F Run by JSI #20  
 Cal. No. A 18478 N Chart No. 1

Depth	Pressure	Gradient
0	5014	-
2000	5322	.154
4000	5644	.161
6000	5966	.161
8000	6288	.161
10000	6612	.162
12000	6936	.162
13078 (-9427)	7140 **	.189

\*\* MIDPOINT OF CASING PERFORATIONS



STATE OF NEW MEXICO  
STATE LAND OFFICE  
ACTIVE COMMUNITIZATIONS

COMMUNITIZATION NAME:

Minerals, Inc.-Llano State "34" Com Well No. 1

OPERATOR:

Minerals, Inc.

DATE APPROVED:

October 19, 1979

EFFECTIVE DATE:

May 1, 1979

COUNTY:

Lea

TOTAL ACREAGE:

320.00

STATE ACREAGE:

All

DEDICATED TO:

MORROW FORMATION

INSTITUTION:

Common Schools

TERM OF COMMUNITIZATION:

1 yr. and so long as

WELL LOCATION:

NE/4SE/4 (1)

SEC. TWP. RGE.

SUBDIVISION

LEASE NO.

LESSEE

34 21S 34E

SE/4

E-9659

Gulf Oil Corporation

ACREAGE

160.00

34 21S 34E

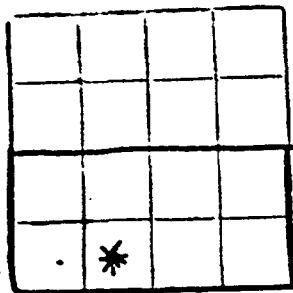
NE/4

K-3592-2

Llano, Inc.

160.00  
320.00

THIS ACREAGE IS WITHIN THE GRAMA RIDGE UNIT.



NEW MEXICO OIL CONSERVATION COMMISSION

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SANTA FE

FILE

U.S.G.S.

LAND OFFICE

OPERATOR

5a. Indicate Type of Lease

State ☒

Fee ☐

5. State Oil & Gas Lease No.

E-9659

SUNDRY NOTICES AND REPORTS ON WELLS

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

7. Unit Agreement Name

8. Farm or Lease Name

Llano "34" State Com.

9. Well No.

1

10. Field and Pool, or Wildcat

Undesignated Morrow

12. County

Lea

15. Elevation (Show whether DF, RT, GR, etc.)

3651 GL, 3671 DF

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

REMEDIAL WORK ☐

ALTERING CASING ☐

TEMPORARILY ABANDON ☐

COMMENCE DRILLING OPERATIONS ☐

PLUG AND ABANDONMENT ☐

PULL OR ALTER CASING ☐

CHANGE PLANS ☐

CASING TEST AND CEMENT JOBS ☒

OTHER ☐

17. 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.

9-2-79 TD 13,280', Ran 2543' of 4½", 13.3#, P-110 liner and Brown Oil Tool liner hanger in 6½" hole. Set liner at 13,279'. Top of liner at 10,728'. Cemented with 500 sx. Class "H" w/.8% Halad 22 plus .4% CFR-2 and 5# KCL/sx. Plug down at 3:40 p.m. 9-3-79. WOC 24 hrs. Drilled out cement to 13,188'. Tested liner, OK. Ran cement bond log. Log indicated cement to top of liner. PBDT 13,188'.

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

SIGNED

President

DATE September 19, 1979

APPROVED BY

TITLE

SUPERVISOR DISTRICT

DATE

SEP 24 1979

CONDITIONS OF APPROVAL, IF ANY:

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LAND OFFICE		
OPERATOR		

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. E-9659	

## SUNDRY NOTICES AND REPORTS ON WELLS

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

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-		7. Unit Agreement Name
2. Name of Operator Minerals, Inc.		8. Form or Lease Name Llano "34" State Com.
3. Address of Operator P. O. Box 1320, Hobbs, New Mexico 88240		9. Well No. 1
4. Location of Well UNIT LETTER <u>I</u> <u>1650</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM <u>SANTA FE</u> THE <u>East</u> LINE, SECTION <u>34</u> TOWNSHIP <u>21S</u> RANGE <u>34E</u> NMPM.		10. Field and Pool, or Wildcat Undesignated Morrow
15. Elevation (Show whether DF, RT, GR, etc.) 3651 GL, 3671 DF		12. County Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

17. 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.

7-6-79 Ran 251 joints, 11,200' of 7-5/8", 29.7# S-95 casing in 9 1/2" hole, set at 11,200'. DV tool at 8,202' and float collar at 11,157'. Cemented 1st stage (11,200' - 8,202') w/400 sx. Lite cmt. containing .6% Halad-22, 1/4# Flocele per sx. followed by 300 sx. Class "H" Containing .8% Halad-22 and 4% CFR-2 plus 5# KCL/sx. Plug down and open stage tool 9:00 p.m. 7-6-79. WOC 6 hrs., circ. 50 sx. off top of first stage. Cemented 2nd stage w/500 sx. Lite cmt. w/.6% Halad-22, plus 1/4# Flocele per sx., followed by 300 sx. Class "H" w/.8% Halad-22, 4% CFR-2 plus 5# KCL/sx. Plug down 4:45 a.m. 7-7-79. WOC 4 1/4 hrs. Top cement behind 7-5/8" csg. at 5,250' by temperature survey. Total WOC 24 hrs. Nipped up, installed BOP and yellow jacketed. Drilled DV tool and tested with 1250 PSI 30 mins. - OK. Drilled cement and shoe. Test shoe with 1170 PSI 30 mins. - OK. Job completed 7-9-79. Drilling ahead.

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

SIGNED <u>Donald L. Carey</u>	TITLE <u>President</u>	DATE <u>July 10, 1979</u>
APPROVED BY <u>[Signature]</u>	TITLE <u>SUPERVISOR DISTRICT</u>	DATE <u></u>
CONDITIONS OF APPROVAL, IF ANY		

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form O-1  
Supersedees O-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator <b>Minerals, Inc.</b>		Lease <b>Llano "34" State Com.</b>		Acres <b>1</b>
Tract Letter <b>1</b>	Section <b>34</b>	Township <b>21 South</b>	Range <b>34 East</b>	County <b>Lea</b>
Actual Surface Location of Well:				
<b>1650</b>	feet from the <b>South</b>	<b>660</b>	feet from the <b>East</b>	
Ground Level Elev. <b>3651.3</b>	Producing Formation <b>Morrow</b>	File <b>Gramma Ridge Morrow, East</b>	Section <b>320</b>	

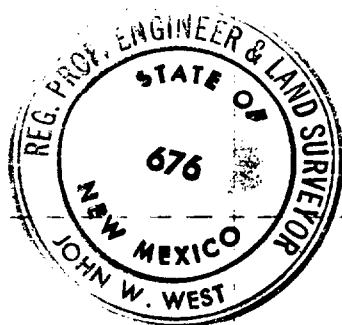
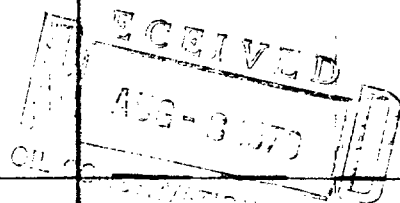
1. Outline the acreage dedicated to the subject well by colored pencil or machine marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes    ☐ No    If answer is "yes," type of consolidation **Communitization**

If answer is "no," list the owners and tract descriptions which have actually been consolidated (use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**K-3592**  
W.I. = Minerals, et al  
(Same as Lease E-9659)  
R.I. = State of N. M.



**REGISTRATION DIVISION  
SANTA FE  
E-9659**

W.I. = Minerals, et al  
(Same as Lease K-3592)  
R.I. = State of N. M.

**CERTIFICATION**

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

*Donald L. Lacey*  
**President**

**Minerals, Inc**

**July 25, 1979**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date of Survey  
**February 16, 1979**

Registered Professional Engineer  
and Land Surveyor

*John W. West*

Certified by **John W. West**

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LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

5a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.
E-9659

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		
1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name	
2. Name of Operator Minerals, Inc.	8. Farm or Lease Name Llano "34" State Com.	
3. Address of Operator P. O. Box 1320, Hobbs, New Mexico 88240	9. Well No. 1	
4. Location of Well UNIT LETTER I 1650 FEET FROM THE South LINE AND 660 FEET FROM THE East LINE, SECTION 34 TOWNSHIP 21S RANGE 34E NMPM.	10. Field and Pool, or Wildcat Undesignated Morrow	
15. Elevation (Show whether DF, RT, GR, etc.) 3651 GL, 3671 DF	12. County Lea	

<p>16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data</p>			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

17. 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.

6-9-79 Ran 182 joints, 5773' of 10-3/4", 45.5# J-55 casing in 14-3/4" hole, set at 5773'. DV tool at 3863'. Cemented 1st stage with 1000 sx. Litewater cmt. containing 6# salt, 3# Gilsonite & 1/4" Flocele per sx. followed by 300 sx. Class "C" with 1/4" Flocele per sx. Circulated 300 sx. WOC 7 1/2 hrs., open DV tool & cmt. second stage with 4400 sx. Litewater cmt. containing 15# salt, 3# Gilsonite & 1/4" Flocele per sx. Plug down 10:20 p.m. 6-9-79. Cement circulated. WOC 24 hrs., drld. out DV tool, tested csg. to 500 psi - 30 min. No pressure drop. Drld. out float and csg. shoe, tested csg. to 500 psi - 30 min. No pressure drop. Job completed 6-12-79. Drilling ahead.

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

SIGNED Donald L. Farley TITLE President DATE June 14, 1979

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT I DATE JUN 20 1979

CONDITIONS OF APPROVAL, IF ANY:

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LAND OFFICE		
OPERATOR		

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

5a. Indicate Type of Lease	State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	E-9659

## SUNDRY NOTICES AND REPORTS ON WELLS DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO REOPEN OR PLUG BACK TO A NON-ACCIDENT RESERVOIR. USE APPLICATION FOR PERMIT TO DRILL (FORM C-101) FOR SUCH PURPOSES.

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	<div style="border: 2px solid black; padding: 5px; transform: rotate(-2deg);"> RECEIVED JUN 7 - 1979 </div>
2. Name of Operator Minerals, Inc.	
3. Address of Operator P. O. Box 1320, Hobbs, New Mexico 88240	
4. Location of Well UNIT LETTER <u>I</u> <u>1650</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM <u>East</u> LINE, SECTION <u>34</u> TOWNSHIP <u>21S</u> RANGE <u>34E</u> N.M.P.M.	

7. Unit Agreement Name
8. Farm or Lease Name Llano "34" State Com.
9. Well No. 1
10. Field and Pool, or Wildcat Undesignated Morrow
12. County Lea

15. Elevation (Show whether DF, RT, GR, etc.)  
3651 GL, 3671 DF

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
		OTHER <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1503.

Spudded 20" hole at 7:30 a.m. May 21, 1979:  
Ran 1176' of 16", 65#, H-40 casing and cemented at 1200' with 1100 sacks Lite cement followed with 200 sacks Class "C" containing 2% calcium chloride per sack. Plug down at 1:45 a.m. May 24, 1979. Circulated 400 sacks. After WOC 24 hours, tested with 500 psig for 30 minutes - no pressure drop. Drilling ahead.

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

SIGNED Donald L. Early TITLE President DATE May 31, 1979

APPROVED BY Jerry L. [Signature] TITLE SUPERVISOR DISTRICT 1 DATE JUN 4 1979

CONDITIONS OF APPROVAL, IF ANY:



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U.S.G.S.		
LAND OFFICE		
OPERATOR		

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
E-9659	

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name	
DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		Llano State "34" Com.	
SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		9. Well No.	
2. Name of Operator		10. Field and Pool, or Wildcat	
Minerals, Inc.		Undesignated, Morrow	
3. Address of Operator		12. County	
P. O. Box 1320, Hobbs, New Mexico 88240		Lea	
4. Location of Well		19. Proposed Depth	
UNIT LETTER <u>I</u> LOCATED <u>1650</u> FEET FROM THE <u>South</u> LINE		13,400'	
AND <u>660</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>34</u> TWP. <u>21S</u> RGE. <u>34E</u> NMPM		19A. Formation	
		Morrow	
		20. Rotary or C.T.	
		Rotary	
21. Elevations (Show whether DF, RT, etc.)		21B. Drilling Contractor	
3651 GL, 3671 DF, 3673 RDB		Moranco	
21A. Kind & Status Plug. Bond		22. Approx. Date Work will start	
Blanket		May 15, 1979	

23.

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
20"	16"	65#	400'	450	Circulate
14-3/4"	10-3/4"	45.5#	5,700'	2400	Circulate (DV Tool)
9-1/2"	7-5/8"	33.7#	11,200'	600	8,000' (DV Tool)
6-1/8"	5-1/2" Liner	23#	13,400'	150	Circulate
Top at 11,000'					

BLOWOUT PREVENTER PROGRAM: (See attached schematic)

Open hole logs will be run from the surface casing point (400') to TD, with the Gamma Ray portion brought back to surface.

WOC time on 10-3/4" and 7-5/8" casing will be 24 hours.

OCD Order No. R-5996 approved this unorthodox location.

Acreage dedication hearing before OCD for a non-standard proration unit is pending.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed [Signature] Title President Date May 2, 1979

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT 1 DATE MAY 3 1979

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator <b>Minerals, Inc.</b>			Lease <b>Llano State "34" Com.</b>		Well No. <b>1</b>
Section <b>1</b>	Section <b>34</b>	Township <b>21 South</b>	Range <b>34 East</b>	County <b>Lea</b>	
Actual Well Location of Well:					
<b>1650</b>		feet from the <b>South</b>	line and	<b>660</b>	feet from the <b>East</b>
Ground Level Elev <b>3651.3</b>	Producing Formation <b>Morrow</b>		Pool <b>Undesignated</b> <del>XXXXXX Ridge XXXXX</del>		Dedicated Acreage: <b>320 *</b>
Acres					

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

\* Communitization of Two State Royalty  
Leases (K-3592 & E-9659) is Pending.

☐ Yes    ☐ No

If answer is "yes," type of consolidation

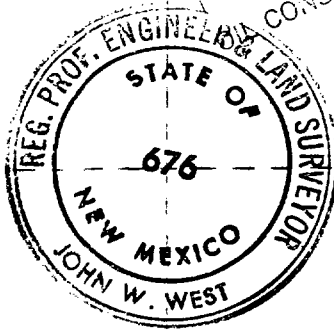
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

\* Acreage Dedication  
Hearing for a Non-  
standard Proration  
Unit is Pending.

K-3592  
W.I. = Minerals, et al  
(Same as Lease E-9659)  
R.I. = State of N. M.

E-9659  
W.I. = Minerals, et al  
(Same as Lease K-3592)  
R.I. = State of N. M.



**CERTIFICATION**

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

Name: *Ronald J. Eidson*  
Position: **President**  
Company: **Minerals, Inc.**

May 2, 1979

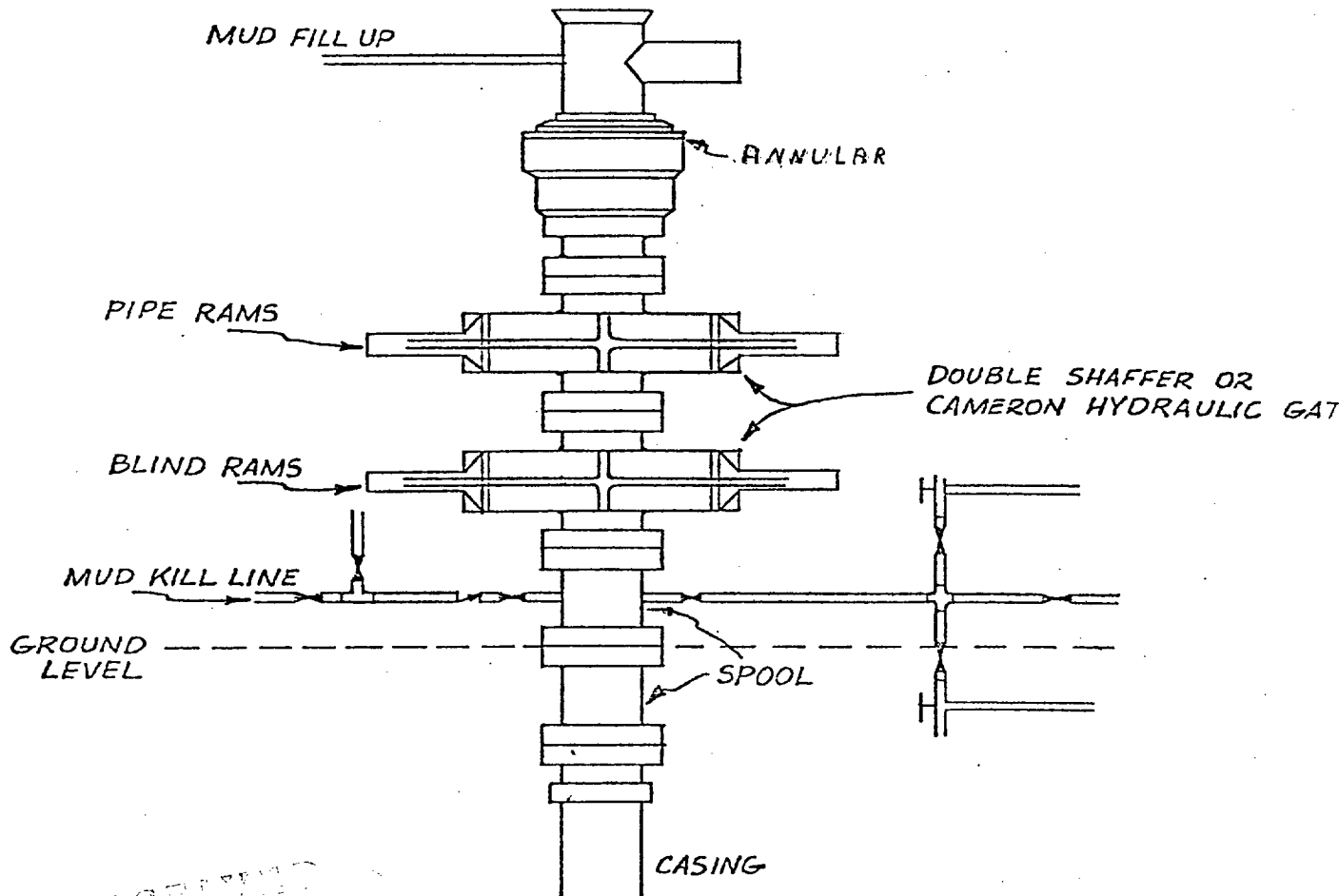
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed:  
**February 16, 1979**

Registered Professional Engineer  
and/or Land Surveyor

*John W. West*  
Certificate No. **John W. West**    **67**  
**Ronald J. Eidson**    **32**

# BLOW-OUT PREVENTER SCHEMATIC



RECEIVED  
OCT 10 1968  
OIL CO. OF CALIF. DIVISION  
SANTA FE

MINERALS, INC.

LLANO STATE "34" COM. NO. 1

1650' FSL & 660' FEL, SEC. 34, T21S, R34E

LEA COUNTY, NEW MEXICO

COUNTY LEA FIELD Grama Ridge STATE NM

OPR MINERALS, INC. API 30-025-26318

NO 1 LEASE Llano "34" State Com. MAP

Sec 34, T21S, R34E CO ORD

1650' FSL, 660' FEL of Sec 11-2-25

18 mi SE/Halfway SPD 5-21-79 CMP 10-9-79

CNC. WELL CLASS: IND D INDG ELV L & S

FORMATION	DATUM	FORMATION	DATUM
16" 1200' w/1300 sx			
10 3/4" 5773' w/700 sx			
7 5/8" 11,200' w/1500 sx			
4 1/2" lnr 10,736-13,279'			
w/500 sx			
TD 13,280' (BRNT)		PBD 13,188'	

CONTR Moranco #1 OPRSELEV 3651' GL PD 13,400' RT

F.R. 5-14-79

(Morrow)

5-22-79 Drlg 823'

5-30-79 Drlg 3852'

6-13-79 Drlg 6297'

6-26-79 Drlg 10,759' 1m, sh & cht

7-10-79 Drlg 11,300'

7-17-79 Drlg 11,540'

7-31-79 Drlg 12,278'

DST (Strawn) 11,590-792', open 3 hrs w/Good Blow,

GTS in 1 hr 5 mins (during FF) @ 50 MCFPD, rec

2000' WB + 630' GCD (Sampler rec .1 CFG + 300

cc's oil + 1020 cc's wtr) 2 hr ISIP 7062#, FP

958-1201#, 6 hr FSIP 6932#, HP 6839-6839#

8-7-79 Drlg 12,570'

DST (Atoka) 12,176-278', open 2 hrs 55 mins, rec

3000' WB + 200' GCM, 1 hr 30 min ISIP 6578#, FP

11-2-25 NM

LEA  
MINERALS, INC.

Grama Ridge  
1 Llano "34" State Com.  
Sec 34, T21S, R34E

NM  
Page 2

8-7-79 Continued  
1351-1463#, 5 hr FSIP 6820#, HP 7436-7399#, BHT  
78 deg  
8-22-79 Drlg 13,109'  
10-10-79 TD 13,280'; PBD 13,188'; P/Test  
Perf (Strawn) 11,712-714', 11,717-719', 11,723-  
725', 11,730-736', 11,742-744', 11,746-752', 11,759-  
761', 11,770-772', 11,784-786' w/2 SPF  
Acid (11712-786') 46 Bbls (20%)  
Flwd @ 372 MCFGPD + 16 BO/24 hrs (11,712-786')  
Acid (11,712-786') 15,000 gals  
Swbd Dry (11,712-786')  
Sqzd 11,712-786' w/200 sx & DOC to 13,188'  
Perf (Morrow) 12,824-838', 12,986-999', 13,002-

10-10-79 Continued  
004', 13,008-018', 13,020-026', 13,033-036', 13,038-  
044', 13,165-170' w/2 SPF  
Natural  
Flwd 140 BO (gty 51) + Gas @ 3980 MCFPD 24 hrs  
thru 16/64" chk TP 4825# (12,824-13,170')  
11-5-79 TD 13,280'; PBD 13,188'; Complete  
LOG TOPS: Salt 1856', Base Salt 3810', Yates 4104',  
Seven Rivers 4459', Delaware Sand 5498', Bone  
Spring 8348', Strawn 11,626', Atoka 11,908',  
Morrow 12,713', Barnett 13,235'  
Rig Released 9-6-79  
11-10-79 COMPLETION ISSUED

11-2-25  
IC 30-025-70160-79

COUNTY LEA FIELD Grama Ridge STATE NM  
 OPR MINERALS, INC. API 30-025-26318  
 NO 1 LEASE Llano "34" State Com. MAP  
Sec 34, T21S, R34E (CO-OR.)  
1650 FSL, 660 FEL of Sec 9-4-33 NM  
18 mi SE/Halfway RE SPD 11-30-79 RE MP 12-24-79

CSC	WELL CLASS. INIT DX FINDG LSE. CODE			
	FORMATION	DATUM	FORMATION	DATUM
16-1200-1300 sx				
10 3/4-5773-700 sx				
7 5/8-11,200-1500 sx				
4 1/2-lnr-10,736-13,279-500 sx				
	TD 13,280 (BRNT)		PBD 13,188	

IP (Morrow) 12,824-13,170 F 3425 MCFGPD. Pot based on 24 hr test thru 13/64 chk. GOR (NR); gty (Gas) NR; (Cond) (NR); CP Pkr; TP 2800

CONTR OPRSELEV 3651 GL sub-s

9-21-81 F.R.C. 9-26-81 OWWO  
 PD 13,188 WO (Morrow)  
 (Orig. Comp. 10-9-79 thru (Morrow)  
 Perfs 12,834-13,170, OTD 13,280, OPB 13,188.  
 TD 13,290; PBD 13,188; Complete  
 Acid (12,824-838) 2500 gals  
 Perfs would not flow (12,824-838)  
 Acid (12,986-13,170) 5700 gals  
 Flwd 430 MCFGPD + 7 BO + 24 BW in 24 hrs, TP 95  
 (12,986-13,170)  
 Perf (Morrow) 12,986-999, 13,002-004, 13,008-018,  
 13,020-026, 13,033-036, 13,038-044, 13,165-170  
 w/2 SPF  
 Acid (12,986-13,170) 1000 gals  
 9-26-81 COMPLETION ISSUED

9-4-33 NM  
 IC 30-025-70493-81

District I  
P.O. Box 1980, Hobbs, NM 88241-1980  
District II  
P.O. Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-104  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Pecos River Operating, Inc. P O Box 1675 Roswell, NM 88202		<sup>2</sup> OGRID Number 017081
		<sup>3</sup> Reason for Filing Code CH effective March 1, 1998
<sup>4</sup> API Number 30-025-26318	<sup>5</sup> Pool Name Grama Ridge Morrow, East	<sup>6</sup> Pool Code 77690
<sup>7</sup> Property Code 23260	<sup>8</sup> Property Name Llano '34' State	<sup>9</sup> Well Number 1

<sup>10</sup> Surface Location

UI or lot no. I	Section 34	Township 21S	Range 34E	Lot. Idn	Feet from the 1650	North/South line S	Feet from the 660	East/West line E	County Lea
--------------------	---------------	-----------------	--------------	----------	-----------------------	-----------------------	----------------------	---------------------	---------------

<sup>11</sup> Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Lse Code S	<sup>13</sup> Producing Method Code Shut in		<sup>14</sup> Gas Connection Date		<sup>15</sup> C-129 Permit Number	<sup>16</sup> 29 Effective Date		<sup>17</sup> C-129 Expiration Date	

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
138648	Amoco Pipeline ICT P O Box 1725 Midland, TX 79702	1046310	O	

IV Produced Water

<sup>23</sup> POD 2806903	<sup>24</sup> POD ULSTR Location and Description
------------------------------	--------------------------------------------------

V. Well Completion Data

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PBTD	<sup>29</sup> Perforations
<sup>30</sup> Hole Size	<sup>31</sup> Casing & Tubing Size	<sup>32</sup> Depth Set	<sup>33</sup> Sacks Cement	

VI Well Test Data

<sup>34</sup> Date New Oil	<sup>35</sup> Gas Delivery Date	<sup>36</sup> Test Date	<sup>37</sup> Test Length	<sup>38</sup> Tbg. Pressure	<sup>39</sup> Csg. Pressure
<sup>40</sup> Choke Size	<sup>41</sup> Oil	<sup>42</sup> Water	<sup>43</sup> Gas	<sup>44</sup> AOF	<sup>45</sup> Test Method

<sup>46</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed Name:

Rex Corey Jr.

Title:

Vice-President

Date:

2/25/98

Phone:

OIL CONSERVATION DIVISION

Approved by:

Title:

DISTRICT 1 SUPERVISOR

Approval Date:

<sup>47</sup> If this is a change of operator fill in the OGRID number and name of the previous operator

OGRID #000873

Apache Corporation

Previous Operator Signature:

Printed Name

Pamela M. Leighton

Title

Sr Regulatory Analyst

Date

2/17/98

District I  
PO Box 1900, Hobbs, NM 88241-1900

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-104

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Apache Corporation 2000 Post Oak Blvd - Ste 100 Houston, TX 77056-4400		OGRID Number 00873
		Reason for Filing Code CO eff: 10/1/96
API Number 30 - 0 25-26318	Pool Name Grama Ridge Morrow East	Pool Code 77690
Property Code 18742	Property Name LLano -34- State Com	Well Number 001

II. Surface Location

UL or lot no. I	Section 34	Township 21S	Range 34E	Lot Idn	Feet from the 1650	North/South Line South	Feet from the 660	East/West line East	County Lea
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	----------------------	------------------------	---------------

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lee Code S	Producing Method Code	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
138648	Amoco Pipeline ICT PO Box 1725 Midland, TX 79702	1046310	0	

IV. Produced Water

POD	POD ULSTR Location and Description
-----	------------------------------------

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations	DHC, DC, MC
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement		

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Julia North

Title:

Sr Production Analyst

Date:

10/25/96

Phone:

713-296-7122

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

NOV 04 1996

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date



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-104

Revised October 18, 1994

Instructions on back  
Submit to Appropriate District Office  
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Apache Corporation 2000 Post Oak Blvd - Ste 100 Houston, TX 77056-4400		<sup>2</sup> OGRID Number 00873
		<sup>3</sup> Reason for Filing Code CH eff:1/1/96
<sup>4</sup> API Number 30 - 0 25-26318	<sup>5</sup> Pool Name Grama Ridge Morrow, East	<sup>6</sup> Pool Code 77690
<sup>7</sup> Property Code 15742	<sup>8</sup> Property Name Llano '34' State Com	<sup>9</sup> Well Number 001

II. <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
I	34	21S	34E		1650	S	660	E	Lea

<sup>11</sup> Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Lse Code S	<sup>13</sup> Producing Method Code Shut in	<sup>14</sup> Gas Connection Date	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date				

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
		1646312	5	
		1646336	6	

IV. Produced Water

<sup>23</sup> POD 2806903	<sup>24</sup> POD ULSTR Location and Description
------------------------------	--------------------------------------------------

V. Well Completion Data

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PBTB	<sup>29</sup> Perforations	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Size		<sup>32</sup> Casing & Tubing Size		<sup>33</sup> Depth Set	<sup>34</sup> Sacks Cement

VI. Well Test Data

<sup>35</sup> Date New Oil	<sup>36</sup> Gas Delivery Date	<sup>37</sup> Test Date	<sup>38</sup> Test Length	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOF	<sup>46</sup> Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Julia North*  
Printed name: Julia North

Title: Sr Regulatory Analyst

Date: 3/12/96 Phone: 713-296-7122

OIL CONSERVATION DIVISION

Approved by: *James S. [Signature]*

Title: DISTRICT 1 SUPERVISOR

Approval Date: MAR 20 1996

\* If this is a change of operator fill in the OGRID number and name of the previous operator

#09761 Apache Energy Resources Corporation

Previous Operator Signature

Printed Name

Title

Date

*Julia North* Julia North Sr Regulatory Analyst 3/12/96

STRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
STRICT II  
P.O. Box Drawer DD, Artesia, NM 88211-0719  
STRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
STRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form C-104  
Revised February 10, 1994  
Instructions on back  
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☐ AMENDED REPORT

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator Name and Address APACHE ENERGY RESOURCES CORP. 200 POST OAK BLVD., SUITE 100 HOUSTON, TX 77056-4400		OGRID Number 9761
Reason for Filing Code CH		
API Number 30-125-26318 225	Pool Name GRAMA RIDGE MORROW, EAST	Pool Code 77690
Property Code 004863	Property Name LLANO 34 STATE COM	Well No. 1

10 Surface Location									
UI or lot no. I	Section 34	Township 21S	Range 34E	Lot.Idn	Feet From The 1347	North/South Line S	Feet From The 3361	East/West Line E	County LEA

11 Bottom Hole Location									
UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
12 Lse Code S	13 Producing Method Code Shut In	14 Gas Connection Date	15 C-129 Permit Number	16 C-129 Effective Date	17 C-129 Expiration Date				

18 Oil and Gas Transporters				
18 Transporter OGRID	19 Transporter Name and Address	20 POD	21 O/G	22 POD ULSTR Location and Description

IV. Produced Water	
23 POD 2806903	24 POD ULSTR Location and Description

Well Completion Data				
25 Spud Date	26 Ready Date	27 Total Depth	28 PBTD	29 Perforations
30 HOLE SIZE		31 CASING & TUBING SIZE	32 DEPTH SET	33 SACKS CEMENT

VI. Well Test Data					
34 Date New Oil	35 Gas Delivery Date	36 Date of Test	37 Length of Test	38 Tubing Pressure	39 Casing Pressure
40 Choke Size	41 Oil - Bbls.	42 Water - Bbls.	43 Gas - MCF	44 AOF	45 Test Method

46 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature <i>Pamela M. Leighton</i>		Approved By: <i>[Signature]</i>	
Printed Name PAMELA M. LEIGHTON		Title: _____	
Title CLERK		Approval Date: <u>AUG 23 1995</u>	
Date		Telephone (713) 296-7120	
47 If this is a change of operator fill in the OGRID number and name of the previous operator			
9761		HADSON ENERGY RESOURCES CORP PAMELA M. LEIGHTON CLERK 7/3/95	
Previous Operator Signature <i>Pamela M. Leighton</i>		Printed Name Title Date	

Submit 5 Copies  
Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

93 MAY 21 AM 9 46

Operator Hadson Energy Resources Corporation		Well API No. 30-025-26318
Address P.O. Box 25956, Oklahoma City, OK 73125-0956		
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)		
New Well <input type="checkbox"/>	Change in Transporter of:	
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/>	Dry Gas <input type="checkbox"/>
Change in Operator <input checked="" type="checkbox"/>	Casinghead Gas <input type="checkbox"/>	Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator Hadson Petroleum (USA), Inc., P.O. Box 26770, Oklahoma City, OK 73126		

II. DESCRIPTION OF WELL AND LEASE

Lease Name Llano "34" State Com.	Well No. 1	Pool Name, Including Formation Grama Ridge Morrow East	Kind of Lease State, Federal or Fee State	Lease No. E-9659 K-3592
Location Unit Letter I : 1650 Feet From The South Line and 660 Feet From The East Line Section 34 Township 21S Range 34E, NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> Koch Oil Company	Address (Give address to which approved copy of this form is to be sent) P.O. Box 2256, Wichita, KS 67201					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> Llano, Inc.	Address (Give address to which approved copy of this form is to be sent) 921 W. Sanger, Hobbs, NM 88240					
If well produces oil or liquids, give location of tanks.	Unit I	Sec. 34	Twp. 21S	Rge. 34E	Is gas actually connected? Yes	When? 10/26/79

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations						Depth Casing Shoe		

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature  
Bruce E. Hankins Engineering Technician  
Printed Name  
04/06/93 (405)232-2212  
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved MAY 18 1993  
By [Signature]  
Title DISTRICT I SUPERVISOR

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

```

=====
# 68
#
# ORIG. Com Operator: MINERALS INC.
# Com name: LLANO ST 34 COM WELL #1
# CURRENT Well Operator: HADSON PETROLEUM (USA)
# Pun: 17623
# Z-code: Z-1252
# Inst.: CS
# Active communitizations: E2
# U-s-t-r: 21S-34E-34-I
# County: LEA
# Eff. date: 5/1/79
# App. date: 5/1/79
# Acreage: 320
# State: 320
# Federal: 0
# Other: 0
# Pool: GRAMA RIDGE MORROW, EAST
# Leases: K3592-3,E9659*
# Last prod.: 3/91
# Remarks: TERMINATED EFF:3/31/91 APP:11/5/92; LACK OF PRODUCTION
=====
11-05-1992

```

OIL CONSERVATION DIVISION  
REC'D  
NOV 6 AM 9 49

## SECTION 34 TOWNSHIP 21 South RANGE 34 East

D HADSON  U  09 73 K3592-3	C HADSON  U  09 73 K3592-3	B HADSON  U  09 73 K3592-3	A HADSON  U  09 73 K3592-3
E HADSON  U  09 73 K3592-3	F HADSON  U  09 73 K3592-3	G HADSON  U  09 73 K3592-3	H HADSON  U  09 73 K3592-3
L CHEVRON  U  12 65 E9659	K CHEVRON  U  12 65 E9659	J CHEVRON  U  12 65 E9659	I CHEVRON  U  12 65 E9659
M CHEVRON  U  12 65 E9659	N CHEVRON  U  12 65 E9659	O CHEVRON  U  12 65 E9659	P CHEVRON  U  12 65 E9659

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

92 JUN 19 AM 9 28

I.

Operator Hadson Petroleum (USA), Inc.	Well API No. 30-025-26318
Address P.O. Box 26770, Oklahoma City, OK 73126	
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of:
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input checked="" type="checkbox"/>
If change of operator give name and address of previous operator	

II. DESCRIPTION OF WELL AND LEASE

Lease Name Llano 34 St. Com	Well No. 1	Pool Name, Including Formation Grama Ridge Morrow, East	Kind of Lease <input checked="" type="checkbox"/> State Federal or Fee	Lease No.
Location Unit Letter I : 1650 Feet From The South Line and 660 Feet From The East Line Section 34 Township 21S Range 34E, NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> Koch Oil Company	Address (Give address to which approved copy of this form is to be sent) P.O. Box 2256, Wichita, KS 67201					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> Llano, Inc.	Address (Give address to which approved copy of this form is to be sent) 921 W. Sanger, Hobbs, NM 88240					
If well produces oil or liquids, give location of tanks.	Unit I	Sec. 34	Twp. 21S	Rge. 34E	Is gas actually connected? Yes	When ?

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations						Depth Casing Shoe		
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET			SACKS CEMENT		

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.



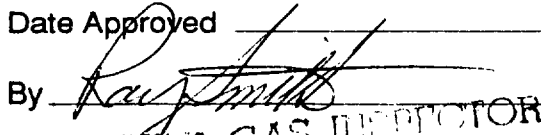
Signature  
Darrel Hardy  
Printed Name  
6/4/92  
Date

Adm. Mgr  
Title  
(405) 235-9531  
Telephone No.

OIL CONSERVATION DIVISION

Date Approved

By

  
Title OIL & GAS INSPECTOR

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

OIL CONSERVATION

RECEIVED

'92 JAN 10 AM 9 18

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

I. Operator Hadson Petroleum (USA), Inc.		Well API No. 30-025-26318
Address P.O. Box 26770 Okla. City, OK 73126		
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)		
New Well <input type="checkbox"/>	Change in Transporter of: <input type="checkbox"/>	
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/>	Dry Gas <input type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/>	Condensate <input checked="" type="checkbox"/>
If change of operator give name and address of previous operator		

II. DESCRIPTION OF WELL AND LEASE

Lease Name Llano 34 St. Com.	Well No. #1	Pool Name, including Formation Grama Ridge Morrow, East	Kind of Lease (State, Federal or Fee)	Lease No.
Location Unit Letter I : 1650 Feet From The South Line and 660 Feet From The East Line Section 34 Township 21S Range 34E, NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Scurlock Permian Corporation	333 Clay, P.O. Box 4648, Houston, TX 77210
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Llano, Inc.	921 W. Sanger, Hobbs, NM 88240
If well produces oil or liquids, give location of tanks.	Unit   Sec.   Twp.   Rge.   Is gas actually connected?   When ?
	I   34   21S   34E   Yes
If this production is commingled with that from any other lease or pool, give commingling order number:	

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth			
Perforations					Depth Casing Shoe			

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

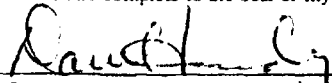
Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.



Signature  
Darrel Hardy Manager of Administration

Printed Name  
1/2/92 (405) 235-9531

Date  
Telephone No.

OIL CONSERVATION DIVISION

Date Approved JAN 07 '92

By

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS**

Operator Hadson Petroleum (USA), Inc.		Well API No. 30-025-26318
Address P.O. Box 26770 Okla. City, OK 73126		
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)		
New Well <input type="checkbox"/>	Change in Transporter of:	
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/>	Dry Gas <input type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/>	Condensate <input checked="" type="checkbox"/>
If change of operator give name and address of previous operator		

**II. DESCRIPTION OF WELL AND LEASE**

Lease Name Llano 34 St. Com.	Well No. #1	Pool Name, Including Formation Grama Ridge Morrow, East	Kind of Lease (State, Federal or Fee)	Lease No.
Location Unit Letter <u>I</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>34</u> Township <u>21S</u> Range <u>34E</u> , NMPM, Lea County				

**III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS**

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Mustang Fuel Corporation	2000 Classen Center 800E Okla. City, OK 73106
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Llano, Inc.	921 W. Saager Hobbs, NM 88240
If well produces oil or liquids, give location of tanks.	Unit   Sec.   Twp.   Rge.   Is gas actually connected?   When ?
	I   34   21S   34E   Yes

If this production is commingled with that from any other lease or pool, give commingling order number:

**IV. COMPLETION DATA**

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations							Depth Casing Shoe	

**TUBING, CASING AND CEMENTING RECORD**

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

**V. TEST DATA AND REQUEST FOR ALLOWABLE**

**OIL WELL** (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

**GAS WELL**

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

**VI. OPERATOR CERTIFICATE OF COMPLIANCE**

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Darrel Hardy Manager of Administration  
Printed Name Darrel Hardy Title  
Date 12/16/91 Telephone No. (405) 235-9531

**OIL CONSERVATION DIVISION**

Date Approved DEC 23 1991  
By [Signature]  
Title DISTRICT I SUPERVISOR

**INSTRUCTIONS:** This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

Submit 3 Copies  
Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
RECEIVED

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

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

## OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088  
APR 25 AM 11 48

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

### REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator <b>Hadson Petroleum (USA) Inc.</b>		Well API No. <b>30-025-26318</b>
Address <b>921 W. Sanger Hobbs, NM 88240</b>		
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain) New Well <input type="checkbox"/> Change in Transporter of: Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Additional Transporter of Condensate Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>		
If change of operator give name and address of previous operator		

### II. DESCRIPTION OF WELL AND LEASE

Lease Name <b>Llano 34 St. Com.</b>	Well No. <b>#1</b>	Pool Name, Including Formation <b>Gramma Ridge Morrow, East</b>	Kind of Lease <input checked="" type="checkbox"/> State <input type="checkbox"/> Federal or Fee	Lease No. <b>E-9659 K-3592</b>
Location Unit Letter <b>I</b> : <b>1650</b> Feet From The <b>SOUTH</b> Line and <b>660</b> Feet From The <b>EAST</b> Line Section <b>34</b> Township <b>21S</b> Range <b>34E</b> , <b>NMPM</b> Lea County				

### III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> <b>R &amp; K Oil Company, Inc.</b>	Address (Give address to which approved copy of this form is to be sent) <b>P.O. Box 1229--Andrewa, TX 79714</b>				
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> <b>Llano, Inc.</b>	Address (Give address to which approved copy of this form is to be sent) <b>921 W. Sanger--Hobbs, NM 88240</b>				
If well produces oil or liquids, give location of tanks. <b>I</b>	Unit <b>34</b>	Sec. <b>21S</b>	Twp. <b>34E</b>	Rge. <b>Yes</b>	Is gas actually connected? <b>When ?</b>

If this production is commingled with that from any other lease or pool, give commingling order number:

### IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth			
Perforations					Depth Casing Shoe			

### TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

### V. TEST DATA AND REQUEST FOR ALLOWABLE

**OIL WELL** (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

### GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

### VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Steve Pfaff Supervisor- Contract Admin  
Printed Name Steve Pfaff Title  
Date 4/23/91 Telephone No. (505) 393-2153

### OIL CONSERVATION DIVISION

Date Approved APR 24 1991  
By [Signature]  
Title Geologist

### INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.



# OIL CONSERVATION DIVISION

**Hobbs**  
P.O. Box 1980  
Hobbs, NM 88240

**Artesia**  
P.O. Drawer DD  
Artesia, NM 88210

**Aztec**  
1000 Rio Brazos  
Aztec, NM 87410

## NOTICE OF GAS WELL - CONNECTION / RECONNECTION / DISCONNECTION

This is to notify the Oil Conservation Division of the following:

Connection _____	First Delivery _____	Date _____	Initial Potential _____
Reconnection _____	First Delivery _____	Date _____	Initial Potential _____
Disconnection <u>XX</u>			

for delivery of gas from the \_\_\_\_\_  
Hadson Petroleum USA Inc.  
Operator

\_\_\_\_\_ LLano 34 State Com  
Lease

27523	680	1	I	34/21/34
Meter Code	Site Code	Well No.	Unit Letter	S-T-R

\_\_\_\_\_ Grama Ridge Morrow, Lower East  
Pool

was made on 2/21/89  
date

\_\_\_\_\_  
AOF

\_\_\_\_\_  
Choke

\_\_\_\_\_  
Phillips 66 natural Gas Company  
Transporter

RECEIVED  
FEB 21 1989

**OCD use only**


County Lea

Land Type lt

Liq. Transporter Newsp

J. M. Hastings      Production Records Supervisor

\_\_\_\_\_  
Representative Name/Title  
(Please type or print)



\_\_\_\_\_  
Representative Signature

Submit in duplicate to the appropriate district office.

**OIL CONSERVATION DIVISION**

**Hobbs**  
P.O. Box 1980  
Hobbs, NM 88240

**Artesia**  
P.O. Drawer DD  
Artesia, NM 88210

**Aztec**  
1000 Rio Brazos  
Aztec, NM 87410

## NOTICE OF GAS WELL - CONNECTION / RECONNECTION / DISCONNECTION

**This is to notify the Oil Conservation Division of the following:**

Connection	<u>XX</u>	First Delivery	<u>02-22-89</u>	<u>Initial Potential</u>
			Date	
Reconnection	<u>      </u>	First Delivery	<u>02-22-89</u>	<u>Initial Potential</u>
			Date	
Disconnection	<u>      </u>			

for delivery of gas from the Hadson Petroleum (USA) Inc.

Operator

STATION NUMBER 456  
LEA COUNTY, NM

Llano "34" State Com. #1

## Lease

Meter Code	Site Code
1000	1000
1001	1001
1002	1002
1003	1003
1004	1004
1005	1005
1006	1006
1007	1007
1008	1008
1009	1009
1010	1010
1011	1011
1012	1012
1013	1013
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1097	1097
1098	1098
1099	1099

#1	I	Sec. 34, T21S, R34E
Well No.	Unit Letter	S-T-R

Grama Ridge Morrow, East

Pool

was made on \_\_\_\_\_  
date

**AOF**

## Choke

LLANO, INC.

## Transporter

**OCD use only**

County Lea

Land Type State

Liq. Transporter Navajo

Steve Pfaff-Supervisor-Contract Administration

Representative Name/Title  
(Please type or print)

Steve P. [Signature]

Representative Signature

Submit in duplicate to the appropriate district office.

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

## OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

### REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator HADSON PETROLEUM (USA) INC.	Well API No.
Address 921 W. SANGER, HOBBS, NM 88240	
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of:
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input checked="" type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator	

### II. DESCRIPTION OF WELL AND LEASE

Lease Name LLANO "34" STATE COM.	Well No. 1	Pool Name, including Formation GRAMA RIDGE MORROW EAST	Kind of Lease State, <del>Lease</del>	Lease No. E-9659 R-3592
Location Unit Letter <u>I</u> : <u>1,650</u> Feet From The <u>SOUTH</u> Line and <u>660</u> Feet From The <u>EAST</u> Line Section <u>34</u> Township <u>21S</u> Range <u>34E</u> , <u>NMPM</u> , <u>LEA</u> County				

### III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> NAVAJO CRUDE OIL PURCHASING CO.	Address (Give address to which approved copy of this form is to be sent) P.O. BOX 175, ARTESIA, NM 88210
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> LLANO, INC.	Address (Give address to which approved copy of this form is to be sent) 921 W. SANGER, HOBBS, NM 88240
If well produces oil or liquids, give location of tanks.	Unit <u>I</u> Sec. <u>34</u> Twp. <u>21S</u> Rge. <u>34E</u> Is gas actually connected? <u>YES</u> When? <u>2/22/89</u>

If this production is commingled with that from any other lease or pool, give commingling order number:

### IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth			
Perforations					Depth Casing Shoe			

### TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

### V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

### GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

### VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Clyton R. Reed ENGR.  
Printed Name CLYTON R. REED Title  
Date 2/22/89 Telephone No. 505-393-2153

### OIL CONSERVATION DIVISION

Date Approved FEB 27 1989  
By [Signature]  
Title DISTRICT I SUPERVISOR

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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	GAS	
OPERATOR		
PRORATION OFFICE		

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-104  
Revised 10-01-78  
Format 06-01-83  
Page 1

REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator HADSON PETROLEUM (USA) Inc.	
Address 921 West Sanger, Hobbs, NM 88240	
Reason(s) for filing (Check proper box)	Other (Please explain)
<input type="checkbox"/> New Well <input type="checkbox"/> Recompletion <input checked="" type="checkbox"/> Change in Ownership	Change in Transporter of: <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate

If change of ownership give name and address of previous owner MINERALS, INC., 921 W. Sanger, Hobbs, NM 88240

II. DESCRIPTION OF WELL AND LEASE

Lease Name LLANO "34" STATE COM.	Well No. 1	Pool Name, including Formation Grama Ridge Morrow East	Kind of Lease State, Federal or Fee	State Lease No. E-9659 K-3592
Location Unit Letter <u>I</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line of Section <u>34</u> Township <u>21S</u> Range <u>34E</u> , NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> Navajo Crude Oil Purchasing Company	Address (Give address to which approved copy of this form is to be sent) P. O. Box 175, Artesia, NM 88210
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> Phillips Petroleum Company	Address (Give address to which approved copy of this form is to be sent) 4001 Penbrook, Odessa, TX 79762
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. I 34 21S 34E
Is gas actually connected?	When Yes 10-26-79

If this production is commingled with that from any other lease or pool, give commingling order number: \_\_\_\_\_

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

C.M. Bates

(Signature)

Drilling & Production Engineer

(Title)

6-5-87

(Date)

OIL CONSERVATION DIVISION

JUN 11 1987

APPROVED \_\_\_\_\_ 19

BY [Signature]

TITLE Geologist

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.

#### IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth			
Perforations						Depth Casing Shoe			
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET			SACKS CEMENT			

#### V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

#### GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

1001  
JUN 10 1987  
MOBIL OIL

RECEIVED  
JUN 9 1987  
OCD  
MOBILS OFFICE

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-7

5a. Indicate Type of Lease

State ☒ Fee ☐

5. State Oil & Gas Lease No.

E-9659

SUNDRY NOTICES AND REPORTS ON WELLS

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

OIL WELL ☐ GAS WELL ☒ OTHER-

Name of Operator

MINERALS, INC.

Address of Operator

P.O. Box 1320, Hobbs, New Mexico 88240

Location of Well

UNIT LETTER I 1650 FEET FROM THE South LINE AND 660 FEET FROM  
East 34 21 S 34 E  
THE LINE, SECTION TOWNSHIP RANGE NMPM.

7. Unit Agreement Name

8. Farm or Lease Name

Llano "34" St. Com

9. Well No.

1

10. Field and Pool, or Wildcat

Gramma Ridge Morrow East

11. Elevation (Show whether DF, RT, GR, etc.)

3651' GL, 3671' DF

12. County

LEA

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

TEMPORARILY ABANDON ☐

WELL OR ALTER CASING ☐

PLUG AND ABANDON ☐

CHANGE PLANS ☐

OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒

COMMENCE DRILLING OPS. ☐

CASING TEST AND CEMENT JOB ☐

OTHER ☐

ALTERING CASING ☐

PLUG AND ABANDONMENT ☐

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

1/12/84 thru 4/6/84 --- Total gross Morrow perf. 12,824- 13,170 not producing. Set Baker 1.81" FSG blanking plug in Baker 'F' nipple in lower tbg string @ 12,000' to isolate lower Morrow. Set Otis 1.85" DD BP in collar of upper tbg string @ 10,466'. Acidized Morrow perf. 12,824-12,838' w/1000 gal 10% HCl acid & 1000 gals. methanol blend containing 4 gals HAI-50, 2 gals LoSurf 259. 1 gal. Musol & 3 gal ENWAR 288 foamed to 70 quality w/N2. Followed trt. w/80,000 SCF N2 flush. Max press. 5100 psig, avg. press. 3400 psig, ISIP 5100 psig. Acid job unsuccessful. ---Retrieved OTIS DD BP @ 10,466' & pulled upper tbg string. Released Baker dual pkr & attempted to release on-off tool & seal assembly from Model 'D' set @ 12,875' with no results. Ran free point & cut 2 3/8" tbg @ 12,841' w/chemical cutter. TOH w/lower tbg. string & dual pkr. TIH w/Baker Model 'R' double grip pkr. on 4 1/2 jts 2 3/8" O.D. N-80 tbg & set pkr @ 12,692' w/3 jts. tailpipe, SN below pkr. Perf possibly plugged w/scale from backside. Acidized upper Morrow perf. 12,824-12,838 w/750 gals. MOD 202 acid containing 2 gals HAI-50 & 2 gals. LoSurf 259. Displaced w/50 bbls 2% KCL wtr. Max pressure 3700 psig, avg. pressure 2950 psig, ISIP - vacuum. Swabbed well in on sales to Phillips pipeline on 4/6/84 w/400 MCFPD rate, FTP 260 psig. on 24/64" ck.

8/31/84 ---FTP-270 psig, F 700 MCFPD to pipeline on 24/64" ck.

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

SIGNED

*[Signature]*

TITLE

Vice President

DATE

9-18-84

APPROVED BY

*[Signature]*

TITLE

DISTRICT 1 SUPERVISOR

DATE

SEP 27 1984

NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL GAS
OPERATION	
PROBATION OFFICE	

NEW MEXICO OIL CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104  
Supersedes OIL C-101 and  
Effective 1-1-65

I. OPERATOR  
Operator  
Minerals, Inc.  
Address  
P. O. Box 1320, Hobbs, NM 88241

Reason(s) for filing (Check proper box)  
New Well ☐ Change in Transporter of:  
Recompletion ☐ Oil ☐ Dry Gas ☐  
Change in Ownership ☐ Casinghead Gas ☐ Condensate ☒

If change of ownership give name  
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Llano "34" State Com.	Well No. 1	Pool Name, including Formation Grama Ridge Morrow East	Kind of Lease State, Federal or Fee State
Location Unit Letter I ; 1650 Feet From The South Line and 660 Feet From The East Line of Section 34 Township 21 South Range 34 East , NMPM, Lea			

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> Navajo Refining Company	Address (Give address to which approved copy of this form is to be sent) P. O. Box 159, Artesia, NM 88210					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> Phillips Petroleum Company	Address (Give address to which approved copy of this form is to be sent) Bartlesville, OK 74004					
If well produces oil or liquids, give location of tanks.	Unit I	Sec. 34	Twp. 21S	Rge. 34E	Is gas actually connected? yes	When October 26, 1979

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Some Res'v.	Eff. Re
		X						
Date Spudded May 21, 1979	Date Compl. Ready to Prod. October 10, 1979	Total Depth 13,280'	P.B.T.D. 13,188'					
Elevations (DF, RKB, RT, GR, etc.) 3651' GL	Name of Producing Formation Morrow	Top Oil/Gas Pay 12,824'	Tubing Depth 12,875'					
Perforations 12,824-38, 12,986-99, 13,002-04, 13,008-18, 13,020-26, 13,033-36, 13,038-44, 13,165-70	Depth Casing Shoe 13,279'							
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE 20"	CASING & TUBING SIZE 16" 65#	DEPTH SET 1,200'	SACKS CEMENT 1,300					
14-3/4"	10-3/4" 45.5#	5,773'	5,700					
9 1/2"	7-5/8" 29.7#	11,200'	1,500					
6 1/2"	4 1/2" 13.3# liner	13,279'	500					

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top a 24 hr for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D 3,980 MCF/D	Length of Test 4 hours	Dble. Condensate/MMCF 34 Bbls./MMCF	Gravity of Condensate 51° API
Testing Method (pilot, back pr.) Back Pressure	Tubing Pressure (inlet-out) 4825 psig	Casing Pressure (inlet-out) Racker	Choke Size 16/64"

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Minerals, Inc.

A1 Klaar  
Vice President

8-14-84  
(Date)

OIL CONSERVATION COMMISSION

APPROVED **DISTRICT 1 SUPERVISOR** **AUG 16 1984**  
BY *[Signature]*  
TITLE **DISTRICT 1 SUPERVISOR**

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deep well, this form must be accompanied by a tabulation of the well tests taken on the well in accordance with RULE 111.  
All portions of this form must be filled out completely for all wells.  
Fill out only Sections I, II, IV, and VI for changes of or well name or number, or transporter or other such change of record.

NAME OF OPERATOR	
DISTRICT OFFICE	
SANTA FE	
FILE	
DATE	
LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form O-101  
Revised 10-1-

5a. Indicate type of Lease  
State ☒ ☐  
5. State Oil & Gas Lease No.  
E-9659 & K-3592

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 O-101 FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Minerals, Inc.	8. Farm or Lease Name Llano "34" State Com.
3. Address of Operator P. O. Box 1320, Hobbs, New Mexico 88240	9. Well No. 1
4. Location of well UNIT LETTER I 1650 FEET FROM THE South LINE AND 660 FEET FROM THE East LINE, SECTION 34 TOWNSHIP 21S RANGE 34E	10. Field and Pool, or Wildcat Grama Ridge (Morrow) East
11. Elevation (Show whether DF, RT, GR, etc.) 3651 GL, 3671 DF	12. County Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	

7. 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.

- 10-30-79: Morrow perfs (12,824'-12,838') would not produce. Acidized (12,824'-12,838') with 2500 gallons 7½% MS acid & flushed to top of perfs with 2% KCl water. Used 1000 SCF N₂ in acid and flush. Max pressure 5250 psig, ISIP 4650 psig. Recovered load water, would not flow. Acid job unsuccessful.
- 11-8-79: Morrow perfs (12,986'-13,170', gross) flow 350 MCF, 26 BO, 0 BW in 24 hrs., TPF 120 psig. Acidized (12,986'-13,170') with 5700 gallons 10% Mor-Flo acid and 16 tons of CO₂ and 90 ball sealers. Flushed with KCl water containing CO₂. Max pressure 5100 psig, ISIP 3800 psig. Flow 430 MCF, 7 BO, 24 BW in 24 hrs., TPF 95 psig.
- 11-20-79: Reperf Morrow perf (12,986'-13,170', gross) at 12,986'-12,999'; 13,002'-13,004'; 13,008'-13,018'; 13,020'-13,026'; 13,033'-13,036'; 13,038'-13,044'; 13,165'-13,170' with a thru-tubing and 2 jet shots per foot. Flow 470 MCF, 7 BO, 18 BW in 24 hrs., TPF 925 psig.
- 11-29-79: Morrow perfs (12,986'-13,170') acidized with 1,000 gallons 15% HCl containing 12 gallons Mor-Flo II, 8 gallons INH., 110 gallons Musol followed by 3,000 gallons methanol flushed with 2% KCl water. Treatment and flush contained 1500 SCF N₂ per bbl. of liquid. Max pressure 5200 psig, ISIP 4800 psig. Used tree-saver isolation tool during treatment. Perforated long tubing string with thru-tubing across from Morrow perfs 12,824'-12,838'. Total gross Morrow perfs 12,824'-13,170' now flowing through long tubing string. Flow 3,425 MCF, 22 BO, 12 BW in 24 hrs., TPF 2,800 psig, 13/64" choke.

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

SIGNED [Signature] TITLE President DATE December 18, 1979

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT DATE

CONDITIONS OF APPROVAL, IF ANY:



OIL CONSERVATION COMMISSION

BOX 1980

HOBBS, NEW MEXICO

NOTICE OF GAS CONNECTION

DATE November 7, 1979

This is to notify the Oil Conservation Commission that connection for  
the purchase of gas from the Minerals, Inc.,  
Operator  
Llano "34" State Com, I, 34-21-34, Grama Ridge/Morrow(Upper),  
Lease Well Unit S.T.R. Pool  
Phillips Petroleum Company, was made on October 26, 1979.  
Name of Purchaser

Phillips Petroleum Company  
Purchaser

KE Moore  
Representative  
K. E. Moore

Gas Tester Supervisor  
Title

cc: To Operator  
Oil Conservation Commission - Santa Fe

OIL CONSERVATION COMMISSION

BOX 1980

HOBBS, NEW MEXICO

NOTICE OF GAS CONNECTION

DATE November 7, 1979

This is to notify the Oil Conservation Commission that connection for  
the purchase of gas from the Minerals, Inc.,  
Operator

Ilano "34" State Com, I, 34-21-34, Grama Ridge/Morrow (Lower),  
Lease Well Unit S.T.R. Pool

Phillips Petroleum Company, was made on October 26, 1979.  
Name of Purchaser

Phillips Petroleum Company  
Purchaser

K. E. Moore  
Representative  
K. E. Moore

Gas Tester Supervisor  
Title

cc: To Operator

Oil Conservation Commission - Santa Fe

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

1. OPERATOR

Minerals, Inc.

Address

P. O. Box 1320, Hobbs, New Mexico 88240

Reason(s) for filing (Check proper box)

New Well

☒

Recompletion

☐

Change in Ownership

☐

Change in Transporter of:

Oil

☐

Dry Gas

☐

Casinghead Gas

☐

Condensate

☐

Other (Please explain)

If change of ownership give name  
and address of previous owner

## 2. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, including Formation	Kind of Lease	State
Llano "34" State Com.	1	Grama Ridge Morrow East	State, Federal or Fee	State
Location				
Unit Letter	I	1650 Feet From The	South	Line and
		660 Feet From The	East	
Line of Section	34	Township	21-S	Range
			34-E	NMPH, Lea

## 3. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
Southern Union Refining Company	P. O. Box 980, Hobbs, New Mexico 88240					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
Phillips Petroleum Company	Bartlesville, Oklahoma 74004					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	I	34	21-S	34-E	No	

If this production is commingled with that from any other lease or pool, give commingling order number:

## 4. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Resv.	Diff. Res.
		X	X					
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
May 21, 1979	October 10, 1979	13,280'	13,188'					
Elevations (DF, RLB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
3651' GL	Morrow	12,824'	12,875'					
Perforations	12,824-38, 12,986-99, 13,002-04, 13,008-18, 13,020-26, 13,033-36, 13,038-44, 13,165-70	Depth Casing Shoe	13,279'					

## TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
20"	16" 65#	1,200'	1300
14-3/4"	10-3/4" 45.5#	5,773'	5700
9 1/2"	7-5/8" 29.7#	11,200'	1500
6 1/2"	4 1/2" 13.3#Liner	13,279'	500

## 5. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top of well for this depth or be for full 24 hours)

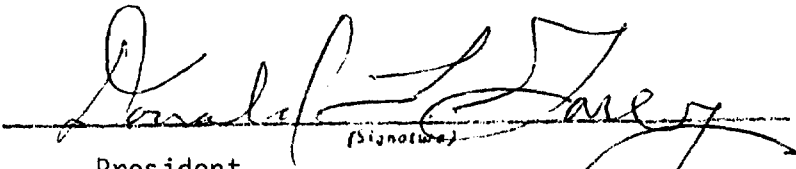
Date First New Oil Run To Tanks	Date of Test	Producing Method (flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

## GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
3,980 MCF/D	4 hrs.	34 bbls./MMCF	51° API
Testing Method (pilot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size
Back pressure	4825 PSIG	Packer	16/64"

## 6. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

  
(Signature)

President

(Title)

October 16, 1979

(Date)

## OIL CONSERVATION DIVISION

NOV 13 1979

APPROVED

BY   
TITLE SUPERVISOR DISTRICT I

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deep well, this form must be accompanied by a tabulation of the deviate taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for a well on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of oil well name or number, or transporter, or other such change of record.

Separate Form C-104 must be filed for each pool in multi-well completion.