

MILLER, STRATVERT, TORGERSON & SCHLENKER, P. A.

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500 MARQUETTE, N. W., SUITE 1100
POST OFFICE BOX 25687
ALBUQUERQUE, NM 87125
TELEPHONE: (505) 842-1950
FACSIMILE: (505) 243-4408

FARMINGTON
300 WEST ARRINGTON
POST OFFICE BOX 869
FARMINGTON, NM 87499
TELEPHONE: (505) 326-4521
FACSIMILE: (505) 325-5474

LAS CRUCES
277 EAST AMADOR
POST OFFICE DRAWER 1231
LAS CRUCES, NM 88004
TELEPHONE: (505) 523-2481
FACSIMILE: (505) 526-2215

SANTA FE
125 LINCOLN AVE., SUITE 303
POST OFFICE BOX 1986
SANTA FE, NM 87504-1986
TELEPHONE: (505) 989-9614
FACSIMILE: (505) 989-9857

KENNETH R. BRANDT (1946 - 1981)

June 4, 1990

PLEASE REPLY TO SANTA FE

9986

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
Post Office Box 2008
Santa Fe, New Mexico 87504

RE: Application of Mesa Operating Limited Partnership for
Compulsory Pooling, San Juan County, New Mexico,
(FC State Com #16)

Dear Mr. LeMay:

Enclosed is the Application of Mesa Operating Limited Partnership for Compulsory Pooling for a Fruitland well to be drilled at a standard location in the E/2 of Section 16 T-30 N, R-11 W, NMPM, San Juan County, New Mexico.

On behalf of the Applicant, Mesa Operating Limited Partnership, we ask that this matter be set for examiner hearing on June 27, 1990.

Very truly yours,

MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.

By: J. Scott Hall
J. Scott Hall

cc: Mark Seale,
Mesa Limited Partnership

BEFORE THE
OIL CONSERVATION DIVISION
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF
MESA OPERATING LIMITED PARTNERSHIP
FOR COMPULSORY POOLING, SAN JUAN
COUNTY, NEW MEXICO.

CASE NO. 9986

APPLICATION


MESA OPERATING LIMITED PARTNERSHIP by its undersigned attorneys, Miller, Stratvert, Torgerson & Schlenker, P.A., hereby makes application pursuant to section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests in the Fruitland formation for development on 320-acre spacing in and under the E/2 of Section 16, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 62½% of the working interest in and under the E/2 of Section 16, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Mesa FC State Com #16 well to be located at a standard location in the E/2 of said Section 16.
3. Applicant has been unable to obtain voluntary agreement for pooling or farmout from all other interest owners in the E/2 of said Section 16.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on June 27, 1990, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

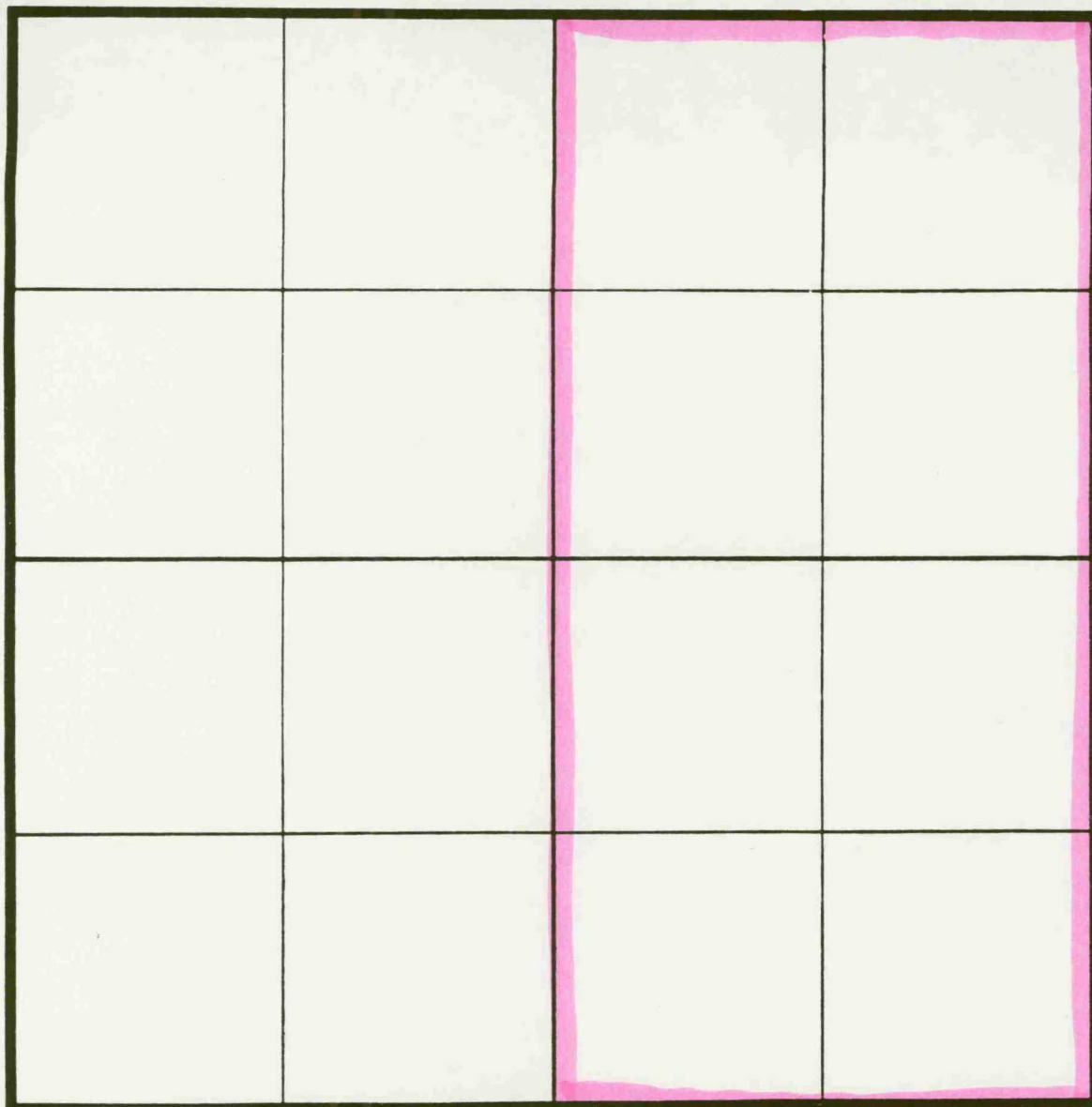
MILLER, STRATVERT, TORGERSON
& SCHLENKER, P.A.

By 
J. Scott Hall
Suite 303
125 Lincoln Avenue
Santa Fe, New Mexico 87501
Telephone: (505) 989-9614

ATTORNEYS FOR MESA OPERATING
LIMITED PARTNERSHIP

Sec. 16 Township No. 30 North of Range No. 11 West

Mesa FC State Com Well No. 16



*Standard
640ac.
Section*

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

1 MAY 9 08

WELL API NO. 30-045-27623
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B 10796
7. Lease Name or Unit Agreement Name FC STATE COM
8. Well No. # 16
9. Pool name or Wildcat Basin Fruitland Coal
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 5777' GR

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

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
2. Name of Operator MESA OPERATING LIMITED PARTNERSHIP
3. Address of Operator P.O. BOX 2009, AMARILLO, TEXAS 79189
4. Well Location Unit Letter G : 1870 Feet From The North Line and 1705 Feet From The East Line Section 16 Township 30N Range 11W NMPM San Juan County

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER: <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER: Casing Test/Perf/Treatment <input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Pressure tested tree and 5 1/2" casing to 5000 psi for 30 min. on May 19, 1990, held OK. RU Blue Jet Perforators. Perf'd Fruitland Coal from 2145'-2182' w/ 4" csg gun w/4 SPF for a total of 104 holes. Frac'd 2145'-2182' w/60,000 gals x-linked gel plus 18,000# 40/70 sand, 56,000# 20/40 sand and 105,000# 12/20 sand. ISIP = 370 psig. Ran "T" CIBP and set @ 2050'. Pressure tested to 5000 psig - OK. Perf'd 1962'-2027.5' w/4" csg gun w/4 SPF for a total of 32 holes. Frac'd 1962'-2027.5' w/40,500 gals x-linked + 12,000# 40/70 sand; 99,000# 20/40 sand. ATP 2400, ISIP 860.

RECEIVED

MAY 24 1990

OIL CON. DIV
DIST. 3

cc: NMOCD-A (0+5), WF, Reg. Land, Expl., Drilling

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

SIGNATURE Cathy L. McKee TITLE Regulatory Analyst DATE 5/21/90
TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY [Signature] TITLE APPROVING DISTRICT DATE MAY 25 1990

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

WELL API NO.	30-045-27623
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	B10796

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

1. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

2. Name of Operator

MESA OPERATING LIMITED PARTNERSHIP

3. Address of Operator

P.O. BOX 2009, AMARILLO, TEXAS 79189

4. Well Location

Unit Letter G : 1870' Feet From The North Line and 1705' Feet From The East Line

Section 16 Township 30N Range 11W NMPM San Juan County

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

5777' 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 ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: TD AND PRODUCTION CASING ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Drilled to a TD of 2320' on April 28, 1990. Set 5 1/2" 17# N-80 LT&C production casing at 2320'. Cemented with 335 sx 65% Standard and 35% Poz; tailed in with 175 sx Standard. Released Four Corners Rig # 5 and WOCU.

RECEIVED
MAY 03 1990
OIL CON. DIV.
DIST. 3

xc: NMOCDA-A (0+5) Well File, Reg, Land, Expl., Drilling

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

SIGNATURE

Charles R. McKe

TITLE Regulatory Analyst

DATE 5/1/90

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY

[Signature]

TITLE

COMMISSIONER DISTRICT 3

DATE

MAY 03 1990

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

OIL CONSERVATION DIVISION

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

WELL API NO.
30-045-27623

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
B10796

7. Lease Name or Unit Agreement Name

FC STATE COM

8. Well No.
16

9. Pool name or Wildcat
Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

2. Name of Operator
MESA OPERATING LIMITED PARTNERSHIP

3. Address of Operator
P.O. BOX 2009, AMARILLO, TEXAS 79189

4. Well Location
Unit Letter G : 1870 Feet From The North Line and 1705 Feet From The East Line
Section 16 Township 30N Range 11W NMPM San Juan County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
5777' 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 ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: SPUD NOTICE & SURFACE CASING ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The above referenced well was spud at 1415 hours on April 25, 1990.
Drilled 12 1/4" hole to 285' and set 8 5/8" 24# K-55 ST&C casing, set
@ 278'. Cemented with 175 sx Standard with 2% CaCl and circulated to
surface. NU BOP and drilling ahead.

RECEIVED

APR 30 1990

OIL CON. DIV.
DIST. 3

xc: NMOCD-A (0+5), WF, Reg, Land, Expl., Drilling

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

SIGNATURE Cathy R. McKee TITLE Regulatory Analyst DATE 4/27/90

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY [Signature] TITLE SENIOR DISTRICT DATE APR 20 1990

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT

P.O. Box 1980, Hobbs, NM 88240

DISTRICLA

P.O. Drawer DD, Artesia, NM 88210

DISTRICT II

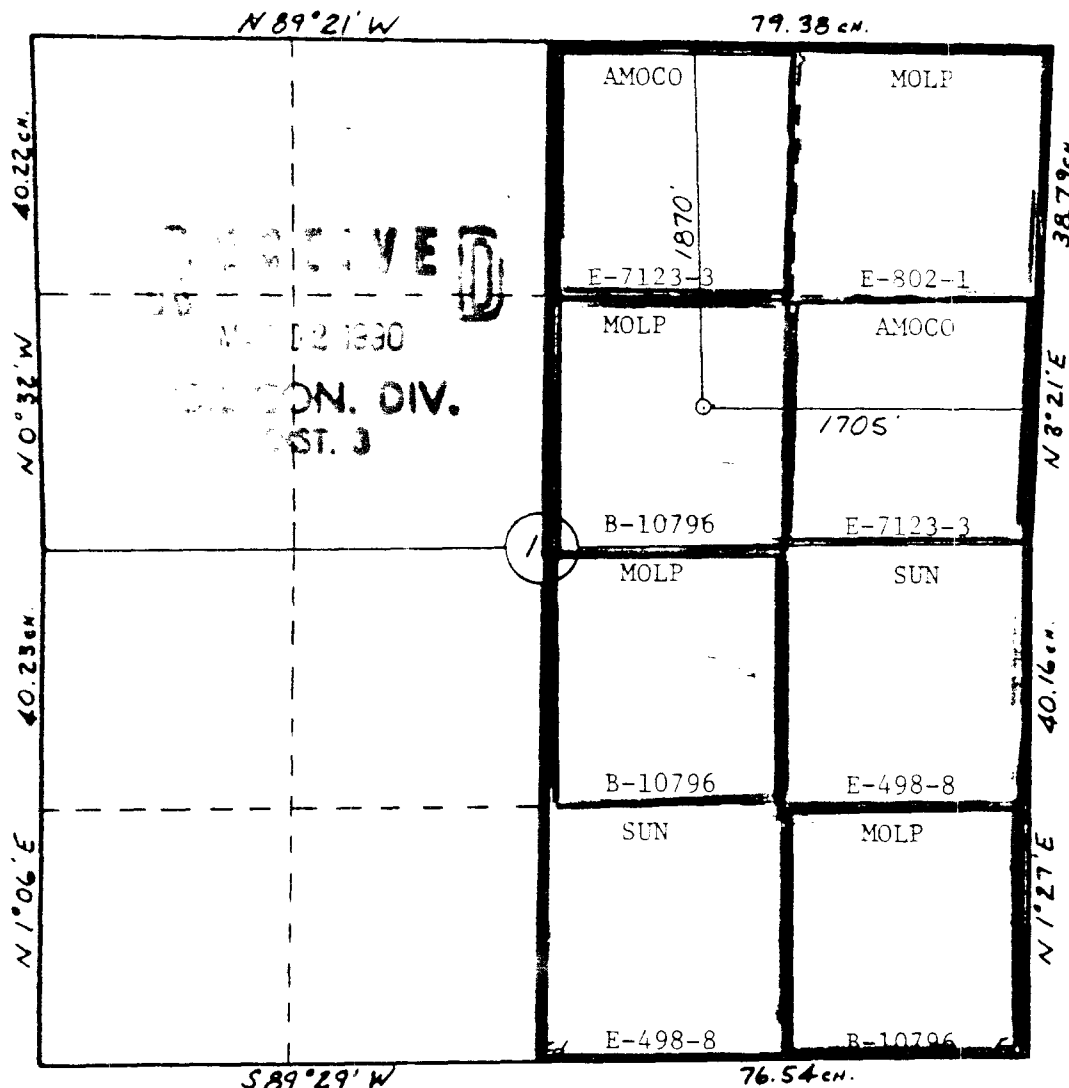
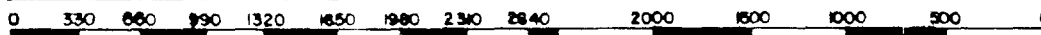
1000 Rio Arizos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MESA OPERATING LIMITED PARTNERSHIP		Lease FC STATE COM		Well No 16
Unit Letter G	Section 16	Township 30 N	Range 11 W	County San Juan
Actual Footage Location of Well: 1870 feet from the North line and 170 feet from the East line				
Ground level Elev. 5777	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: E/2 320 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name _____

Printed Name
Carolyn L. McKee

1. **Introduction**
 2. **Methodology**
 3. **Results**
 4. **Discussion**
 5. **Conclusion**
 6. **References**
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 216. **Figure 207**
 217. **Figure 208**

Regulatory Analyst

CONCLUSION

Mesa Limited Partnership

Date _____

2/27/90

SURVEYOR CERTIFICATION

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

2-7-90

Date Surveyed _____

William E. Mauck II

Signature of _____
Professional _____

A circular professional seal for a New Mexico Professional Surveyor. The outer ring contains the text "NEW MEXICO" at the top and "PROFESSIONAL SURVEYOR" at the bottom. Inside the ring, the number "#8466" is prominently displayed. A signature, "Fred R. Smith", is written across the seal. Below the signature, the words "Certificate No." are partially visible.

Submit to appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

Santa Fe, New Mexico 87504-2088

MAR 02 1990

OIL CON. DIV.

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

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

B 10796

7. Lease Name or Unit Agreement Name

FC STATE COM

8. Well No.

16

9. Pool name or Wildcat

Basin Fruitland Coal

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. Name of Operator

MESA OPERATING LIMITED PARTNERSHIP

3. Address of Operator

P.O. BOX 2009, AMARILLO, TEXAS 79189

4. Well Location

Unit Letter G : 1870 Feet From The North Line and 1705 Feet From The East Line

Section 16 Township 30N Range 11W NMPM San Juan County

10. Proposed Depth
2320'

11. Formation
Fruitland Coal

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

5777' GR

14. Kind & Status Plug Bond

Blanket

15. Drilling Contractor

Not Yet Determined

16. Approx. Date Work will start

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	200'	150 sx 'B'+2%CC	Surface
7 7/8"	5 1/2"	17#	2320'	250 Poz/250 'B'	Surface
	2 3/8"	4.7#	2270'		

Propose to spud well with 12 1/4" hole and drill to 200' and set 8 5/8" surface casing. Will cement with 150 (yield = 1.18 FT³/sx, 177 FT³) sx of Class "B" and raise cement to surface. Will nipple up 3000 psi BOP assembly and drill 7 7/8" hole to TD of 2320' with fresh water mud system. Will then log well and evaluate for possible commercial production. If successful, will then run 5 1/2" casing to 2320' and cement with 250 (yield = 1.8 FT³/sx, 450 FT³) sx Pozmix followed by 250 (yield = 1.18 FT³/sx, 295 FT³) sx Class "B" cement. Will move off drilling rig and move in completion unit.

APPROVAL EXPIRES 9-2-90
UNLESS DRILLING IS COMMENCED,
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

XC: NMOCD (0+5), BLM-Farmington (1), WF, Reg, Land, Expl., Drilling

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.

SIGNATURE

Cathy L. McKee

TITLE

Regulatory Analyst

DATE

2/27/90

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

SUPERVISOR DISTRICT #

APPROVED BY

TITLE

DATE

MAR 02 1990

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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
Box 2088
Santa Fe, New Mexico 87504-2088
MAR 02 1990

OIL CON. DIV.

POST 3

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. Lease Name or Unit Agreement Name FC STATE COM		
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. Well No. # 16		
2. Name of Operator MESA OPERATING LIMITED PARTNERSHIP			9. Pool name or Wildcat Basin Fruitland Coal		
3. Address of Operator P.O. BOX 2009, AMARILLO, TEXAS 79189					
4. Well Location Unit Letter <u>G</u> : <u>1870</u> Feet From The <u>North</u> Line and <u>1705</u> Feet From The <u>East</u> Line Section <u>16</u> Township <u>30N</u> Range <u>11W</u> NMPM San Juan County					
10. Proposed Depth 2320'			11. Formation Fruitland Coal		12. Rotary or C.T. Rotary
13. Elevations (Show whether DF, RT, GR, etc.) 5777' GR		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor Not Yet Determined	
16. Approx. Date Work will start					
17. PROPOSED CASING AND CEMENT PROGRAM <u>E/S20</u>					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	200'	150 sx 'B'+2%CC	Surface
7 7/8"	5 1/2"	17#	2320'	250 Poz/250 'B'	Surface
	2 3/8"	4.7#	2270'		

Propose to spud well with 12 1/4" hole and drill to 200' and set 8 5/8" surface casing. Will cement with 150 (yield = 1.18 FT³/sx, 177 FT³) sx of Class "B" and raise cement to surface. Will nipple up 3000 psi BOP assembly and drill 7 7/8" hole to TD of 2320' with fresh water mud system. Will then log well and evaluate for possible commercial production. If successful, will then run 5 1/2" casing to 2320' and cement with 250 (yield = 1.8 FT³/sx, 450 FT³) sx Pozmix followed by 250 (yield = 1.18 FT³/sx, 295 FT³) sx Class "B" cement. Will move off drilling rig and move in completion unit.

APPROVAL EXPIRES 9-2-90
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

XC: NMOCD (0+5), BLM-Farmington (1), WF, Reg, Land, Expl., Drilling

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.

SIGNATURE

Cathy L. McKee

TITLE

Regulatory Analyst

DATE

2/27/90

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY

[Signature]

TITLE

SUPERVISOR DISTRICT #

DATE

MAR 02 1990

CONDITIONS OF APPROVAL, IF ANY:

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

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

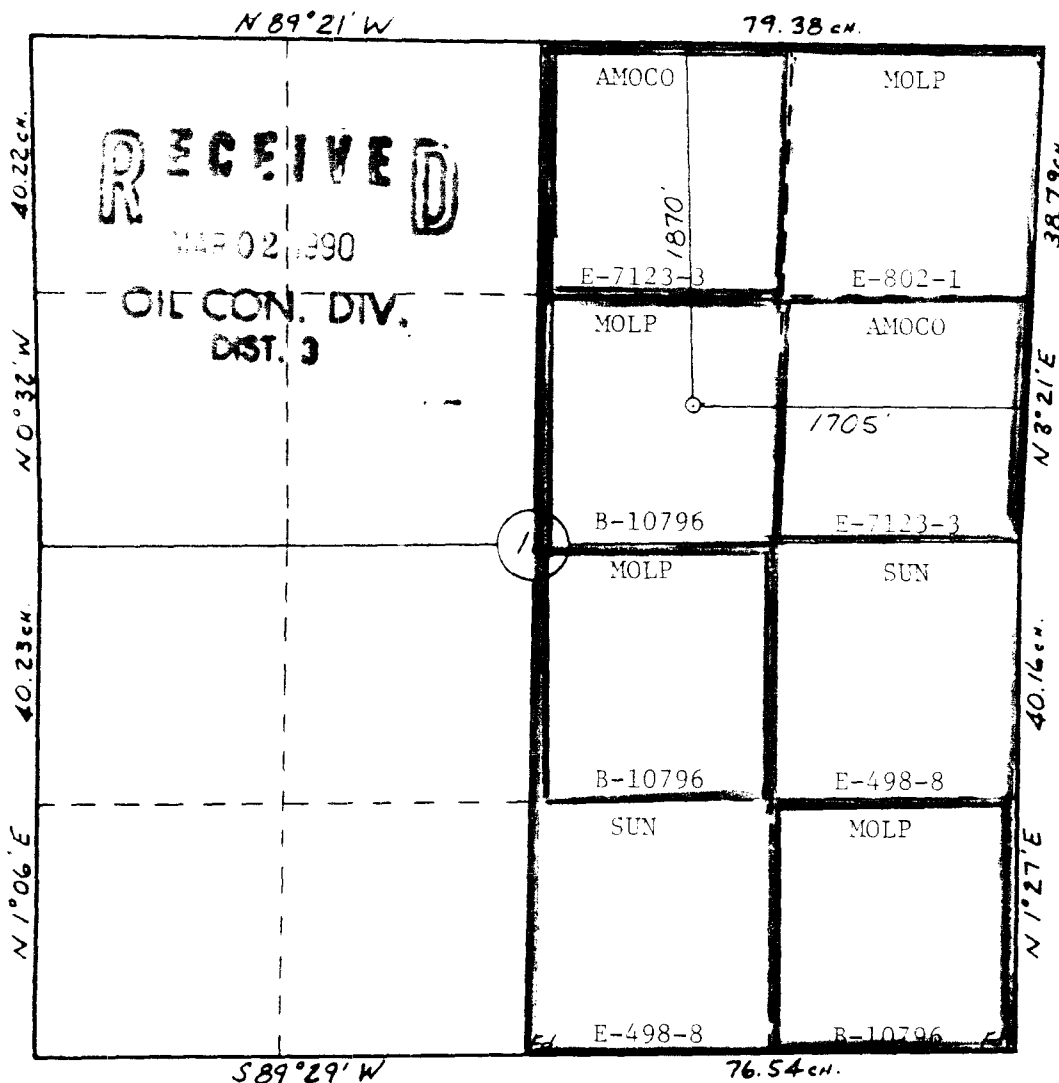
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MESA OPERATING LIMITED PARTNERSHIP			Lease FC STATE COM		Well No 16
Unit Letter G	Section 16	Township 30 N	Range 11 W	County San Juan	
Actual Footage Location of Well: 1370 feet from the North line and 1705 feet from the East line					
Ground level Elev. 5777	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: E/2 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.

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



OPERATOR CERTIFICATION

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

Signature
Carolyn L. McKee
Printed Name
Carolyn L. McKee
Position
Regulatory Analyst
Company
Mesa Limited Partnership
Date
2/27/90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
2-7-90

Date Surveyed
William E. McKinley II
Signature & Seal of Professional Surveyor
NEW MEXICO
#8466
Certification PROFESSIONAL LAND SURVEYOR

~~Order to and Rehearing, 7/13/90~~

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

MS 7/11/90

RS 7/13/90

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

DRAFT

Dec 7/13
JBM
7-13-90

WS 7/13/90

CASE NO. 9986
ORDER NO. R-9231

APPLICATION OF MESA OPERATING
LIMITED PARTNERSHIP FOR COMPULSORY
POOLING, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

~~Signature~~

This cause came on for hearing at 8:15 a.m. on July 11, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this July day of July, 1990, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing, this case was consolidated with Case No. 10,003 for the purpose of testimony.

(3) The applicant, Mesa Operating Limited Partnership, seeks an order pooling all mineral interests in the Basin Fruitland Coal Gas Pool, underlying the E/2 of Section 16, Township 30 North, Range ~~28~~ West, NMPM, San Juan County, New Mexico, *forming a standard 320-acre gas spacing and production unit for said pool.*

(4) Said unit to be dedicated to the existing well located at a standard coal gas "F. C." State Com Well No. 16 located 1870 feet from the North line and 1705 feet from the East line (Unit G) of said Section 16, *forming a 320-acre, more or less, gas spacing and production unit for said pool.*

(5) There are interest owners in the proposed production unit who have not agreed

The applicant has the right to produce hydrocarbons underlying said unit, in which said gas production unit, in which

to pool their interests.

(6) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) The applicant should be designated the operator of the subject well and unit.

(8) Any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(9) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of reasonable well costs plus an additional 15% percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(10) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(11) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(12) \$ 3831⁰⁰ per month while drilling and \$ 382⁰⁰ per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(13) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(14) Upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before October 15/1990, the order pooling said unit should become null and void and of no further effect whatsoever.

(15) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order should thereafter be of no further effect.

(16) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, ¹⁶ whatever they may be, in the Basin-Fruitland Coal Gas Pool, underlying the E/2 of Section ~~36~~, Township 30 North, Range ~~4~~ West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas spacing and proration unit ~~to be dedicated to the proposed "F. C." State Com Well No. 16 located 1870 feet from the North line and 1705 feet from the East line (Unit G) of said Section 36.~~ ^{standard} ¹¹

for said pool. PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the _____ day of _____, 1990, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Basin-Fruitland Coal Gas Pool.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the _____ day of _____, 1990, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded.

³ (2) Mesa Operating Limited Partnership is hereby designated the operator of the subject well and unit.

(2) Said unit ~~to be dedicated to the existing F. C. State~~
Com Well No. 16 located at a standard ~~coal gas~~
well location 1870 feet from the North line and 1705
feet from the East line (Unit G) of said Section ~~36~~ 16.

Case No. 9986

Order No. R- _____

Page No. 4

Within 30 days after
(3) ~~After~~ the effective date of this order ~~and within 90 days prior to commencing~~
~~well~~, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

~~(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well. If no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.~~

(5) Any non-consenting working interest owner may, at least 45 days after receiving the schedule of actual well costs but not more than 90 days after such receipt, file with the Division an objection to such costs; if no objection to the actual well costs is received by the Division and the Division has not objected within the period from at least 45 days to within 90 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within the aforesaid 45th to 90th day period, the Division will determine reasonable well costs after public notice and hearing.

(6) Within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) The operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him; and

(B) As a charge for the risk involved in the drilling of the well, 15% percent of the pro rata share of reasonable well costs attributable to each non-

consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) The operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) \$ 3831⁰⁰ per month while drilling and \$ 382⁰⁰ per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) Any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) All proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) Should all the parties to this force-pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(14) The operator of the subject well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the force-pooling provisions of this order.

(15) 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.

Case No. 9986
Order No. R- _____
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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L