Jason Kellahin W. Thomas Kellahin Karen Aubrey

KELLAHIN and KELLAHIN Attorneys at Law

El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fe, New Mexico 87504-2265 Telephone 982-4285 Area Code 505

May 28, 1985

Care 8631

HAND-DELIVERED

RECEIVED

Mr. Richard L. Stamets Director Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501 MAY 21 1985

OIL CONSERVATION DIVISION

Re: In the Matter of the Application of Lynx Petroleum Consultants, Inc., for Approval of an Unorthodox Well Location, Compulsory Pooling and Dual Completion, Lea County, New Mexico

Dear Mr. Stamets:

We filed the above application on behalf of Lynx Petroleum Consultants, Inc., on May 23, 1985. application contains an error as to the percentage interests of non-consenting working interest owners. This error is not anything which will affect the advertisement of this matter and we would like to take this opportunity to correct these percentages so that your file will reflect the actual percentage of interest in the unit.

The correct percentages are:

Anderson Carter .732422

Powhatan Carter, Jr.

and Beverly T. Carter .732422

Kenneth G. Cone .029296

Cathie Cone Auvenshine .029296

By copy of this letter we are informing the nonconsenting working interest owners of the correction of these figures.

y yours, Very truly yours,

KA:mh

Mr. Richard L. Stamets Page -2-May 28, 1985

Re: Application of Lynx Petroleum Consultants, Inc.

cc: Anderson Carter 209 South Fifth Street Lovington, New Mexico 88260

> Powhatan Carter, Jr. & Beverly T. Carter, Trustees 824 Main Street Ft. Sumner, New Mexico 88119

Kenneth G. Cone Post Office Box 11310 Midland, Texas 79702

Cathie Cone Auvenshine 9210 Honeycomb Drive Austin, Texas 78737

Texaco, Inc.
Post Office Box 3109
Midland, Texas 79702
ATTN: John Clark

Mr. Gary Fonay Lynx Petroleum Consultants, Inc. Post Office Box 1666 Hobbs, New Mexico 88240 Jason Kellahin W. Thomas Kellahin Karen Aubrey

KELLAHIN and KELLAHIN Attorneys at Law El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fe, New Mexico 87504-2265

Telephone 982-4285 Area Code 505

May 23, 1985

RECEIVED

HAND-DELIVERED

MAY 25 1985

Mr. Richard L. Stamets Director Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501 OIL CONSERVATION DIVISION

Re: In the Matter of the Application of Lynx Petroleum Consultants, Inc., for Approval of an Unorthodox Well Location, Compulsory Pooling and Dual Completion, Lea County, New Mexico

Dear Mr. Stamets:

Enclosed please find an application for approval of an unorthodox well location filed on behalf of Lynx Petroleum Consultants, Inc. Please set this matter for hearing on June 19, 1985.

Very/truly yours,

Karen Aubrey

KA:mh Enc.

cc: Anderson Carter

"Certified Mail"

209 South Fifth Street

Lovington, New Mexico 88260

Powhatan Carter, Jr.

"Certified Mail"

& Beverly T. Carter,

Trustees

824 Main Street

Ft. Sumner, New Mexico 88119

·

Kenneth G. Cone Post Office Box 11310 "Certified Mail"

Midland, Texas 79702

Cathie Cone Auvenshine "Certified Mail" 9210 Honeycomb Drive

Austin, Texas 78737

KELLAHIN and KELLAHIN

Mr. Richard L. Stamets Page -2-May 23, 1985

Re: Application of Lynx Petroleum Consultants, Inc.

Texaco, Inc.
Post Office Box 3109
Midland, Texas 79702
ATTN: John Clark

Mobil Producing Texas and New Mexico Post Office Box 1900 Midland, Texas 79702 ATTN: Glen Cox

Mr. Gary Fonay Lynx Petroleum Consultants, Inc. Post Office Box 1666 Hobbs, New Mexico 88240 "Certified Mail"

"Certified Mail"

P 505 305 882

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED— NO? FOR INTERNATIONAL MAIL

(See Reverse)

| Sent to | | · |
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| Lynx Petroleum Consultan | | |
| Box 1666 | | |
| | | 88240 |
| Postage | \$ | |
| Certified Fee | | |
| Special Delivery Fee | | |
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| PS Form 3811, July 1983 | SENDER: Complete items 1, 2, 3 and 4. Püt your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested. | | |
|-------------------------|---|---------------------------------|--|
| 983 447-845 | | | |
| क्र | 3. Article Addressed to: LYNX PETROLEUM CONSULTANTS Box 1666 HOBBS, NEW MEXICO 88240 | | |
| | 4. Type of Service: Registered Insured Cortified COD Express Mail | Atticle Number P 505-905-882 | |
| | Always obtain signature of ac DATE DELIVERED. | dressee <u>or</u> agent and | |
| MOG | 5. Signature — Addressee X | J. WEX | |
| DOMESTIC | 6. Signature - Agent X Lea OLC | ken son | |
| RETURN | 7. Date of Delivery | THE TE | |
| AN RECEIP | 8. Addressee's Address (ONL | Y if requested san (Audid) | |



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

July 8, 1985

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO B7501 (505) 827-2434

Lynx Petroleum Consultants Box 1666 Hobbs, New Mexico 88240

Attention: Gary Fonay

Vice-President

Re: Division Case No. 8631

Dear Mr. Fonay

Please submit to me a list of equipment and materials that are presently on the Geraldine Doughty Well No. 1. Also the salvage price for each item, that is to say at what price would this equipment and materials be sold for at its present condition at this time. This additional information will greatly assist me in making a decision in this case in a timely manner.

If you should have any questions concerning this matter please contact me. Thank You.

Sincerely

Michael E. Stogner Acting Chief Engineer

MES/et

cc: Karen Aubtey Attorney at Law Kellahin & Kellahin P.O. box 2265

Santa Fe, New Mexico 87501

cc: Ken Bateman

Attorney at Law

White, Koch, Kelly & McCarthy

220 Otero Street

Santa Fe, New Mexico 87501

cc: Texaco, Inc.

Box 3109

Midland, Texas 79702 Attention: Gary Kern

Division Proration

Engineer



July 19, 1985

Mr. Michael Stogner State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Application of Lynx Petroleum Consultants for Compulsory Pooling, Lea County, New Mexico Case No. 8683

Dear Mr. Stogner:

As requested on the date of the hearing, I am submitting for your review a draft Order of the Division, relating to the Application of Lynx Petroleum Consultants. As you will recall, we argued that the forced pooling statute does not permit the Division to award Lynx the relief which is being requested. We argued in the alternative that if the Application is to be approved, the cost of recompletion should be the limit of the participation of Texaco Inc. I am therefore submitting the Order consistent with our argument in the alternative.

In addition, it should be noted that I have not added any language concerning the dual completion of the well. Should you therefore find it desirable to use the form which I am submitting, the language regarding the dual completion of the well will have to be added.

Thanks once again for your attention to this matter.

Sincerely,

KENNETH BATEMAN

KB/laf

CC: Texaco Inc.

Karen Aubrey, Esquire

L. C. White
Sumner S. Koch
William Booker Kelly
John F. McCarthy, Jr.
Kenneth Bateman
Benjamin Phillips
Larry C. White
John N. Patterson
Filmore E. Rose
David F. Cunningham
Albert V. Gonzales
Robert J. Uram
Bruce R. Kohl

Celia Foy Castillo Margaret B, Alcock Leslie C, King III Bruce J, Fort Mary Ann McConnell

Special Counsel: Paul L. Bloom

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 8683 Order No. R-

APPLICATION OF LYNX PETROLEUM CONSULTANTS FOR COMPULSORY POOLING, UNORTHODOX GAS WELL LOCATION, AND A DUAL COMPLETION, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:00 A.M., on June 19, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this ____ day of July, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Lynx Petroleum Consultants, seeks an order pooling all mineral interests in the Queen formation

underlying the SW/4 of Section 25, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, to form a standard 160 acre gas proration unit to be dedicated to the applicant's well, to be recompleted at an unorthodox location 1650 feet from the North line and 2310 feet from the East line of said Section 25.

- (3) That the applicant has previously drilled a well at the location to the Paddock formation pursuant to the Compulsory Pooling order of the division, Order No. R-_____, issued_______, 1984. Although the Queen formation was penetrated in the drilling of the well, it was not tested, and the well was completed as a Paddock oil well.
- (4) That the interest of the opponent to this application, Texaco Inc., was not included in the previous order.
- (5) That the applicant now desires to recomplete the well in the Queen zone, and if the Queen zone is productive of gas, to dually complete the well to produce both gas from the Queen formation and oil from the Paddock formation.
- (6) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (7) That approval of this Application is necessary to protect the correlative rights of the owners of the minerals underlying the SW1/4 of Section 25, and to provide for prudent development of this Section.

- (8) That the appropriate measure of expense to be borne by a working interest owner is the cost of recompletion of the well including charges for supervision and re-equipping the well for production.
- (9) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense his just and fair share of the oil and gas underlying the proposed spacing and proration units, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.
- (10) That the applicant should be designated the operator of the subject well and unit.
- (11) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs for recompletion of the well to the operator in lieu of paying his share of reasonable well costs out of production.
- (12) That any non-consenting working interest owner who does not pay his share of estimated recompletion costs should have withheld from production his share of the reasonable well costs plus an additional 25 percent thereof as a reasonable charge for the risk involved in the recompletion of the well.
- (13) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs

for recompletion only, but that actual well costs for recompletion should be adopted as the reasonable well costs for recompletion in the absence of such objection.

- (14) That following determination of reasonable well costs for recompletion, 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 for recompletion.
- (15) That \$3,500.00 per month while the well is being recompleted and \$350.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that 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.
- (16) That 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.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Queen formation underlying the SW1/4 of Section 25, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 160 acre gas spacing and proration unit to be dedicated to applicant's well to be recompleted at an unorthodox location 1650 feet from the North line and 2310 feet from the East line of said Section 25.

PROVIDED FURTHER, that in the event said operator does not commence the recompleting of said well on or before the day of ______, 1985, 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 recompleted or abandoned, within 60 days after commencement thereof, said operator shall appear before the Division Director and show cause why this Order should not be rescinded.

- (3) That Lynx Petroleum Consultants is hereby designated the operator of the subject well and units.
- (4) That after the effective date of this Order and within ____ days prior to commencing the operation, the operator shall furnish the Division and each known working interest owner in the subject units an itemized schedule of estimated costs for the recompletion.
- (5) That 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 that 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.
- (6) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following recompletion of the well; that 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, that 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.

- (7) That 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.
- (8) That 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 for recompletion within 30 days from the date the schedule of estimated well costs is furnished to him.
- (B) As a charge for the risk involved in the recompletion of the well, 25 percent of the pro-rata share of reasonable well costs attributable to each non-consenting working

interest owner who has not paid his shares of estimated well costs for recompletion within 30 days from the date the schedule of estimated well costs is furnished to him.

- (9) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.
- (10) That \$3,500.00 per month while the well is being recompleted and \$350.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that 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.
- (11) That any unsevered mineral interest shall be considered a seven-eights (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.
- (12) That 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.

- (13) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that 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.
- (14) That 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 herein above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

| By: | |
|-----|-----------------------|
| | RICHARD L. STAMETS |
| | Chairman and Director |

Jason Kellahin W. Thomas Kellahin Karen Aubrey

KELLAHIN and KELLAHIN Attorneys at Law El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fe, New Mexico 87504-2265

Telephone 982-4285 Area Code 505

June 25, 1985

JUN 2 1985

OIL CONSERVATION DIVISION

HAND-DELIVERED

Mr. Michael Stogner Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501

Re: In the Matter of the Application of Lynx Petroleum Consultants, Inc., for Approval of an Unorthodox Well Location, Compulsory Pooling and Dual Completion, Lea County, New Mexico

Dear Mr. Stogner:

We enclose a proposed form of Order in connection with the above case on behalf of Lynx Petroleum Consultants, Inc. As you will remember this matter will be readvertised on the July 17th docket, because of a variance between the application and the advertisement. As Mr. Foney testified, Lynx has some leases expiring on August 1, 1985. We would appreciate the entry of an Order as quickly after July 17th as possible, in order that we may commence this recompletion work prior to the expiration of the leases.

Sincerely,

Karen Aubrey

KA:mh

cc: Mr. Gary W. Fonay Vice-President

Lynx Petroleum Consultants, Inc.

Post Office Box 1666

Hobbs, New Mexico 88240



July 31, 1985

Mr. Michael Stogner Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico

Re: In the Matter of the Application of Lynx Petroleum Consultants, Inc., for Approval of an Unorthodox Well Location, Compulsory Pooling and Dual Completion, Lea County, New Mexico, Case No. 8631

Dear Mr. Stogner:

As promised, on behalf of Texaco, I am submitting the comments regarding the equipment inventory previously provided you by Lynx Petroleum Consultants.

Sincerely,

KB/laf

978-38

CC: Texaco USA

KENNETH BATEMAN

Karen Aubrey, Esquire

L. C. White
Sumner S. Koch
William Booker Kelly
John F. McCarthy, Jr.
Kenneth Bateman
Benjamin Phillips
Larry C. White
John N. Patterson
Filmore E. Rose
David F. Cunningham
Albert V. Gonzales
Robert J. Uram
Bruce R. Kohl

Celia Foy Castillo Margaret B. Alcock Leslie C. King III Bruce J, Fort Mary Ann McConnell

Special Counsel: Paul L. Bloom



July 30, 1985

Mr. Michael Stogner, Examiner Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

RE: In the matter of the Application of Lynx Petroleum Consultants, Inc., for Approval of an Unorthodox Well Location, Compulsory Pooling and Dual Completion, Lea County, New Mexico - Case #8631

Gentlemen:

Reference is made to the response of Lynx Petroleum Consultants, Inc. through its attorney Karen Aubrey of Kellehin and Kellehin in regard to salvageable equipment at the Geraldine Doughty #1.

Attachment I is a reproduction of the Equipment Inventory listing which Lynx Petroleum Consultants provided to you. Indicated below are comments in regard to these items:

Item #1 - 2100' of 8-5/8 casing 24#/Ft.

Based on the attached Petroleum Information (PI) drilling report, (Attachment II) the 8-5/8" casing was cemented with 975 sacks. The cement type and yield were not specified nor was hole size. Assuming a 1.3 Ft³/sx yield and 12-1/4" hole size, the 975 sacks was more than ample, (46% excess) to circulate the cement to surface. Discussion with Texaco's drilling personnel indicates that practice in this area is to circulate cement on this string to surface. Since the casing is cemented to surface this casing cannot be recovered and should not be deemed "salvageable".

Item #2 - 6360' of 5-1/2" casing - As indicated in Mr. Fonay's letter to Karen Aubrey (Attachment III) only 3,000' of the 5-1/2" casing could be recovered or "salvaged". No objection to the salvage value of the casing above the top of the cement in the 5-1/2" string is made.

Item #3 - 2-7/8" 6.5# tubing - As our understanding of Lynx Petroleum's plans are that in all probability the well will be a dual completion, consequently this particular tubing will be used to produce the Paddock.

Items #4-9 - These items are all involved in the production of oil from the Paddock.

Items #10-11 - No objection to the salvage value of these items is made.

Items #12-14 - These items are all involved in Paddock oil production.

A review of your request indicates that a listing of <u>salvageable</u> equipment was requested. Obviously what has been provided is a listing of <u>all</u> equipment whether salvageable or not.

In addition a large percentage of the equipment listed has and will continue to be used for Paddock production in which Texaco has no working or royalty interest in. It would be grossly unfair to ask Texaco to in essence purchase equipment which will only devaluate with time, to produce someone elses oil and gas. Items necessary to produce the Queen formation (tubing, flowline meters, etc.) are proposed to be covered by a separate equipment AFE.

GRK/pw

Attachments

File Chrono

ATTACHMENT I

GERALDINE DOUGHTY #1 EQUIPMENT INVENTORY

ITEM

| (1) | 2100' | 8-5/8" 24# | \$ 16,685.96 |
|------|-------|----------------------------|--------------|
| (2) | 6360' | 5-1/2" 15.5# & 17# | 35,433.11 |
| (3) | 6278' | 2-7/8" 6.5# | 16,322.80 |
| (4) | 6250' | 3/4" rods | 5,130.72 |
| (5) | 1 | 2-1/2" x 1-1/4" x 12' pump | 1,348.82 |
| (6) | 2 | 300 bbl welded tanks | 6,575.00 |
| (7) | 1 | 4' x 20' heater treater | 5,500.00 |
| (8) | 1 | 120 bbl fiberglass tank | 2,250.00 |
| (9) | 1 | 114 pumping unit | 18,390.00 |
| (10) | 1 | 5-1/2" tubing head | 1,359.81 |
| (11) | 1 | 8-5/8" casing head | 517.39 |
| (12) | 660' | 2-7/8" flowline | 1,320.00 |
| (13) | 1 | 15h.p. motor & panel | 1,150.00 |
| (14) | | Misc. valves & fittings | 1,538.63 |
| | | | |

| NEW MEXICO | |
|-------------|-----------|
| z | |
| INFORMATION | |
| PETROLEUM | V (Cont.) |
| | > |

BRAVO DOME (Tubb); (8-8-83); 2683 RT; 1980 FNL, 1980 FEL; Sec 16-20n-33e; No Map; Elev. 5033 GR; C/CO2 in Action #18; HARDING COUNT 61 Bravo Dome

Gas Ut. 2033

April 30-021-20158

Spud 10-8-83; 9 5/8-720-375 sx; No Cores or DST's;
April 30-021-20158

Zo32; Flwd 37 MCFCPD thru 2 chk, TP 113 (2477-2632);
Acid (2477-2632) 5500 gals;
COMPLETION (NFORMATION: TP 2505 (GRNT); PBD: 2580; CMP 2-14-84; (F (Tubb) Peris 2477-2632 F 75 McFCPD. Por based on 24 hr test thru 2 chk.
GOR Dry; gty (Gas) (NR); CP Pkr; TP 112

*LOG TOPS: Santa Rose 1428, San Andres 1712, Glorieta 1901, Cimarron 2445,

ALOG TOPS: Santa Rosa 1428, San Andres 1712, Glorieta 1901, Cimarron 444
TUBD 7365
LOGS RUN. GRL, CALP, CNL, FDC, DLL, MSFL
FDenotes Changes & Additions
RE-ISSUED COMPLETION: Ticket issued 3-31-84

ANDOCO PROD (Carbo) (19-19-18); 2900 RT; 990 FSL, 351 Bravo Dome (Tubb): (9-19-18); 2900 RT; 990 FSL, 351 Bravo Dome (Carbon Dioxide) (CCO2 in Action #18: No Map; Elev. 4865 GR; Carbon Dioxide) (CCO2 in Action #18: No Map; Elev. 4865 GR; Cas Ut. 2033 \$7.26.371.00 sx; *3 1/2-191; Perf (Tubb) 2268-2353, 2356-2372, 2397-2403, 2443-2461, 2468-2492, 2495-2566 #V, SPF; Acid (2268-2372) 2600 gais; Find 939 McFcPD (2268-2506); Ret @ 2380; Sqzd (2392-2566) & DOC; Acid (2268-2373) 3000 gais; CMP 12-28-83; IP (Tubb) 2365 & DOC; Acid (2268-2373) 3000 gais; CMP 12-28-83; IP (Tubb) 2556 & DOC; Acid (2268-2373) 3000 gais; CMP 12-28-83; IP (Tubb) 2556 & DOC; Acid (2268-2373) 3000 gais; CMP 12-28-83; IP (Tubb) 2556 & DOC; Acid (2268-2373) 3000 gais; CMP 12-28-83; IP (Tubb) 2556 & DOC; Acid (2268-2373) 3000 gais; CMP 12-28-83; IP (Tubb) 2556 & Santa Rosa 1080, San Andres 1450, Clorieta 1678, Cimarron 2238, LOCS RUN; DL, MSF, CRL, CALP, CML, LDT, CCL, *FDC *Denotes Changes & Additions RETISSUED COMPLETION: Ticket issued 1-21-84

AMOCO PROD

BRAVO DOME (Tubb): (10-15-84); 2900 RT; 1830 FSL,
331 Bravo Dome

1830 FEL; nw se Sec 35-21n-29e; 17 ml NE/Mosquero;
(Carbon Dioxide)

Elev. 5431 GR, sub-s 12; CT/A7tec \$55;

Cas Ut. 2129

Spud 11-14-84; 9 5/8-724-390 sx; 7-2682-600 sx;

API 30-021-20209

Shiy sd 6 anhyc strks; Cored (Tubb) 2731-2784, rec

29 FT, no desc; No DST's; 5-inr-2466-2842-65 sx; Perf (Tubb) 2730-2750 w/2 SPF;
Natural;

COMPLETION INFORMATION: TD 2846 (CRNT); PBD 2801; CMP 1-3-85; IP (Tubb) Pers 2730-2750 F 44 MCFCPD + 1 BLW. Pot based on 24 hr test thru cack. CORD bry; 3PY (Gas) (INR); CP Pkr; TP 114
LOGS RUN: CNL, LDT, GRL, SOML, CALP, DLL, MSFL, FDC, BHCS, CBND AMEND FIELD: Formerly Wildcat.

Define Wilder Construction of the construction

* LEA COUNTY

State

SAUNDERS (Permo-Pennsylvanian): (10-22-84): 10,250 RT; 330 FSL, 330 FWL; sw sw Sec 12-14s-33s; 21 mi SE/Caprock; Elev. 4187 GR, sub-s 16; C/Exeter 865; API 30-025-28993 YATES PET
1 Harris "AAU"
State

9-00 9-10

13 3/8-455-450 sx; 8 5/8-4225-1850 sx; No Cores or DST's; 5 1/2-10,185-1970 sx; 2 7/8-9810, Perf (Bough) 944-9864, 9905-9919, 9937-9946 w/29 shots; COMPLETION INFORMATION: TD 10,185 (PSLV); PBD 10,087; CMP 12-22-84; IP (Permo-Pennsylvanian) Perfs 9844-9946 S.24 BOPD + 216 BW. Pot based on 24

TOPS: Rustler 1764, Base Salt 2562, Yates 2680, Queen 3440, San Andres , Clorieta 5602, Tubb 7030, Abo 7762, Wolfcamp Lime 9172, Double X Marker , Virgillan 9770 CNL, FDC, DLL OCS RUN

0-00 Off

| Fuger | Superior | August | 0.000 56330 0.000 86 0.000 80 (RE-ISSUED) HUBER J M CORP 1 Superior "A"

WO-CO2 GAS

KEMNITZ (Atoka-Morrow): (10-15-84); 13,300 RT;
1 New Mexico "EJ" 660 FSL, 990 FEL; sw se Sec 22-165-34e; 7 ml NW/
State Blockeye: Elev. 4073 GR;
API 30-025-28965 ABANDONED LOCATION 1-21-85

LVNX PET

CONSULTANTS

CONSULTA 6291, 6295, 625. 6306) 13,000 gals + 1 STM; gty (NR)

임

SECTION IV A

LEA COUNTY (Cont'd)

COMPLETIONS

1 Falcon "WI" State

CO-C02 CAS

(F.R.C.) VATES PET

Sec 4-155-336; 24 ml SE/Caprock; (Orig. Cmp. 3-23-83 thru (Permo-Pennsylvanian) Perfs 9827-9863, OTD 10,360, OPB 9950; OWWO & Re-Cmp. 8-14-83

(OWWO) API 30-025-28070

10,360, OPB 9950; Old Cag: 13 3/8-455-450 sx; 8 5/8-4206-2500 sx; 5 1/2-11,360-950 sx; Elev. 4208 GR; 13 3/8-455-450 sx; 8 5/8-4206-2500 sx; 5 1/2-11,645, Cmr. Ret 6 9770; Sqzd (9827-9938) 300 sx; 8 DOC; Perf (Csg Sqze) 6 9939 w/4 SPI; Cmr. Ret 6 9900; Sqzd (9939) 50 sx; DOC to 9881; Perf (Permo-Pennsylvanian) 6 9869 w/2 shorts; Acid (9869) 2000 gals (158 NEFE); COMPLETION INFORMATION: TD 10,360 (PMPV); PBD 9881; RE-CMP 10-16-84; (Permo-Pennsylvanian) Perf 9869 No New Potential

SAUNDERS S (Permo-Pennsylvanian): (10-1-44); 14,000 RT; 660 FNL, 1980 FWL; ne nw Sec 32-15s-33e; 29 mi S/Caprock; Elev. 4204 GR, sub-s 71; C/Sharp

YATES PET 1 Lea "VP" State API 30-025-28921

Spud 9-30-89; 20-40-set; 13 718-995-455 sx; 8 5/8-4428-1860 sx; No Cores or DST's; 5 1/2-12,644-1410 sx; 2 7/8-10,721; Perf (Canyon) 10,765-10,889 w/23 shots; Acid (10,765-10,889) 5000 gals (158). CEMPLETION INFORMATION: TD 13,559 (MSSP); PBD 10,965; CMP 1-11-85; IP [Permo-Pennsylvanian] Perfs 10,765-10,889 F 400 BOPD. Pot based on 24 hr test thru 11,2-th. GOR 500; gtv (NR); CP Pkr; TP,180 UCC TOPS: Tubb 7072, Abo 7828, Wolfcamp 9308, Double X Marker 9590, Virgilian 10,226, Canyon 10,526, Atoka 11,474, Austin Cycle 12,950, Mississippian 13,365
LOGS RUN: COLL, FDC, DLL
AMEND OPERATOR, LEASE NAME, FIELD & ZONE: Formerly Dinero Operating, Dinero-Lea V.P. State & Wildcat (Devonian)

CO-C02

Lynx Petroleum Consultants, Inc.

P. O. Box 1666 3325 Enterprise Drive Hobbs, New Mexico 88240 505 392-6950

July 15, 1985

Ecllihan & Kellihan P.O. Box 2265 Santa Fe, NM 87504-2265

Dear Ms. Karen Aubrey,

As per Mr. Stogner's letter July 8, 1985 requesting salvage value of equipment on the Geraldine Doughty #1, attached is a list of all equipment on the well. The prices shown are list prices. As this equipment has been in service only seven months it should be worth approximately 85% of the listed value. On the value of the casing, only 3000' of the 5 1/2'' casing can be recovered.

As we discussed on the telephone this information is not relative to the case. If a queen well is made and dualed with the Paddock this equipment would still be owned by the Paddock working interest owners. If a single Queen is made most of the equipment would be moved to a different well and what equipment might be needed for a Queen well would be charged to the Queen working interest owners at current value. If you need any further clarification of this, please call.

Thank you,

They want may my

Gary W. Fonay Vice-President

GWF/leb

ILLEGIBLE



Jason Kellahin W. Thomas Kellahin Karen Aubrey

KELLAHIN and KELLAHIN Attorneys at Law El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fe, New Mexico 87504-2265

Telephone 982-4285 Area Code 505

July 22, 1985

G. Xi

RECEIVED

JUL 2 1505

HAND-DELIVERED

OIL CONSERVATION DIVISION

Mr. Michael Stogner Examiner Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501

Re: In the Matter of the Application of Lynx Petroleum Consultants, Inc., for Approval of an Unorthodox Well Location, Compulsory Pooling and Dual Completion, Lea County, New Mexico Case No. 8631

Dear Mr. Stogner:

On July 8, 1985 you wrote Mr. Gary Fonay requesting salvage value for the equipment on the Geraldine Doughty #1. I enclose Mr. Fonay's compilation of the equipment. The salvage value of the equipment would be approximately 85% of the listed value since it has only been in service seven months.

However, we would like to reiterate our position that salvage value of the equipment attributable to the Paddock completion is not relevant to our request for drilling costs to the base of the Queen or the costs of recompleting the well in the Queen. To the extent that equipment on the well is attributable to the Paddock oil production, that equipment would still be owned by the Paddock working interest owners.

KELLAHIN and KELLAHIN

Mr. Michael Stogner Page -2-July 22, 1985

I hope this clarifies your question, and that we can receive an Order from you shortly. As we stated in our testimony, the lease on this acreage expires August 1, 1985.

Sincerely,

Karen Aubrey

KA:mh

cc: Mr. Gary W. Fonay (w/o enc.)

Vice-President

Lynx Petroleum Consultants, Inc.

Post Office Box 1666

Hobbs, New Mexico 88240

Ken Bateman, Esq., (w/enc.)
WHITE, KOCH, KELLY & McCARTHY
Post Office Box 787
Santa Fe, New Mexico 87504-0787

Geraldine Doughty #1 Equipment Inventory

| | | Cost |
|------------------------|----------------------------|------------------------|
| 2100' | 8 5/8 " 24# | \$ 16,685.96 |
| 6 36 0 ' | 5 1/2" 15.5# & 17# | 35,433.11 |
| 6278 | 2 7/8" 6.5# | 16,322.80 |
| 6 2 50 ' | 3/4" rods | - 5,130.7 2 |
| 1 | 2 1/2" x 1 1/4" x 12' pump | 1,348.82 |
| 2 | 300 bbl welded tanks | 6,575.00 |
| 1 | 4' x 20' heater treater | 5,500.00 |
| 1 | 120 bbl fiberglass tank | 2,250.00 |
| 1 | 114 pumping unit | 18,390.00 |
| 1 | 5 1/2" tubing head | 1,359.81 |
| 1 | 8 5/8" Casing head | 517.39 |
| 660 ' | 2 7/8" Flowline | 1,320.00 |
| 1 | 15 HP motor & panel | 1,150.00 |
| Num. | Misc. valves & fittings | 1,538.63 |
| | | ,24 |

56246.27 47809.33



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION



1935 - 1985

August 16, 1988 stat

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

| Ms. Karen Aubrey |
|----------------------|
| Kellahin & Kallahin |
| Attorneys at Law |
| Post Office Box 2265 |
| Santa Fe, New Mexico |

| Re: | CASE NO. | 8631 | |
|-----|-----------|--------|--|
| | ORDER NO. | R-8007 | |
| | | | |

Applicant:

Lynx Petroleum Consultants, Inc.

Dear Madam:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

| Sincerely, | |
|---------------|--|
| Of KI land | |
| R. L. STAMETS | |

Director

| RLS/fd | |
|---------------------------------------|---------------|
| Copy of order | also sent to: |
| Hobbs OCD Artesia OCD Aztec OCD | x x |
| Other Ken Bat | ceman |



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION



1935 - 1989

September 24, 1985

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

| As. Karen Aubrey |
|----------------------|
| Kellahin & Kellahin |
| Attorneys at Law |
| Post Office Box 2265 |
| Santa Fe. New Mexico |

Re: CASE NO. 8631 ORDER NO. R-3007-A

Applicant:

Lynx Petroleum Consultants, Inc.

Dear Madam:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

| Hobbs OCD | × |
|--------------|---|
| Artesia OCD_ | × |
| Aztec OCD | |

| Other Kenneth Bateman | |
|-----------------------|--|
|-----------------------|--|