

P. O. BOX 6441 • PHONE 366-0811
ODESSA, TEXAS 79762

TICKET NO 6060
DATE November 21, 1985
ORDER NO
DISTRICT Odessa

COMPANY Aerind Oil Company

LEASE Shipp WELL NO 1

FIELD Casey Strawn COUNTY Lea

DRILL STEM TEST DATA

BOTTOM HOLE CHOKE 5/8" SURFACE 1" Adj.

TIME TOOL OPENED 5:41 A.M.

TOOL OPEN BEFORE ISIP 10 MIN

INITIAL SHUT-IN 1 HRS

TOOL OPEN 1 HRS

FINAL SHUT-IN 3 HRS

SURFACE ACTION

Pre-Flow: Opened tool with a weak to a fair blow in 1 min. Gas to surface in 9 mins. with 40 lbs. on 1/2" choke at 10 mins. (285 MCF/Day).

Final-Flow: Opened tool with a weak to a fair blow in 1 min., 36 lbs. on 1/2" choke at 20 mins. (70.3 MCF/Day); 90 lbs. on 1/2" choke in 40 mins. (145.3 MCF/Day); 135 lbs. on 1/2" choke at 1 hr., (228.2 MCF/Day). Oil to surface in 10 mins. into final shut in.

RECOVERY Total Fluid Flowed and reversed out

66 Bbls. Oil Gravity 40 @ 60°

REMARKS

SUCCESSFUL TEST Yes

TESTER Steve Lewis

B H TEMPERATURE 164 °F

APPROVED BY Jim Clowe

RECORDER NO 4335

RECORDER NO

A (INITIAL HYDROSTATIC PRESSURE)

B (INITIAL PRE-FLOW PRESSURE)

C (FINAL PRE-FLOW PRESSURE)

D (INITIAL SHUT-IN PRESSURE)

E (INITIAL FLOW PRESSURE)

F (FINAL FLOW PRESSURE)

G (FINAL SHUT-IN PRESSURE)

H (FINAL HYDROSTATIC PRESSURE)

Strawn ELEVATION 3784' GL

11,225 TO 11,299 ANCHOR LENGTH 74'

HOLE AND MUD DATA

TOTAL DEPTH 11,299 MAIN HOLE 7 7/8

RAT HOLE 4200 CASING SIZE 8 5/8

DEPTH OF CSG 8.9 TYPE MUD F.Gel

MUD WT. 10 VISCOSITY 36

WATER LOSS 1,000 PPM CAKE 1/32

CHLORIDE 6.2

RESISTIVITY 60 °F

NO PACKERS 2 STRADLE TEST

SIZE PACKERS 6 3/4 CSG TEST

CONVENTIONAL TEST Yes

TYPE TOOL DEPTH LENGTH I.D. O.D.

4 1/2 XH DP 11,607 3.8 4.5

4 1/2 XH DC 454 2.3 6.25

Circ. Sub 11062 1

4 DC 124

Shut In 6

Samp. 4

Hyd. 5

Jars 6

Rec. 5

Safety 2

Packer 6

Packer 11225 5

Perf.

2 DC

Perf.

Rec. 74



P. O. BOX 6441 • PHONE 366-0811
ODESSA, TEXAS
79762

TEST TICKET NO. 6060

PRESSURE BREAKDOWN

Date November 21, 1985

Date — Company Amerind Oil Company County Lea

Compan Well Name & No. Shipp # 1 State New Mexico

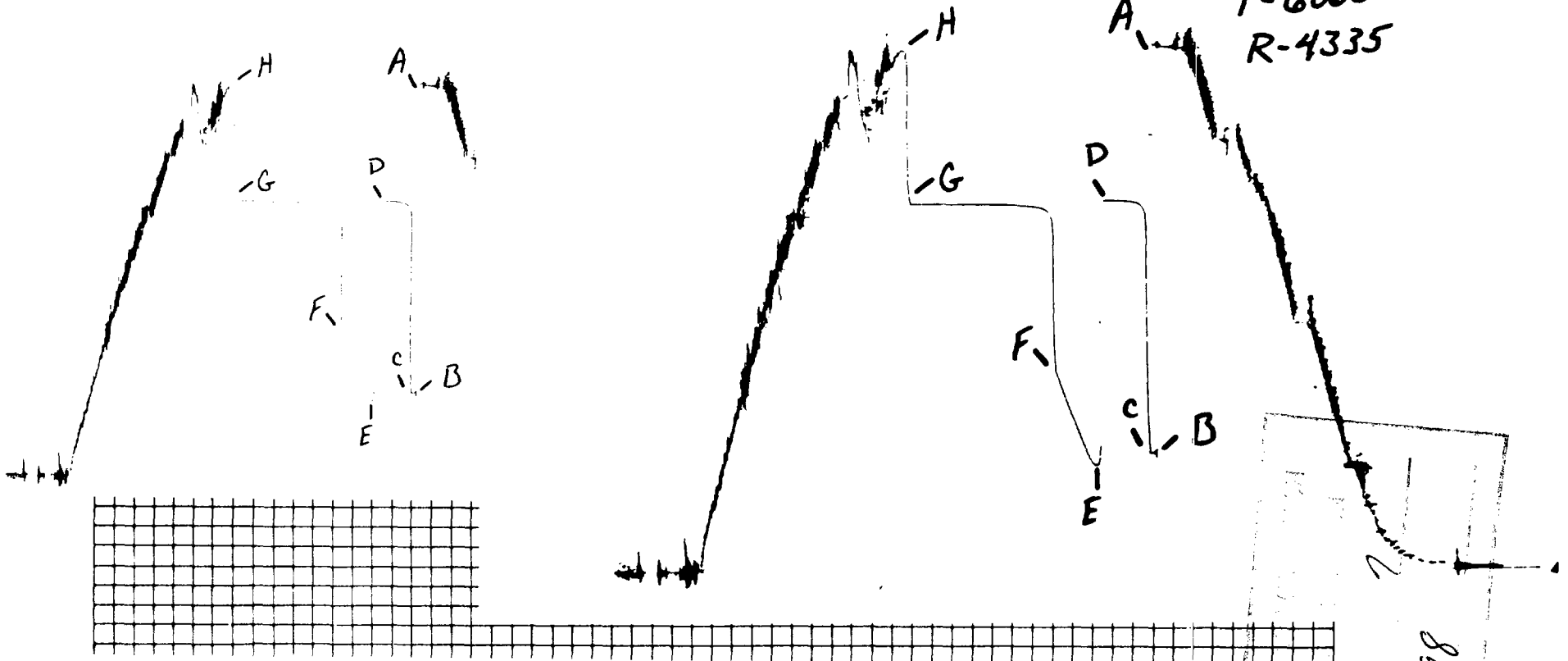
Well No. 1 DST No. 1 Tool Open 10 Min. For Pre Flow Tool Closed 62 Min. For ISIP

County Interval 11,225 To 11,299 Tool Open 60 Min. For Final Flow Tool Closed 200 Min. For FSIP

Sampler Recorder 4335

Pressure	INITIAL SHUT-IN				FINAL SHUT-IN			
	Time Deflection	Min.	Deflection	Pressure	Time Deflection	Min.	Deflection	Pressure
Total V.		0		1147		0		1966
		1		1252		1		2079
		2		1441		2		2267
		3		1723		3		2475
		4		2546		4		2696
		5		3295		5		2942
		6		3502		6		3203
		7		3552		7		3440
		8		3585		8		3496
		9		3598		9		3519
		10		3607		10		3531
		12		3624		12		3556
		14		3643		14		3573
		16		3651		16		3585
		18		3660		18		3598
		20		3664		20		3606
		22		3668		22		3610
Drillin		24		3670		24		3614
		26		3672		26		3616
Fluid		28		3674		28		3618
		30		3676		30		3620
Gas/C		35		3678		35		3627
		40		3680		40		3631
Where		45		3683		45		3633
		50				50		3635
		55				55		3637
		60				60		3639
Rema		62		3683		70		3645
						80		3647
						90		3649
						100		3651
						120		3654
						140		3656
						160		3658
						180		3658
						200		3658

T-6060
R-4335



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. 8798 (Reopened)
Order No. R-8182-B

IN THE MATTER OF CASE 8798 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-8182, WHICH ORDER
ESTABLISHED SPECIAL RULES AND REGU-
LATIONS FOR THE WEST CASEY-STRAWN
POOL, LEA COUNTY, NEW MEXICO,
INCLUDING A PROVISION FOR 80-ACRE
PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 4 and March 18, 1987, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and David R. Catanach, respectively.

NOW, on this 24th day of March, 1987, the Division Director, having considered the testimony, the records, 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) By Order No. R-8182, dated March 11, 1986, temporary special rules and regulations were promulgated for the West Casey-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.

(3) Division Order No. R-8182-A, dated April 21, 1986, authorized an oil discovery allowable for the Amerind Oil Company Shipp Well No. 1 located in the NW/4 NE/4 (Unit B) of Section 33, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

Case No. 8798 (Reopened)
Order No. R-8182-B

(4) Pursuant to the provisions of Order No. R-8182, this case was reopened to allow the operators in the subject pool to appear and show cause why the West Casey-Strawn Pool should not be developed on 40-acre spacing units.

(5) The evidence establishes that one well in said pool can efficiently and economically drain and develop 80 acres.

(6) The Special Rules and Regulations promulgated by Order No. R-8182 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

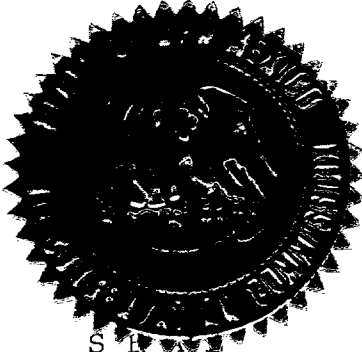
(7) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-8182, as amended, should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED THAT:

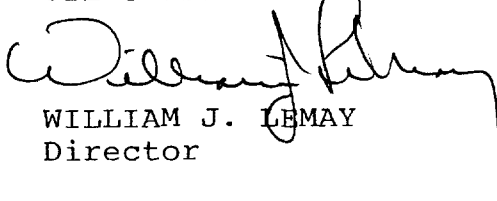
(1) The Special Rules and Regulations governing the West Casey-Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-8182, as amended, are hereby continued in full force and effect until further order of the Division.

(2) 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


WILLIAM J. LEMAY
Director

S. L. H. A. 11
fd/

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. 8798
Order No. R-8182

APPLICATION OF AMERIND OIL
COMPANY FOR POOL CONTRACTION,
POOL CREATION, AND SPECIAL
POOL RULES, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 9, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of March, 1986, 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) The applicant, Amerind Oil Company, seeks the creation of a new Strawn oil pool consisting of the W/2 NE/4 of Section 33, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, and further seeks the contraction of the Casey-Strawn Pool by the deletion therefrom of the NE/4 of said Section 33.

(3) The applicant further seeks the promulgation of special pool rules for said new Strawn pool, including a provision for 80-acre well spacing and proration units.

(4) The discovery well for said pool is the Amerind Oil Company Shipp Well No. 1 located 660 feet from the North line and 1980 feet from the East line of Section 33, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) Said Shipp Well No. 1, completed in December, 1985 through perforations in the well from approximately 11,259 feet to 11,332 feet, has discovered a new source of supply.

(6) The Casey-Strawn Pool should be contracted by the deletion therefrom of the following described acreage:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 33: NE/4

(7) A new oil pool for Strawn production should be created and designated the West Casey-Strawn Pool consisting of the following described acreage:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 33: W/2 NE/4

(8) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the West Casey-Strawn Pool.

(9) The temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

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

(11) This case should be reopened at an examiner hearing in March, 1987, at which time the operators in the subject pool should be prepared to appear and show cause why the West Casey-Strawn Pool should not be developed on 40-acre spacing units.

(12) The effective date of this order should be March 11, 1986.

IT IS THEREFORE ORDERED THAT:

(1) The Casey-Strawn Pool as heretofore defined and described in Lea County, New Mexico, is hereby contracted by the deletion therefrom of the following acreage:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 33: NE/4

(2) A new pool for Strawn production is hereby created and designated as the West Casey-Strawn Pool in Lea County with horizontal limits comprising the following described acreage:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 33: W/2 NE/4

(3) Effective March 11, 1986, temporary rules for the West Casey-Strawn Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES FOR THE
WEST CASEY-STRAWN POOL

RULE 1. Each well completed or recompleted in the West Casey-Strawn Pool or in the Strawn formation within one mile thereof, and not nearer to or within the limits of another designated Strawn oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the West Casey-Strawn Pool as the acreage in such non-standard unit bears to 80 acres.

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

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. Top unit allowable for a standard proration unit (79 through 81 acres) shall be based on a depth bracket allowable of 445 barrels per day, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

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

IT IS FURTHER ORDERED THAT:

(1) The locations of all wells presently drilling to or completed in the West Casey-Strawn Pool or in the Strawn formation within one mile thereof, and not nearer to or within the limits of another designated Strawn pool, are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before April 1, 1986.

(2) Each well presently drilling to or completed in the West Casey-Strawn Pool or in the Strawn formation within one mile thereof, and not nearer to or within

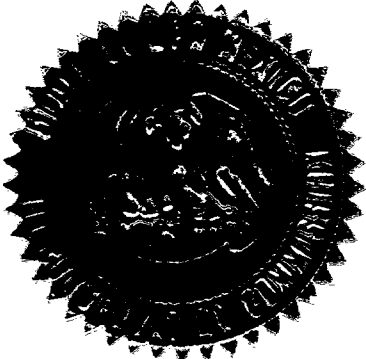
Case No. 8798
Order No. R-8182

the limits of another designated Strawn pool, shall receive a 40-acre allowable until Form C-102 dedicating 80 acres to the well has been filed with the Division.

(3) This case shall be reopened at an examiner hearing in March, 1987, at which time the operators in the subject pool may appear and show cause why the West Casey-Strawn Pool should not be developed on 40-acre spacing units.

(4) 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets", is written over the typed name.

R. L. STAMETS
Director

fd/

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. 8798 (Reopened)
Order No. R-8182-A

APPLICATION OF AMERIND OIL COMPANY
FOR POOL CONTRACTION, POOL CREATION,
SPECIAL POOL RULES, AND DISCOVERY
ALLOWABLE, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 19, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of April, 1986, 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) By Order No. R-8182 entered in Case 8798 on March 11, 1986, the Division created, defined, and promulgated special pool rules for the West Casey-Strawn Pool, Lea County, New Mexico.

(3) At the time of the original hearing on January 9, 1986, the applicant, Amerind Oil Company, requested that a discovery allowable in the amount of 56,225 barrels be assigned to the discovery well for said pool, the applicant's Shipp Well No. 1 located in Unit B, Section 33, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) The original advertisement for the January 9, 1986 hearing did not contain the applicant's request for a discovery allowable.

(5) This case was readvertised and reopened at the examiner hearing on March 19, 1986.

Case No. 8798 (Reopened)
Order No. R-8182-A

(6) Said Shipp Well No. 1 was completed as a discovery well in the Strawn formation on December 4, 1985, in the perforated interval from 11,259 feet to 11,322 feet (log measurement).

(7) Under the provisions of Division General Rule 509, said Shipp Well No. 1 is entitled to and should be assigned a discovery allowable equal to 5 barrels for each foot of depth to the uppermost perforation below ground level, or 56,225 barrels.

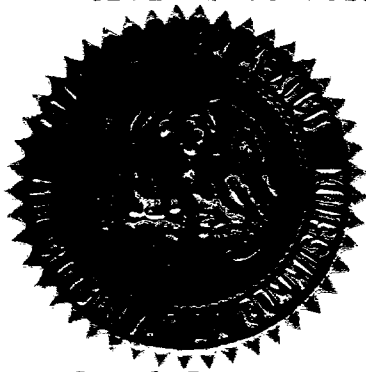
IT IS THEREFORE ORDERED THAT:

(1) The discovery well for the West Casey-Strawn Pool created by Division Order No. R-8182, the Amerind Oil Company Shipp Well No. 1 located in Unit B of Section 33, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby assigned an oil discovery allowable of 56,225 barrels of oil to be produced within 730 days after the effective date of this order at an approximate rate of 81 barrels per day.

(2) The effective date of this order shall be May 1, 1986.

(3) 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

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