

C/SF

7. UNIT AGREEMENT NAME
C.A. Russell (Feder
8. UNIT OR LEASE NAME
C.A. Russell (Feder
9. WELL NO.

10. 10. 1941 AND 10. 10. 1941
 From Seven Rivers/
 Mrs. Burg Jackson
 11. 11. 1941, 12. 12. 1941 AND
 13. 13. 1941
 Dec. 18 9175-R31E

1. The first of these is the fact that the majority of the population of the United States is now living in urban areas. This is a result of the process of urbanization, which has been going on since the beginning of the 20th century. The population of the United States has increased from about 100 million in 1900 to over 200 million in 1950. At the same time, the population of rural areas has decreased from about 100 million in 1900 to about 50 million in 1950. This has led to a concentration of the population in urban areas, which has had a number of important consequences for the development of the United States.

RE: LC-029548A
C. A. Russell Federal #5
T17S, R31E, Sec. 18, SWNW
Eddy County, New Mexico

Hondo Oil and Gas Company
Attention: William D. Fulton
P.O. Box 2208
Roswell, New Mexico 88201

SEP 14 1987

RECEIVED

SEP 22 '87

O. C. D.
ARTESIA, OFFICE

Gentlemen:

Your request to surface commingle the Fren Seven Rivers/Grayburg-Jackson oil and/or gas zones is hereby approved.

Please contact Shannon J. Shaw at 887-6544 if you have any questions.

Sincerely,

Orig. Signed by Richard L. Marcus

Richard L. Manus
Area Manager

067:SShaw:sw:9/9/87:x228:WANGID0009S

of the value of the completed contract shall not be less than the value of the contract for the purpose of the contract.

DATE 7/27/87

LATE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

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—" for such proposals.)

1. ☐ OIL WELL ☐ GAS WELL ☐ OTHER Oil Lease

2. NAME OF OPERATOR
HONDO OIL & GAS COMPANY

3. ADDRESS OF OPERATOR
P.O. BOX 2208, ROSWELL, NM 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
2200 FNL 2 + 10 FNL

14. PERMIT NO.

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

5. LEASE DESIGNATION AND SERIAL NO
LC-029548-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
C.A. Russell (Federal)

9. WELL NO.
5

10. FIELD AND POOL, OR WILDCAT
Fren Seven Rivers/
Grayburg Jackson

11. SEC. T., R., M., OR BLE. AND
SURVEY OR AREA
Sec. 18 T17S-R31E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

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ARTESIA OFFICE

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
ABANDON* ☐
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐
FRACTURE TREATMENT ☐
SHOOTING OR ACIDIZING ☐
(Other) ☐
REPAIRING WELL ☐
ALTERING CASING ☐
ABANDONMENT* ☐

(Other) Commingled Lease Production X

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Application for approval to Commingled Fren Seven Rivers and Grayburg-Jackson production in Common Facilities on C.A. Russell (Federal) Lease.

- Lease Description: NW/4 and W/2 NE/4 Section 18, T17S-R31E
- Ownership is common within lease.
- The C.A. Russell #5 is the only Seven Rivers well on this lease, therefore, allocation of Commingled production will be from a well test of the #5.
- Gravities of oil from the respective formations are: Seven Rivers 32.0°, Grayburg-Jackson 35.5°.
- Volumes, Prices, and Values of oil from the respective formations are:
Seven Rivers 4 BOPD x \$19.15/bbl = \$76.60/day
Grayburg-San Andres 11 BOPD x \$19.45/bbl = \$213.95/day
- Volumes, Prices, and Values of expected commingled production are:
15 BOPD x \$19.45/bbl = \$291.75/day Expected gravity = 34.5°
- A schematic of the Russell Battery is enclosed.
- A lease plat showing the wells and their respective pools is enclosed.
- From 5 and 6 above, the value of the commingled production will not be less than the sum of the values of the production from the separate pools.
- Hondo Oil & Gas Company owns a 100% WI in this lease with respect to the Fren Seven Rivers and Grayburg Jackson Pools.

CONTINUED

18. I hereby certify that the foregoing is true and correct

SIGNED William D. Fulton

TITLE Petroleum Engineer

DATE 7/27/87

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side