

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

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

OCT 20 11 30 AM '65

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work Re-Enter		7. Unit Agreement Name Letter Agreement	
b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>		8. Farm or Lease Name Guye State	
OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		9. Well No. 1	
2. Name of Operator Southland Royalty Company		10. Field and Pool, or Wildcat Inbe (Penn.)	
3. Address of Operator 1405 Wilco Bldg. Midland, Texas		12. County Lea	
4. Location of Well UNIT LETTER B LOCATED 660' FEET FROM THE North LINE 1980' FEET FROM THE East LINE OF SEC. 23 TWP. 11-5 RGE. 33-E NMFM			
19. Proposed Depth 5245		19A. Formation San Andres	
20. Rotary or C.T. Workover			
21. Elevations (Show whether DF, RT, etc.) 4241 D.F.		21A. Kind & Status Plug. Bond Blanket (current)	
21B. Drilling Contractor none		22. Approx. Date Work will start When Approved	

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
6 3/4	4 1/2	10.5	5245	500	Surface

* Above re-enter operation is proposed in a well drilled, plugged and abandoned in 1960, by J. C. Williamson. Currently Tamarack Petroleum Company has an oil and gas lease covering this well. Southland Royalty Company holds a letter agreement from Tamarack Petroleum Company for permission to re-enter and complete as salt water disposal well. Copy of letter agreement is attached.

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

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

Signed Allen H. Stewart Title Engineer Date 10-18-65

(This space for State Use)

APPROVED BY [Signature] DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Approved for re-entering only. GAD order must be obtained before disposal.

SOUTHLAND ROYALTY COMPANY

HOME OFFICE
1603 FIRST NATIONAL BLDG.
FT. WORTH 2, TEXAS
76102

MIDLAND, TEXAS

PLY TO:
5 WILCO BLDG.
MIDLAND, TEXAS
79704

September 21, 1965

Tamarack Petroleum Company
521 Midland Savings & Loan Bldg.
Midland, Texas

Re: Guye-State Lease
NE/4 Section 23-11S-33E
Lea County, New Mexico
Proposed SWD Well

Gentlemen:

You are currently the owner of an oil and gas lease covering the above 160 acre tract. In 1960 J. C. Williamson drilled his Guye-State #1 well, 1980' FEL & 660' FNL on the above Section 23. This well was drilled to T.D. of 11,171' and plugged and abandoned on 12-30-60 as a dry hole. We would like to re-enter this old hole in an attempt to make a salt water disposal well in the San Andres formation to dispose of our produced water in the area. We intend to run 4½" casing to approximately 4000'. Complete open hole in San Andres disposal zone from 4000' to Top of Glorietta at 5245'.

If we secure your permission to re-enter this well and make a San Andres disposal well as outlined above we agree to hold you harmless from any claims whatsoever resulting from our re-entering this well, erecting surface water handling facilities and lines and future operations of this disposal system. We further agree to allow you to use this disposal

Tamarack Petroleum Company

2

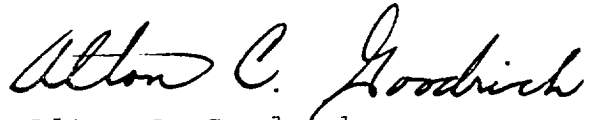
OCT 20 11 30 AM '65
Sept 21, 1965

well and related facilities to dispose of any produced salt water you may have in this general area. If you put any water into this facility you agree to pay us our actual operating costs on a per barrel basis and to deliver to us water of a quality equal to our own. In the event our equipment and facilities would be inadequate to handle all your produced water if you join in the system, then you agree to pay your proportionate part of the added cost of investment in equipment and facilities that would be required. This added cost would be shared between us on a per barrel basis.

If you agree to letting us re-enter and use this well and allowing you to dispose of your produced water in this system under the foregoing conditions please signify in space provided below and return two (2) copies to this office.

Very truly yours,

SOUTHLAND ROYALTY COMPANY



Alton C. Goodrich
Dist. Prod. Supt.

ACG:jh

ACCEPTED AND AGREED to this 21 day
of September, 1965

TAMARACK PETROLEUM COMPANY

By _____