



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 19, 1997

Boyd & McWilliams Energy Group, Inc.
c/o Sagebrush Permitting Consultants
P. O. Box 123
Artesia, New Mexico 88211-0123
Attention: Melanie J. Parker

Administrative Order DD-175

Dear Ms. Parker:

Reference is made to your application dated May 12, 1997 on behalf of the operator Boyd & McWilliams Energy Group, Inc. for authorization to re-enter and recomplete the plugged and abandoned Rodman Corporation/Robert E. Enfield Federal "22" Well No. 1 (API No. 30-005-20392) by side tracking off of the vertical portion of the wellbore and directionally drill to a pre-determined bottomhole gas well location in order to test the Morrow formation underlying the W/2 of Section 22, Township 13 South, Range 30 East, NMPM, Chaves County, New Mexico.

The Division Director Finds That:

- (1) The subject application has been duly filed under the provisions of Rule 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) The Rodman Corporation/Robert E. Enfield Federal "22" Well No. 1 was originally drilled in 1971 to a depth of 10,731 feet at a standard oil well location 1980 feet from the South and West lines (Unit K) of said Section 22 to test the lower Mississippian and Devonian intervals; said well tested dry and was subsequently plugged and abandoned;
- (3) Any Morrow gas production encountered in this well would be considered "wildcat" production and would therefore be subject to the statewide rules and regulations for gas wells to all horizons of Wolfcamp age or older, as promulgated by Rule 104.B(1)(a), which provides for 320-acre gas spacing and proration units, or drilling units, and requires that wells be located no closer than 660 feet to the nearest side boundary of the designated tract nor closer than 1650 feet to the

nearest end boundary, nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary thereon;

- (4) The applicant/operator proposes to re-enter the subject wellbore and recomplete by drilling out the plugs at the surface, tie back into the 8-5/8 inch intermediate casing at 483 feet, clean out the openhole interval below the intermediate string at 2,027 feet to a depth of approximately 7,400 feet, kick-off from vertical in a northwesterly direction and continue drilling in such a manner as to bottom into the Morrow formation at a standard subsurface gas well location in the NE/4 SW/4 (Unit K) of said Section 22;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the NE/4 SW/4 of said Section 22 that is no closer than 660 feet to the quarter section line to the east, nor closer than 330 feet from any of the three quarter-quarter section lines to the north, south and west; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The operator, Boyd & McWilliams Energy Group, Inc., is hereby authorized to re-enter and recomplete the plugged and abandoned Rodman Corporation/Robert E. Enfield Federal "22" Well No. 1 (API No. 30-005-20392), located at a standard gas well location 1980 feet from the South and West lines (Unit K) of Section 22, Township 13 South, Range 30 East, NMPM, Chaves County, New Mexico, by drilling out the plugs at the surface, tie back into the 8-5/8 inch intermediate casing at 483 feet, clean out the openhole interval below the intermediate string at 2,027 feet to a depth of approximately 7,400 feet, kick-off from vertical in a northwesterly direction and continue drilling in such a manner as to bottom into the Morrow formation at a standard subsurface gas well location in the NE/4 SW/4 (Unit K) of said Section 22;

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total

depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Hobbs district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Hobbs offices of the Division upon completion.

(3) The W/2 of said Section 22 is to be dedicated to said to form a standard 320 acre gas spacing and proration.

(4) The "producing area" for said wellbore shall include that area within the NE/4 SW/4 of said Section 22 that is no closer than 660 feet to the quarter section line to the east, nor closer than 330 feet from any of the three quarter-quarter section lines to the north, south and west.

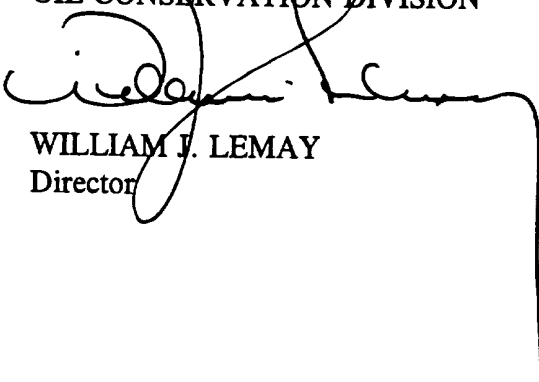
(5) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F and 104.B.

(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(7) 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 E A L

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Roswell