

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

30-025-30029
Form C-101
Revised 10-1-78

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DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease	
STATE ☐	FEE ☒
5. State Oil & Gas Lease No.	
None	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
DRILL ☒ DEEPEN ☐ PLUG BACK ☐		N/A	
b. Type of Well		8. Farm or Lease Name	
OIL WELL ☒ GAS WELL ☐ OTHER ☐		Melissa	
2. Name of Operator		9. Well No.	
Kaneb Operating Company, Ltd.		1	
3. Address of Operator		10. Field and Pool, or Wildcat	
400 Wilco Bldg., Midland, Texas 79701		East Morton (Wolfcamp)	
4. Location of Well		12. County	
UNIT LETTER 0 LOCATED 660 FEET FROM THE South LINE		Lea	
AND 1980 FEET FROM THE East LINE OF SEC. 34 TWP. 14-S RGE. 35-E NMPM			
		19. Proposed Depth	
		10,600'	
		19A. Formation	
		Wolfcamp	
		20. Rotary or C.T.	
		Rotary	
21. Elevations (Show whether DF, RT, etc.)		21B. Drilling Contractor	
3998.1 Ground Level		Willbros.	
21A. Kind & Status Plug. Bond		22. Approx. Date Work will start	
\$10,000 cash bond ¹		August 27, 1987	

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	48#	450	475	Surface
12-1/4"	9-5/8"	47#	6,000	350/675	Surface*
8-1/2"	7"	35,29,26,23#	10,600	500	8,000

1. \$10,000 cash bond is posted at First National Bank in Albuquerque.

* DV tool will be set at 2000' and cemented with 675 sx. cement, 350 sx. cement will be used in first stage.

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.

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

Signed [Signature] Title Assistant Division Prod. Mgr. Date August 21, 1987

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
APPROVED BY DISTRICT 1 SUPERVISOR TITLE _____ DATE AUG 27 1987
CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

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NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-101
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

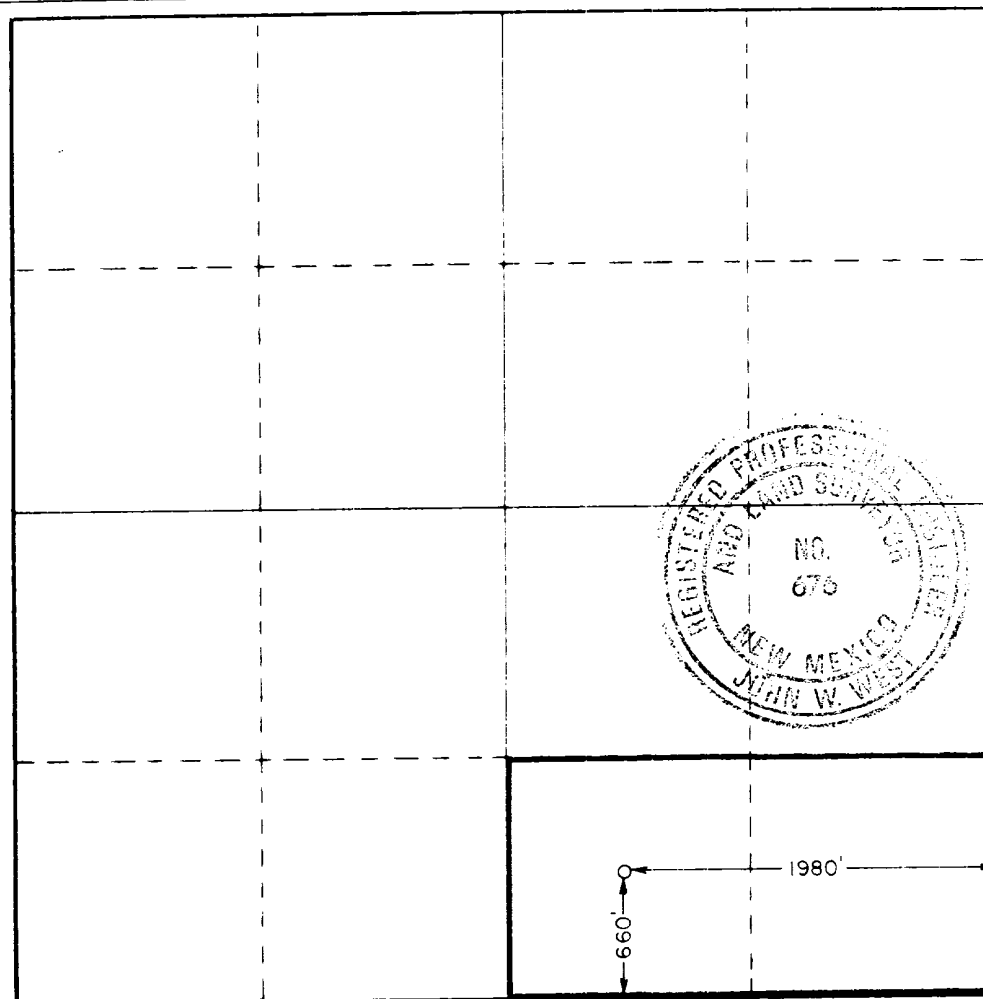
Operator KANEK OPERATING CO., Ltd.			Lease MELISSA		Well No. 1
Tract Letter 0	Section 34	Township 14 SOUTH	Range 35 EAST	County LEA	
Actual Footage Location of Well: 1980 feet from the EAST line and 660 feet from the SOUTH line					
Ground Level Elev. 3998.1	Producing Formation Wolfcamp	Pool East Morton (Wolfcamp)		Dedicated Acreage 80	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation communitization by pooled unit.
(See attached designation of pooled unit).

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Ken Sneed

Name
Ken Sneed

Position Assistant Division
Production Manager

Company Kaneb Operating Company, Ltd.

Date
August 14, 1987

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 30, 1987

Registered Professional Engineer
and Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

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DESIGNATION OF POOLED UNIT

STATE OF NEW MEXICO

COUNTY OF LEA

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, Kaneb Operating Company, Ltd. is the current owner and holder of those certain oil and gas leases and amendments thereto set out in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, Cotton-I Joe, Inc. is the current owner and holder of those certain oil and gas leases and amendments thereto set out in Exhibit "B", attached hereto and made a part hereof; and

WHEREAS, said oil and gas leases cover all or part of the E/2 Section 34, T14S, R35E, Lea County, New Mexico; and

WHEREAS, Kaneb and Cotton-I Joe have the right and power to pool and combine each lease and the lands and interests described therein in order to form a pooled unit for the production of oil and gas and associated hydrocarbons in the manner provided therein; and

WHEREAS, Kaneb and Cotton-I Joe desire to pool their interests in the S/2 SE/4 Section 34, T14S, R35E, Lea County, New Mexico into an 80 acre unit, more or less, for the production of oil, gas and associated hydrocarbons as to all depths;

NOW, THEREFORE, for and in consideration of the premises, Kaneb Operating Company, Ltd. and Cotton-I Joe, Inc. hereby create and designate a pooled unit as follows:

S/2 SE/4 Section 34, T14S, R35E, Lea County, New Mexico,
as to all depths, for oil, gas and associated hydrocarbons
only.

THE pooled unit covered by this agreement may be dissolved by ^{Kaneb Operating} Lessee by an instrument filed of record in Lea County, New Mexico, at any time after cessation of production from said unit or the drilling of a dry hole thereon.

NOTHING herein is intended nor shall this instrument be given effect as a cross-conveyance of interest between Kaneb Operating Company, Ltd. and Cotton-I Joe, Inc.

THIS agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

THIS instrument is executed and effective on the 11 day of August, 1987.

ATTEST:

KANEB OPERATING COMPANY, LTD., a
Texas Limited Partnership, by
Kanab Energy Company, its Managing
General Partner

By: Georgiana White
Georgiana White
Title: Assistant Secretary

By: Arnold Dethrow
Arnold Dethrow
Title: Vice President - Land

ATTEST:

COTTON-I JOE, INC.

By: _____
Title: _____

By: James R. Leeton
James R. Leeton
Title: President

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STATE OF TEXAS

COUNTY OF FORT BEND

BEFORE ME, the undersigned authority, on this day personally appeared Arnold Dethrow, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President - Land of KANEB ENERGY COMPANY, a Texas corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed in the capacity stated, and as the act and deed of said corporation.

GIVEN under my hand and seal of office this 11 day of August, 1987.

My Commission Expires:

March 21, 1991

Tommie Morgan Peterson
Notary Public in and for the State of
Texas (Print Notary name below:)
Tommie Morgan Peterson

STATE OF TEXAS

COUNTY OF MIDLAND

BEFORE ME, the undersigned authority, on this day personally appeared JAMES R. LEETON, known to me to be the person whose name is subscribed to the foregoing instrument as President of COTTON-I JOE, INC., a Texas corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed in the capacity stated, and as the act and deed of said corporation.

GIVEN under my hand and seal of office this 20th day of August, 1987.

My Commission Expires:

8-8-90

Seana O'Neill Nash
Notary Public in and for the State of
Texas (Print Notary name below:)
Seana O'Neill Nash

EXHIBIT "A"

Attached to and made a part of that certain Designation of Pooling dated
8/11/87 between Kanab Operating Company, Ltd., and Cotton-I Joe, Inc.

LESSOR	ROYALTY	LESSEE	DATE	DESCRIPTION	RECORDING DATA VOL PG
OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT AND CONTRIBUTED BY KANAB OPERATING COMPANY, LTD.					
Russell B. Jones	1/5	R. H. Yeager	(Eff.) September 17, 1984 September 17, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	376 421
Mary Helen McKnight Thompson	1/4	R. H. Yeager	September 2, 1984 September 2, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	376 415
Virginia Catherine McKnight Erwin	1/4	R. H. Yeager	September 2, 1984 September 2, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	376 413
Mary Helen McKnight Thompson	1/4	R. H. Yeager	(Eff.) December 7, 1984 December 7, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	376 417
Virginia Catherine McKnight Erwin	1/4	R. H. Yeager	(Eff.) December 7, 1984 December 7, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	376 419
Roy G. Barton, Jr., Trustee	1/4	R. H. Yeager	October 8, 1984 October 8, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	379 9
Johnson Company	1/4	R. H. Yeager	October 9, 1984 October 9, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	379 7
Paul F. Zahn	1/4	R. H. Yeager	October 10, 1984 October 10, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	379 3
Lignum Oil Company	1/4	Kanab OCL	(Eff.) March 18, 1986 September 18, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	397 420
W. B. Collins, et al	1/4	Kanab OCL	(Eff.) June 2, 1986 December 2, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	399 721
Cortez Oil Company	1/4	Kanab OCL	(Eff.) June 8, 1986 December 8, 1987	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	399 723

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LESSOR	ROYALTY	LESSEE	DATE	DESCRIPTION	RECORDING DATA	
					VOL	PG

OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT AND CONTRIBUTED BY KANEB OPERATING COMPANY, LTD. (CONTINUED)

Jure Danglade Speight	1/4	Kaneb OCL	(Eff.) May 6, 1987 May 6, 1989	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	410	422
Patricia Penrose Schieffer	1/4	Kaneb OCL	(Eff.) September 16, 1986 September 16, 1987	N/2 Section 3, Township 15 South, Range 35 East and E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico (INSOFAR as it covers only the E/2 Section 34, Township 14 South, Range 35 East)	411	780
The Wiser Oil Company	1/4	Kaneb OCL	April 15, 1986 October 15, 1987	E/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	399	367
The Wiser Oil Company	1/5	Kaneb OCL	November 1, 1986 May 1, 1988	W/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	405	860
Edward T. Dreessen, Jr.	1/5	Kaneb OCL	November 1, 1986 May 1, 1988	W/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	406	178
Betty M. Dreessen and Ingrid Powell, Trustees of the Marilee I. Kyte Revocable Living Trust	1/5	Kaneb OCL	November 1, 1986 May 1, 1988	W/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	407	78
Craig C. Powell and Ingrid Dreessen Powell, Trustees of the C&I Powell Revocable Living Trust	1/5	Kaneb OCL	November 1, 1986 May 1, 1988	W/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	407	80
Betty M. Dreessen, Trustee of the Betty M. Dreessen Revocable Living Trust	1/5	Kaneb OCL	November 1, 1986 May 1, 1988	W/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	407	82
Security Pacific National Bank as Conservator of the Estate of David Bond Kyte a/c 09-3-07562-0/6937795	1/5	Kaneb OCL	January 27, 1987 January 27, 1988	W/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	407	178
The Bank of California, N.A., Trustee of the Betty Kyte Dreessen Trust	1/5	Kaneb OCL	November 1, 1986 May 1, 1988	W/2 E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	407	180

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EXHIBIT "B"

Attached to and made a part of that certain Designation of Pooling dated
8/11/87 between Kanab Operating Company, Ltd., and Cotton-I Joe, Inc.

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LESSOR	ROYALTY	LESSEE	DATE	DESCRIPTION	RECORDING DATA VOL PG
OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT AND CONTRIBUTED BY COTTON-I JOE, INC.					
B. A. Christmas, Jr.	30%	Cotton-I Joe, Inc.	November 12, 1986 November 12, 1989	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	411 257
Mary T. Christmas Holladay	30%	Cotton-I Joe, Inc.	November 12, 1986 November 12, 1989	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	411 259
Helen Jane Christmas Barby	30%	Cotton-I Joe, Inc.	November 12, 1986 November 12, 1989	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	411 249
Candy Christmas	30%	Cotton-I Joe, Inc.	November 12, 1986 November 12, 1989	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	411 251
Joyce Ann Brown	30%	Cotton-I Joe, Inc.	November 12, 1986 November 12, 1989	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	411 257
Bradford Ace Christmas	30%	Cotton-I Joe, Inc.	November 12, 1986 November 12, 1989	E/2 Section 34, Township 14 South, Range 35 East, Lea County, New Mexico	412 520

Ms A 12.7.87

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WRS COMPLETION REPORTCOMPLETIONS SEC 34 TWP 14S RGE 35E
PI# 30-T-0004 01/11/88 30-025-30029-0000 PAGE 1NMEX LEA * 660FSL 1980FEL SEC SW SE
STATE COUNTY FOOTAGE SPOT
KANE OPERATING D DO
OPERATOR WELL CLASS INIT FIN1 MELISSA
WELL NO. LEASE NAME
4010KB 3998GR MORTON E
OPER ELEV FIELD/POOL/AREA

API 30-025-30029-0000

LEASE TYPE/NO. PERMIT OR WELL I.D. NO.
08/22/1987 11/20/1987 ROTARY OILSPUD DATE COMP. DATE TYPE TOOL STATUS
10600 WOLFCAMP WILLBROS DRLG 6 RIG SUB 11PROJ. DEPTH PROJ. FORM CONTRACTOR
DTD 10632 PB 10560 FM/TD PNNSYLVN

DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

LOCATION DESCRIPTION

5 MI SW HILLBURN CITY, NM

CASING/LINER DATACSG 13 3/8 @ 450 W/ 475 SACKS
CSG 9 5/8 @ 6005 W/ 1025 SACKS
CSG 7 @ 10472 W/ 500 SACKS
LNR 4 1/2 10261-10631 W/ 85STUBING DATA

TBG 2 3/8 AT 10034

INITIAL POTENTIALIPF 88BOPD 42 MCFD 24HRS
WOLFCAMP PERF 10129-10445 GROSS
PNNSYLVN PERF 10483-10531 GROSS
TP 110
GTY 42.0 GOR 477
RESV- WOLFCAMP
CK NOT RPTD
FCP PKR
COMMINGLED

TYPE	FORMATION	LTH	TOP DEPTH/SUB	BSE DEPTH/SUB
LOG	ANHYDRTE		1959 2039	
LOG	YATES		3069 929	

CONTINUED IC# 300257025587

COMPLETIONS SEC 34 TWP 14S RGE 35E
 PI# 30-T-0004 01/11/88 30-025-30029-0000 PAGE 2

KANEB OPERATING D DO
 1 MELISSA

TYPE	FORMATION	LTH	TOP	DEPTH/SUB	BSE	DEPTH/SUB
LOG	SVN RVRS		3223	775		
LOG	GRAYBURG		4100	-102		
LOG	SN ANDRS		4896	-898		
LOG	GLORIETA		6116	-2118		
LOG	TUBB		7378	-3380		
LOG	ABO		8138	-4140		
LOG	WOLFCAMP		9404	-5406		
LOG	PNNSYLVN		10483	-6485		

SUBSEA MEASUREMENTS FROM GR

CORES

CORE 1 10475-10533 REC 58.00FT WOLFCAMP CONV D
 NO DESCRIPTION AVAILABLE
 OVERLAPS PNNSYLVN

FORMATION TEST DATA

DST 1 10120-10195 WOLFCAMP S
 GAS TS IN 35M
 REC 141.0 FT O&GCM 1617.0 FT GCO
 REC 980.0 CC OIL 100.0 CC MUD
 INIT OP 5M IFP 94 FFP 157
 FINAL OP 2H IFP 157 FFP 458 BHT 150F
 ISIP 3907 1H 1M FSIP 3857 4H IHP 4923 FHP 4848
 SPL CHAM PRESS FINAL 2250
 GTY 43.3
 API @ 60 DEG - OPEN W/STRONG BLOW
 BHT DEPTH @ 10195

DST 2 10360-10392 WOLFCAMP S
 REC 30.0 FT MUD 150.0 FT G&OCM
 REC 168.0 FT SM&GCO 1000.0 CC OIL
 REC 200.0 CC MUD 2.5 CFT GAS
 INIT OP 5M IFP 56 FFP 69
 FINAL OP 1H10M IFP 69 FFP 169 BHT 150F
 ISIP 3832 1H FSIP 3870 4H 4M IHP 4923 FHP 4974
 SPL CHAM PRESS FINAL 300
 GTY 38.0
 API @ 60 DEG, WEAK TO STRONG BLOW AT 5 MIN
 IF, WENT TO BOTTOM OF BUCKET INSTANTLY ON ISI
 SPL REC 2.57 CFT GAS

CONTINUED