



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 13, 1996

Saba Energy of Texas, Incorporated
1603 S.E. 19th Street - Suite 202
Edmond, Oklahoma 73013

Attention: Bradley T. Katzung
President

Re: *Application for administrative approval to drill the Saba State "X-1" Well No. 1 at an unorthodox oil well location 2326 feet from the South line and 1308 feet from the East line (Unit I) of Section 7, Township 13 South, Range 36 East, NMPM, to test the Devonian formation, Lea County, New Mexico.*

Dear Mr. Katzung:

I am returning the subject application as incomplete, please refer to Division Rule 104.F(3) and submit all geological data referenced in your application. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs



Saba Energy of Texas, Incorporated

1603 S.E. 19th Street, Suite 202

Edmond, OK 73013

Tel 405•340•3600

Fax 405•340•3691

Bradley T. Katzung
President, Chief
Operating Officer

November 8, 1996

Mr. Michael E. Stogner
State of New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Proposed Off-pattern Location
1,308' FEL and 2,307' FSL
Section 7, T13S-R36E
Lea County, New Mexico

Dear Mr. Stogner:

This letter shall constitute Saba Energy's application for administrative approval of its request for an off-pattern location. The proposed Saba State "I" 1-7 is located on a 320 state lease covering the S/2 of Section 7. The proposed location is legal in terms of its distance to the lease lines (i.e. 333' from the north lease line); however, the proposed location is only 12 feet from the west line of the statutory 40 acre proration (lot identification "I"). Therefore, we submit the following information supporting the off-pattern location and we respectfully request approval so that we may proceed with our scheduled December 30th spud date.

The Saba State "I" 1-7 is staked at the optimum location, as determined by 3-D seismic data by virtue of the following facts:

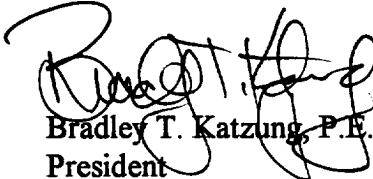
1. This location allows Saba to penetrate the Devonian at the highest structural position. This high structural position extends from our location to the north 110' past the northern lease line, or 433' north of our proposed location.
2. Most importantly, only 400' west of our location and 300' east of our location there are north-south trending faults. History shows that if a wellbore is near a fault or if a wellbore intersects a fault in the Devonian, the Devonian Dolomite will be too tight for production, or the permeability will be severely limited.
3. If the location were adjusted to the west, or to the east, the wellbore could drift and cross a fault. By crossing the fault to the west, the loss of structure would be up to 700' and render the well a dry hole. By crossing the fault to the east, up to 100' of valuable oil column would be lost and the possibility of any oil production would be in jeopardy.

Page Two

The information cited above has determined the best drilling location on the lease to be 1,308' FEL and 2,325' FSL Section 7, T13S-R36E. A location movement to the north would crowd the lease line; a location movement to the south would result in a loss of structure; and a location movement to the east or west would place the location to near north-south faults, which could reduce permeability, or risk a dry hole.

A copy of the C-101 and C-102 are enclosed for your reference. Thank you for your consideration. Please call me if you have any questions.

Yours truly,



Bradley T. Katzung, P.E.
President

cc: Working Interest Owners

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Saba Energy of Texas, Incorporated 1603 S.E. 19th Street, Suite 202 Edmond, Oklahoma 73013		OGRID Number 34703
		API Number 30 - 0
Property Code	Property Name Saba State "I"	Well No. 1-7

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	7	13S	36E		2328	South	1308	East	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Proposed Pool 1 Wildcat	Proposed Pool 2 Tatum Wolfcamp
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Work Type Code N	Well Type Code O	Cable/Rotary Rotary	Lease Type Code State	Ground Level Elevation 4003'
Multiple No	Proposed Depth 14,200'	Formation Devonian	Contractor N/A	Spud Date 12/30/96

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	54.5#	450'	495	surface
12-1/4"	8-5/8"	24# & 32#	4500'	1770	surface
7-7/8"	5-1/2"	17# & 20#	14,200'	400	12,200'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drilling program designed to safely and efficiently drill a 14,200' Devonian exploratory well. BOP equipment on desired rig will consist of 1 - 11" x 5000 psi double hydraulic BOP, 1 - 11" x 5000 psi annular BOP, 4" x 5000 psi choke manifold and Koomey 6 station accumulator with remote control.

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

Signature:

Printed name:

Title:

Date

Phone

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

Tracy Mills

Engineering Assistant

11/08/96

(405) 340-3600

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

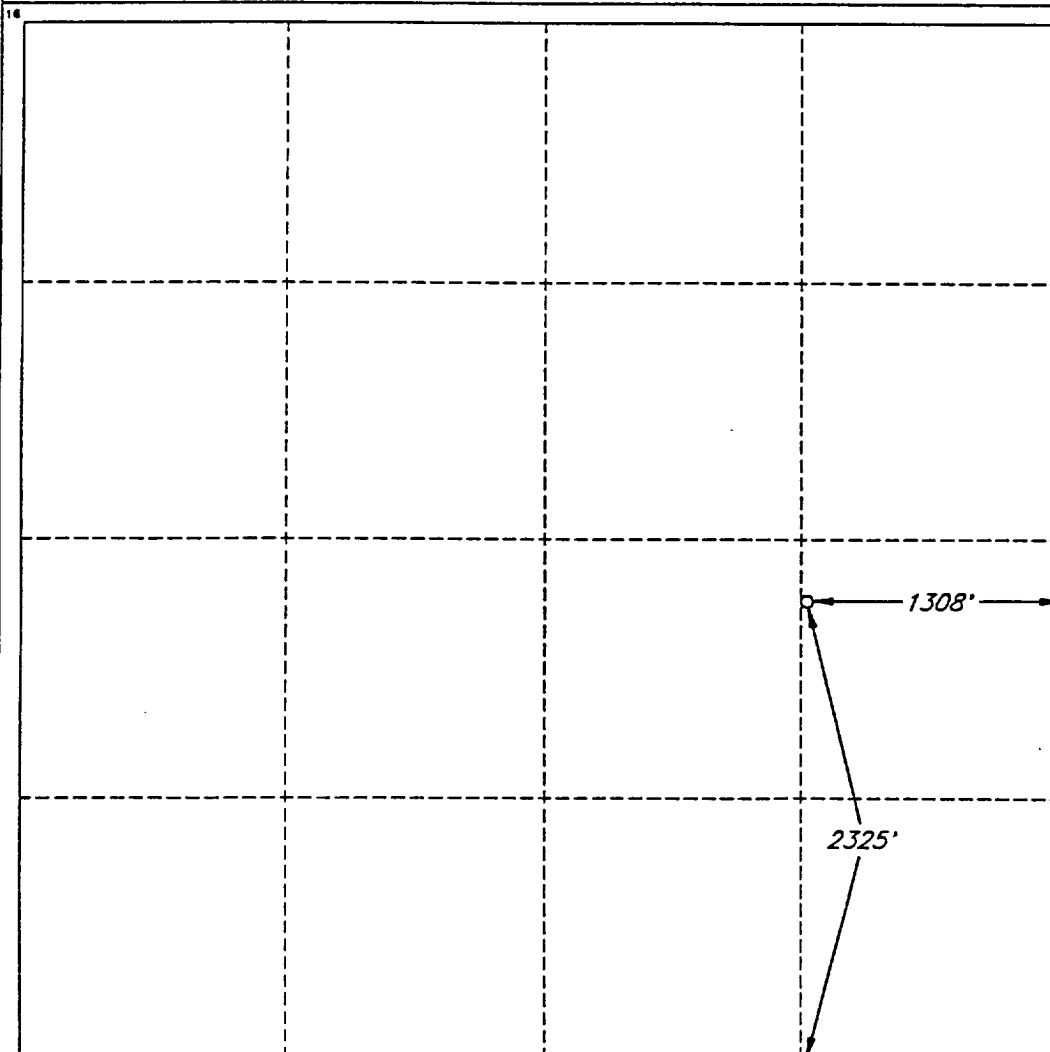
☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 58140		3 Pool Name Tatum Wolfcamp					
4 Property Code		5 Property Name SABA STATE 'I'						6 Well Number 1-7	
7 OGRID No. 34703		8 Operator Name SABA ENERGY OF TEXAS, INC.						9 Elevation 4003'	
10 SURFACE LOCATION									
UL or lot no. I	Section 7	Township 13 SOUTH	Range 36 EAST, N.M.P.M.	Lot Ida	Feet from the 2325'	North/South line SOUTH	Feet from the 1308'	East/West line EAST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 160		13 Joint or Infill N		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature

Printed Name
Tracy Mills

Title
Engineering Asst.

Date
11/08/96

SURVEYOR CERTIFICATION

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 belief.

Date of Survey
AUGUST 22, 1996

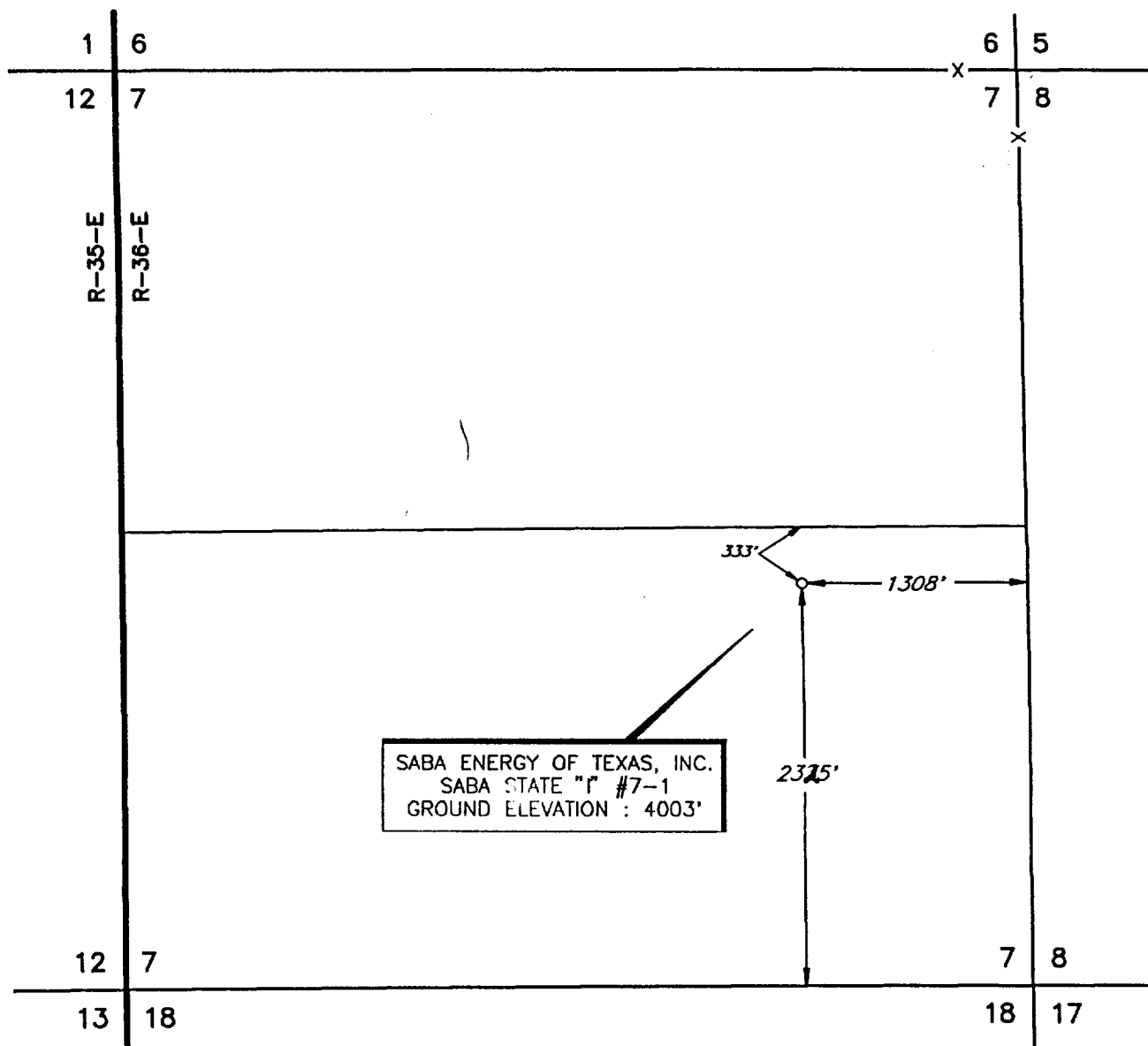
Signature of Professional Surveyor

V. LYNN
BEZNER
NO. 7920

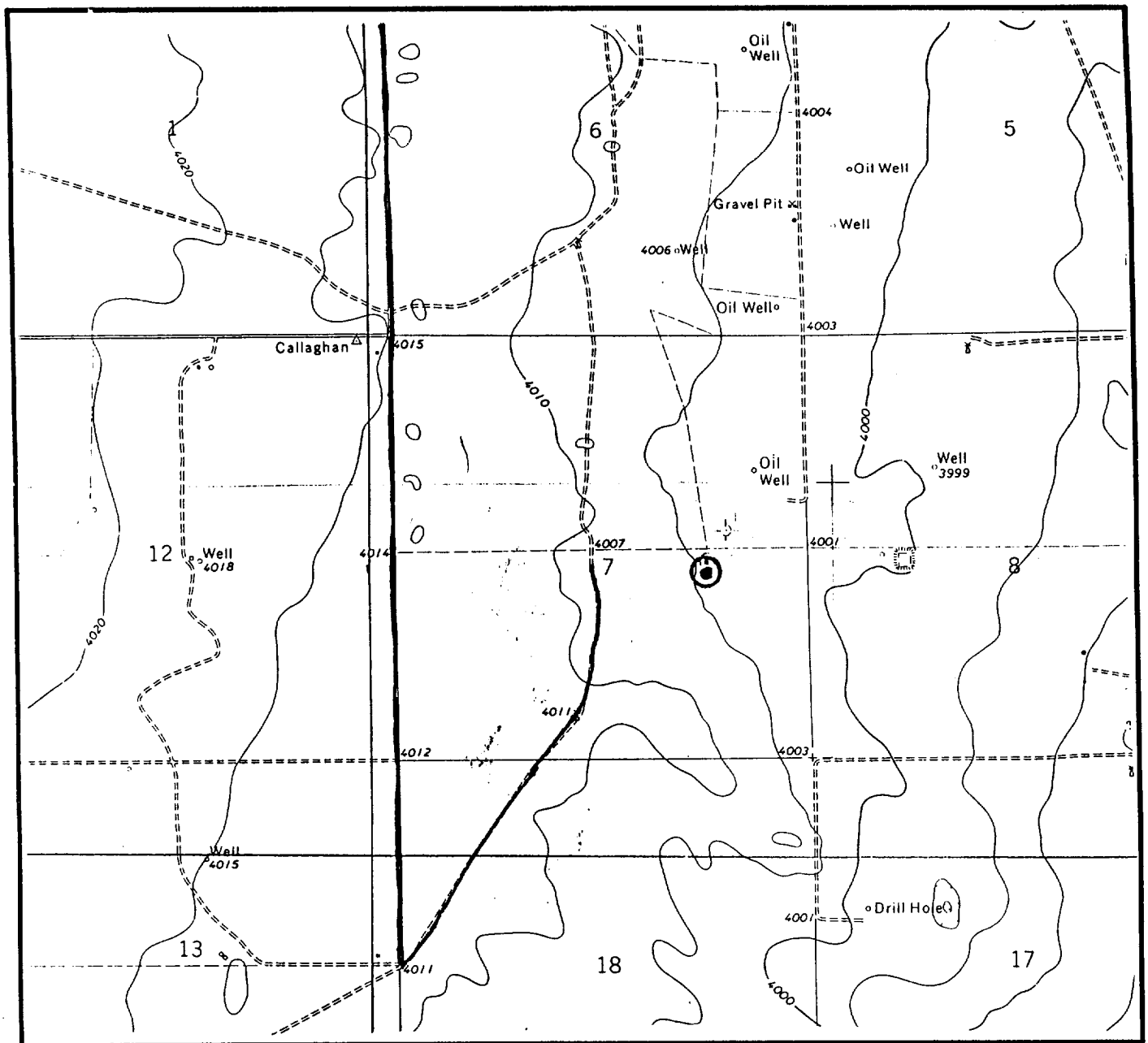
Certified
V. L. BEZNER R.P.S. #7920

JOB #47008-2 / 121 NE / V.H.B.

PLAT SHOWING PROPOSED
WELL LOCATION IN
SECTION 7, T-13-S, R-36-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

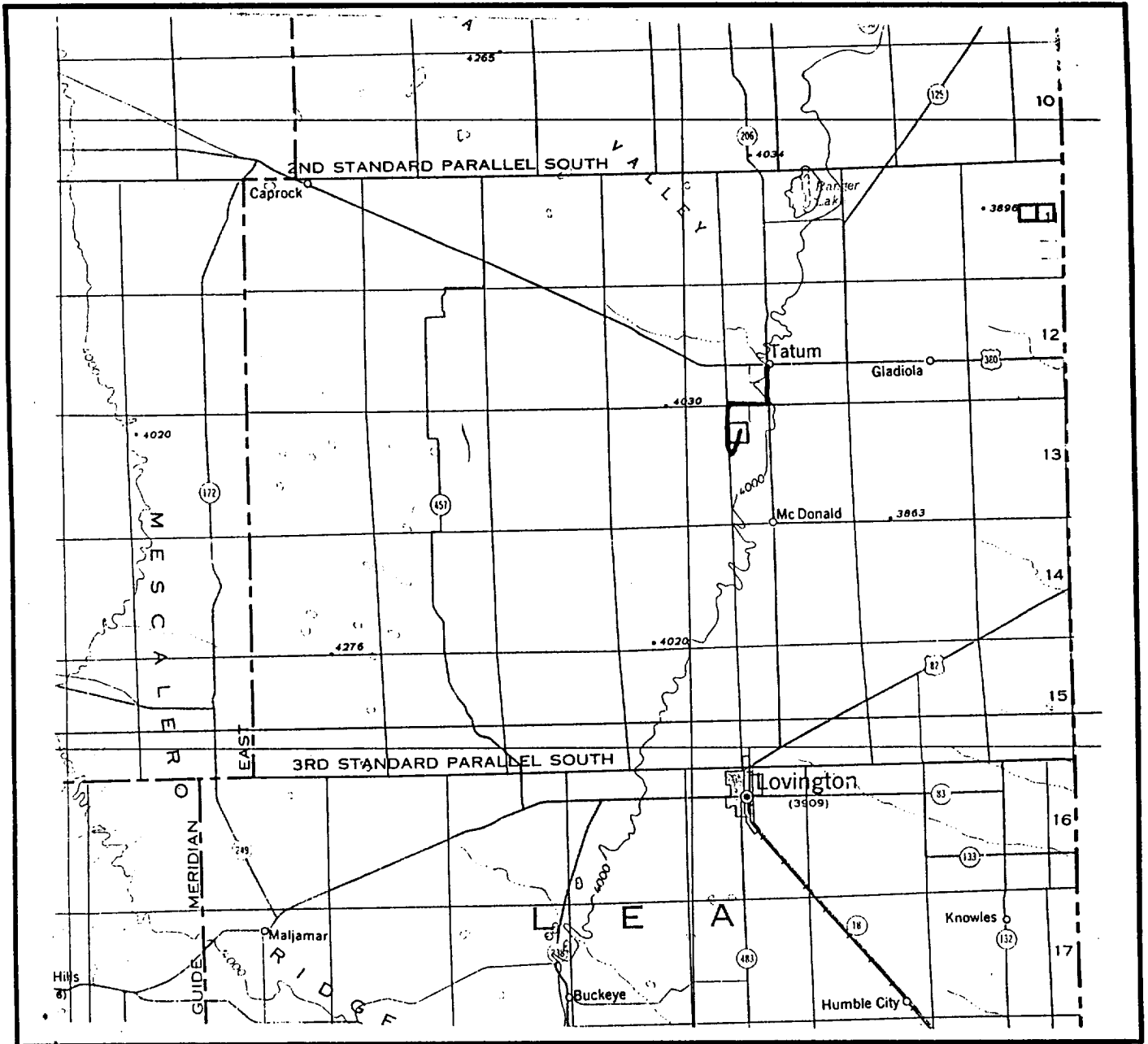


LOCATION & ELEVATION VERIFICATION MAP



CONTOUR INTERVAL 5'

VICINITY MAP



CMD :
OC5SECT

ONGARD
INQUIRE LAND BY SECTION

11/13/98 10:22:33
OGOMES -EMD3
PAGE NO: 2

Sec : 07 Twp : 13S Rng : 36E Section Type : NORMAL

3	K	J	I
40.21	40.00	40.00	40.00
CS	CS	CS	CS
VA0914 3 06/98	VA0914 3 06/98	VA0914 3 06/98	VA0914 3 06/98
SABA ENERGY OF TE	SABA ENERGY OF TE	SABA ENERGY OF TE	SABA ENERGY OF TE
4	N	O	P
40.24	40.00	40.00	40.00
CS	CS	CS	CS
VA0914 3 06/98	VA0914 3 06/98	VA0914 3 06/98	VA0914 3 06/98
SABA ENERGY OF TE	SABA ENERGY OF TE	SABA ENERGY OF TE	SABA ENERGY OF TE

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12