



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

11-30-88

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88401-1980
15051393-6161

verbal 2-6-89
NSP-1535

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

order # was
NSP-1535

26-89 1535

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP ☒ _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Southland Royalty Co. Scharb "4" #2-F 4-19-35
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed

MERIDIAN OIL

November 29, 1988

New Mexico Oil Conservation District
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Exception to Special Field Rule 2
Southland Royalty Company
(operated by Meridian Oil Inc.)
Scharb "4" No. 2
Scharb (Bone Spring) Field
Lea County, New Mexico

Gentlemen:

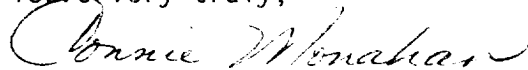
Southland Royalty Company (operated by Meridian Oil Inc.) has applied to the Secretary-Director of the New Mexico Oil Conservation Division for an exception to Special Field Rule 2 on the above captioned lease (copy of Application for Permit attached). Southland Royalty Company has respectfully requested waivers of objection to the recompletion of the Scharb "4" No. 2 from the Wolfcamp to the Bone Spring zone from all offset operators. After sending second notices, we have not received answers from everyone. Enclosed are the waivers that we have received. Please process our application for permit to plug back with the enclosed waivers.

The Scharb "4" No. 2 was drilled by Southland Royalty Company in December, 1980, to a depth of 10,740 feet. The well was placed in a 40 acre proration unit, as the Wolfcamp was the initial producing zone. The special field rules state that each well completed or recompleted in the Scharb (Bone Spring) Field shall be located on a standard unit containing approximately 80 acres. Southland Royalty Company is applying for an exception to this rule so that the well maybe recompleted and remain in a 40 acre proration unit, thereby preventing economic waste and increasing field recovery.

Location: Unit Letter F, 1980' FNL & 1980' FWL, Sec. 4,
T-19-S, R-35-E, Lea County, New Mexico

For information regarding this request, please call G. R. Carlson, Regional Production Engineer, at 915/686-5692.

Yours very truly,



Connie Monahan
Operations Tech III

C. Monahan/

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

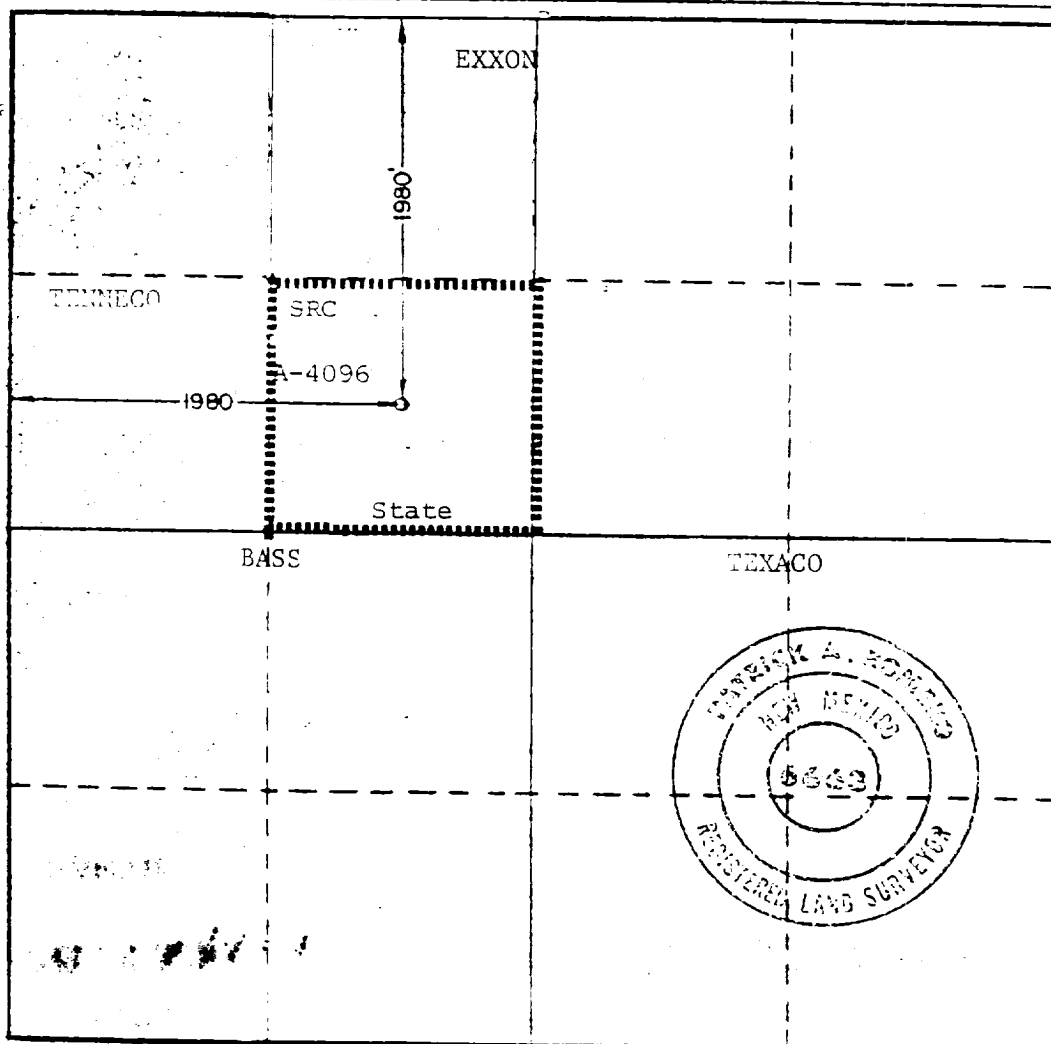
Operator Southland Royalty Co.			Lease Scharb 4		Well No. 2
Unit Letter F	Section 4	Township 19 South	Range 35 East	County Lea	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the West line					
Ground Level Elev. 3911.0	Producing Formation Bone Spring Sand		Pool Wildcat	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 _____

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.

Name
Cathy Nokes
Position
Operations Tech III
Company
Southland Royalty Company

Date
9-28-88

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
September 11, 1980

Registered Professional Engineer and/or Land Surveyor

Patrick A. Romero
Certificate No. **JOHN W. WEST 578**
PATRICK A. ROMERO 5643

[illegible]

OFFSET OPERATORS

Tenneco Oil Exploration & Production
7990 IH 10 West
San Antonio, Texas 78230

Attention: Mike Stewart
Prod Manager

Texaco
Box 3109
Midland, Texas 79702

Attention: W. F. Stone III
Joint Operations Manager

Forest Oil Corp.
Box 1916
Midland, Texas 79702

Attention: Bill Berilgen
Regional Engineer

Exxon Company, U.S.A.
Box 1600
Midland, Texas 79702

Attention: R. R. Hickman
Joint Interest Manager

Bass Enterprises Production Company
6 Desta Drive, Ste 3700
Midland, Texas 79705

Attention: George A. Teer
Division Production Manager

New Mexico Oil Conservation Division
Oil & Gas Division
P. O. Box 1980
Hobbs, New Mexico 88240

RE: Waiver of Objection to
Special Field Rule 2
Scharb (Bone Spring) Field
Lea County, New Mexico
Southland Royalty Company
(operated by Meridian Oil Inc.)
Scharb "4" No. 2
Section 4, T-19-S, R-35-E

WAIVER OF OBJECTION

Gentlemen:

As an offset operator, we hereby waive any and all objections to the proposal of Southland Royalty Company (operated by Meridian Oil Inc.) to recomplete their Scharb "4" No. 2 at a location requiring exception to Special Field Rule 2 allowing them to recomplete into the Bone Spring zone on a 40 acre proration unit.

Location: Unit Letter F, 1980' FNL & 1980' FWL, Sec. 4,
T-19-S, R-35-E, Lea County, New Mexico

Company: BASS ENTERPRISES PRODUCTION Co.
By: Kurt E. Buey
Title: DIVISION ENGINEER
Date: 10/25/88

C. Nokes/

This waiver is granted by the undersigned provided the party or parties seeking the non-standard location by acceptance of this waiver do hereby agree that the said undersigned may drill an offsetting well at a like non-standard location without penalty if the said undersigned deems the drilling of such a well necessary to protect correlative rights.

New Mexico Oil Conservation Division
Oil & Gas Division
P. O. Box 1980
Hobbs, New Mexico 88240

RE: Waiver of Objection to
Special Field Rule 2
Scharb (Bone Spring) Field
Lea County, New Mexico
Southland Royalty Company
(operated by Meridian Oil Inc.)
Scharb "4" No. 2
Section 4, T-19-S, R-35-E

WAIVER OF OBJECTION

Gentlemen:

As an offset operator, we hereby waive any and all objections to the proposal of Southland Royalty Company (operated by Meridian Oil Inc.) to recomplate their Scharb "4" No. 2 at a location requiring exception to Special Field Rule 2 allowing them to recomplate into the Bone Spring zone on a 40 acre proration unit.

Location: Unit Letter F, 1980' FNL & 1980' FWL, Sec. 4,
T-19-S, R-35-E, Lea County, New Mexico

Company: FOREST OIL CORP.
By: M. R. Seim
Title: DIVISION PRODUCTION MANAGER
Date: 10-11-88

C. Nokes/