

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

December 28, 1992

Unorthodox Location Requests
Eumont Gas Com 1 Wells #3, 4, 5
Units: N, D, P
Section 4, T20S-R37E
Lea County, NM
Eumont Yates Seven Rivers Queens
(Pro Gas)

Mr. Partick K. Worrell
Doyle Hartman, Oil Operator
500 N. Main
P. O. Box 10426
Midland, Texas 79702

Dear Mr. Worrell:

Reference is made to your letter dated December 7, 1992, to Mr. William J. Lemay of the New Mexico Oil Conservation Division concerning the captioned application, which letter contains the following statement: "Therefore, Hartman does not feel it is appropriate to object to Exxon's Administrative Application, provided that any future development of Hartman's Britt Laughlin Com lease will be afforded the same waiver of objection by Exxon."

This will confirm our phone conversation of December 15, 1992, in which: (1) I indicated that Exxon was not willing to make any general agreement to waive objections to the location of wells on Hartman's lease, and that Exxon's drilling on the captioned locations should not be construed as making any such agreement; and (2) you indicated that Doyle Hartman did not, by the above quoted language, intend to request that Exxon enter into any binding agreement to grant waivers in the future, and would not view Exxon's drilling on the captioned locations as making such an agreement.

Of course, Exxon will be glad to consider any requests by Doyle Hartman for specific waivers of objections to exception locations in the future.

Very truly yours,

M. W. Stubbs
for James M. Stubbs

c: Mr. William J. Lemay
State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Mr. Jerry Sexton
District I
State of New Mexico
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

Mr. James A Davidson
P. O. Box 494
Midland, Texas 79702-0494

Gallegos Law Firm
Attn: Mr. Gene Gallegos
141 East Palace Avenue
Santa Fe, New Mexico 87501

Mr. Daniel S. Nutter
105 E. Alicante
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12-3-92

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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

722-3212 (8A)

RE: Proposed:

MC _____
DHC _____
NSL X + SA _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

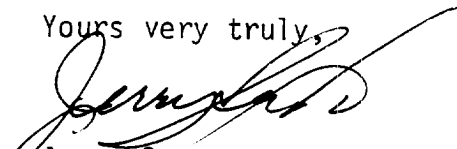
I have examined the application for the:

Operator	<u>Eaton Corp. Eumont Gas Com No. 1</u>	<u>(#3-N)</u>	<u>4-20-37</u>
	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

#4-N	4-20-37
#5-P	4-20-37

Yours very truly,


Jerry Sexton
Supervisor, District 1

/ed

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

November 18, 1992

Unorthodox Location
Non-Standard Proration Unit
Simultaneous Dedication
Eumont Gas Com 1 Wells #3, 4, 5
Units: N, D, P
Section 4, T20S-R37E
Lea County, NM
Eumont Yates Seven Rivers Queens (Pro Gas)

Offset Operators
Eumont Gas Com 1 Wells # 3, 4, 5

Gentlemen:

Exxon Corp. has requested administrative approval for three unorthodox locations, Non-Standard Proration Unit, and simultaneous dedication. These requests are for the Eumont Gas Com 1 wells #3, 4, and 5 to be drilled in the Eumont Yates Seven Rivers Queen (Pro Gas) Pool. Copies of these applications are attached.

If you have no objection to the above referenced unorthodox location, please sign and return one copy of the waiver for each well to the N.M.O.C.D. Office in Santa Fe and one copy to me. Return envelopes are enclosed. If you have any questions, please call me at 915/688-6782.

Sincerely,



Alex M. Correa

AMC/mcn
Enclosure
B:15.AMC

TEXACO

Amerada-Hess Pet. Corp.

Amerada-Hess
Pet. Corp.

TEXACO

Amerada-Hess
Pet. Corp.

5

Spill

Meridian
Oil Inc.

D. Hartman/
Oxy

Eumont Gas Com #1

Amerada-Hess Pet. Corp.

TEXACO

D. Hartman/
Oxy

4

Exxon

existing well

existing well

3

5
960
660

RECEIVED

DEC 11 1964

CCC PROCESS CENTER

DISCUSSION OF NECESSITY FOR UNORTHODOX LOCATION
4 - T20S - R37E EUMONT GAS POOL

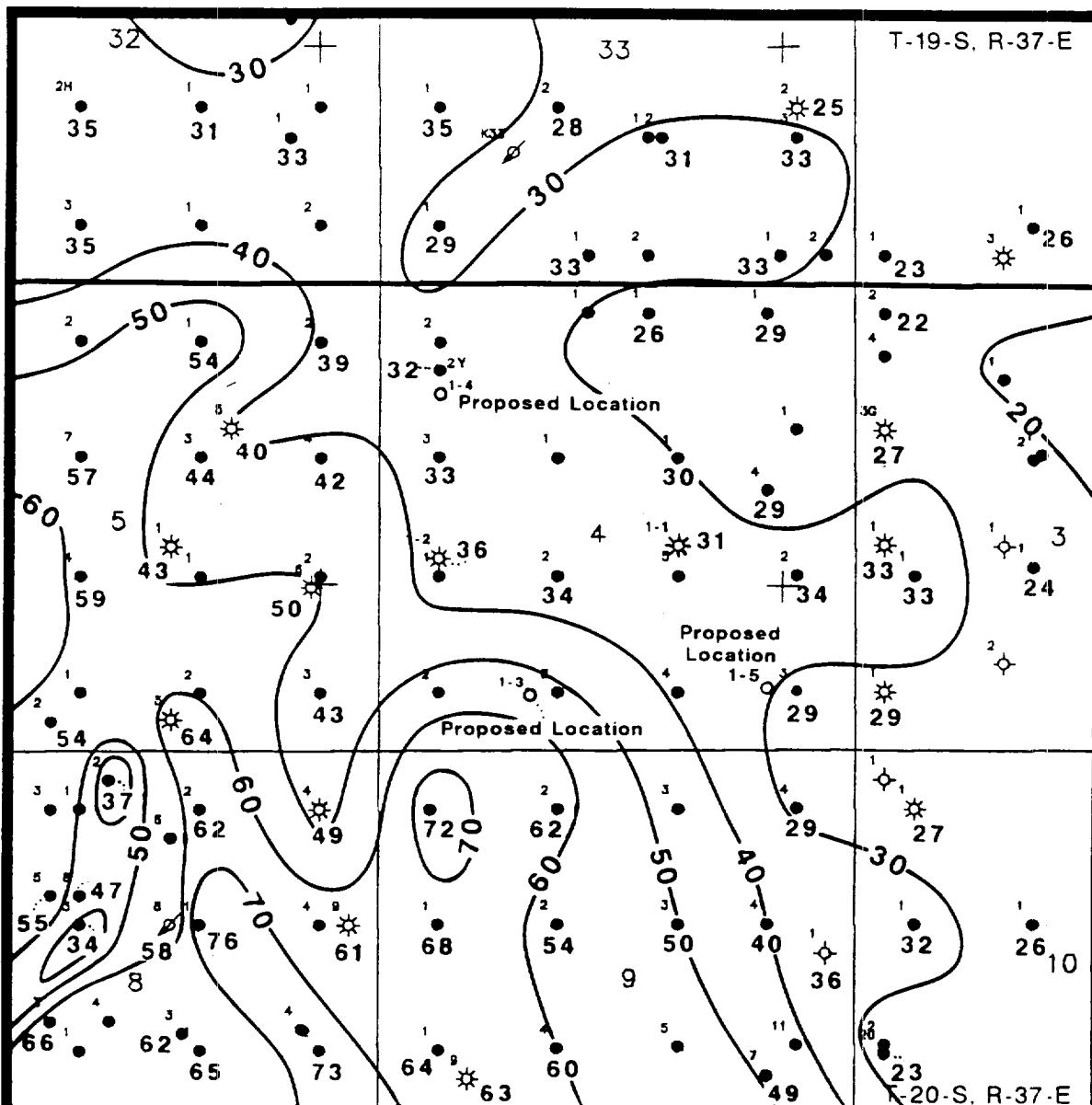
Exxon seeks approval of three unorthodox well locations; the Eumont Gas Com #1-3, 660' from the South line and 1780' from the West line the #1-4, 1191' from the North line and 674' from the West line and the #1-5, 660' from the South line and 960' from the East line, all in Section 4 - T20S - R37E, Eumont Gas Pool. Exxon further seeks an exception to the Special Rules for Eumont Gas Pool to allow the existing 640-acre gas proration unit comprised of section 4 to be simultaneously dedicated in the Eumont Gas pool to the three proposed wells and to the two existing wells Exxon, Eumont Gas Com #1-1 and #1-2, also in section 4. These exceptions are requested in order to protect the correlative rights of section 4 mineral owners by placing wells where they will most efficiently produce the gas underlying section 4 and prevent drainage by offset operations.

Examination of cumulative produced gas volumes from the Eumont Gas Pool in the eight sections surrounding the subject unit (4-20S-37E) shows that the highest recoveries occur to the south and west. Examination of recent average daily production in the same eight section area reveals that the highest average daily rates also occur to the south and west.

The geologic control for this production trend is the variation in porosity and permeability of the upper Penrose sand (3414-3450 feet in Exxon, Eumont Gas Com. #1-2). The accompanying crosssection illustrates the variation in upper Penrose net porosity thickness (29' in north, 72' in south). The sand interval in the north is discontinuous and has lower average neutron log response. The sand interval in the south is vertically more continuous with a higher average neutron log response and is interpreted to have higher permeability. The accompanying upper Penrose net porosity map of the area shows that significant portions of section 4 have net porosity thickness similar to governmental sections to the south and west.

Additionally, the locations requested in this application would result in an effective spacing density and recovery efficiency that is similar to the governmental sections to the south, west, and southwest (sections 9, 5, and 8 respectively). Each of these section is being produced by four or more wells, half of which are located 660' or closer to the outer boundary of the section. Section 4 is also offset to the southeast and east (sections 10 and 3) by wells located 660' or closer to the section boundary. Additional wells are needed in section 4 to recover the underlying gas reserves in an efficient manner which is comparable to offset operations.

BCR:llm



EXXON COMPANY, U.S.A.

Southwestern Division

Production Operations

Eumont Gas Pool, Lea Co., New Mexico

FIELD

Net Porosity Thickness, Upper Penrose Sand

Based on interval 3414-3450 in Exxon

Eumont Gas Com. #1-2, NW SW section 4.

C.I.: 10'

Scale: 1"=2,000'

DATE 10/92

AUTHOR B.C. Reid

DRAFT R.E.L.

Submitted to the State of New Mexico E.M.&N.R. Dept.,
Oil Conservation Div. in support of application for
permission to drill.

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

December 7, 1992

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. William J. Lemay
State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Exxon Company USA
Administrative Application for
Unorthodox Locations and
Simultaneous Dedication
Eumont (Gas) Pool
Eumont Gas Com 1 No. 3
660' FSL and 1780' FWL
Eumont Gas Com 1 No. 4
1191' FNL and 674' FWL
Eumont Gas Com 1 No. 5
660' FSL and 960' FEL
All in Section 4, T-20-S, R-37-E
Lea County, New Mexico

Gentlemen:

Reference is made to the attached notification from Exxon, dated November 12, 1992, and received by Hartman November 17, 1992, concerning Exxon's Administrative Application requesting approval for unorthodox locations and simultaneous dedication for the above-referenced wells in the Eumont (Gas) pool. Exxon is proposing to drill the Eumont Gas Com 1 No. 3 well at a location of 660' FSL and 1780' FWL, the Eumont Gas Com 1 No. 4 well at a location of 1191' FNL and 674' FWL and the Eumont Gas Com 1 No. 5 well at a location of 660' FSL and 960' FEL, all in Section 4, T-20-S, R-37-E. In addition, the Eumont Gas Com 1 Nos. 3, 4 and 5 wells will be simultaneously dedicated along with Exxon's existing Eumont Gas Com 1 Nos. 1 and 2 wells to the previously existing 640-acre Eumont (Gas) proration unit consisting of Section 4, T-20-S, R-37-E, Lea County, New Mexico.

Although the locations of the Eumont Gas Com 1 Nos. 3, 4 and 5 are several hundred feet closer to Exxon's 640-acre Eumont (Gas) proration unit boundary line than the 1650' from any boundary line allowed by Eumont (Gas) pool rules for a 640-acre proration unit, they are not directly encroaching upon Hartman's Britt Laughlin Com Nos. 1, 4 and 6 wells which are simultaneously dedicated to the

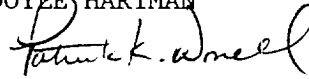
Mr. William J. Lemay
December 7, 1992
Page 2

existing 280-acre non-standard Eumont (Gas) proration unit consisting of the SE/4 and SE/4 SW/4 of Section 5 and the NE/4 NW/4 and NE/4 NE/4 of Section 8, T-20-S, R-37-E. Therefore, Hartman does not feel it is appropriate to object to Exxon's Administrative Application, provided that any future development of Hartman's Britt Laughlin Com lease will be afforded the same waiver of objection by Exxon.

Thank you for your consideration in this matter, and please let me know if you need anything further.

Very truly yours,

DOYLE HARTMAN



Patrick K. Worrell
Engineer

PKW/jg
Attachment

cc: Mr. Jerry Sexton
District I
State of New Mexico
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

Mr. Alex M. Correa
Exxon Company, USA
P. O. Box 1600
Midland, Texas 79702-1600

Mr. James A. Davidson
P. O. Box 494
Midland, Texas 79702

Gallegos Law Firm
Attn: Mr. Gene Gallegos
141 East Palace Avenue
Santa Fe, New Mexico 87501

Mr. Daniel S. Nutter
105 E. Alicante
Santa Fe, New Mexico 87501

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

November 12, 1992

Unorthodox Location Requests
Eumont Gas Com 1 Wells #3, 4, 5
Units: N, D, P
Section 4, T20S-R37E
Lea County, NM
Eumont Yates Seven Rivers Queens (Pro Gas)

Offset Operators
Eumont Gas Com 1 Wells # 3, 4, 5

Gentlemen:

Exxon Corp. has requested administrative approval for three unorthodox locations and simultaneous dedication. These requests are for the Eumont Gas Com 1 wells #3, 4, and 5 to be drilled in the Eumont Yates Seven Rivers Queen (Pro Gas) Pool. Copies of these applications are attached.

If you have no objection to the above referenced unorthodox location, please sign and return one copy of the waiver for each well to the N.M.O.C.D. Office in Santa Fe and one copy to me. Return envelopes are enclosed. If you have any questions, please call me at 915/688-6782.

Sincerely,



Alex M. Correa

AMC/mcn
Enclosure
B:15.AMC



NOV 17 1992

Eumont Gas Com 1
Wells #3, 4, 5
Section 4, T20S-R37E
Lea County, NM

Offset Operators

Amerada-Hess Petroleum Corporation
P. O. Box 840
Seminole, TX 79360
Attn: I. Johnson

D. Hartman
P. O. Box 10426
Midland, TX 79702
Attn: P. Worell

Meridian Oil Inc.
P. O. Box 51810
Midland, TX 79710
Attn: D. Sledge

Oxy U.S.A. Inc.
P. O. Box 50250
Midland, TX 79710
Attn: R. Foppiano

Shell Western E&P Inc.
P. O. Box 831
Houston, TX 77001
Attn: D. Champlin

Texaco Exploration & Production Inc.
P. O. Box 2100
Denver, CO 80201
Attn: R. Lanning

AMC/mcn
B:15.AMC

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

Unorthodox Location
Non-Standard Proration Unit
Simultaneous Dedication
Eumont Gas Com 1 Wells #3, 4, 5
Units: N, D, P
Section 4, T20S-R37E
Lea County, NM
Eumont Yates Seven Rivers Queens (Pro Gas)

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Dear Mr. Stogner:

Exxon Corporation requests administrative approval for three unorthodox locations for the Eumont Gas Com 1 wells #3, 4, and 5. Form C-101 and C-102 are attached for each well. These wells are located in Section 4, T20S-R37E, Lea County and will be completed in the Eumont Yates Seven Rivers Queen (Pro Gas) Pool. The request for administrative approval for these unorthodox locations is based on Rule 104-F(2) and appropriate documentation is enclosed.

Administrative approval is also requested for Non-Standard Proration Units and Simultaneous Dedication for these three wells. The Eumont Gas Com 1 #1 is located in the SE4 of Section 4, 2310' FSL & 1980' FEL. Well #2 is in the SW4, 2080' FSL & 660' FWL. Both are on the proration schedule with an acreage factor of 4.

The following offsets: Amerada-Hess Petroleum Corporation, D. Hartman, Meridian Oil Inc., Oxy U.S.A. Inc., Shell Oil Company, and Texaco, Inc. have been notified. If they have no objections, I have requested that they execute a waiver and send one copy to the N.M.O.C.D. and one to me.

If there are any questions, please call me at 915/688-6782.

Sincerely,

Alex M. Correa

AMC/mcn
Enclosure
B:16.AHC

Submit to Appropriate
District Office
State Lease -- 6 copies
Fee Lease -- 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C 101
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

1b. Type of Well:

OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. Name of Operator

EXXON CORPORATION

3. Address of Operator

ATTN: REGULATORY AFFAIRS
P. O. BOX 1600
MIDLAND, TX 79702

8. Well No.

3

9. Pool name or Wildcat

EUMONT YATES
7 RVRS QN (PRO GAS)

4. Well Location

Unit Letter D : 1191 Feet From The NORTH Line and 674 Feet From The WEST Line

Section 4 Township 20 S Range 37 E NMPM LEA County

10. Proposed Depth
4000'

11. Formation
QUEEN

12. Rotary or C.T.
ROTARY

13. Elevations Show whether D.F.R.T.G.R. etc.)
3557 GR

14. Kind & Status Plug. Bond
BLANKET

15. Drilling Contractor
UNKNOWN

16. Approx. Date Work will start
ASAP

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8 5/8	24, 32	400	150	SURF
7 7/8	4 1/2	10.5, 11.6	3600	450	SURF

MINIMUM BOP WILL BE 300 # WP.

UNORTHODOX LOCATION AND ADMINISTRATIVE APPROVAL HAS BEEN REQUESTED FROM
M. STOGNER IN SANTA FE. ALSO, SIMULTANEOUS DEDICATION WITH WELLS # 1,
2, 4 AND 5.

OFFSET OPERATORS HAVE BEEN NOTIFIED.

C102 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.

SIGNATURE Alex M. Correa TITLE Administrative Specialist DATE 11/11/92

TYPE OR PRINT NAME Alex M. Correa 6782
(915) 688-7532 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-85

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

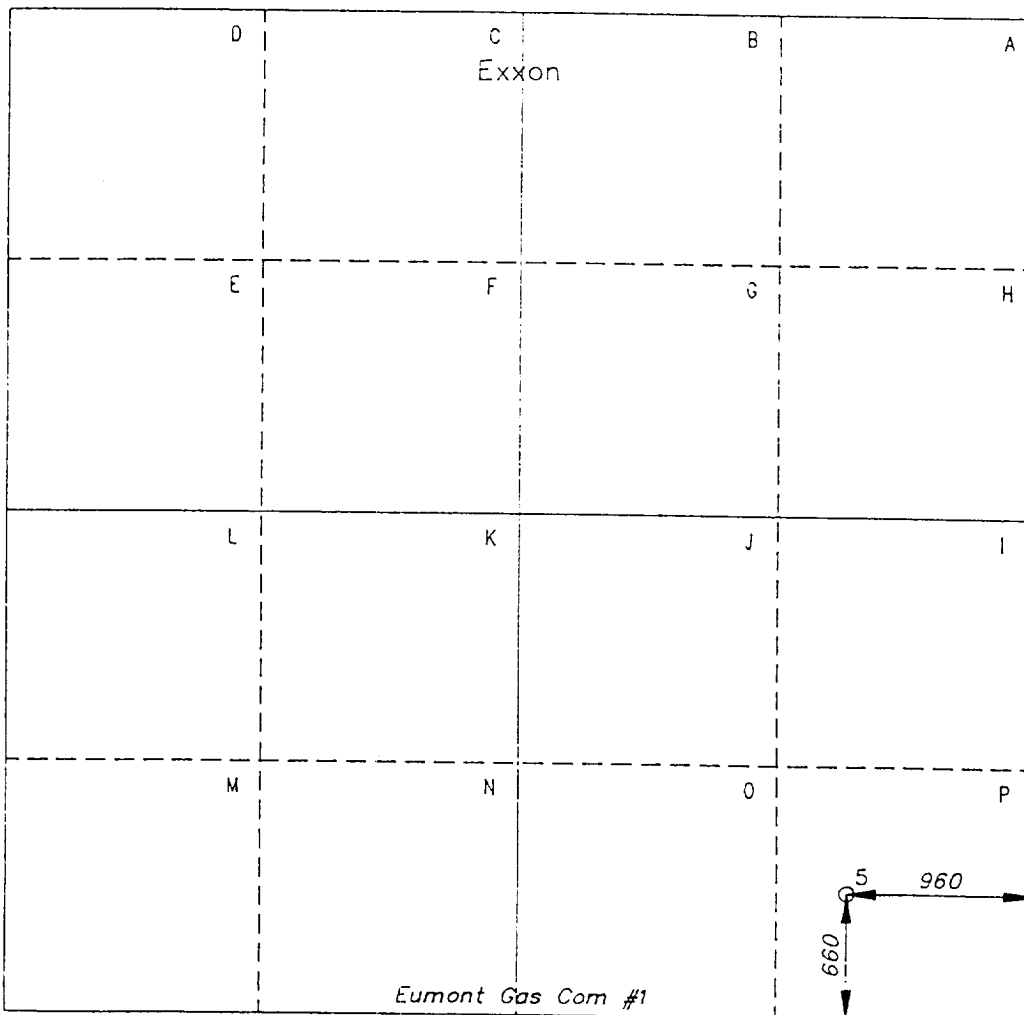
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Operator Exxon Corporation			Lease EUMONT GAS COM 1			Well No. 5		
Unit Letter P	Section 4	Township 20-S	Range 37-E	County NMPM		LEA		
Actual Footage Location of Well: 660 feet from the SOUTH line and 960 feet from the EAST line.								
Ground level Elev. 3548'		Producing Formation QUEEN		Pool EUMONT YATES 7 RVRS ON (PRO GAS)		Dedicated Acreage: 640 Acres		

- 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 interest 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 interest, 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

Position

PERMITS SUPERVISOR

Company Exxon Corporation

P.O. Box 1600-Midland, Tx.-79702

Date

SURVEYOR CERTIFICATION

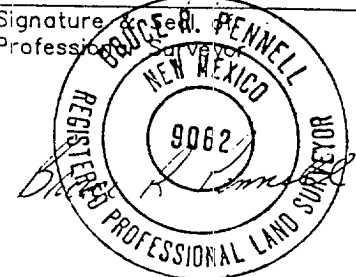
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

11/3/92

Signature

Professional



Certificate No.

9062

10 Miles SW of Hobbs, New Mexico.

C.E. File No. A10692

Texaco

Amerada-Hess Pet. Corp.

Amerada-Hess.
Pet. Corp.

Texaco

Amerada-Hess
Pet. Corp.

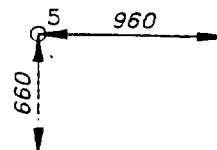
5

Shell

Meridian
Oil Inc.

D. Hartman/
Oxy

Eumont Gas Com #1



Amerada-Hess Pet. Corp.

Texaco

D. Hartman/
Oxy