

20 JULY 1988

DEAR EVELYN:

WE CONCUR WITH YOUR REQUESTED LEASE AND WELL NUMBER CHANGE FOR THE NEDU #607. WE HAVE DECIDED TO OPERATE THIS WATER SOURCE WELL UNDER THE LEASE NAME "CITIES STATE 'S'". PLEASE FIND ENCLOSED REVISED C-103'S AND C-105'S REFLECTING THE NEW LEASE NAME AND WELL NUMBER (NOTE: I HAVE CONSOLIDATED TWO OF THE SUNDRY NOTICES SUBMITTED PREVIOUSLY TO ONE C-103).

ALSO ENCLOSED IS A C-104 REQUESTING A LEASE AND WELL NUMBER CHANGE. I HAVE INDICATED IN SECTION III THAT WE ARE AWAITING CONTRACTS BEFORE WE DESIGNATE TRANSPORTERS. TEXACO WILL PROBABLY TAKE THE GAS BUT NOTHING HAS BEEN FINALIZED. I WILL FILE C-104'S FOR ALL THE SOURCE WELLS WHEN WE DO FINALIZE THE CONTRACTS. HOWEVER, OUR CURRENT PLAN IS TO NOT USE THE CITIES STATE "S" #2 AS A SOURCE WELL UNLESS ABSOLUTELY NECESSARY. WE SHOULD BE ABLE TO OBTAIN ENOUGH SUSTAINED PRODUCTION FROM THE OTHER FIVE WELLS (THREE YET TO BE RECOMPLETED) TO KEEP THIS WELL IN A SHUT-IN STATUS.

SHOULD YOU HAVE FURTHER QUESTIONS, PLEASE ADVISE.

Marcus Winder
MARCUS WINDER
SHELL WESTERN E&P INC.



GARREY CARRUTHERS
GOVERNOR

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

July 7, 1988

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

Shell Western E&P Inc.
P.O. Box 576
Houston, TX 77001 (WCK 4435)

Attn: A.J. Fore

Re: Northeast Drinkard Unit Water Source Wells

Dear Alve:

Thank you for your June 16 letter outlining your method of measurement of oil and gas production from the water source wells for the NEDU. I agree with your recommendations but request that if the oil production averages more than 10 BOPD per well that you implement some method that will measure oil production from each well.

We regret that we have been slow in approving the conversions of your water source wells. We have this week processed the completions for your Turner #16 and Argo A #10 as gas wells in the Hare San Andres Gas Pool to be used as water source wells for the NEDU. However, the NEDU #607 presents a different problem. Our records currently carry this as a unit well and the recompletion of this well in the San Andres would be in a non-unitized interval. We have discussed this with David Catanach in our Santa Fe office and we all feel it would be better to operate these SA water source wells under a lease name other than NEDU.

We are returning the completion forms submitted on the NEDU #607 and, if you concur with our thinking on this matter, request that you resubmit them along with a C-104 requesting a lease and well number change.

If you have further questions, please contact me at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

JS/ED/ed

Encl.

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

5A. Indicate Type of Lease
STATE ☒ FEE ☐
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>		7. Unit Agreement Name NORTHEAST DRINKARD UNIT
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER WATER SOURCE <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name NORTHEAST DRINKARD UNIT
2. Name of Operator SHELL WESTERN E&P INC.		9. Well No. 607
3. Address of Operator P. O. BOX 576, HOUSTON, TX 77001 (WCK 4435)		10. Field and Pool, or Wildcat UNDESIGNATED SA
4. Location of Well UNIT LETTER F LOCATED 1980 FEET FROM THE NORTH LINE AND 1980 FEET FROM THE WEST LINE OF SEC. 15 TWP. 21S RGE. 37E NMPM		12. County LEA
19. Proposed Depth 6676' (TD)		19A. Formation SAN ANDRES
20. Rotary or C.T. ROTARY		
11. Elevations (Show whether DF, KT, etc.) 3435' GR	21A. Kind & Status Plug. Bond BLANKET	21B. Drilling Contractor WORKOVER RIG
22. Approx. Date Work will start UPON APPROVAL		

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/4"	13-3/8"	36#	297'	300	SURF
11-1/4"	8-5/8"	24 & 28#	2791'	500	675'
6-3/4"	5-1/2"	15.5, 14#	6585'	125	5000' (CALC)

- POH w/prod equip.
- Set CIBP @ 6500' & cap w/35' cmt. Set CIBP @ 6000' & cap w/35' cmt.
- Run GR/CBL/CCL from 5900' to TOC.
- Cmt 5-1/2" csg from 50' above existing TOC to ±3500' as follows:
 - Perf @ depth determined from CBL eval.
 - Set cmt ret 50' above perf.
 - Sqz w/150 sx Cls "C" cmt + 8% bentonite + .3% Halad-9 followed by 25 sx Cls "C" Neat + 2% CaCl₂. WOC ±48 hrs.
 - DO ret & cmt.
 - Run GR/CBL from 5550' to TOC.
- Run cased hole GR/CNL from 5100' to 3500' w/200' repeat from 4500' to 4300'.
- Perf San Andres (1 JSPF) at depths determined from log.
- Acidz San Andres using RBP & pkr. Treatment sch based on log eval.
- Install prod equip & return well to prod. (Will test wtr cap for use as unit wtr supply well.)

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.

Signed A. J. FORE Title SUPERVISOR REG. & PERMITTING Date 1-21-88

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON

APPROVED BY DISTRICT 1 SUPERVISOR TITLE DATE JAN 26 1988

CONDITIONS OF APPROVAL, IF ANY:

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.

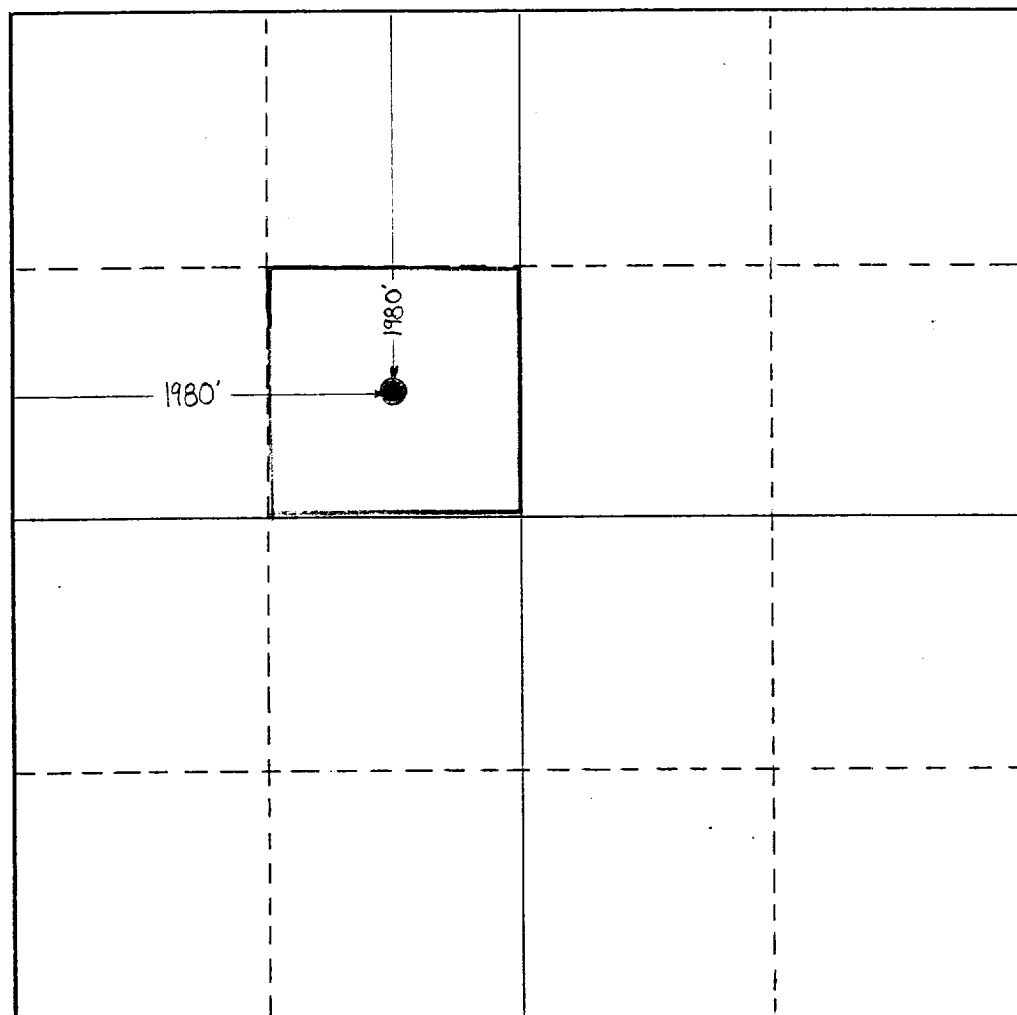
Operator SHELL WESTERN E&P INC.			Lease NORTHEAST DRINKARD UNIT		Well No. 607
Unit Letter F	Section 15	Township 21S	Range 37E	County LEA	
Actual Footage Location of Well: 1980 feet from the NORTH line and 1980 feet from the WEST line					
Ground Level Elev. 3435'	Producing Formation SAN ANDRES		Pool UNDESIGNATED SAN ANDRES		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 UNITIZATION

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.

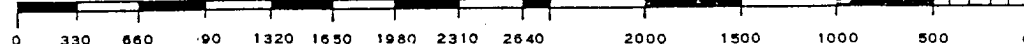
Name
A. J. FORE
Position
SUPERVISOR REG. & PERMITTING
Company
SHELL WESTERN E&P INC.
Date
1-21-88

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

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



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