

Submit 3 Copies to Appropriate District

Office

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

FORM C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-22004
1. Type of Well: <input checked="" type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. Indicate Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE
2. Name of Operator Apache Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 6120 S. Yale, Suite 1500 Tulsa, Oklahoma 74136-4224		7. Lease Name or Unit Agreement Name State WE K
4. Well Location Unit Letter <u>F</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>15</u> Township <u>21S</u> Range <u>35E</u> NMPM <u>Lea</u> County		8. Well No. 1
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3599' GR		9. Pool name or Wildcat Osudo, Morrow South (Gas)

11

NOTICE OF INTENTION TO:

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
SUBSEQUENT REPORT OF:

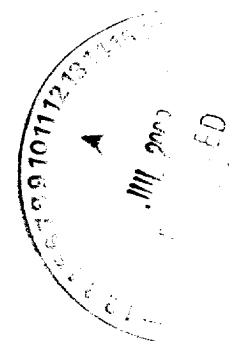
- | | |
|--|---|
| <input type="checkbox"/> Perform Remedial Work | <input type="checkbox"/> Plug and Abandon |
| <input type="checkbox"/> Temporarily Abandon | <input type="checkbox"/> Change Plans |
| <input type="checkbox"/> Pull or Alter Casing | |
| <input checked="" type="checkbox"/> Other | Abandon Morrow completion |

- | | |
|---|---|
| <input type="checkbox"/> Remedial Work | <input type="checkbox"/> Altering Casing |
| <input type="checkbox"/> Commence Drilling Operations | <input type="checkbox"/> Plug and Abandonment |
| <input type="checkbox"/> Casing Test and Cement Job | |
| <input type="checkbox"/> Other | |

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache proposes to abandon the Morrow completion by setting a wireline tubing plug at +/- 11,730'.
This zone is non-commercial.

Apache will continue to produce from the Wolfcamp completion.



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

SIGNATURE

Kara Coday

TITLE

Sr. Engineering Tech.

DATE

6/26/2002

TYPE OR PRINT NAME

Kara Coday

TELEPHONE NO

918-491-4957

(This space for State Use)

APPROVED BY

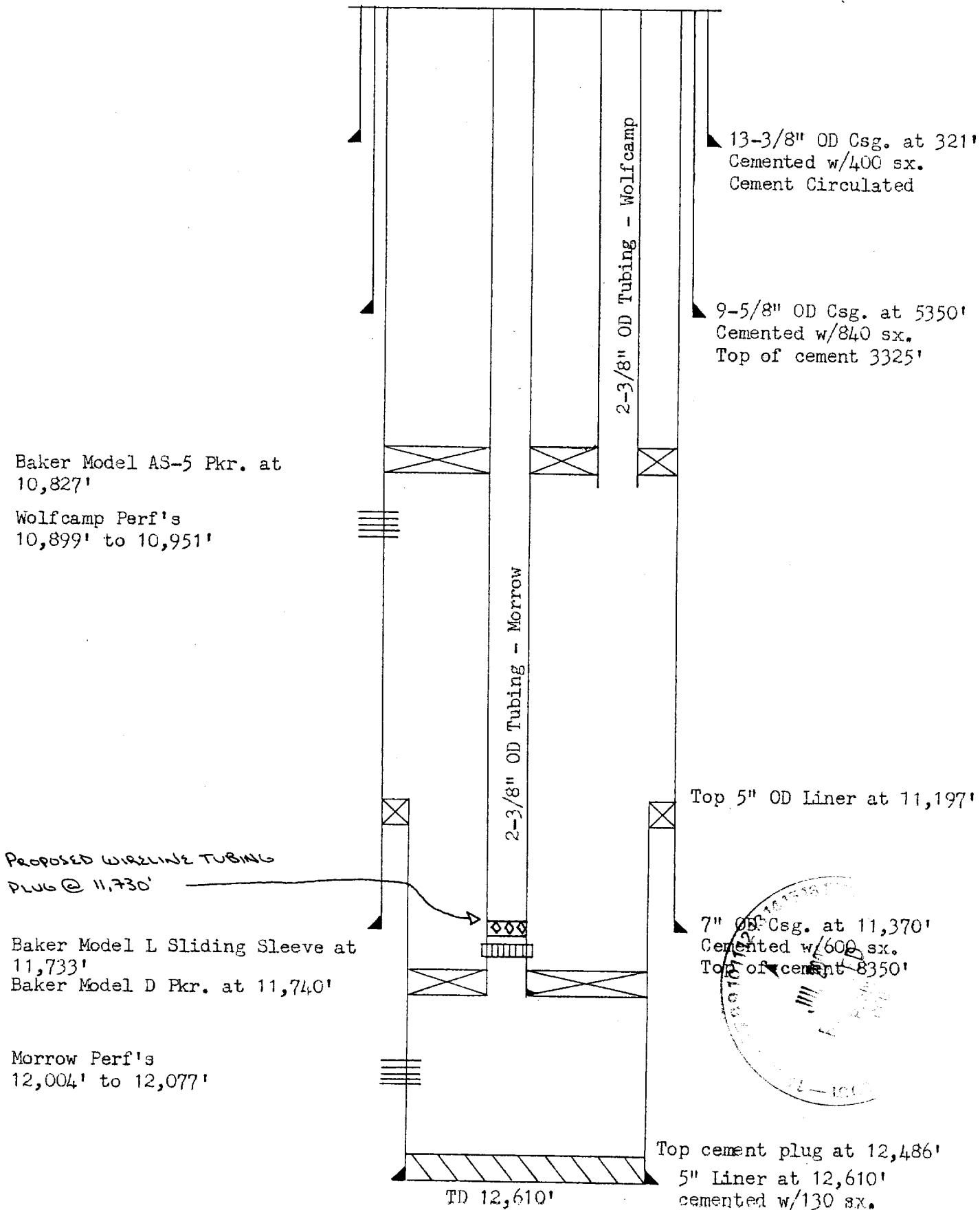
ORIGINAL SIGNED BY
GARY W. WINK
OC FIELD REPRESENTATIVE II/STAFF MANAGER

DATE

JUL 11 2002

CONDITIONS OF APPROVAL, IF ANY:

Unit "F", Sec. 15, T-21S, R-35E
LEA COUNTY, NEW MEXICO



KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAWTELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

May 27, 2002

VIA FACSIMILE
505-393-0720Mr. Chris Williams, Supervisor
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240Re: Julia "15 State Com Well No 1
Application for Permit to Drill
Matador Operating Company
Unit B Section 15, T21S, R35E
Lea County, New Mexico

Dear Mr. Williams:

On behalf of Matador Operating Company and at their request, I would appreciate you reviewing our attempts to resolve conflicting Morrow acreage dedications in Section 15, S21S, R35E.

Matador desires approval to drill and dedicate its reference well to a standard 320-acre gas spacing unit consisting of the E/2 of Section 15 for production from the South Osudo Morrow Gas Pool. **Enclosure (1)**

The prior dedicate of the N/2 of Section 15 to Apache Corporation's State We "K" Well No. 1 is to be abandon upon the signing and filing of the attached Sundry Notice for this well located in the Unit F of Section 15 **Enclosures (2)**

Apache's well (formerly Amerada Petroleum Corporation's well) was approved for dual completion from the Wolfcamp Formation up the annulus with the Morrow Formation produced up the tubing and below a packer. Apache's well produced from the Morrow formation from May 1967 to December 1998. **Enclosure (3)**

*OK - if Apache
signed 103 and
zone abandoned
- the Morrow in the
N/2. Talked
to Mike Warren 5/29/02
and to develop
procedure for
abandoning Morrow.
CWL -*

Oil Conservation Division

May 27, 2002

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Matador has acquired ownership of the Morrow formation for all of Section 25. Apache retains the Wolfcamp rights in the N/2 of Section 15. The Joint Operating Agreement for the Apache well contains no conflicts to preclude an E/2 Morrow dedication.

Section 15 consists of two State of New Mexico lease and we have be told by the State Land Office that it will approve a E/2 Communication Agreement. The State royalty in the N/2 is 1/8 while the S/2 is 1/6th. There are no overriding royalty owners affect in the N/2 of the Section.

Apache has agreed not to produce the Morrow formaiton in its wellbore and indicated on the Sundry Notice.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

cc: Matador Operating Company
Attn: Mark Virant

WEK
Sharon /matador
214-987-7174
Tom Kellahin