



PETROLEUM PRODUCTS

PRODUCING DEPARTMENT
WESTERN STATES
DENVER DIVISION

J. C. WHITE
ASSISTANT REGIONAL MANAGER

January 6, 1977

TEXACO INC.
P. O. BOX 2100
DENVER, COLORADO 80201

APPLICATION FOR LOCATION EXCEPTION
TOCITO DOME-PENNSYLVANIAN "D" OIL POOL
SAN JUAN COUNTY, NEW MEXICO
6.02-1

CERTIFIED MAIL NO. 303358
RETURN RECEIPT REQUESTED

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Attached are two copies of Texaco's verified application requesting approval of an exception location for the Texaco Navajo Tribe "BS" Well No. 5 proposed for drilling in Tocito Dome-Pennsylvanian "D" oil pool, San Juan County, New Mexico. It is requested that the application be approved administratively.

Please note that copies of the application have also been sent to Mr. A. R. Kenrick in the Commission's Aztec office and to Mr. P. T. McGrath of the USGS in Farmington.

Very truly yours,

J. C. White

LEA:RJM

cc: Mr. A. R. Kendrick
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, NM 87410

Mr. P. T. McGrath
U. S. Geological Survey
P. O. Box 959
Farmington, NM 87401

Attach. Two copies of application

This is recycled paper



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
TEXACO INC. FOR AN ADMINISTRATIVE)
ORDER APPROVING AN EXCEPTION LOCATION)
IN TOCITO DOME-PENNSYLVANIAN "D" OIL)
POOL, SAN JUAN COUNTY, NEW MEXICO)

CASE NO. _____

A P P L I C A T I O N

COMES NOW, the Applicant, Texaco Inc., a Delaware Corporation, duly authorized to do business in the State of New Mexico, and respectfully makes application to the Secretary-Director of the New Mexico Oil Conservation Commission for approval to drill a well to be known as the Texaco Navajo Tribe "BS" Well No. 5 to be located, as an exception to Order No. R-2758, 1300 feet from the west line and 1340 feet from the south line, Section 23, Township 26 North, Range 18 West, San Juan County, New Mexico. In support of this application, Applicant respectfully states and shows the following:

- 1) Exhibit A is an ownership map showing the proposed location exception, the locations of wells which have been drilled in the area, and owners of lands adjacent to the lease on which the proposed well is to be located.
- 2) The proration unit consisting of the southwest quarter of Section 23, Township 26 North, Range 18 West had two wells on it at one time, but both wells have been plugged and abandoned because of casing failures. Consequently, there is no producing well in the southwest quarter of Section 23 at this time.
- 3) One of the plugged and abandoned wells is the Texaco Navajo Tribe "BS" Well No. 2, located in the southwest quarter of the southwest quarter of Section 23. It was completed January 3, 1975 with an initial producing rate of 326 barrels of oil per day and 27 barrels of water per day with a gas-oil ratio of 801 cubic feet per barrel. Prior to abandonment, the well was producing 50 barrels of oil per day and 26 barrels of water per day with a gas-oil ratio of 2440 cubic feet per barrel. When abandoned May 18, 1976, cumulative production was 17,972 barrels of oil, 34,557,000 cubic feet of gas, and 7290 barrels of water.
- 4) The other well plugged and abandoned because of casing failure is the Texaco Navajo Tribe "BS" Well No. 3, located in the northwest quarter of the southwest quarter of Section 23. It was completed March 20, 1975 with an initial producing rate of 196 barrels of oil per day and 85 barrels of water per day, with a gas-oil ratio of 1704 cubic feet per barrel. Prior to abandonment, the well was producing 109 barrels of oil per day and 38 barrels of water per day with a gas-oil ratio of 2550 cubic feet per barrel. When abandoned May 12, 1976, cumulative production was 10,240 barrels of oil, 28,039,000 cubic feet of gas, and 3314 barrels of water.

- 5) Applicant cannot justify drilling two wells to replace Navajo Tribe "BS" Well Nos. 2 and 3, but one additional well in this proration unit is warranted to replace the two wells that have been lost.
- 6) Rule 4 of Order No. R-2758, dated August 3, 1964, specifies that all wells drilled in the Tocito Dome-Pennsylvanian "D" oil pool shall be located within 150 feet of the center of a governmental quarter-quarter section. In order to attain optimum ultimate recovery, Applicant desires to drill the replacement well as far away as possible from the two wells that have been plugged and abandoned. However, the two remaining center-forty locations in the southwest quarter of Section 23 that satisfy Rule 4 of Order R-2758 are in an unfavorable geologic position.
- 7) Production from the Tocito Dome-Pennsylvanian "D" oil pool is from the Barker Creek member of the Pennsylvanian Paradox Formation. The trapping mechanism is a combination of structural and stratigraphic features. The eastern flank of the structure, in the vicinity of the proposed well, is quite steep structurally, making a location further to the east undesirable.
- 8) Based on reservoir performance and geological data, the most favorable location for the replacement well is near the center of the southwest quarter of Section 23. More specifically, the proposed location is 1300 feet from the west line and 1340 feet from the south line, Section 23, Township 26 North, Range 18 West.
- 9) The proposed location for the Texaco Navajo Tribe "BS" Well No. 5 is in a direction away from Amoco's Navajo Tribe "U" lease in Section 22 which offsets Texaco's "BS" lease to the west. Texaco's "BS" lease covers all of Sections 23 and 24. In addition, Texaco owns the Navajo Tribe "AR" lease in Section 27, southwest of the proposed location as well as the Navajo Tribe "BP" lease in Section 26, south of the proposed location. The only other lease in the vicinity not owned by Texaco is an Amoco lease that covers Section 25, Township 26 North, Range 18 West, which is not productive.
- 10) Applicant hereby certifies that Amoco Production Company, as owner of offset leases, has been notified of this filing by sending to them a copy of this application certified mail, return receipt requested.
- 11) Applicant alleges that granting the exception location herein requested will be in the public interest, will not infringe on the correlative rights of any offset operator, and will result in the conservation of natural resources and prevent waste.

NOW, THEREFORE, Applicant respectfully requests that this application receive administrative approval without hearing in the event neither the offset operator nor the Secretary-Director files an objection. If an objection is filed, Applicant respectfully requests that this matter be set down for hearing before an

examiner, that notice thereof be given as required by law, and that upon evidence produced at such hearing, the Commission enter its order approving the proposed well location exception in the Tocio Dome-Pennsylvanian "D" oil pool, San Juan County, New Mexico.

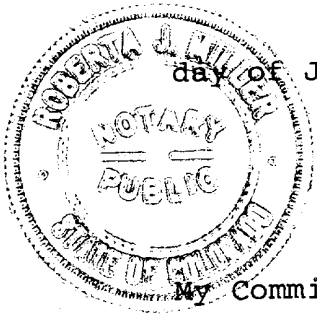
Dated at Denver, Colorado, this 7th day of January, 1977.

Respectfully submitted,

TEXACO INC.

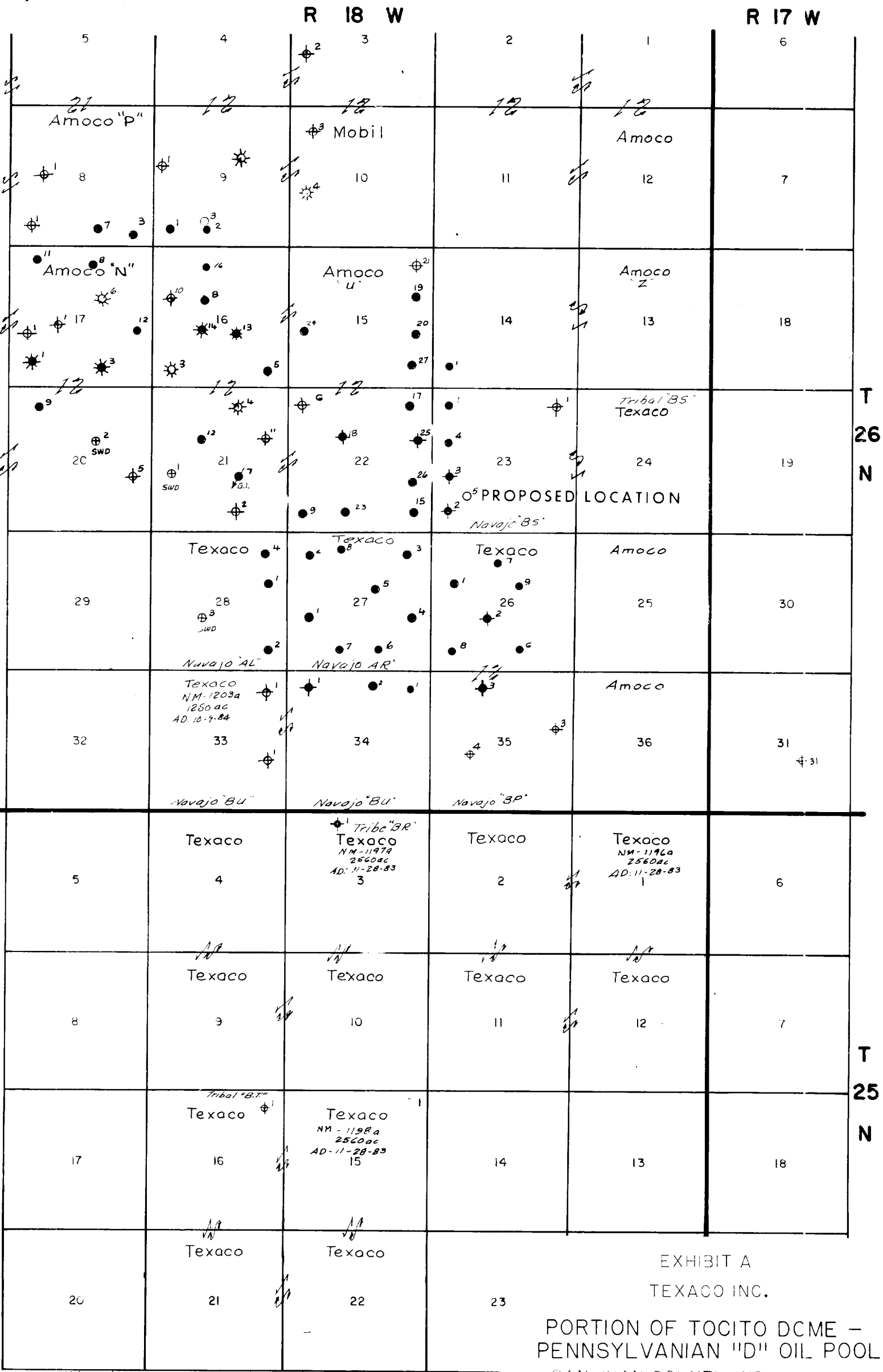
By J. C. [signature]

Sworn to before me and signed in my presence this 7th day of January, 1977.



Robert J. Shiller
Notary Public

My Commission Expires: May 26, 1980



All Lands - Navajo Tribe
Land Net from Protraction Diagrams

EXHIBIT A
TEXACO INC.
PORTION OF TOCITO DCME -
PENNSYLVANIAN "D" OIL POOL
SAN JUAN COUNTY, NEW MEXICO
OWNERSHIP MAP