

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7939
Order No. R-4934-B

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR UNORTHODOX LOCATIONS,
DIRECTIONAL DRILLING, AND PRESSURE
MAINTENANCE EXPANSION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 17, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of August, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amoco Production Company, seeks authority to drill 36 South Hobbs Unit wells at unorthodox oil well locations and to directionally drill 21 of said wells to various bottomhole locations all as shown on Exhibit "A" attached to this order.

(3) That the unorthodox surface locations and the unorthodox bottomhole locations are necessitated by topography and to permit efficient recovery from the South Hobbs Pressure Maintenance Project.

(4) That the quarter-quarter section wherein any of said wells is drilled or, in the case of directionally drilled wells, the quarter-quarter section wherein any one of said

wells is ultimately bottomed should be dedicated to such well.

(5) That a 75-foot radius tolerance should be provided for the bottomhole location for any directionally drilled well authorized by this order.

(6) That the applicant should be required to determine the subsurface location of the bottom of directionally drilled holes by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling.

(7) That the applicant also seeks expansion of the South Hobbs Grayburg-San Andres Pressure Maintenance Project to permit injection into Unit Well No. 152 authorized herein.

(8) That said well should be authorized for injection subject to the provisions of Order No. R-4934 which authorized said project.

(9) That, in addition, said well or the injection system should be equipped so as to limit injection pressure at the wellhead to no more than 0.2 pounds per foot of depth to the topmost perforation in any such well but the Director should have authority to increase said pressure limitation should circumstances warrant.

(10) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Hobbs Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized 36 unorthodox oil well locations in its South Hobbs Unit, Hobbs Pool, Lea County, New Mexico, all as shown on Exhibit "A" attached to this order.

(2) That the applicant is further authorized to directionally drill 21 of said wells to bottomhole locations also as shown on said Exhibit "A" with a 75 foot radius tolerance target being provided for each such well.

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico-87501, and that the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) That the quarter-quarter section wherein any one of said wells is drilled or, in the case of directionally drilled wells, the quarter-quarter section wherein any such well is ultimately bottomed shall be dedicated to the well.

(5) That approval is also given for the expansion of the South Hobbs Grayburg-San Andres Pressure Maintenance Project to permit injection into Unit Well No. 152 being authorized herein.

(6) That injection into and operation of said well shall be in compliance with the provisions of Division Order No. R-4934 and Division Rules 702 through 708.

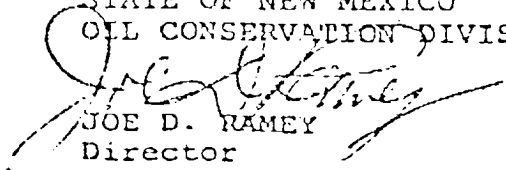
(7) That the injection well herein authorized and/or the injection pressurization system shall be equipped as to limit injection pressure at the wellhead to no more than 0.2 pounds per foot of depth to the topmost perforation in such well.

(8) That the Director of the Division may administratively authorize a higher injection pressure upon a proper showing that such pressure will not result in fracturing of the confining zone.

(9) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

UNIT
WELL
NO.

SURFACE LOCATION
ALL WELLS

BOTTOMHOLE LOCATION
DIRECTIONALLY DRILLED
WELLS

TOWNSHIP 18 SOUTH, RANGE 38 EAST

127	1980'	FSL x	860'	FWL, Sec. 34	1330'	FSL x	1230'	FWL, Sec. 3
129	100'	FSL x	900'	FWL, Sec. 34	10'	FSL x	1310'	FWL, Sec. 3

TOWNSHIP 19 SOUTH, RANGE 38 EAST

128	335'	FNL x	520'	FWL, Sec. 3	10'	FNL x	10'	FWL, Sec. 3
130	1403'	FNL x	1403'	FWL, Sec. 4				
131	1383'	FNL x	2498'	FEL, Sec. 4				
132	1790'	FNL x	1185'	FEL, Sec. 4	1403'	FNL x	1238'	FEL, Sec. 4
133	1840'	FNL x	748'	FWL, Sec. 3	1330'	FNL x	1310'	FWL, Sec. 3
135	2558'	FNL x	1353'	FWL, Sec. 4				
136	2490'	FNL x	2504'	FWL, Sec. 4	2630'	FNL x	2630'	FWL, Sec. 4
137	2458'	FSL x	1180'	FEL, Sec. 4	2630'	FSL x	1200'	FEL, Sec. 4
138	2490'	FSL x	173'	FEL, Sec. 4	2630'	FSL x	10'	FEL, Sec. 4
139	2052'	FNL x	1941'	FWL, Sec. 3	2630'	FNL x	2475'	FWL, Sec. 3
140	1485'	FSL x	1245'	FWL, Sec. 4				
141	1478'	FSL x	2595'	FWL, Sec. 4				
142	1310'	FSL x	1370'	FEL, Sec. 4				
143	1160'	FSL x	330'	FEL, Sec. 4	1310'	FSL x	10'	FEL, Sec. 4
144	580'	FSL x	755'	FWL, Sec. 3	1310'	FSL x	1310'	FWL, Sec. 3
145	577'	FSL x	1984'	FWL, Sec. 3	1310'	FSL x	2475'	FWL, Sec. 3
146	75'	FNL x	1205'	FWL, Sec. 9	10'	FNL x	1310'	FWL, Sec. 9
147	70'	FNL x	2570'	FWL, Sec. 9				
148	192'	FNL x	990'	FEL, Sec. 9	10'	FNL x	1310'	FEL, Sec. 9
149	150'	FNL x	380'	FEL, Sec. 9	10'	FNL x	10'	FEL, Sec. 9
150	330'	FNL x	1220'	FWL, Sec. 10	10'	FNL x	1310'	FWL, Sec. 1
151	710'	FNL x	2410'	FEL, Sec. 10	10'	FNL x	2475'	FWL, Sec. 1
152	623'	FNL x	632'	FEL, Sec. 9				
153	1105'	FNL x	1485'	FWL, Sec. 9				
154	1163'	FNL x	2600'	FEL, Sec. 9				
155	1158'	FNL x	1568'	FEL, Sec. 9	1310'	FNL x	1330'	FEL, Sec. 9
156	1370'	FNL x	330'	FEL, Sec. 9	1330'	FNL x	10'	FEL, Sec. 9
157	1245'	FNL x	1245'	FWL, Sec. 10	1310'	FNL x	1310'	FWL, Sec. 1
158	1245'	FNL x	2475'	FWL, Sec. 10				
159	2335'	FNL x	1675'	FWL, Sec. 9				
160	2475'	FNL x	2425'	FEL, Sec. 9				
161	2630'	FNL x	1331'	FEL, Sec. 9				
162	2630'	FNL x	395'	FEL, Sec. 9	2630'	FNL x	10'	FEL, Sec. 9
163	2475'	FSL x	2475'	FWL, Sec. 10				

CASE NO. 7939
ORDER NO. R-4934-B

EXHIBIT "A"

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7939
Order No. R-4934-C

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR UNORTHODOX LOCATIONS,
DIRECTIONAL DRILLING, AND PRESSURE
MAINTENANCE EXPANSION, LEA COUNTY,
NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-4934-B dated August 23, 1983, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED:

(1) That Paragraphs (7), (8) and (9) on Page 2 of Order No. R-4934-B in Case No. 7939 are hereby amended to read in their entirety as follows:

"(7) That the applicant also seeks expansion of the South Hobbs Grayburg-San Andres Pressure Maintenance Project to permit injection into Unit Well No. 152, authorized herein, and into 19 other unit wells as shown on Exhibit "B", attached to this order, said wells to be converted from producing wells to injection wells.

(8) That said wells should be authorized for injection subject to the provisions of Order No. R-4934 which authorized said project.

(9) That, in addition, said wells or the injection system should be equipped so as to limit injection pressure at the wellhead to no more than 0.2 pounds per foot of depth to the topmost perforation in any such well but the Director should have authority to increase said pressure limitation should circumstances warrant."

(2) That Paragraphs (5), (6) and (7) on Page 3 of Order No. R-4934-B are hereby amended to read in their entirety as follows:

-2-

Case No. 7939
Order No. R-4934-C

(5) That approval is also given for the expansion of the South Hobbs Grayburg-San Andres Pressure Maintenance Project to permit injection into Unit Well No. 152, being authorized herein, and into 19 other unit wells as shown on Exhibit "B" attached to this order, such wells to be converted from production to injection.

(6) That injection into and operation of said wells shall be in compliance with the provisions of Division Order No. R-4934 and Division Rules 702 through 708.

(7) That the injection wells herein authorized and/or the injection pressurization system shall be equipped as to limit injection pressure at the wellhead to no more than 0.2 pounds per foot of depth to the topmost perforation in such wells.

(3) That this order shall be effective nunc pro tunc as of August 23, 1983.

DONE at Santa Fe, New Mexico, this 30th day of September, 1983.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

SOUTH HOBBS UNIT PRODUCING WELLS
TO BE CONVERTED TO INJECTION

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

UNIT WELL No.	UNIT LETTER	SECTION No.
11	A	6
13	C	5
32	F	4
34	H	4
36	F	4
42	L	3
46	L	4
54	N	3
56	P	4
58	N	4
62	D	3
64	B	9
66	D	9
72	F	10
75	H	9
77	F	9
83	J	10
85	L	9
88	J	19
		19

CASE NO. 7939
Order No. R-4934-C

EXHIBIT "B"

P 267 164 411

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		Mrs. George L. New	
STREET AND NO.		P.O. Box 530	
P.O. STATE AND ZIP CODE		SACRAMENTO, CALIF. 95824	
POSTAGE		71	
CERTIFIED FEE		75	
OPTIONAL SERVICES		60	
RETURN RECEIPT SERVICE			
TOTAL POSTAGE AND FEES		2.06	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976

P 267 164 412

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		State of New Mexico	
STREET AND NO.		Commissioner of Education	
P.O. STATE AND ZIP CODE		P.O. Box 1148	
POSTAGE		71	
CERTIFIED FEE		75	
OPTIONAL SERVICES		60	
RETURN RECEIPT SERVICE			
TOTAL POSTAGE AND FEES		2.06	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976