

CASE 7268: CONOCO INC. FOR POOL EXTEN-  
SION AND CONTRACTION, LEA COUNTY, NEW  
MEXICO

Case No.

7268

Application

Transcripts

Small Exhibits

ETC



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

July 20, 1981

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Jason Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 7268  
ORDER NO. R-6723

Applicant:

Conoco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD       

Other Booker Kelly

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. 7268  
Order No. R-6723

APPLICATION OF CONOCO INC. FOR  
POOL EXTENSION AND CONTRACTION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of July, 1981, 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, Conoco Inc., seeks the upward  
extension of the vertical limits of the Skaggs-Grayburg Pool to  
include the lowermost 100 feet of the Queen formation underlying  
all of Section 13, the E/2 of Section 24, and NE/4 of Section  
25, Township 20 South, Range 37 East, and the W/2 of Section 18,  
all of Section 19, NW/4 of Section 20, and N/2 of Section 30,  
Township 20 South, Range 38 East. Applicant also proposes the  
contraction of the vertical limits of the Eumont Pool by dele-  
tion of the lowermost 100 feet of the Queen formation underlying  
the NW/4 of Section 13 and E/2 of Section 24, Township 20 South,  
Range 37 East, and the W/2 of Section 18 and W/2 of Section 19,  
Township 20 South, Range 38 East.

(3) That at the time of the hearing, the applicant reduced  
the area proposed for said amendment of vertical limits to in-  
clude only the S/2 S/2, N/2 SE/4, SW/4 NE/4 and NW/4 SW/4 of  
Section 13, the E/2 of Section 24, and the NE/4 of Section 25,

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Case No. 7268  
Order No. R-6723

all in Township 20 South, Range 37 East, NMPM, and the S/2 SW/4 and NW/4 SW/4 of Section 18, the S/2, NW/4, S/2 NE/4 and NW/4 NE/4 of Section 19, and the N/2 of Section 30, all in Township 20 South, Range 38 East, NMPM, in said Skaggs-Grayburg Pool.

(4) That the applicant is the operator of the SEMU Permian Waterflood Project within the acreage described in Finding No. (3) above.

(5) That many of the wells within said project were drilled prior to the formal establishment of the vertical limits of said Skaggs-Grayburg Pool and are completed as much as 117 feet above the top of the Grayburg formation.

(6) That there is oil within the interval 100 feet above the top of the Grayburg formation which is responding to water injection.

(7) That it would not be practical to require the operator to isolate and separately produce those flooded intervals above the top of the Grayburg formation.

(8) That oil which might not otherwise be recovered may be produced by permitting additional wells to be drilled and completed in said project within the Grayburg formation and the lowermost 100 feet of the Queen formation therein.

(9) That the ownership is common in the proposed producing interval within the SEMU Permian Waterflood Project.

(10) That an offset operator objected to the proposed amendment to the vertical limits of the Skaggs-Grayburg Pool and Eumont Pool outside said waterflood project area.

(11) That the amendment to said vertical limits should be limited to the project area described in Finding No. (3) above.

(12) That approval of the proposed amendment to the vertical limits of said pools as limited by Finding No. (9) above will result in greater ultimate recovery from said pools, thereby preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the Skaggs-Grayburg Pool are hereby revised to include the lowermost 100 feet of the Queen formation (in addition to the Grayburg formation) under

-3-

Case No. 7268  
Order No. R-6723

the following described acreage, Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 13: S/2 S/2, N/2 SE/4, SW/4  
NE/4, and NW/4 SW/4  
Section 24: E/2  
Section 25: NE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 18: S/2 SW/4 and NW/4 SW/4  
Section 19: S/2, NW/4, S/2 NE/4, and  
NW/4 NE/4  
Section 30: N/2

IT IS FURTHER ORDERED:

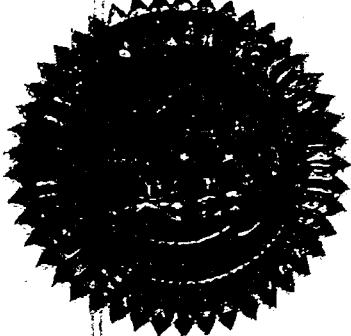
(1) That the vertical limits of the Eumont Gas Pool are hereby contracted to delete the lowermost 100 feet of the Queen formation therefrom under the following described acreage, Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 24: E/2

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 18: S/2 SW/4 and NW/4 SW/4  
Section 19: W/2

(2) 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 described.



SEAL

fd/

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
3 June 1981

## EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for  
pool extension and contraction, Lea  
County, New Mexico.

CASE  
7268

BEFORE: Richard L. Stamets

## TRANSCRIPT OF HEARING

## A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Jason Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

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A P P E A R A N C E S

For Texaco, Inc.:                      W. Booker Kelly, Esq.  
   WHITE, KOCH, KELLY, & MCCARTHY  
   220 Otero Street  
   Santa Fe, New Mexico 87501

I N D E X

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CHARLES WOLLE		
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MR. STAMETS: We'll call next Case 7268.

MR. PADILLA: Application of Conoco, Inc., for pool extension and contraction, Lea County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. KELLAHIN: Jason Kellahin, appearing for the applicant. We have the same witness as in the preceding case and may the record show that he has been sworn?

MR. KELLY: Booker Kelly of White, Koch, Kelly, and McCarthy, appearing on behalf of Texaco in this case.

MR. STAMETS: Do you have a witness, Mr. Kelly?

MR. KELLY: We will have one witness.

MR. STAMETS: All right. I'd like to have your witness stand and be sworn, Mr. Kelly, and the other witness is still sworn.

(Mr. Kelly's witness sworn.)

GARY W. FONAY

being previously called and sworn as a witness, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q  
name, please?

For the record, would you state your

A.  
Gary W. Fonay.

Q.  
Mr. Fonay, are you familiar with the application of Conoco in Case Number 7268?

A.  
Yes sir, I am.

Q.  
What does the applicant seek in this case?

A.  
In this case we're asking the Oil Conservation Division to approve the upward extension of the vertical limits of the Skaggs Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying Conoco's Skaggs Grayburg Waterflood.

Q.  
Now referring to what has been marked as Exhibit Number One, would you identify that exhibit?

A.  
Yes, sir. Exhibit Number One is a map of the Southeast Monument Unit, outlined by a heavy dashed line.

1  
2 The Skaggs Grayburg Waterflood Project  
3 lies within this area and is outlined in red.

4 The area of extension being requested  
5 includes the southwest quarter of the northeast quarter, the  
6 southeast quarter, the southeast quarter of the southwest  
7 quarter, the west half of the southwest quarter of Section 13;  
8 the east half of Section 24; the northeast quarter of Section  
9 25, in Township 20 South, Range 37 East.

10 The northwest quarter of the southwest  
11 quarter, the south half of the southwest quarter of Section  
12 18; all of Section 19, except the northeast quarter of the  
13 northeast quarter; and the north half of Section 30 in Town-  
14 ship 20 South, Range 38 East of Lea County, New Mexico.

15 Q Now is the area outlined in red the  
16 only portion of the Skaggs Grayburg Pool for which you request  
17 the 100-foot upward extension?

18 A Yes, sir, that's it.

19 Q Actually the case was advertised for  
20 more acreage than that, was it not?

21 A That is correct.

22 Q Do you have any objection to the in-  
23 cluding of the additional acreage?

24 A No, sir. The acreage that I've just  
25 stated is solely Conoco acreage and that's the reason it's

1  
2 slightly different than advertised.

3 Q So all you're prepared to do is talk  
4 about Conoco acreage?

5 A Yes, sir, that is all.

6 Q Now referring to what has been marked  
7 as Exhibit Number Two, would you identify that exhibit?

8 A Yes, sir. If you'll refer to Exhibit  
9 Number Two, this is a map of the same area as Exhibit Number  
10 One. On this exhibit we've outlined in blue the horizontal  
11 boundary of the Skaggs Grayburg and the red outline shows the  
12 boundary of the Eumont Gas Pool. The shaded interval is that  
13 area where these overlap and this is where we're requesting  
14 contraction of the Eumont Gas Pool this being the east half  
15 of Section 24 of Township 20 South, Range 37 East, and the  
16 northwest quarter of the southwest quarter and the south half  
17 of the southwest quarter of Section 18, and the west half of  
18 Section 19, in Township 20 South Range 38 East, of Lea County  
19 New Mexico.

20 Q And that's where the two pools overlap  
21 in the horizontal limits that you're talking about here, is  
22 that correct?

23 A Yes, sir, that is correct.

24 Q Now what is the extent of the contraction  
25 requested in the Eumont?

1  
2 A Well, we'd like the contraction to be  
3 the same as the proposed extension, 100 feet.

4 Q In other words, take out of the Eumont  
5 and put it in the Grayburg.

6 A Yes, sir.

7 Q Is that correct?

8 A Uh-huh.

9 Q Now why is this extension and contraction  
10 desireable?

11 A Well, a little of the history, the  
12 Skaggs Grayburg Pool was originally discovered March of 1937  
13 by the Conoco operated SEMU Well No. 14. Now this is located  
14 in Unit I of Section 24, and is shown on Exhibit One.

15 Initially, at this time there was no  
16 formal definition of the Skaggs Grayburg vertical limits.  
17 Numerous wells were drilled and completed open hole. Many  
18 of these wells, a portion of the Queen was exposed and con-  
19 sequently to date there are many producing and injection wells  
20 in the Skaggs Grayburg Waterflood that expose some portion of  
21 the Queen.

22 It wasn't until February of 1953 that  
23 Order Number R-264 established the Eumont Gas Pool. Initially  
24 the vertical limits of this were defined as extending down-  
25 ward 200 feet from the top of the Queen formation and then

1  
2 later, in August of 1954, Order Number R-520 redefined these  
3 limits to extend to the base of the Queen.  
4

5 Q Now do you have exhibits that will  
6 demonstrate what you have just described?

7 A Yes, sir, I do. If the Examiner will  
8 refer to Exhibit Number Three, this is a well log showing the  
9 completion interval of SEMU Well No. 15. It was the second  
10 well drilled in this area. This well was completed open hole  
11 in June of 1937.

12 You'll note, as shown on there, that the  
13 bottom of the casing is at a depth of 3648 feet, exposing  
14 approximately 117 feet of the Queen formation.

15 Q Now do you feel that this exhibit suf-  
16 ficiently demonstrates the existence of other wells in the  
17 Skaggs Grayburg Pool that have been completed in a similar  
18 fashion?

19 A Yes, sir.

20 Q Is it necessary to offer additional  
21 logs for that purpose?

22 A No. If the Examiner will refer to  
23 Exhibit Number Four, this is a tabulation of all wells in  
24 the proposed area of extension, and indicates completion in-  
25 terval and total feet of Queen open to production.

Q Well, now, your Exhibit Number Four

1 would seem to show that some wells will expose more than 100  
2 feet of Queen, is that correct?  
3

4 A. Yes. Some wells do have more than that,  
5 and what we would recommend on these wells is that they be  
6 exempted or possibly grandfathered. The 100 feet extension  
7 was proposed as a convenient number. This number covers the  
8 vast majority of the current wells, and would cover any wells  
9 to be drilled in the future.

10 Q Now you do intend to have this cover  
11 any future wells, is that your proposal?

12 A Yes, sir. Conoco may drill several in-  
13 fill wells in the project area and we'd like to be able to  
14 open to production in the new wells this limited portion of  
15 the Queen formation that has been under our flood since the  
16 project was initiated back in June of 1960 under the authority  
17 of Order Number R-1710.  
18 This was later expanded by Orders WFX-158,  
19 WFX-272, and R-2940.

20 Q So as I understand you, under the water-  
21 flood project that's been underway for many years, both the  
22 Grayburg and the Queen have been flooded?

23 A Oh, yes, sir, they certainly have.

24 Q So what you're really doing is including  
25 that portion that has been flooded within the Grayburg Pool?



1  
2 A. That is correct.

3 Q Mr. Fonay, will the granting of this  
4 application be in the best interest of conservation?

5 A Oh, yes, sir, I believe it will provide  
6 for recovery of reserves from this Queen formation that could  
7 otherwise not be recovered.

8 Q And will it impair the correlative  
9 rights of any other parties?

10 A No, sir, not at all.

11 Q Were Exhibits One through Four prepared  
12 by you or under your supervision?

13 A Yes, they were.

14 MR. KELLAHIN: At this time we'll offer  
15 Exhibits One through Four, inclusive.

16 MR. STAMETS: These exhibits will be  
17 admitted.

18 MR. KELLAHIN: That's all we have of  
19 this witness.

20  
21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Fonay, looking at what was adver-  
24 tised, the Division advertised all of Section 13, and you're  
25 proposing that all you really need is the acreage outlined

1  
2 in pink on Exhibit Number One and that would be satisfactory  
3 to Conoco.

4 A Yes, sir, it covers all Conoco acreage  
5 in that section.

6 Q Okay, and then, let's see, the east half  
7 of 24 is consistent. The northeast of 25 is consistent in  
8 20 South, 37 East.

9 And then the Division advertised the west  
10 half of Section 18, but you proposed only to include the  
11 acreage outlined in pink again.

12 A Yes, sir.

13 Q And then in Section 19 the Division  
14 again advertised the entire section and you would not have  
15 any problem with leaving out the northeast northeast?

16 A No, sir.

17 Q And we advertised the northwest of 20?  
18 And the north half of 30. And you indicated that the north-  
19 west of 20 could be left out without any problem.

20 A Yes, sir.

21 Q I'm not certain why that was done.  
22 Perhaps that was to avoid leaving some windows in there and

23 I'll have to check that out.

24 MR. STAMETS: Are there other questions  
25 of this witness?

The witness may be excused.

CHARLES WOLLE

being called as a witness and being duly sworn upon his oath,  
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name, please?

A Charles Wolle W-O-L-L-E.

Q And by whom are you employed?

A Employed by Texaco as a petroleum  
engineer.

Q Have you previously qualified in that  
field before the Commission?

A No, sir.

Q Would you give the Examiner a brief  
statement as to your background?

A I received a Bachelor of Science in  
chemical engineering degree from the University of Texas in  
1965.

I was employed by Texaco in June, 1965  
and have been employed by them in various petroleum engineering  
positions except for a two year period when I was in the

1  
2 service.

3 I'm currently the Division Operations  
4 Engineer in our Midland, Texas, office.

5 Q Do your duties include supervision over  
6 the acreage that Texaco owns that is included in the published  
7 application?

8 A Yes, sir.

9 MR. KELLY: Are the witness' qualifi-  
10 cations accepted, Mr. Examiner?

11 MR. STAMETS: They are.

12 Q Does Texaco have a Eumont gas well that  
13 is located within the acreage as published by the Commission?

14 A Yes, sir, we do.

15 Q Could you locate that well?

16 A It's in Unit B of Section 13. It's  
17 Texaco's L. R. Kershaw Well No. 11.

18 Q And what acreage is dedicated to that  
19 well?

20 A The acreage in the Eumont zone is dedi-  
21 cated to that well, the northwest quarter, Section 13, the  
22 northeast quarter of the southwest quarter, the north half  
23 of the northeast quarter.

24 Q All right, and that's all within the  
25 published application.

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A. That's correct. We also have 30 acres

in Section 14, which is not in the published.

Q. What is the present status of that well?

A. It's shut in, waiting on a gas line connection.

Q. Does it have perforations that would be affected by changing the vertical limits of the Eumont?

A. Yes, sir. there are two perforations which would be in the affected 100 feet.

Q. Could you give us the perforations?

A. The total perforations? All the perforations?

Q. Yes, why don't you just go ahead and give us the perforations?

A. Perforations at 3631, 39, 44, 49, 60, 70, 80, 92, 3704, 15, and 3724.

Q. And which of those perforations would be affected by the granting of this application?

Q. The bottommost two perforations at 3715 and 3724.

Q. And those would become Grayburg classified -- that would become part of the Grayburg classified zone, is that correct?

A. That's correct.

1  
2 Q Does Texaco request that the Commission  
3 either by excepting this acreage that's dedicated or by ex-  
4 cepting the well, or some other administrative method, keep  
5 the Eumont the way it is so that your well would remain solely  
6 a Eumont gas well?

7 A Yes, sir, we do.

8 MR. KELLY: That's all we have, Mr.  
9 Stamets.

10 MR. STAMETS: Okay.

11  
12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q So leaving out at least the acreage  
15 which is dedicated to your well in any change we might make  
16 as a result of this hearing would avoid any problem that  
17 Texaco might have?

18 A Yes, sir.

19 Q What about the other Texaco acreage in  
20 this area? Do you know if you have any plans to put Eumont  
21 wells in there?

22 A There are no plans at this moment, to  
23 my knowledge.

24 MR. STAMETS: Are there any other  
25 questions of this witness? He may be excused.

1  
2 MR. KELLAHIN: If the Examiner please,  
3 Conoco has no objection to Texaco's proposal.

4 MR. STAMETS: Okay.

5 If there is nothing further, then, this  
6 case will be taken under advisement.

7  
8 (Hearing concluded.)  
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 435-7409



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
3 June 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for  
pool extension and contraction, Lea  
County, New Mexico.

CASE  
7268

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Jason Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

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A P P E A R A N C E S

For Texaco, Inc.:

W. Booker Kelly, Esq.  
WHITE, KOCH, KELLY, & MCCARTHY  
220 Otero Street  
Santa Fe, New Mexico 87501

I N D E X

GARY W. FONAY

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CHARLES WOLLE

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E X H I B I T S

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Conoco Exhibit One, Map

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Conoco Exhibit Two, Map

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Conoco Exhibit Three, Log

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Conoco Exhibit Four, Tabulation

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1  
2 MR. STAMETS: We'll call next Case 7268.

3 MR. PADILLA: Application of Conoco,  
4 Inc., for pool extension and contraction, Lea County, New  
5 Mexico.

6 MR. STAMETS: Call for appearances in  
7 this case.

8 MR. KELLAHIN: Jason Kellahin, appearing  
9 for the applicant. We have the same witness as in the pre-  
10 ceding case and may the record show that he has been sworn?

11 MR. KELLY: Booker Kelly of White, Koch,  
12 Kelly, and McCarthy, appearing on behalf of Texaco in this  
13 case.

14 MR. STAMETS: Do you have a witness,  
15 Mr. Kelly?

16 MR. KELLY: We will have one witness.

17 MR. STAMETS: All right. I'd like to  
18 have your witness stand and be sworn, Mr. Kelly, and the  
19 other witness is still sworn.

20  
21 (Mr. Kelly's witness sworn.)  
22  
23  
24  
25

GARY W. FONAY

being previously called and sworn as a witness, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q For the record, would you state your name, please?

A Gary W. Fonay.

Q Mr. Fonay, are you familiar with the application of Conoco in Case Number 7268?

A Yes, sir, I am.

Q What does the applicant seek in this case?

A In this case we're asking the Oil Conservation Division to approve the upward extension of the vertical limits of the Skaggs Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying Conoco's Skaggs Grayburg Waterflood.

Q Now referring to what has been marked as Exhibit Number One, would you identify that exhibit?

A Yes, sir. Exhibit Number One is a map of the Southeast Monument Unit, outlined by a heavy dashed line.

1  
2 The Skaggs Grayburg Waterflood Project  
3 lies within this area and is outlined in red.

4 The area of extension being requested  
5 includes the southwest quarter of the northeast quarter, the  
6 southeast quarter, the southeast quarter of the southwest  
7 quarter, the west half of the southwest quarter of Section 13;  
8 the east half of Section 24; the northeast quarter of Section  
9 25, in Township 20 South, Range 37 East.

10 The northwest quarter of the southwest  
11 quarter, the south half of the southwest quarter of Section  
12 18; all of Section 19, except the northeast quarter of the  
13 northeast quarter; and the north half of Section 30 in Town-  
14 ship 20 South, Range 38 East of Lea County, New Mexico.

15 Q Now is the area outlined in red the  
16 only portion of the Skaggs Grayburg Pool for which you request  
17 the 100-foot upward extension?

18 A Yes, sir, that's it.

19 Q Actually the case was advertised for  
20 more acreage than that, was it not?

21 A That is correct.

22 Q Do you have any objection to the in-  
23 cluding of the additional acreage?

24 A No, sir. The acreage that I've just  
25 stated is solely Conoco acreage and that's the reason it's

1

7

2

slightly different than advertised.

3

4

Q So all you're prepared to do is talk about Conoco acreage?

5

A Yes, sir, that is all.

6

7

Q Now referring to what has been marked as Exhibit Number Two, would you identify that exhibit?

8

9

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19

A Yes, sir. If you'll refer to Exhibit Number Two, this is a map of the same area as Exhibit Number One. On this exhibit we've outlined in blue the horizontal boundary of the Skaggs Grayburg and the red outline shows the boundary of the Eumont Gas Pool. The shaded interval is that area where these overlap and this is where we're requesting contraction of the Eumont Gas Pool, this being the east half of Section 24 of Township 20 South, Range 37 East, and the northwest quarter of the southwest quarter and the south half of the southwest quarter of Section 18, and the west half of Section 19, in Township 20 South. Range 38 East, of Lea County, New Mexico.

20

21

22

Q And that's where the two pools overlap in the horizontal limits that you're talking about here, is that correct?

23

A Yes, sir, that is correct.

24

25

Q Now what is the extent of the contraction requested in the Eumont?

1  
2 A. Well, we'd like the contraction to be  
3 the same as the proposed extension, 100 feet.

4 Q. In other words, take out of the Eumont  
5 and put it in the Grayburg.

6 A. Yes, sir.

7 Q. Is that correct?

8 A. Uh-huh.

9 Q. Now why is this extension and contraction  
10 desireable?

11 A. Well, a little of the history, the  
12 Skaggs Grayburg Pool was originally discovered March of 1937  
13 by the Conoco operated SEMU Well No. 14. Now this is located  
14 in Unit I of Section 24, and is shown on Exhibit One.

15 Initially, at this time there was no  
16 formal definition of the Skaggs Grayburg vertical limits,  
17 Numerous wells were drilled and completed open hole. Many  
18 of these wells, a portion of the Queen was exposed and con-  
19 sequently to date there are many producing and injection wells  
20 in the Skaggs Grayburg Waterflood that expose some portion of  
21 the Queen.

22 It wasn't until February of 1953 that  
23 Order Number R-264 established the Eumont Gas Pool. Initially  
24 the vertical limits of this were defined as extending down-  
25 ward 200 feet from the top of the Queen formation, and then



1  
2 later, in August of 1954, Order Number R-520 redefined these  
3 limits to extend to the base of the Queen.

4 Q Now do you have exhibits that will  
5 demonstrate what you have just described?

6 A Yes, sir, I do. If the Examiner will  
7 refer to Exhibit Number Three, this is a well log showing the  
8 completion interval of SEMU Well No. 15. It was the second  
9 well drilled in this area. This well was completed open hole  
10 in June of 1937.

11 You'll note, as shown on there, that the  
12 bottom of the casing is at a depth of 3648 feet, exposing  
13 approximately 117 feet of the Queen formation.

14 Q Now do you feel that this exhibit suf-  
15 ficiently demonstrates the existence of other wells in the  
16 Skaggs Grayburg Pool that have been completed in a similar  
17 fashion?

18 A Yes, sir.

19 Q Is it necessary to offer additional  
20 logs for that purpose?

21 A No. If the Examiner will refer to  
22 Exhibit Number Four, this is a tabulation of all wells in  
23 the proposed area of extension, and indicates completion in-  
24 terval and total feet of Queen open to production.

25 Q Well, now, your Exhibit Number Four

1

10

2 would seem to show that some wells will expose more than 100  
3 feet of Queen, is that correct?

4

A. Yes. Some wells do have more than that,  
5 and what we would recommend on these wells is that they be  
6 exempted or possibly grandfathered. The 100 feet extension  
7 was proposed as a convenient number. This number covers the  
8 vast majority of the current wells, and would cover any wells  
9 to be drilled in the future.

10

Q. Now you do intend to have this cover  
11 any future wells, is that your proposal?

12

A. Yes, sir. Conoco may drill several in-  
13 fill wells in the project area and we'd like to be able to  
14 open to production in the new wells this limited portion of  
15 the Queen formation that has been under our flood since the  
16 project was initiated back in June of 1960 under the authority  
17 of Order Number R-1710.

18

This was later expanded by Orders WFX-158,  
19 WFX-272, and R-2940.

20

Q. So as I understand you, under the water-  
21 flood project that's been underway for many years, both the  
22 Grayburg and the Queen have been flooded?

23

A. Oh, yes, sir, they certainly have.

24

Q. So what you're really doing is including  
25 that portion that has been flooded within the Grayburg Pool?

1

2

A. That is correct.

3

4

Q Mr. Fonay, will the granting of this application be in the best interest of conservation?

5

6

7

A. Oh, yes, sir, I believe it will provide for recovery of reserves from this Queen formation that could otherwise not be recovered.

8

9

Q And will it impair the correlative rights of any other parties?

10

11

12

A. No, sir, not at all.

Q Were Exhibits One through Four prepared by you or under your supervision?

13

14

15

A. Yes, they were.

MR. KELLAHIN: At this time we'll offer Exhibits One through Four, inclusive.

16

17

MR. STAMETS: These exhibits will be admitted.

18

19

MR. KELLAHIN: That's all we have of this witness.

20

21

#### CROSS EXAMINATION

22

BY MR. STAMETS:

23

24

25

Q Mr. Fonay, looking at what was advertised, the Division advertised all of Section 13, and you're proposing that all you really need is the acreage outlined

1  
2 in pink on Exhibit Number One and that would be satisfactory  
3 to Conoco.

4 A. Yes, sir, it covers all Conoco acreage  
5 in that section.

6 Q. Okay, and then, let's see, the east half  
7 of 24 is consistent. The northeast of 25 is consistent in  
8 20 South, 37 East.

9 And then the Division advertised the west  
10 half of Section 18, but you proposed only to include the  
11 acreage outlined in pink again.

12 A. Yes, sir.

13 Q. And then in Section 19 the Division  
14 again advertised the entire section and you would not have  
15 any problem with leaving out the northeast northeast?

16 A. No, sir.

17 Q. And we advertised the northwest of 20?  
18 And the north half of 30. And you indicated that the north-  
19 west of 20 could be left out without any problem.

20 A. Yes, sir.

21 Q. I'm not certain why that was done.  
22 Perhaps that was to avoid leaving some windows in there and  
23 I'll have to check that out.

24 MR. STAMETS: Are there other questions  
25 of this witness?

The witness may be excused.

CHARLES WOLLE

being called as a witness and being duly sworn upon his oath,  
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name, please?

A Charles Wolle, W-O-L-L-E.

Q And by whom are you employed?

A Employed by Texaco as a petroleum  
engineer.

Q Have you previously qualified in that  
field before the Commission?

A No, sir.

Q Would you give the Examiner a brief  
statement as to your background?

A I received a Bachelor of Science in  
chemical engineering degree from the University of Texas in  
1965.

I was employed by Texaco in June, 1965  
and have been employed by them in various petroleum engineering  
positions except for a two year period when I was in the

1  
2 service.

3 I'm currently the Division Operations  
4 Engineer in our Midland, Texas, office.

5 Q Do your duties include supervision over  
6 the acreage that Texaco owns that is included in the published  
7 application?

8 A Yes, sir.

9 MR. KELLY: Are the witness' qualifi-  
10 cations accepted, Mr. Examiner?

11 MR. STAMETS: They are.

12 Q Does Texaco have a Eumont gas well that  
13 is located within the acreage as published by the Commission?

14 A Yes, sir, we do.

15 Q Could you locate that well?

16 A It's in Unit E of Section 13. It's  
17 Texaco's L. R. Kershaw Well No. 11.

18 Q And what acreage is dedicated to that  
19 well?

20 A The acreage in the Eumont zone is dedi-  
21 cated to that well, the northwest quarter, Section 13, the  
22 northeast quarter of the southwest quarter, the north half  
23 of the northeast quarter.

24 Q All right, and that's all within the  
25 published application.

1  
2 A. That's correct. We also have 30 acres  
3 in Section 14, which is not in the published.

4 Q. What is the present status of that well?

5 A. It's shut in, waiting on a gas line  
6 connection.

7 Q. Does it have perforations that would be  
8 affected by changing the vertical limits of the Eumont?

9 A. Yes, sir, there are two perforations  
10 which would be in the affected 100 feet.

11 Q. Could you give us the perforations?

12 A. The total perforations? All the per-  
13 forations?

14 Q. Yes, why don't you just go ahead and  
15 give us the perforations?

16 A. Perforations at 3631, 39, 44, 49, 60,  
17 70, 80, 92, 3704, 15, and 3724.

18 Q. And which of those perforations would  
19 be affected by the granting of this application?

20 Q. The bottommost two perforations at 3715  
21 and 3724.

22 Q. And those would become Grayburg classi-  
23 fied -- that would become part of the Grayburg classified  
24 zone, is that correct?

25 A. That's correct.

1  
2 Q Does Texaco request that the Commission  
3 either by excepting this acreage that's dedicated or by ex-  
4 cepting the well, or some other administrative method, keep  
5 the Eumont the way it is so that your well would remain solely  
6 a Eumont gas well?

7 A Yes, sir, we do.

8  
9 MR. KELLY: That's all we have, Mr.  
10 Stamets.

11 MR. STAMETS: Okay.

12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q So leaving out at least the acreage  
15 which is dedicated to your well in any change we might make  
16 as a result of this hearing would avoid any problem that  
17 Texaco might have?

18 A Yes, sir.

19 Q What about the other Texaco acreage in  
20 this area? Do you know if you have any plans to put Eumont  
21 wells in there?

22 A There are no plans at this moment, to  
23 my knowledge.

24 MR. STAMETS: Are there any other  
25 questions of this witness? He may be excused.



1  
2 MR. KELLAHIN: If the Examiner please,  
3 Conoco has no objection to Texaco's proposal.

4 MR. STAMETS: Okay.

5 If there is nothing further, then, this  
6 case will be taken under advisement.

7  
8 (Hearing concluded.)  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2268, heard by me on 6-13, 1981.

Richard L. Stone, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

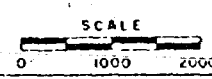
Sanita Fe, New Mexico 87501

Phone (505) 455-7409

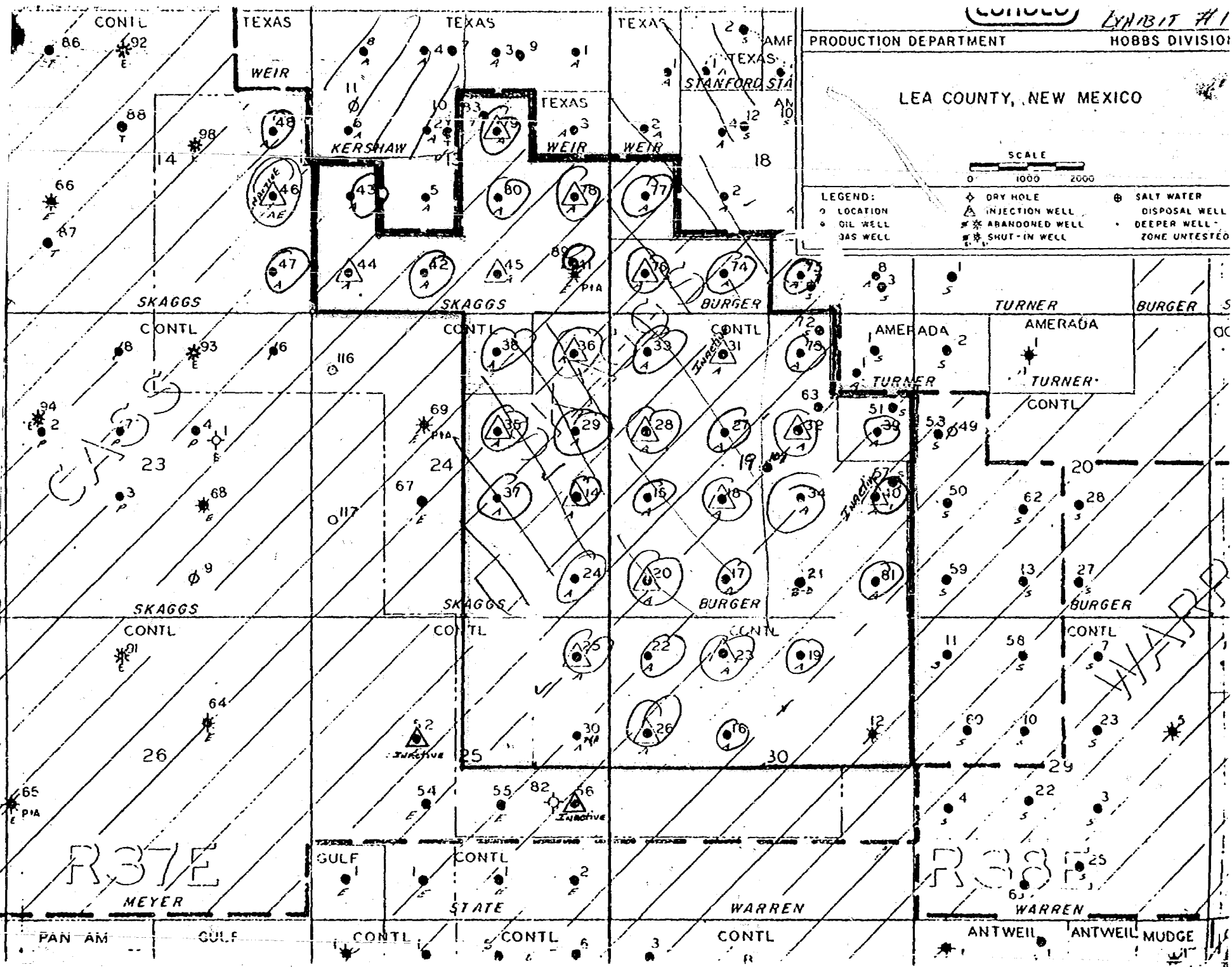
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CONTO LYNBIT #1  
PRODUCTION DEPARTMENT HOBBS DIVISION

LEA COUNTY, NEW MEXICO



- LEGEND:
- LOCATION
  - OIL WELL
  - GAS WELL
  - DRY HOLE
  - INJECTION WELL
  - ABANDONED WELL
  - SHUT-IN WELL
  - SALT WATER DISPOSAL WELL
  - DEEPER WELL
  - ZONE UNTESTED



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

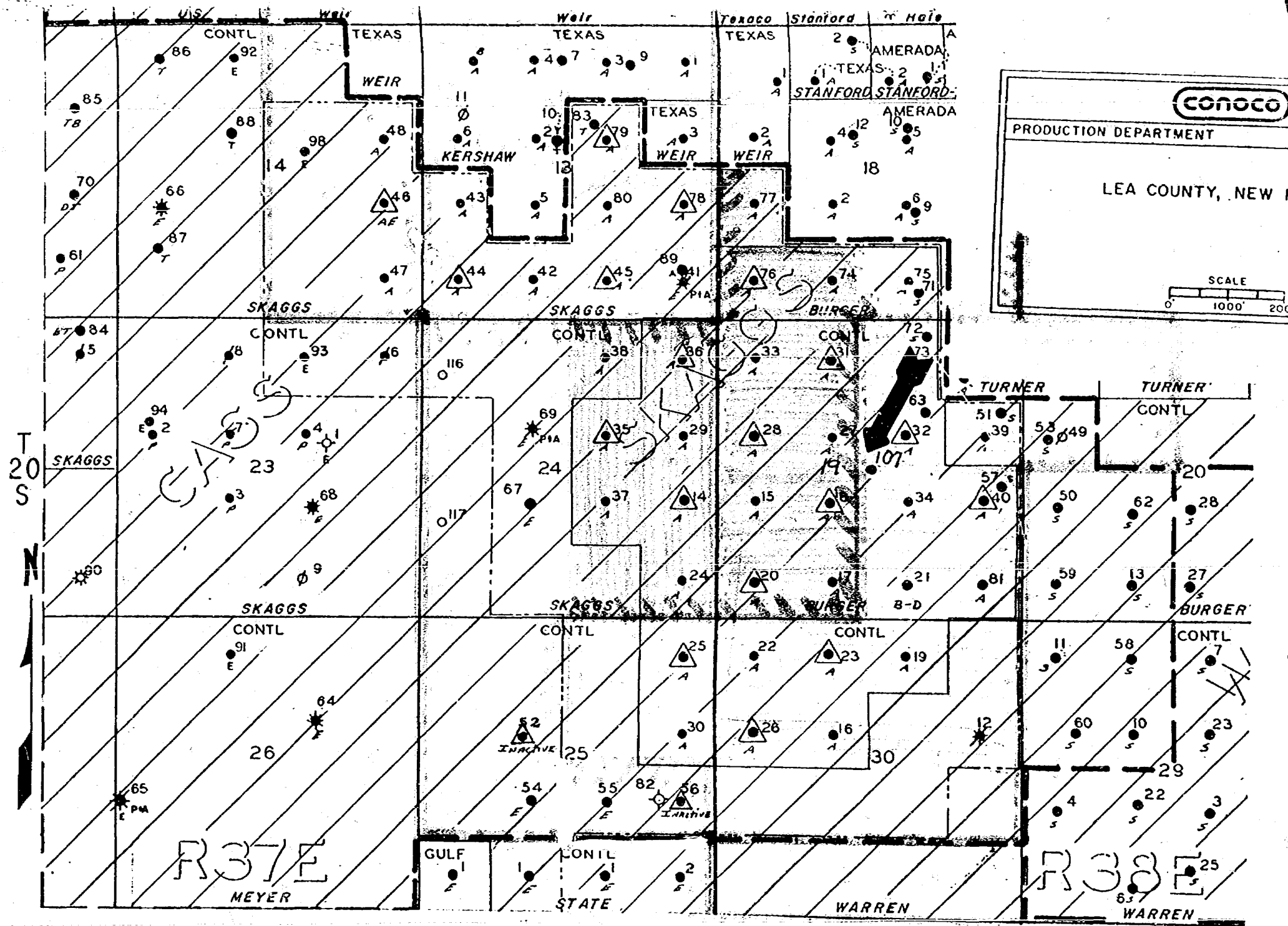
EXHIBIT NO. 1

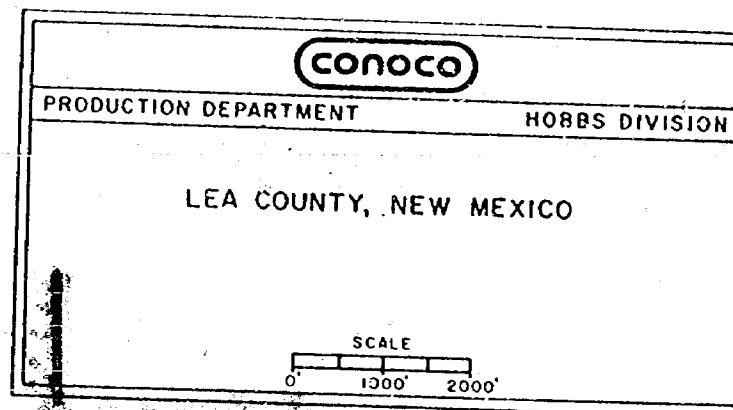
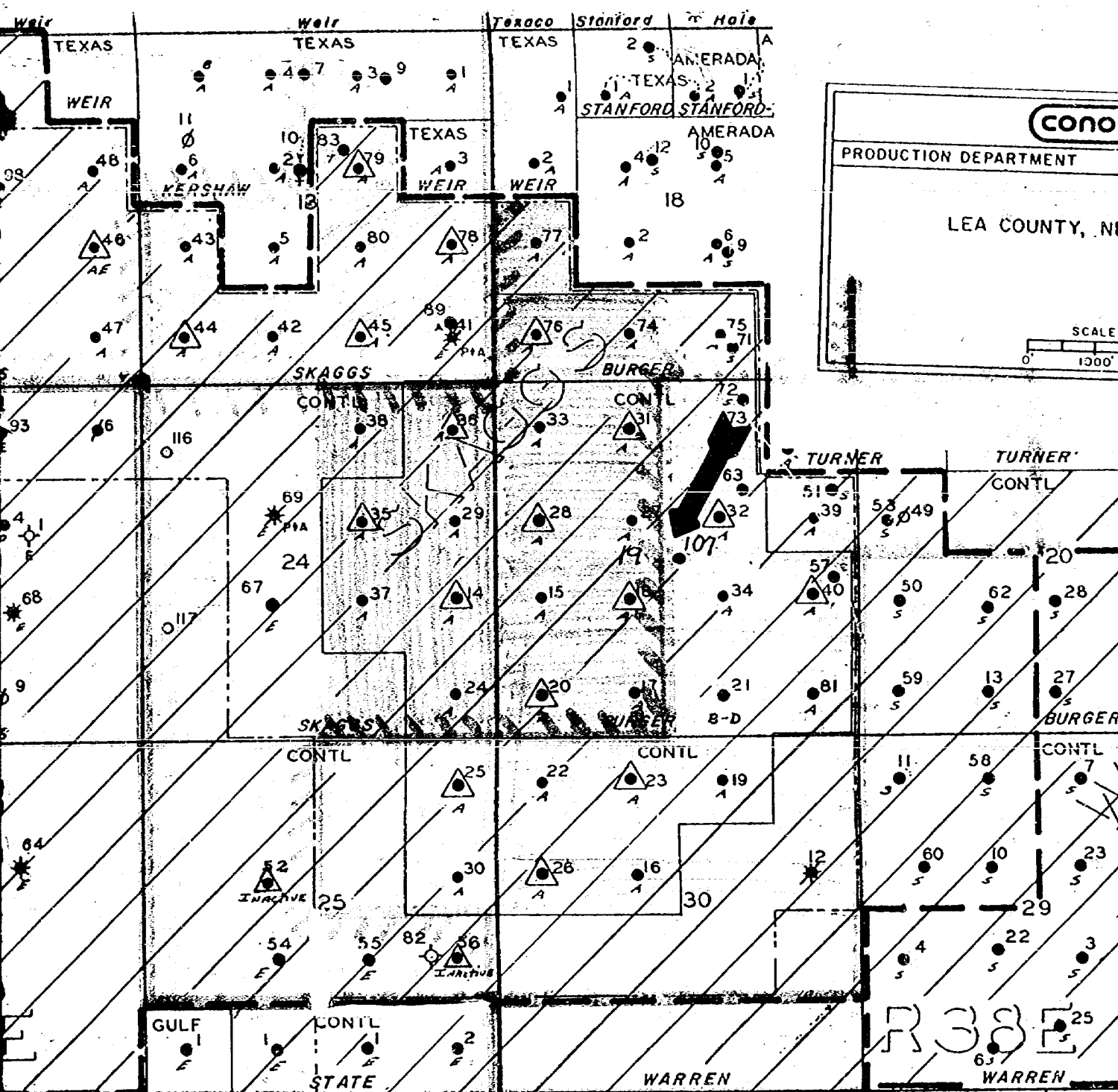
CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

EXHIBIT #2





BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

Eumont Queen  
Boundary

Skaggs Grayburg  
Boundary

Waterflood area  
where Grayburg  
and Queen over-  
lap





BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

SKAGGS POOL  
SEMU PERMIAN LEASE  
LEA COUNTY, NEW MEXICO

EXHIBIT 4

Pg. 1

Page 1

Compl. Date	Well No.	Elevation	T.D.	Grayburg Top	Comp. Internal	Open Feet Above Gray- burg top
3/37	14*	3555 DF	3900	3775	OH 3796'-3900'	0
6/37	15	3550 DF	3886	3765	OH 3648'-3886'	117
10/37	16	3531 DF	3900	3735	OH 3626'-3900'	109
11/49	17	3548 DF	3875	3774	OH 3699'-3875'	75
3/50	18*	3551 DF	3915	3763	Perf Liner 3798'-3870'	0
4/50	19	3546 DF	3890	3792	OH 3699'-3890'	93
6/50	20*	3545 DF	3908	3761	OH 3734'-3908'	27
7/50	21*	3547 DF	9731 PB 4044	3783	OH 3697'-3923'	86
9/50	22	3542 DF	3900	3766	OH 3699'-3900'	67
10/50	23*	3538 DF	3910	3776	OH 3699'-3910'	77
12/50	24	3541 DF	3941	3774	OH 3699'-3941'	75
2/51	25*	3530 DF	3905	3771	OH 3702'-3905'	69
3/51	26*	3530 DF	3908	3766	OH 3705'-3908'	61
4/51	27	3553 DF	3906	3766	OH 3699'-3906'	67
5/51	28*	3557 DF	3917	3778	OH 3694'-3917'	84
6/51	29	3549 DF	3911	3788	OH 3699'-3911'	89
7/51	30	3529 DF	3898	3764	OH 3688'-3898'	76
8/51	31*	3554 DF	3913	3783	OH 3696'-3913'	87
10/51	32*	3552 DF	3901	3788	OH 3686'-3901'	102
10/51	33	3556 DF	3922	3790	OH 3694'-3922'	96
10/51	34	3546 DF	3911	3774	OH 3696'-3911'	78
10/51	35*	3547 DF	3920	3782	OH 3681'-3920'	101
11/51	36*	3552 DF	3910	3774	OH 3699'-3910'	75
11/51	37	3544 DF	3920	3772	OH 3689'-3920'	83
11/51	38	3551 DF	3920	3774	OH 3739'-3920'	35
11/51	39	3550 DF	3931	3822	OH 3729'-3931'	93
1/52	40*	3548 DF	3915	3808	OH 3729'-3915'	79
1/52	41	3556 DF	3919 PB 3863	3770	OH 3729'-3863'	41
2/54	42	3555 KB	3891	3778	OH 3752'-3891'	26
3/54	43	3556 KB	3891	3780	OH 3769'-3891'	11
3/54	44*	3552 DF	3892	3763	OH 3770'-3892'	0

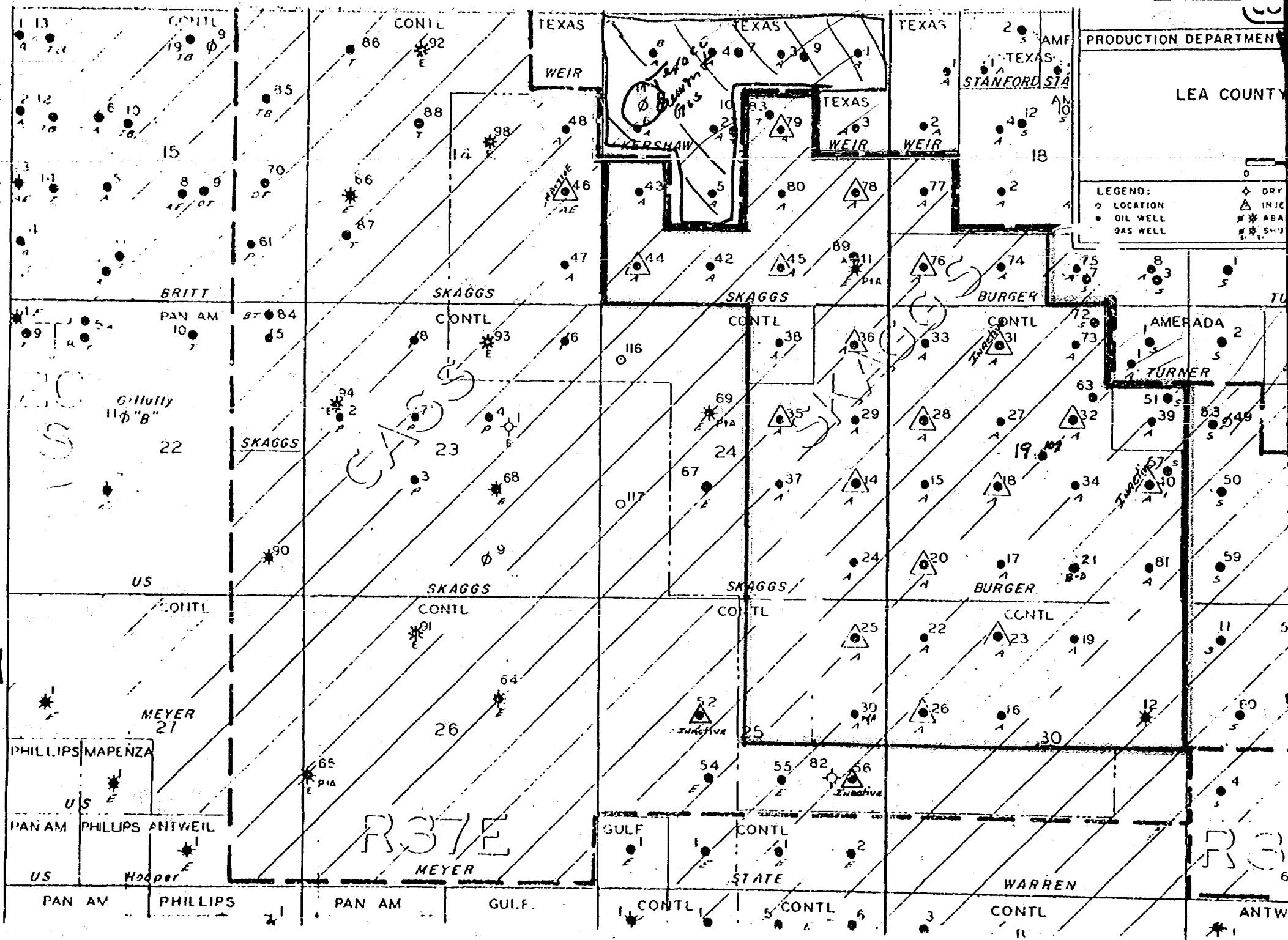
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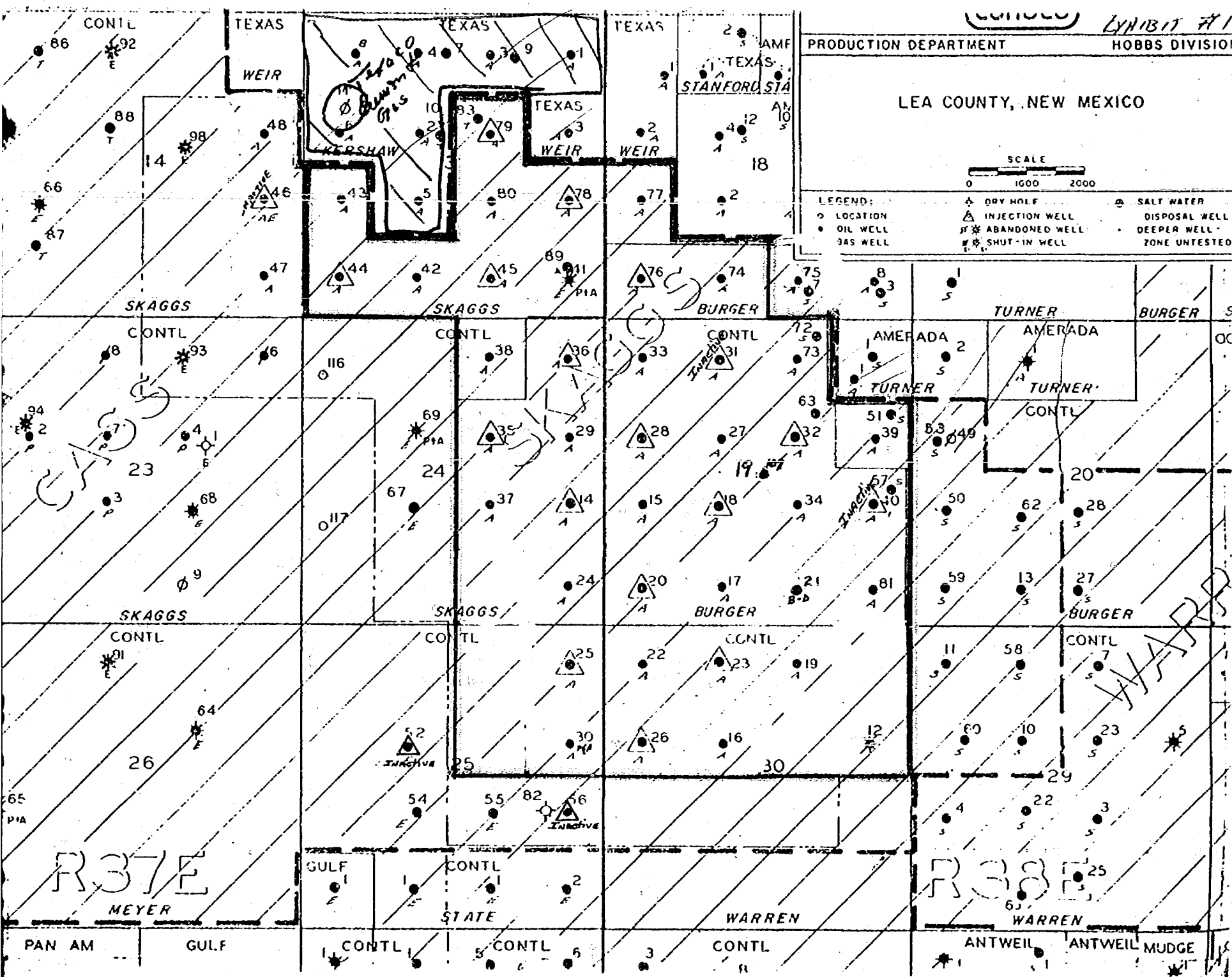
Comp. Date	Well No.	Elevation	T.D.	Grayburg Top	Comp. Internal	Open Feet Above Gray- burg top
4/54	45*	3556 DF	3890	3778	Perf 3816'-3884'	0
3/52	49*	3556 DF	3945	3789	OH 3744'-3945'	45
11/51	73	3559 DF	3922	3790	Perf 3826'-3906'	0
11/51	74	3560 DF	3954	3808	OH 3729'-3954'	79
12/51	76*	3545 DF	3929	3778	OH 3735'-3929'	43
2/52	77	3562 DF	3900	3794	OH 3741'-3900'	53
4/52	78*	3557 DF	3882	3788	OH 3746'-3882'	42
12/52	79*	3564 DF	3896	3794	OH 3777'-3896'	17
8/53	80	3557 KB	3879	3774	OH 3749'-3879'	25
1/64	81	3545 DF	3940	3799	Perf 3752'-3915'	47
12/66	89	3548 GL	3950	3795	Perf 3799'-3902'	0

\* Injection Well

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISIONEXHIBIT NO. 4CASE NO. 7267Submitted by CONOCO INC.Hearing Date 6-3-81

EXHIBIT #1





BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

[illegible]







BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

SKAGGS POOL  
SEMU PERMIAN LEASE  
LEA COUNTY, NEW MEXICO

EXHIBIT A

Page 1

Page 1

Compl. Date	Well No.	Elevation	T.D.	Grayburg Top	Comp. Internal	Open Feet Above Gray- burg top
3/37	14*	3555 DF	3900	3775	OH 3796'-3900'	0
6/37	15	3550 DF	3886	3765	OH 3648'-3886'	117 ✓
10/37	16	3531 DF	3900	3735	OH 3626'-3900'	109 ✓
11/49	17	3548 DF	3875	3774	OH 3699'-3875'	75
3/50	18*	3551 DF	3915	3763	Perf Liner 3798'-3870'	0
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Continued on Page 2

Comp. Date	Well No.	Elevation	T.D.	Grayburg Top	Comp. Internal	Open Feet Above Gray- burg top
4/54	45*	3556 DF	3890	3778	Perf	0
3/52	49*	3556 DF	3945	3789	3816'-3884'	
					OH	45
					3744'-3945'	
11/51	73	3559 DF	3922	3790	Perf	0
11/51	74	3560 DF	3954	3808	3826'-3906'	
					OH	79
12/51	76*	3545 DF	3929	3778	3729'-3954'	
					OH	43
2/52	77	3562 DF	3900	3794	3735'-3929'	
					OH	53
4/52	78*	3557 DF	3882	3788	3741'-3900'	
					OH	42
12/52	79*	3564 DF	3896	3794	3746'-3882'	
					OH	17
8/53	80	3557 KB	3879	3774	3777'-3896'	
					OH	25
1/64	81	3545 DF	3940	3799	3749'-3879'	
					Perf	47
12/66	89	3548 GL	3950	3795	3752'-3915'	
					Perf	0
					3799'-3902'	

\* Injection Well

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 4

CASE NO. 7268

Submitted by CONOCO INC.

Hearing Date 6-3-81

This is a detailed geological map of a section of Lea County, New Mexico. The map is divided into several sections, each labeled with a company name or production area, such as "BRITT", "SKAGGS", "Burger", "AMERADA", "TURNER", "MEYER", "PHILLIPS", "PAN AM", "GULF", "WARREN", and "ANT". The map shows numerous oil and gas wells, represented by symbols like circles with numbers, stars, and triangles. A legend in the top right corner explains these symbols: a circle with a dot for "LOCATION", a star for "OIL WELL", a triangle for "GAS WELL", and a circle with a cross for "DRY". The map also includes a scale bar in the top right corner, indicating distances in miles. The map is oriented with North at the top. The title "LEA COUNTY" is prominently displayed in the top right corner. The map is a black and white reproduction of a historical document.

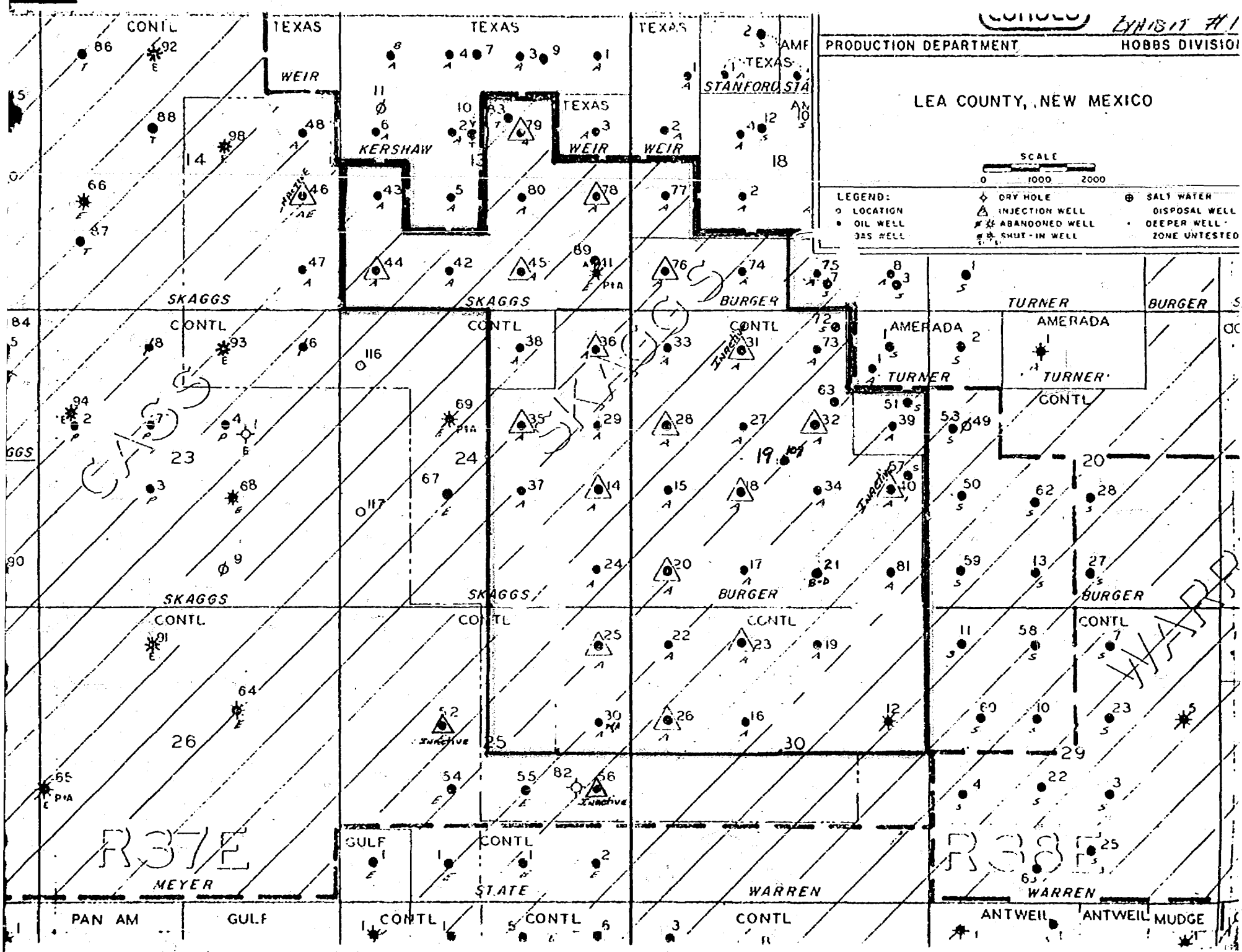
EXHIBIT #1  
HOBBS DIVISION

PRODUCTION DEPARTMENT

LEA COUNTY, NEW MEXICO



- LEGEND:
- LOCATION
  - OIL WELL
  - GAS WELL
  - DRY HOLE
  - INJECTION WELL
  - ABANDONED WELL
  - SHUT-IN WELL
  - SALT WATER DISPOSAL WELL
  - DEEPER WELL
  - ZONE UNTESTED



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 7268

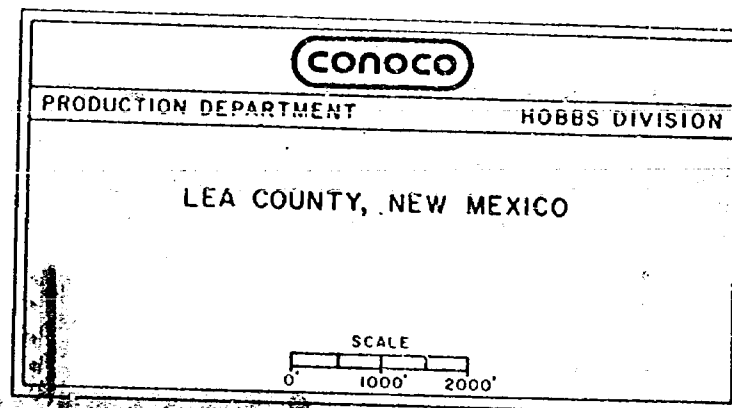
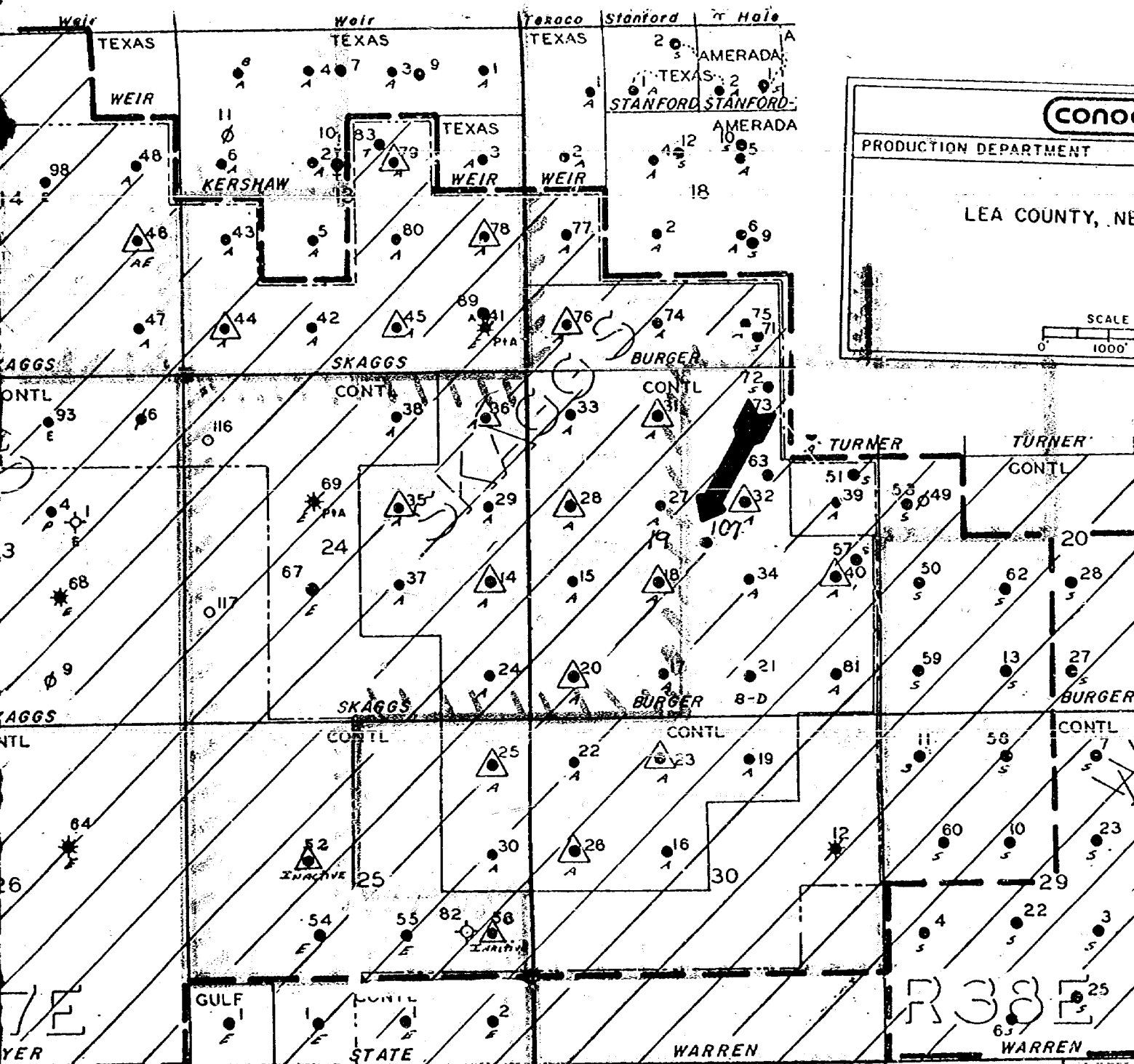
Submitted by CONOCO INC.

Hearing Date 6-3-81

The map displays a grid of land sections in Lea County, New Mexico. Key features include:

- Section Labels:** Various sections are labeled with names such as 'TEXAS', 'SKAGGS', 'BURGER', 'TURNER', 'WARREN', 'MEYER', and 'STATE'.
- Well Markings:** Numerous wells are indicated by numbers (e.g., 86, 92, 85, 70, 66, 87, 61, 84, 94, 23, 68, 90, 65, 91, 64, 26, 52, 54, 55, 82, 56, 25, 30, 28, 16, 30, 19, 23, 22, 25, 37, 24, 67, 69, 38, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100) and symbols (stars, triangles, circles).
- Ownership and Production:** Some sections are labeled 'CONTL' (Control) or 'INACTIVE'. A 'CONOCO PRODUCTION DEPARTMENT' logo is present in the upper right corner.
- Scale and Orientation:** A scale bar indicates distances from 0 to 2000 feet. A north arrow is located in the upper left corner.
- Geological Features:** A large area in the center-right of the map is shaded in black, possibly representing a specific geological formation or a large well field.





BEFORE EXAMINER STAMETS  
 OIL CONSERVATION DIVISION  
 EXHIBIT NO. 2  
 CASE NO. 7248  
 Submitted by CONOCO INC.  
 Hearing Date 6-3-81

Eumont Queen  
 Boundary

Skaggs Grayburg  
 Boundary

Waterflood area  
 where Grayburg  
 and Queen over-  
 lap



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 7268

Submitted by Conoco Inc.

Hearing Date 6-3-81

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 7268

Submitted by Conoco Inc.

Hearing Date 6-3-81

SKAGGS POOL  
SEMUR PERMIAN LEASE  
LEA COUNTY, NEW MEXICO

EXHIBIT 4

Pa. 1

Page 1

Compl. Date	Well No.	Elevation	T.D.	Grayburg Top	Comp. Internal	Open Feet Above Gray- burg top
3/37	14*	3555 DF	3900	3775	OH 3796'-3900'	0
6/37	15	3550 DF	3886	3765	OH 3648'-3886'	117
10/37	16	3531 DF	3900	3735	OH 3626'-3900'	109
11/49	17	3548 DF	3875	3774	OH 3699'-3875'	75
3/50	18*	3551 DF	3915	3763	Perf Liner 3798'-3870'	0
4/50	19	3546 DF	3890	3792	OH 3699'-3890'	93
6/50	20*	3545 DF	3908	3761	OH 3734'-3908'	27
7/50	21*	3547 DF	9731 PB 4044	3783	OH 3697'-3923'	86
9/50	22	3542 DF	3900	3766	OH 3699'-3900'	67
10/50	23*	3538 DF	3910	3776	OH 3699'-3910'	77
12/50	24	3541 DF	3941	3774	OH 3699'-3941'	75
2/51	25*	3530 DF	3905	3771	OH 3702'-3905'	69
3/51	26*	3530 DF	3908	3766	OH 3705'-3908'	61
4/51	27	3553 DF	3906	3766	OH 3699'-3906'	67
5/51	28*	3557 DF	3917	3778	OH 3694'-3917'	84
6/51	29	3549 DF	3911	3788	OH 3699'-3911'	89
7/51	30	3529 DF	3898	3764	OH 3688'-3898'	76
8/51	31*	3554 DF	3913	3783	OH 3696'-3913'	87
10/51	32*	3552 DF	3901	3788	OH 3686'-3901'	102
10/51	33	3556 DF	3922	3790	OH 3694'-3922'	96
10/51	34	3546 DF	3911	3774	OH 3696'-3911'	78
10/51	35*	3547 DF	3920	3782	OH 3681'-3920'	101
11/51	36*	3552 DF	3910	3774	OH 3699'-3910'	75
11/51	37	3544 DF	3920	3772	OH 3689'-3920'	83
11/51	38	3551 DF	3920	3774	OH 3739'-3920'	35
11/51	39	3550 DF	3931	3822	OH 3729'-3931'	93
1/52	40*	3548 DF	3915	3808	OH 3729'-3915'	79
1/52	41	3556 DF	3919 PB 3863	3770	OH 3729'-3863'	41
2/54	42	3555 KB	3891	3778	OH 3752'-3891'	26
3/54	43	3556 KB	3891	3780	OH 3769'-3891'	11
3/54	44*	3552 DF	3892	3763	OH 3770'-3892'	0

Continued on Page 2

Comp. Date	Well No.	Elevation	T.D.	Grayburg Top	Comp. Internal	Open Feet Above Gray- burg top
4/54	45*	3556 DF	3890	3778	Perf 3816'-3884'	0
3/52	49*	3556 DF	3945	3789	OH 3744'-3945'	45
11/51	73	3559 DF	3922	3790	Perf 3826'-3906'	0
11/51	74	3560 DF	3954	3808	OH 3729'-3954'	79
12/51	76*	3545 DF	3929	3778	OH 3735'-3929'	43
2/52	77	3562 DF	3900	3794	OH 3741'-3900'	53
4/52	78*	3557 DF	3882	3788	OH 3746'-3882'	42
12/52	79*	3564 DF	3896	3794	OH 3777'-3896'	17
8/53	80	3557 KB	3879	3774	OH 3749'-3879'	25
1/64	81	3545 DF	3940	3799	Perf 3752'-3915'	47
12/66	89	3548 GL	3950	3795	Perf 3799'-3902'	0

\* Injection Well

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISIONEXHIBIT NO. 4CASE NO. 7267Submitted by CONOCO INC.Hearing Date 6-3-81



CASE 7237: (Continued and Readvertised)

Application of Conoco Inc. for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "F-1" Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Blinebry Pool and commingled Hardy-Drinkard and undesignated subb production.

CASE 7267: Application of Conoco Inc. for a dual completion and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SENU Burger Well No. 107 to produce oil from the Skaggs-Grayburg and an undesignated Paddock Pool at an unorthodox location 2615 feet from the South and East lines of Section 19, Township 20 South, Range 38 East.

CASE 7268: Application of Conoco Inc. for pool extension and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the upward extension of the vertical limits of the Skaggs-Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13, the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range 38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by deletion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Township 20 South, Range 38 East.

CASE 7248: (Continued from May 6, 1981, Examiner Hearing)

Application of Inxco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.

CASE 7269: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Eumont Gas Pool, to be dedicated to its Lansford Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from the East line of said Section 21.

CASE 7270: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

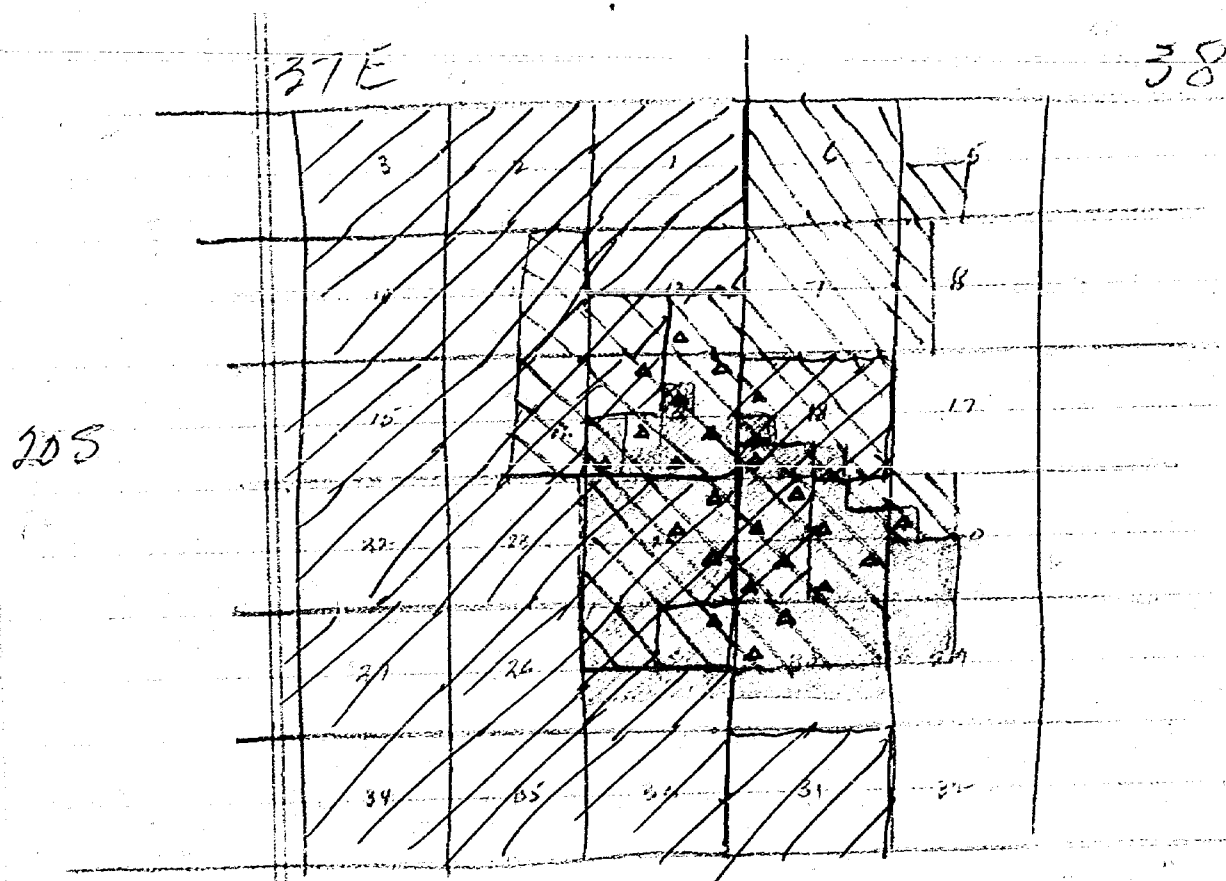
CASE 7250: (Continued from May 6, 1981, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7271: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Drinkard formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7086: (Continued from May 20, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.



Example  
11.5R Q

SKA 99<sup>S</sup>  
90P





BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR APPROVAL TO DUALY  
COMPLETE ITS SEMU BURGER WELL NO. 107  
AT A NON-STANDARD LOCATION 2615' FSL  
AND 2615' FEL OF SECTION 19, T-20-S,  
R-38-E, LEA COUNTY, NEW MEXICO, IN THE  
SKAGGS GRAYBURG AND UNDESIGNATED PADDOCK  
POOLS AND FOR EXTENSION OF THE VERTICAL  
LIMITS OF THE SKAGGS GRAYBURG POOL  
WITHIN THE AREA OF THE SKAGGS  
WATERFLOOD PROJECT, TO INCLUDE  
THE BOTTOM 100' OF THE QUEEN FORMATION  
IN PORTIONS OF SECTIONS 13, 24, AND  
25, T-20-S, R-37-E, AND PORTIONS OF  
SECTIONS 18, 19, 20, 29, AND 30,  
T-20-S, R-38-E, LEA COUNTY,  
NEW MEXICO

Case 7268

A P P L I C A T I O N

Applicant, Conoco Inc., respectfully requests authority to dually complete in the Skaggs Grayburg and Undesignated Paddock Pools its Semu Burger Well No. 107 at an unorthodox location 2615' FSL and 2615' FEL, Section 19, T-20-S, R-38-E, Lea County, New Mexico, and for extension of the vertical limits of the Skaggs Grayburg Pool within the waterflood are to include the bottom 100' of the Queen Formation found to be productive of hydrocarbons in wells located within the Skaggs Grayburg Waterflood Project, and in support thereof will show:

1. Applicant is operator and co-owner of the Southeast Monument Unit, which in addition to other lands includes NW/4 SW/4, S/2 SW/4, SW/4 NE/4, SE/4 of Section 13; all Section 24; N/2, N/2 S/2 Section 25, T-20-S, R-37-E and NW/4 SW/4, S/2 SW/4, SW/4 SE/4 Section 18; all Section 19 except NE/4 NE/4; SW/4 NW/4, SW/4 Section 20; NW/4 Section 29; N/2, N/2 S/2 Section 30, T-20-S, R-38-E, Lea County, New Mexico.

APPROVAL TO DUALLY

WELL NO. 107

MAY 12, 1981

2. Applicant wishes to dually complete in the Skaggs Grayburg and Undesignated Paddock Pools its Semu Burger Well No. 107, which has been drilled at an unorthodox location 2615' FSL and 2615' FEL of Section 19, T-20-S, R-38-E, Lea County, New Mexico.

3. Applicant further wishes to extend the vertical limits of the Skaggs Grayburg Pool within the area at the waterflood project to include the bottom 100' of the Queen Formation.

4. That subject well was proposed and drilled with the intent of dually completing in the Blinebry Oil and Gas and Drinkard Pools, and that both these zones were found to be non-productive of hydrocarbons in paying quantities.

5. That authority to drill at the non-standard location was obtained by Order No. R-6307 dated April 15, 1980.

6. That completing this well in the manner of this application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests this application be set for hearing before the Division's duly appointed examiner and, upon hearing an order be entered authorizing the dual completion of said well and the vertical extension of the Skaggs Grayburg Pool to include the bottom 100' at the Queen Pool.

Respectfully submitted,

CONOCO INC.

By D. L. Wachter

for L. P. Thompson

Division Manager of Production

Hobbs Division



ROUGH

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. 7268  
Order No. R-6723

Application of Conoco Inc. for pool extension and contraction, Lea County, New Mexico.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3,  
19 81, at Santa Fe, New Mexico, before Examiner BLS.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, 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, Conoco Inc.,

seeks the upward extension of the vertical limits of the Skaggs-  
Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13,  
the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of  
Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range  
38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by dele-  
tion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of  
Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Town-  
ship 20 South, Range 38 East.

(3) That at the time of the hearing, the applicant reduced the area proposed for <sup>said</sup> permanent of vertical limits to include only the S/2 S/2, N/2 SE/4, SW/4 NE/4 and NW/4 SW/4 of Section 13, the E/2 of Section 24, and the NE/4 of Section 25, all in Township 20 South, Range 37 East, NMPM, and the S/2 SW/4 and NW/4 SW/4 of Section 18, the S/2, NW/4, S/2 NE/4 and NW/4 NE/4 of Section 19, and the N/2 of Section 30, all in Township 20 South, Range 38 East, NMPM, ~~which~~ in said Skaggs-Grayburg Pool.

(4) That the applicant is the operator of the SEMU Permian Waterflood Project ~~and~~ within the acreage described in Finding No. 3 above.

(5) (4) That many of the wells within said project were drilled prior to the formal establishment of the vertical limits of said Skaggs-Grayburg Pool and are completed as much as 117 feet above the ~~Grayb~~ top of the Grayburg formation.

(6) That there is oil within the interval 100 feet above the top of the Grayburg formation which is responding to water injection.

(7) (6) That it would not be practical to require the operator to isolate and separately produce those flooded intervals above the top of the Grayburg formation.

(8) That additional oil may be

(8) That oil which might not otherwise be recovered may be produced by permitting additional wells to be drilled and completed in said project within the Grayburg,

formation and the lowermost 100 feet of the Queen formation therein.

(9) That ~~the~~ the ownership is common in the proposed producing interval within the ~~SEM~~ SEMU Permian Waterflood Project.

(10) (8) That an offset operator objected to the proposed amendment to the vertical limits of the Skaggs-Grayburg Pool and Eumont Pool outside said waterflood project area.

(11) (9) That the amendment to said vertical limits should be limited to the project area described in Finding No. 3 above.

(12) (10) That approval of the proposed amendment to the vertical limits of said pools as limited by Finding No. (9) above will result in greater ultimate recovery from said pools thereby preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED

- (1) That the vertical limits of the Skaggs - Grayburg Pool are hereby revised to include the lowermost 100 feet of the Queen formation (in addition to the Grayburg formation) under the following described acreage, Lea County, New Mexico:

Township 20 South, Range 37 East, N.M.P.M.  
Section 13:  $S\frac{1}{2}$   $S\frac{1}{2}$ ,  $N\frac{1}{2}$   $SE\frac{1}{4}$ ,  $SW\frac{1}{4}$   $NE\frac{1}{4}$   
and  $NW\frac{1}{4}$   $SW\frac{1}{4}$

Section 24:  $E\frac{1}{2}$

Section 25:  $NE\frac{1}{4}$

Township 20 South, Range 38 East, N.M.P.M.

Section 18:  $S\frac{1}{2}$   $SW\frac{1}{4}$  ~~and~~ and  $NW\frac{1}{4}$   $SW\frac{1}{4}$

Section 19:  $S\frac{1}{2}$ ,  $NW\frac{1}{4}$ ,  $S\frac{1}{2}$   $NE\frac{1}{4}$ , <sup>and</sup>  $NW\frac{1}{4}$   $NE\frac{1}{4}$

Section 30:  $N\frac{1}{2}$

IT IS FURTHER ORDERED

- (1) That the vertical limits of the Eunot Gas Pool are hereby contracted to delete the lowermost 100 feet of the Queen formation therefrom under the following described ~~area~~ acreage, Lea County, New Mexico:



Township 20 South, Range 39 East, NM PM  
Section 24: E/2

Township 20 South, Range 38 East, NM PM  
Section 18:  $3/2$  ~~SW/4~~ and NW/4 SW/4  
Section 19: W/2

(2) Jurisdiction