

CASE NO.

7568

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

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

1 September 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Petroleum Corp. of  
Delaware for a dual completion,  
Eddy County, New Mexico.

CASE  
7568

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Owen Lopez, Esq.  
HINKLE, COX, EATON, COFFIELD,  
& HENSLEY  
500 Don Gaspar  
Santa Fe, New Mexico 87501

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I N D E X

LARRY SHANNON

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1  
2 MR. STAMETS: We'll call next Case 7568.

3 MR. PEARCE: That is the application of  
4 Petroleum Corporation of Delaware for a dual completion, Eddy  
5 County, New Mexico.

6 MR. LOPEZ: Mr. Examiner, my name is Owen  
7 Lopez, with the Hinkle Law Firm in Santa Fe, New Mexico, ap-  
8 pearing on behalf of the applicant.

9 I have one witness to be sworn.

10  
11 (Witness sworn.)

12  
13 LARRY SHANNON

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

16  
17 DIRECT EXAMINATION

18 BY MR. LOPEZ:

19 Q Would you please state your name, by whom  
20 you're employed, and in what capacity?

21 A I'm Larry Shannon, employed as the Senior  
22 Vice President of Petroleum Corporation of Delaware. I re-  
23 side in Dallas, Texas.

24 Q Mr. Shannon, I do believe you are familiar  
25 with this case, Number 7568, which has been continued and re-

1  
2 advertised?

3 A Yes, sir.

4 Q In fact, I believe you were a witness at  
5 the first hearing.

6 A That is correct.

7 MR. LOPEZ: Are the witness' qualifications  
8 acceptable?

9 MR. STAMETS: He was so qualified at the  
10 first hearing and continues so in this case.

11 MR. LOPEZ: Thank you.

12 Q Mr. Shannon, I would ask you to refer to  
13 what has been marked as Exhibit Number One and describe it,  
14 please.

15 A This is an exhibit that we gave to you the  
16 last time. We just thought it would be handy to have. It's  
17 a schematic showing how the subject well is completed; how  
18 we're isolating the Strawn zone from the Morrow zone; the  
19 fact that the Strawn is producing through the tubing-casing  
20 annulus and the Morrow through the tubing below a packer.

21 Q Now I'd ask you to refer to what's been  
22 marked as EXhibit Number Two and describe this.

23 A Exhibit Number Two is a recap of the pro-  
24 duction from this well by zone. We have all of June, all of  
25 July, and August through August 25.

1

2

We list at the top the Morrow zone, it's gas production, oil production, and gas/oil ratio.

4

5

We also show the Strawn zone with gas, oil, and gas/oil ratio.

6

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14

And there is an anomaly for the month of July for the Strawn zone. I don't really know the answer for why the oil production was that low for the month; however, I believe it has something to do with the way that the gas buyer has been purchasing our gas. El Paso is the purchaser of the gas and we've been on proration and they have many ways to prorate us, some of which is raising the line pressure and the line pressure has varied, particularly in July, a high of about 900 pounds and a low of about 500 pounds.

15

16

17

18

19

I think that may have had some -- some of the reason for such a low oil production, and it's the only reason I know of, but it is there and we did have a very high GOR for the month of July, and GOR's in the 60,000-to-1 range for the other two months.

20

21

Q

Now I'd ask you to refer to what's been marked Exhibit Number Three and identify it.

22

23

24

25

A

Exhibit Number Three, I apologize for the quality. This is from John West Engineering out of Hobbs. It was a telecopy that we received that we've made Xeroxed copies from.

1  
2 Basically, on August the 30th, 1982, Mr.  
3 WEst's firm ran a well sounder and found the fluid level in  
4 our Superior Federal No. 6 Well at a depth of 9,672 feet.  
5 That gives 622 feet of fluid above the bottom perforations of  
6 the Strawn. That volume calculates to be 6.26 barrels of  
7 liquid.

8 If it's oil, the hydrostatic pressure would  
9 be in the range of 217 pounds; if it's fresh water, 266 pounds.

10 There's not a significant amount of back  
11 pressure from the liquid we found in the tubing-casing annulus  
12 at the time of this well report.

13 I might add that the well was shut-in  
14 from Friday till Monday at the pipeline's request. This time  
15 instead of high line pressures they just asked us to shut the  
16 well in both zones.

17 MR. STAMETS: And that shut-in period was --  
18 preceded this liquid level test?

19 A. Yes, sir, it did. Well, the well was  
20 shut-in Friday and the test was Monday, so it's really three  
21 days of shut-in time, which is -- there could have been an  
22 accumulation of liquid in that period, vis-a-vis a flowing  
23 period.

24 Q Now, finally I'd ask you to refer to what's  
25 been marked Exhibit Four, and I think you've also introduced

1  
2 this in the earlier exhibit but I'd like you to again explain  
3 why we re-introduce it at this time.

4 A Yes, sir. This is a copy of the open  
5 hole log on the subject well. It shows the existing perfor-  
6 ations in the Morrow zone and the existing perforations in the  
7 Strawn zone.

8 Within this log you can see several other  
9 zones that have not yet been perforated and will not -- and  
10 the reserves will not be depleted until we have produced our  
11 current perforations, and one of the reasons that we wanted  
12 the dual completion in this well is the significant amount of  
13 reserves that you see on this log, plus others, we think there  
14 are even other oil and gas reserves above the top of this  
15 log, and it may be fifteen years or longer before we could get  
16 to those, if we can't at least dually complete the well now.

17 Q How much was the cost of this original  
18 well when you drilled it?

19 A This well was drilled last year at a time  
20 that drilling costs were high, but it cost us \$1,300,000 to  
21 drill and complete the well.

22 Q Is it your opinion that the continued  
23 granting of the application for a dual completion in this  
24 case is in the interest of prevention of waste and protection  
25 of correlative rights?



1

2

A. Yes, sir.

3

4

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

5

A. Yes, sir, they were.

6

7

MR. LOPEZ: I'd introduce Exhibits One through Four.

8

9

MR. STAMETS: These Exhibits One through Four introduced today are admitted into evidence.

10

11

#### CROSS EXAMINATION

12

BY MR. STAMETS:

13

14

Q. Mr. Shannon, I understand that you are in the process of running a recombined sample on this well.

15

16

A. I wanted to talk to you about that, Mr. Examiner, if I may.

17

18

19

20

21

22

We have not yet started that because the well shut-in because the pipeline company shut us in last Friday. We did talk to Mr. Tefteller in Midland, who does a lot of the gathering of the samples that we need to send to CORE Laboratories for the PVT analysis and recombining of gas and liquids.

23

24

25

It is -- it's expensive, about \$7600 - 8000, somewhere in that range. Depending -- the biggest expense seems to be the gathering of the samples more than

1  
2 CORE Laboratories lab expense.

3 We'll be happy to do that if it will help  
4 our cause. But we're going to have to ask for some time until  
5 whenever some -- El Paso opens the well up. It may be another  
6 week and then the well would need to stabilize its flow for  
7 a week or so before we could start the gathering of the samples.

8 We wouldn't want to start sample gathering,  
9 you know, on the same day that we opened the well up.

10 MR. LOPEZ: Mr. Examiner, if I may, I  
11 might ask Mr. Shannon to explain why he thinks maybe such a  
12 test might not be that helpful to the cause.

13 I think you described earlier what the  
14 hydrostatic pressures would be if -- if the results of the  
15 test were to show only water or only oil. Then the range  
16 would be, I assume, somewhere between the two, if there were  
17 a combination of the two. Is that correct, or maybe I don't  
18 understand?

19 A. That's part of the -- the Sonalog, the  
20 well -- the fluid level machine shows that there's very little  
21 liquids in the casing at the time we ran it.

22 We could run another one of these after  
23 the well's flowing and a short period after it is shut-in.  
24 If that would help, we -- I guess what I look at, and maybe  
25 I'm not focusing on the area that we want to run the recombin-

1  
2 ation, I assume it is to prove retrograde type reservoir where  
3 the liquids would be in a gas phase in the original reservoir  
4 conditions, which, we could call it a gas well now.

5 MR. STAMETS: Right, it's basically for  
6 determination of what type of reservoir we're dealing with.

7 A Whether we're dealing with a gas or an  
8 oil reservoir.

9 MR. STAMETS: Right. This six barrels in  
10 the casing is in all likelihood condensate or oil produced  
11 under --

12 A Sure.

13 MR. STAMETS: -- standard conditions.

14 A Well, we can certainly do that, and that's  
15 what I -- I did -- we have -- we've looked at this and we  
16 didn't stop it because of any other reason other than El Paso  
17 shut our well in.

18 MR. STAMETS: Okay. What does it cost  
19 you to run one of these Sonalogs?

20 A I don't know but it's a few hundred dol-  
21 lars is all.

22 MR. STAMETS: Much cheaper.

23 A Much cheaper, yes, sir, and we could run  
24 those quite often, it it would help.

25 Q All right. What -- what are your options

1 if for any reason this application is denied?

2 A Well, I guess we'd have to shut the STrawn  
3 in and produce the Morrow until such time as we depleted it,  
4 plus some other zones in the Morrow, and we could work our  
5 way up. It would just make the time frame in which we pro-  
6 duced the reserves from this wellbore an extremely long period  
7 of time.  
8

9 Q Your 4-1/2 inch casing is so small that  
10 you can't run another string of tubing in there for the  
11 STrawn?

12 A No, sir, we can't. If it would have been  
13 5-1/2 we could have run two strings.

14 MR. STAMETS: Any other questions of the  
15 witness? He may be excused.

16 Anything further in this case?

17 The case will be taken under advisement  
18 and if there is nothing further, the hearing is adjourned.

19  
20 (Hearing concluded.)  
21  
22  
23  
24  
25

## 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 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. 7568, heard by me on 9-4 19 82.  
Richard L. [Signature] Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 May 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Petroleum Corp. of  
Delaware for a dual completion, Eddy  
County, New Mexico.

CASE

~~5768~~  
7568

and

Application of Petroleum Corp. of  
Delaware for downhole commingling,  
Eddy County, New Mexico.

CASE

~~5769~~  
7569

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Michael Cunningham, Pro Tem  
W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Conrad E. Coffield, Esq.  
HINKLE LAW FIRM  
P. O. Box 3580  
Midland, Texas 79701

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I N D E X

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HAL DEAN	
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LARRY C. SHANNON	
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1  
2 MR. STAMETS: The hearing will please come  
3 to order.

4 We'll call next Case 7568.

5 MR. CUNNINGHAM: Application of Petroleum  
6 Corporation of Delaware for a dual completion, Eddy County,  
7 New Mexico.

8 MR. COFFIELD: I'm Conrad Coffield with  
9 the Hinkle Law Firm in Midland, Texas, appearing on behalf of  
10 the applicant, and in connection with this case, Mr. Examiner,  
11 the application and the manner in which the case has been ad-  
12 vertised and appears on the docket sheet indicates that the  
13 well is to be a producer of oil from the Strawn formation and  
14 gas from the Morrow formation, which appeared to be accurate  
15 on preliminary testing of the well.

16 In fact, it now appears that the Strawn  
17 formation would be a gas producer and the Morrow formation  
18 likewise, and accordingly, the Petroleum Corporation would  
19 like to amend their application in this regard to change the  
20 manner in which the dual completion would be accomplished and  
21 produce the gas from the Strawn formation through the casing-  
22 tubing annulus, and the Morrow formation through the tubing.

23 This is a rather substantial change, I  
24 recognize, in the application and in the -- and in the manner  
25 in which it's been advertised, and perhaps it will need to be



1  
2 readvertised. But we would respectfully request the authority  
3 to amend the application and present the case to you on that  
4 basis.

5 MR. STAMETS: Okay, we'll listen to it and  
6 see what we can do with it.

7 MR. COFFIELD: Okay. Then, in addition,  
8 to further complicate matters, the next case, 7569, which re-  
9 lates to downhole commingling for two wells, geologically and  
10 otherwise is a closely related case and in the interest of,  
11 perhaps shortening the length of the testimony here today,  
12 and what not, we suggest that the two cases be consolidated  
13 for purposes of testimony.

14 MR. STAMETS: All right, let's call Case  
15 7569.

16 MR. CUNNINGHAM: Application of Petroleum  
17 Corporation of Delaware for downhole commingling, Eddy County,  
18 New Mexico.

19 MR. COFFIELD: I am Conrad Coffield with  
20 the Hinkle Law Firm, appearing on behalf of the applicant.  
21 I have two witnesses in these cases, Mr. Examiner.

22  
23 (Witnesses sworn.)  
24  
25

HAL DEAN

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

DIRECT EXAMINATION

BY MR. COFFIELD:

Q Mr. Dean, for the record would you please  
state your name and address?

A My name is Hal Dean, Midland, Texas.

Q What is your occupation, Mr. Dean?

A I'm a consulting geologist for Petroleum  
Corporation.

Q Have you previously testified before the  
Division as a geologist?

A Yes, sir.

Q Were your qualifications made a matter of  
record and accepted by the Division?

A Yes, sir, they were.

Q Are you familiar with the Petroleum Corpor-  
ation's applications in these cases?

A Yes, I am.

Q And likewise are you familiar with the  
geology involved in this area?

A Yes, I am.

1  
2 MR. COFFIELD: Mr. Examiner, I tender Mr.  
3 Dean as an expert geologist.

4 MR. STAMETS: He is considered qualified.

5 Q Mr. Dean, would you tell us first of all  
6 what it is that Petroleum Corporation seeks in Case 7568?

7 A The applicant seeks approval for the dual  
8 completion of the Superior Federal Well No. 6, located in Unit  
9 N of Section 6, Township 20 South, Range 29 East, East Burton  
10 Flats Field, to produce gas from the Strawn formation through  
11 the casing-tubular annulus and gas from the Morrow formation  
12 through the tubing.

13 Q Likewise would you please state what it is  
14 Petroleum Corporation seeks by its application in Case Number  
15 7569?

16 A Okay. The applicant seeks approval for the  
17 downhole commingling of Atoka and Morrow production in the  
18 wellbores of its Parkway West Unit Well No. 3, located in  
19 Unit K of Section 29, and Well No. 10, located in Unit G of  
20 Section 27, both in Township 19 South, Range 29 East.

21 Q Mr. Dean, please refer to what we've marked  
22 as Exhibit One in these cases and discuss that exhibit. Ex-  
23 plain it, please.

24 A Exhibit One is a structure-contour map con-  
25 toured on the top of the Strawn formation. The Petroleum

1 Corporation's Superior Federal lease is outlined by yellow.  
2  
3 At the present time Wells Nos. 3 and Wells No. 4 are producing  
4 from the Strawn formation in the Parkway -- I mean in the  
5 East Burton Flats Strawn Field.

6 We have now completed the Superior Federal  
7 6 as a Strawn producer. This well was perforated in the  
8 Strawn formation from 10,282 to 10,294, and was also completed  
9 in the Morrow formation from perforations 11,236 to 251, and  
10 through perforations 11,177 to 11,203.

11 Q All right, Mr. Dean, what about this parti-  
12 cular exhibit now with reference to the two cases -- I mean  
13 the two wells involved in Case 7569, being the Parkway No. 3  
14 and No. 10 Wells?

15 A The structure map extends over this Burton  
16 Flats East Strawn Field in a northeasterly direction across  
17 the Parkway West Field, which is producing from the Morrow,  
18 the Atoka, and the Strawn formations.

19 Q Okay, do you have anything further to bring  
20 to the Examiner's attention on this exhibit?

21 A No, sir.

22 Q Let's go on, then, to Exhibit One-A and  
23 explain that exhibit to the Examiner.

24 A Okay. Exhibit One-A is a map contoured  
25 on the Lower Morrow marker, and again exhibits the structure,

1  
2 showing an east dipping monocline with accumulation as a  
3 result of stratigraphic entrapment.

4 The wells contingent here are the Well  
5 Parkway West Unit No. 3, located in the southwest quarter of  
6 Section 29, and the Petroleum Corporation No. 10, located in  
7 the northeast of 27.

8 The Parkway West No. 3, which is a south-  
9 west offset to the Parkway West No. 2, completed solely in  
10 the Morrow formation. We perforated an interval in the Morrow,  
11 as used by the New Mexico Oil and Gas Commission, from in-  
12 terval 11,146 to 11,188, and from 10,742 to 11,085. The per-  
13 foration in question in which we desire to commingle, are  
14 the perforations from 10,742 to 44, and 10,750 to 760.

15 As you can notice, those perforations, ap-  
16 proximately 250 feet above the New Mexico classification of  
17 the Morrow limestone, however, it is below the -- approxi-  
18 mately 150 feet below the classification of the Atoka zone  
19 producing offsetting the Parkway West Unit.

20 In examining the log numbered Parkway West  
21 No. 3 --

22 Q Excuse me, Mr. Dean, at this point maybe  
23 it would be wise to go ahead and get into the logs, since  
24 you were testifying from those logs --

25 A Yeah.

1  
2 Q -- as opposed to the exhibit which is being  
3 submitted.

4 Which -- which log are you referring to  
5 now?

6 A We're at the Parkway West No. 3.

7 Q And this is Exhibit Number Two-B, Mr. Exam-  
8 iner. Okay, Mr. Dean, you were testifying as to the materials  
9 reflected on Exhibit Two-B.

10 A Two-B, yes, sir.

11 Q Okay, go ahead now and explain that to the  
12 Examiner.

13 A Fine. In conjunction with the structure  
14 map on the Morrow formation, immediately north of the Parkway  
15 West Unit is the -- what they call the Turkey Track Atoka  
16 Field. The wells completed in that zone are indicated on  
17 your map in green. They are located in Sections 1, 10, 11,  
18 and 13, in 19 South, 29. Also there is one Atoka well com-  
19 pleted in the Parkway West Unit. That is the No. 1 discovery  
20 well, located in Section 28.

21 Q Mr. Dean, are all those wells to which  
22 you've made reference, are all those highlighted on Exhibit  
23 One-A?

24 A Yes, sir.

25 Q Okay, go ahead.

1  
2 A Now, what -- the location of the well that  
3 we are talking about is in the southwest quarter of Section  
4 29. That is the Petroleum Corporation Parkway West Unit No. 3.  
5 That well is completed over a variety of perforations, with  
6 the perforations which are considered in the Atoka formation  
7 exist from 10,742 to 45, and 10,750 to 60. The producing  
8 intervals which are classified in the Atoka Field are indicated  
9 on the gamma ray side in green. Those would be at 10,550 to  
10 10,575, that interval is producing in the Petroleum Corpora-  
11 tion No. 1 Parkway West Unit.

12 The interval from 10,638 to 66 is producing  
13 in the Turkey Track Atoka Field immediately north of the  
14 Parkway West Unit.

15 Q Do you have other features on Exhibit  
16 One-A, Mr. Dean, that you need to --

17 A Yes, I could talk about the -- also in the  
18 Parkway West Unit No. 10, it was --

19 Q Excuse me, Mr. Dean, the Parkway Unit,  
20 were you also going to be talking now with reference with  
21 what I believe is marked Exhibit Two-C?

22 A Two-C.

23 Q Okay, with reference to both the Exhibit  
24 One-A and Two-C, then, please proceed, Mr. Dean.

25 A All right. In the Parkway Unit No. 10 the

1  
2 Morrow was perforated from 11,087 to a basal perforation of  
3 11,466; in the classification above the Morrow and considered  
4 in the Atoka are perforations from 10,087 to 96, and from  
5 11,016 to 11,032. The remainder of the perforations are  
6 within the normal nomenclature of the Morrow formation, regular  
7 Morrow as designated.

8 Q All right, Mr. Dean, with respect now to  
9 the matters that are reflected on Exhibits Two-B and Two-C,  
10 showing the perforations which have been made within the --  
11 what are classified as two different formations, one being  
12 the Atoka, the upper part being the Atoka and the lower part  
13 being classified as Morrow, would you please explain to the  
14 Examiner how those completions, or those perforations were  
15 made in the drilling of this particular well?

16 A Well --

17 Q Two wells.

18 A At this time we consider the zones that  
19 are producing as Atoka, and classified as Atoka. The zones  
20 that were producing in the Petroleum Corporation No. 1, which  
21 is immediately at the top of the Atoka, and the Atoka zone  
22 producing in Turkey Track No. -- in Turkey Track, we consider  
23 those as the Atoka zone.

24 We consider the standard, identifiable  
25 shale section higher than what the -- sand and shale section



1  
2 higher than what the New Mexico Commission called at that  
3 particular time.

4 Q Okay.

5 A We are in different, separate zones from  
6 the Atoka now producing.

7 Q Okay, then it's your expert opinion, is  
8 this correct, it's your expert opinion that strictly from  
9 scientific, geological point of view, that the horizons in-  
10 volved here in these particular now called two separate hori-  
11 zons, are in fact geologically the same?

12 A Yes, sir.

13 Q Okay, now I believe we're ready for you to  
14 direct your attention to the No. 6 Well, the one that's the  
15 subject of Case Number 7568, and discuss the geological mat-  
16 ters in connection with your Exhibit One-A and Exhibit Two-A,  
17 which is -- I would like for you to please identify and dis-  
18 cuss with the Examiner.

19 A All right. The log which is classified as  
20 Two-A indicates the perforations in the Morrow, which are  
21 totally within the Morrow Clastic zone, at 11,177 to basal at  
22 11,254. The Morrow zone is easily identifiable and correlates  
23 with the adjacent Morrow producing wells.

24 The Strawn formation is present from  
25 10,282 to 294, and is an algal bank in the upper portion of

1  
2 the Strawn and this zone is -- is possibly productive to the  
3 east in the -- correlative with the producing zone in the  
4 Petroleum Corporation's Superior Federal No. 4, located in  
5 Section 5, approximately two miles east of the Well No. 6.

6 Q And as a matter of clarification then, Mr.  
7 Dean, with respect to distinguishing the downhole condition  
8 of this particular Well No. 6 with the other two wells that  
9 you've discussed, is it correct that you do not have a pos-  
10 sible commingling problem in connection with the No. 6 Well?

11 A That is correct.

12 Q Do you have anything further that you want  
13 to add to your testimony?

14 A No, sir.

15 Q Mr. Dean, were these Exhibits One, One-A,  
16 and Two-A through Two-C, prepared by you or under your super-  
17 vision?

18 A Yes, they were.

19 Q And in your opinion will the approval of  
20 the application of Petroleum Corporation in this case, these  
21 cases, prevent the drilling of unnecessary wells and otherwise  
22 prevent waste and protect correlative rights?

23 A Yes.

24 MR. COFFIELD: Mr. Examiner, I move the  
25 admission of Exhibits One, One-A, and Two-A through Two-C.

1  
2 MR. STAMETS: These Exhibits will be ad-  
3 mitted.

4 MR. COFFIELD: And I submit Mr. Dean for  
5 cross examination.

6 MR. STAMETS: Are there questions of the  
7 witness? Mr. Dean may be excused at this time. We may have  
8 some questions for him later.

9  
10 LARRY C. SHANNON  
11 being called as a witness and being duly sworn upon his oath,  
12 testified as follows, to-wit:

13  
14 DIRECT EXAMINATION

15 BY MR. COFFIELD:

16 Q Mr. Shannon, for the record would you please  
17 state your name and address?

18 A Yes. Larry C. Shannon. I live in Dallas,  
19 Texas.

20 Q And what is your occupation and for whom  
21 do you work?

22 A I am a Senior Vice President with Petroleum  
23 Corporation of Delaware.

24 Q Have you previously testified before the  
25 Division as a petroleum engineer?

1

2

A. Yes, sir, I have.

3

Q. Were your qualifications as an engineer

4

made a matter of record and accepted by the Division?

5

A. Yes.

6

Q. And are you familiar with Petroleum Cor-

7

poration's application in this case?

8

A. Yes.

9

Q. And are you familiar with the engineering

10

aspects with respect to the wells being considered in these

11

two cases?

12

A. Yes, sir.

13

MR. COFFIELD: Mr. Examiner, I tender Mr.

14

Shannon as an expert petroleum engineer.

15

MR. STAMETS: He is considered qualified.

16

Q. Mr. Shannon, would you go to what we've

17

marked now as Exhibits -- Exhibit Three-A?

18

A. Exhibit Three-A is a schedule of our com-

19

pletion procedure in the Superior Federal No. 6 Well, the

20

first case on the docket, application for dual completion.

21

We basically, we use a packer where we have

22

set it at 10,710 feet, with landing nipples below it, so that

23

in case we have to trip the tubing we do not put mud back on

24

the Morrow zone. We have found that it's very detrimental to

25

the life of the Morrow sands if you ever have to kill them.

1  
2 We then perforate the Morrow with the  
3 tubing void of liquids. We displace the tubing with nitrogen  
4 and then perforate under balance.

5 And in the case of this well we have not  
6 yet stimulated the Morrow zone between 11,177 and 11,314 feet.  
7 We do plan to stimulate it after a gas line has been connected  
8 to the well and the well is producing. It has a capability  
9 to produce over 2-million cubic feet a day under present con-  
10 ditions, but we think within six months it will need to be  
11 stimulated.

12 We, after testing the Morrow zone, we then  
13 blank off, putting a landing -- put a blanking plug right at,  
14 you know, 10,800 feet, pull the tubing, set a packer, and  
15 test the Strawn zone from 10,282 to 10,294. We did -- and as  
16 you can see off to the right, we give kind of a brief resume  
17 of what occurred. We did acidize the zone and we did flow it  
18 at rates up to 2-million cubic feet a day; however, those  
19 were preliminary tests and we had some reported liquid volumes  
20 that we found out later were not that high. At one time we  
21 thought we might have had 100 barrel a day out of the Strawn.

22 We do have a Strawn interval in this area  
23 that will make over 100 barrel a day, but correlatively it's above  
24 where we're perforated right now, and it does do so in our  
25 Superior Federal No. 4 Well. We're perforated deeper in the

1  
2 Strawn and it's a gas zone. It's a comparable zone to our  
3 Superior Federal No. 3 Well, but it will produce, we believe,  
4 and from -- since we've tested this by itself, we did put the  
5 well back as you see it now in the sketch, and have tested  
6 both zones. Unfortunately, we had to kill the Strawn and it  
7 doesn't flow at the rates it did before. We have not yet  
8 acidized it because we wanted to wait and see what the outcome  
9 of this hearing will be, but it now flows about 400 Mcf a day  
10 of gas and no liquids at all. It shuts-in at high pressures,  
11 3000 pounds or thereabouts. The Morrow shuts-in at about  
12 3400 pounds, but we have not been able to get the rate that  
13 we observed when we tested the zone by itself and we think  
14 that a small acid treatment will restore the Strawn. We're  
15 not so worried about permanent damage to the Strawn zone as  
16 we are to the Morrow.

17 Now, one other thing that we're concerned  
18 about in the way the application is written, and I believe it  
19 was probably at the direction of someone here in Santa Fe,  
20 maybe, at that time we thought we had liquids in the Strawn,  
21 and they said we'd have to have a crossover because we could  
22 not produce the heavy liquids up the casing-tubing annulus.

23 As an engineer, I'm very concerned about  
24 the crossover because to put a crossover in we would have to  
25 kill the Morrow with liquids. We could not pull the blanking

1  
2 plug with the crossover, and therfor we would jeopardize, I  
3 believe, the Morrow zone capabilities, and we think that the  
4 Morrow has higher reserves than does the Strawn. So we would  
5 not want to jeopardize our Morrow zone, by utilizing a cross-  
6 over, if we could avoid it, because we think we can get a lot  
7 more production from the Morrow.

8 I guess basically Exhibit Three-A --

9 Q Okay, with respect, however, to that parti-  
10 cular well and the downhole condition of the -- of the well,  
11 Mr. Shannon, would you discuss briefly the situation with  
12 respect to possible pressure problems in connection with the  
13 casing and --

14 A Right. In this well we have run 4-1/2,  
15 13-1/2 pound, and 1160 pound, all NAD casing, so the casing  
16 is rated at above 7700 psi. We set a DV tool the schematic  
17 does not show because it's above that depth, but the DV tool  
18 was set at 8995 and we made an attempt to cement casing to  
19 the surface. I cannot tell you where the top of cement is,  
20 but we think it's very close to the surface, and we think  
21 it's inside the 8-5/8ths casing.

22 So we think that we have protected the  
23 well in a prudent manner for a dual completion with one zone  
24 being produced through the casing annulus.

25 Q In the event the application in this case,

1  
2 Number 7568, with respect to dual completion were not -- were  
3 not granted, Mr. Shannon, what -- what would you propose to  
4 do with the well?

5 A It would be up to the Commission. We may  
6 have to cement off the Strawn zone because we want to produce  
7 the Morrow zone.

8 Q To what effect would that -- what might  
9 occur? Would there be economic repercussions or how would you  
10 see the results?

11 A Well, we think that the Strawn zone has  
12 a possibility of 3-billion cubic feet of gas reserves, we  
13 may jeopardize losing through cementing.

14 Q Do you likewise feel it might jeopardize  
15 the Morrow zone as well?

16 A Well, I -- I don't think -- unless we  
17 would be forced to do something we would not want to put mud  
18 on the Morrow zone. We'd rather just produce the Morrow by  
19 itself.

20 Q As to this particular well, Mr. Shannon,  
21 is it correct that Petroleum Corporation is -- owns or con-  
22 trols the offset acreage?

23 A Yes, sir. We have -- we're the operator  
24 in the south half of Section 6, all of Section 5, and through  
25 unitization we have the west half of Section 4. We farmed



1  
2 out our 80-acres in Section 7 to Yates (inaudible).

3 Q Okay. Now, then, if you're finished with  
4 your discussion on the well, let's direct your attention and  
5 the Examiner's attention to Exhibit Three-B.

6 A All right.

7 Q And explain it.

8 A Exhibit Three-B is a sketch of our comple-  
9 tion procedure of the Parkway West Unit No. 3 Well, and here  
10 again we set a packer at, in this case, at 10,600 feet, voided  
11 the tubing of liquids through the use of nitrogen, and then  
12 perforated the lower section from 11,147 to 11,189 feet.

13 We then tested and acidized this zone and  
14 there probably is some -- we did not measure bottom hole  
15 pressure, but the indications from this are that this zone  
16 is slightly lower in pressure because it's the same zone that  
17 is producing on our No. 2 Well, and we think we see some par-  
18 tial drainage.

19 So we went ahead, then, and perforated the  
20 other zones from 10,742 to 11,085, and flowed all the zones  
21 at rate of 4-million cubic feet a day. It's a very strong  
22 well in the Morrow; one of the strongest wells that we have  
23 in this 6-section unit.

24 And it's been shut-in since then because  
25 inadvertently, we did not realize that the Commission considered

1  
2 these upper zones Atoka. I know that's no excuse but that's  
3 what happened to us, and we thought that we were avoiding the  
4 Atoka zone when we perforated the Upper Morrow. We feel that  
5 all these sands are comparable sands and it's very difficult  
6 to identify why one would be separated from the other, except  
7 that this is the rule, as we understand.

8 Q Okay, with respect to this particular well,  
9 Mr. Shannon, in the event the Division were to permit the  
10 downhole commingling as requested, do you have any formula  
11 that you would like to submit to the Division as to the allo-  
12 cation of production between the Atoka and the Morrow?

13 A Yes, I would suggest that we add up the  
14 net pay that's perforated in the zones, which I've done, and  
15 there's -- the way I calculate it, there's 14 feet of net pay  
16 above the interval that the Commission considers the top of  
17 the Morrow, and there's 23 feet below which everyone considers  
18 the Morrow, and that's 38 percent of the total net pay open,  
19 and I would recommend that we allocate 38 percent of the pro-  
20 duction from this well to the Atoka zone and the remainder to  
21 the Morrow.

22 Q Okay, is ownership common throughout this  
23 entire interval?

24 A It's common throughout the entire vertical  
25 interval and within this 6-section unit.

1  
2 Q Okay. Then, we should be ready now for  
3 Exhibit Three-C. Would you please refer to that and discuss  
4 it, please?

5 A Exhibit Three-C is the sketch of the com-  
6 pletion procedure for the Parkway West Unit No. 10 Well, the  
7 other well that we're asking for permission to commingle.  
8 It's the one that's in Section 27.

9 In this case we also -- we have to read  
10 these like a Chinese, I guess, in a way, because you start at  
11 the bottom and work up. That's the way we perforated and  
12 that's the way our procedures have gone.

13 But anyway, we perforated the lower section  
14 from 11,409 to 11,466, and we had no pressure, so we just  
15 went ahead and perforated the next zone from 11, -- and we  
16 never could really get the rathole fluid between our packer  
17 and the perforations out of the hole, so we perforated another  
18 zone to help us, and then it did flow. At this time we  
19 acidized all the zones from 11,310 to 11,466 with 5000 gallons  
20 of acid, and then the well -- and then we flowed the well  
21 with shut-in tubing pressures of about 1700 pounds.

22 We did not attempt to complete. We cleaned  
23 this zone up for exact testing. We did not realize at the  
24 time we needed to. We then perforated the upper zone from  
25 11,087 to 11,189 and flowed all the zones. The tubing pres-

1  
2 sures then increased and helped clean up the well; we had more  
3 rate.

4 We then acidized all the zones all the way  
5 from 11,087 to 11,466 with 10,000 gallons of acid and the  
6 well flows at approximately a million cubic feet a day with  
7 10/64ths choke with 2600 psi flowing tubing pressure.

8 This is the weaker of the three Morrow  
9 wells that we've completed and that we're discussing in this  
10 hearing today.

11 Q In this case in this well that is the sub-  
12 ject of Exhibit Three-C, Mr. Shannon, do you likewise have a  
13 formula on that well?

14 A Yes.

15 Q With respect to allocation as between the  
16 Atoka and the Morrow?

17 A Here again, I suggest that we add up the  
18 net pay, and I added 27 feet of net pay to the porosity logs  
19 above the zone that the Commission calls the top of the Morrow,  
20 and 67 feet of net pay below, within the Morrow zone that  
21 everyone's concerned with. That's 29 percent of the total  
22 pay above what would be classified the Atoka zone, and I re-  
23 commend that we allocate 29 percent of this well's production  
24 to the Atoka zone.

25 Q And again, as a matter of repeating the

1  
2 common ownership again, this common ownership situation  
3 again applies to this particular well, as well?

4 A Yes, sir, it does.

5 Q In your opinion, Mr. Shannon, would the  
6 commingling of -- downhole commingling of the production from  
7 these two formations, would there be any reason to suspect  
8 that such commingling would be damaging to either of the re-  
9 servoirs or in any way damaging to the matters downhole?

10 A I see none whatsoever. In fact, I think  
11 it's beneficial, you know, the zones help each other, parti-  
12 cularly in the No. 10 Well we needed the extra rate to keep  
13 the well clean. We think we can ultimately produce more re-  
14 serves.

15 Q Were Exhibits Three-A, B, and C prepared  
16 by you or under your supervision?

17 A Yes, they were.

18 Q And in your opinion would the approval of  
19 this application be in the interest of conservation and pre-  
20 vention of waste and protection of correlative rights?

21 A Yes, we think it would.

22 MR. COFFIELD: Mr. Examiner, I move the  
23 admission of Exhibits Three-A, B, and C.

24 MR. STAMETS: These exhibits will be ad-  
25 mitted.

1  
2 MR. COFFIELD: I have no further questions  
3 on direct.  
4

5 CROSS EXAMINATION

6 BY MR. STAMETS:

7 Q Mr. Shannon, we'll start at the bottom and  
8 work our way up to the top.

9 A All right, sir.

10 Q Since that seems to be the way to work on  
11 these wells.

12 On the No. 3 Well, what percentage of  
13 production did you intend to assign to the Atoka?

14 A The No. 3 Well?

15 Q Yes.

16 A I'm recommending 38 percent on a net pay  
17 basis, because I calculate -- we don't have as much zone per-  
18 forated in the No. 3. There's other zones to be perforated  
19 at a later date, but right now there's 14 feet the way I add  
20 the footage in the log above this Morrow zone and there are  
21 23 feet below.

22 Q Now you indicated, I believe, at least on  
23 the No. 10 Well, that some liquids were being produced, is  
24 that correct?

25 A Yes, sir.

1  
2 Q What's the volume on that or do you have  
3 a rate yet?

4 A Yes, I think I do. These wells produce  
5 roughly 10 barrels per million, is what most of the Morrow  
6 over here has been. Let's see if I don't have something.

7 I don't have anything on the No. 10. We  
8 didn't have a separator on it at the time we tested it. I  
9 don't have records on that. The separator is there now but  
10 we have not produced the well.

11 Q Okay.

12 A And the No. 3 Well, I don't have any liquid  
13 ratios on that.

14 Q Looking at the pressures on the No. 10 Well,  
15 each of these seems to have a variety of pressures, the upper  
16 zone with an initial pressure of 5400; then --

17 A No, that's during acidizing.

18 Q I see. How about the 45-minute shut-in?  
19 That's after acidizing?

20 A Right, that's after acidizing, yes, sir.

21 Q Okay, and then it flowed and then the ini-  
22 tial shut-in after flow was 3400.

23 A Yes, sir. But that was after the -- we  
24 had liquids, you know, obviously used to displace the acid,  
25 and that's -- because these are the initial shut-in pressures.

1  
2 Because sometimes I'll put that in there  
3 because it's sometimes an indication of permeability.

4 Q I see. But do you have any formation  
5 pressure information on either of these wells?

6 A No, sir, I don't. We can run a bottom hole  
7 pressure but I -- there's no way I can get pressures for the  
8 individual zones. We did not run them.

9 Q Do you have any indication from nearby  
10 wells as to what the pressure should be?

11 A Yes, sir. We -- we looked at shut-in  
12 pressures after the wells are cleaned up and normally, 3,000  
13 to 3400 pounds is normal Morrow shut-ins.

14 We see the Atokas to the north of us, the  
15 Upper Atoka, those shut-in from about 34-3800 pounds, up to  
16 4000 pounds, as did our No. 1 Well when it was new.

17 The Atoka zone does seem to be much higher  
18 pressure; the Upper Atoka does.

19 Q You say much higher pressure --

20 A Well, you know, a few hundred pounds, yes,  
21 sir.

22 Q Would you anticipate once the wells go on-  
23 line that the pressures will equalize quite rapidly?

24 A Yes, we've seen that. In all the other  
25 wells we perforate more than one zone in this area, I mean



1  
2 they've always been what's been considered -- classified as  
3 the Morrow.

4 Q Is there any reason in particular why you  
5 don't run your tubing all the way to the bottom of the Morrow  
6 interval in these wells?

7 A Yes, sir, because we want to perforate  
8 through tubing and we don't want to move the packer. WE want  
9 to keep the packer above any possible zone that we want to  
10 perforate so that we can go through the packer and perforate  
11 and not trip the tubing.

12 Q Okay.

13 A There is -- there is one other reason,  
14 too, with the landing nipples if we ever have to trip the  
15 tubing we would blank it off and not put mud on the Morrow  
16 or (inaudible).

17 Q On the original application for the Strawn  
18 interval in the Superior No. 6 you showed 192 barrels of oil  
19 a day, 2,175,000 cubic feet of gas. What happened to all the  
20 oil?

21 A I -- there's something wrong with that  
22 work. We didn't have a good measurement of the liquids.  
23 It's unfortunate. That's what created all of our problems.

24 Q What are you going to do if you stimulate  
25 the Morrow -- or the Strawn in this well and the liquids come

1  
2 back?

3 A At that rate? I don't know, sir. I don't  
4 think it -- I don't think it will achieve that rate. I think  
5 we'll see a 30 to 50 barrel a day rate, but I don't think it  
6 will be that much.

7 Q Can you lift 30 to 50 barrels of liquids  
8 a day up the annulus with the amount of gas you've got now  
9 and do it efficiently?

10 You only have 400,000 a day now.

11 A Yes, sir, that's right.

12 Q It doesn't seem like --

13 A We cannot lift much liquid at 400 Mcf a  
14 day. What we've tried to do is shut the well in let it build  
15 up a few thousand pounds and open it up. Then you have a  
16 velocity to clean the well up. And so we think we have the  
17 annulus clean right now to acidize, but we have not tried to  
18 acidize it until we find out what -- what our position will  
19 be.

20 Q What would be the effect of shutting in  
21 the Strawn at this time, just leaving it shut in until the  
22 Morrow is depleted? Would it have any negative effect on the  
23 formation?

24 A We could probably -- I think we'd want to  
25 go ahead and put some mud in there to keep the pressure off

1  
2 the casing and not lose it. As to cash flow, we think the  
3 life of the Morrow is fifteen years. The logs -- I don't  
4 whether you noticed the log on the Morrow but it's really one  
5 of the best looking logs we've seen in the Morrow Sand in this  
6 area, and there are several other zones to be perforated.

7 We've just barely started at the bottom  
8 and we feel there's a lot of other zones to be perforated in  
9 the Morrow before we get through with it. So this well could  
10 very easily produce twenty years in the Morrow.

11 Q I don't believe we would have any diffi-  
12 culty approving the Strawn zone if it were indeed a gas zone  
13 with very minor amounts of liquids, but at this stage it's  
14 really difficult to say whether we could or could not, since  
15 the nature of the Strawn final production is certainly not  
16 clear at this stage.

17 A Right. Well, we'd be willing to run some  
18 more tests, if we could, to see -- go ahead and acidize the  
19 Strawn and run some lengthy tests to see what our ratio is.  
20 We've been trying to do that and just 400 is all we could get  
21 out of it, and we, like I said, I didn't want to acidize it  
22 until -- but if there is a chance to do that, I think that  
23 we'd be willing to take that risk.

24 Q Especially considering we might wish to  
25 readvertise this case.

1

2

A. Yes.

3

4

Q. I think that might be an appropriate way to handle it. Is the well shut-in at this time in both zones?

5

6

A. Yes, it is. Both zones are shut-in, except when we tested them. We don't have a pipeline on this well.

7

8

9

Q. Okay, I would believe we could probably arrange for authorization to produce this well on a test basis while we are getting around to the readvertisement.

10

11

A. Can we -- could we perf -- I guess we could produce the Morrow, anyway, could we not?

12

13

14

Q. Yes.

A. There's no problem with it. It's just the Strawn.

15

16

17

18

19

Q. Right. Let's go off the record a minute.

20

21

MR. STAMETS: All right, we'll go back on the record.

22

23

24

25

Q. Mr. Shannon, in light of the getting the information we need in order to make a rational decision on this case, might I suggest that we continue this case for about 120 days, or to the first Examiner Hearing in September,

1  
2 during which time on a test basis you can get this well  
3 cleaned up and get some additional information? Does that  
4 sound acceptable?

5 A It certainly does.

6 MR. STAMETS: All right, we will, then,  
7 continue this case to the first Examiner Hearing in September,  
8 and then, if necessary, we can also readvertise the case at  
9 that time.

10 Are there any further questions relative  
11 to Case 7569? The witness may be excused.

12 Anything further in this case?

13 MR. COFFIELD: No, sir.

14 MR. STAMETS: Or these cases?

15 Case 7569, then, will be taken under ad-  
16 visement.

17  
18 (Hearing concluded.)  
19  
20  
21  
22  
23  
24  
25

## 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 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. 7568275 heard by me on 5-12 1982

Richard L. Stum, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**TONEY ANAYA**  
**GOVERNOR**

April 25, 1983

POST OFFICE BOX 8088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. Owen Lopez  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Attorneys at Law  
Post Office Box 2068  
Santa Fe, New Mexico 87501

Re: CASE NO. 7568  
ORDER NO. R-7269

Applicant:  
Petroleum Corp. of Delaware

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/Ed

Copy of order also sent to:

Hobbs OCD	<u>          x          </u>
Artesia OCD	<u>          x          </u>
Aztec OCD	

Other

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. 7568  
Order No. R-7269

APPLICATION OF PETROLEUM CORP. OF  
DELAWARE FOR A DUAL COMPLETION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on September 1, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of April, 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, Petroleum Corp. of Delaware, seeks authority to complete its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn formation through the casing tubing annulus and gas from the Morrow formation through tubing with separation of the two zones to be achieved by means of a packer.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corp. of Delaware is hereby authorized to complete its Superior Federal Well No. 6



-2-

CASE NO. 7568

Order No. R-7269

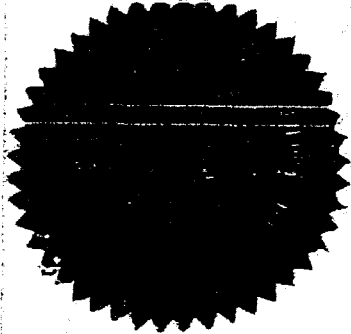
located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, East Burton Flat Field, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing with separation of the zones to be achieved by means of a packer set at an approximate depth of 10,710 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take a packer leakage test upon completion and annually thereafter during the Annual Shut-In Test Period for gas wells in Southeastern New Mexico.

(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 designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

Dockets Nos. 29-82 and 30-82 are tentatively set for September 15 and September 29, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 26, 1982

OIL CONSERVATION COMMISSION - 9 A.M.  
MORGAN HALL, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

- CASE 7656: Application of Cities Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.
- CASE 7657: Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordovician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.
- CASE 7658: Application of Harvey E. Yates Company for a dual completion and downhole commingling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State #1 located in Section 18, Township 9 South, Range 27 East, in such a manner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

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Docket No. 28-82

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 1, 1982

OIL CONSERVATION DIVISION - 9 A.M., MORGAN HALL,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 7635: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO<sub>2</sub>-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO<sub>2</sub>-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7659: Application of Sun Exploration and Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well drilled 660 feet from the North and West lines of Section 21, Township 7 South, Range 26 East, the N/2 of said Section 21 to be dedicated to the well.

CASE 7660: Application of Pauley Petroleum, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 3862 feet to 3874 feet in its State Well No. 1 located in Unit B of Section 16, Township 7 South, Range 33 East.

CASE 7661: Application of George Sardella and Gary Flemans for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NW/4 NW/4 of Section 33, Township 16 South, Range 33 East.

CASE 7630: (Continued from August 4, 1982, Examiner Hearing)

Application of Ralph Nix for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the S1/4 NE/4 of Section 18, Township 19 South, Range 26 East.

CASE 7662: Application of Carter Foundation Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Blaine-Cade Waterflood Project by converting its Mattix Federal Wells Nos. 2, 5, 6, located in Units C, E, and D, respectively, in Section 3, Township 24 South, Range 37 East, by the injection of water into the Queen formation.

CASE 7639: (Continued from August 18, 1982 Examiner Hearing)

Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo, Drinkard and Blinbry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.

CASE 7663: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 18, Township 30 North, Range 14 West, 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 7568: (Continued and Readadvertised)

Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing.

CASE 7651: (Continued from August 18, 1982, Examiner Hearing)

Application of Nortex Gas & Oil Company for the amendment of Order No. R-6903, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.

CASE 7664: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee lands in Township 17 South, Range 18 East.

CASE 7655: (Continued from August 18, 1982 Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 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 7665: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the N/2 of Section 35, Township 13 South, Range 35 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.

CASES 7666, 7667, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 Section 2, Township 9 South, Range 25 East

CASE 7670: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 26, Township 14 South, Range 27 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 7648: (Continued from August 18, 1982 Examiner Hearing)

Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying the W/2 of Section 35, Township 18 South, Range 24 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 7642: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. 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 7671: Application of Texas Eastern Developments, Inc. for an exception to Rule 307, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit M of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West in San Juan County. Also the following Ballard-Pictured Cliffs replacement well in San Juan County: Newton No. 10-R in Unit M of Section 20, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7672: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCBHW Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM  
Section 25: SW/4

- (b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 36: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Mill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM  
Section 11: N/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Santa Fe Energy Company Carlson B-25 Federal Well No. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 25: SE/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 20: E/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Canyon-Strawn Gas Pool. The discovery well is W. A. Moncrief, Jr., Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM  
Section 8: N/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Madine-Tubb Pool. The discovery well is the Tamarack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 9: NW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pitchfork Ranch-Morrow Gas Pool. The discovery well is the HMG Oil Company Madera 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM  
Section 32: N/2

- (i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yaso production and designated as the Seven Rivers-Yaso Pool. The discovery well is Chama Petroleum Corporation Irami Federal Well No. 1 located in Unit N of Section 34, Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 34: SW/4

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. C. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 12: NE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NM . Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NE/4

- (1) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool. The discovery well is the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM  
Section 4: Lots 11, 12, 13, and 14

- (m) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quanah Petroleum, Inc. Hay B Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM  
Section 9: SW/4

- (n) CONTRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 3: W/2 NW/4

- (o) CONTRACT the horizontal limits of the Vacuna-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 3: E/2 NW/4

- (p) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM  
Section 13: N/2  
Section 14: N/2

- (q) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM  
Section 20: NW/4

- (r) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 26: E/2

- (s) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM  
Section 5: NW/4  
Section 6: E/2

- (t) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 14: W/2 S/2 and NE/4

- (u) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 3: S/2  
Section 4: All

- (v) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 26: NW/4  
Section 27: NE/4 and E/2 NW/4

- (w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 35: S/2

Section 36: W/2

- (x) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 36: E/2 NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 31: NW/4 and S/2 NE/4

- (y) EXTEND the Forty Miner Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 16: SE/4

- (z) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 2: Lots 11, 12, 13, 14, and S/2

Section 11: NW/4

- (aa) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 20: NW/4

- (bb) EXTEND the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM

Section 19: W/2

- (cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM

Section 30: SE/4

Section 31: N/2 NE/4

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM

Section 15: S/2

- (dd) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM

Section 18: NE/4 and S/2 SE/4

- (ee) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 23: S/2

Section 26: N/2

- (ff) EXTEND the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 17: S/2

Section 20: N/2

- (gg) EXTEND the Saunders Permian-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 21: NE/4

Dockets Nos. 14-82 and 15-82 are tentatively set for May 26 and June 9, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 12, 1982

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7540: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Pritchard, William H. Pauly, and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit P, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7538: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 2, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7566: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Flag-Redfern Oil Co., Principal, National Surety Corporation, and all other interested parties to appear and show cause why four wells, being the Julander No. 1 located in Unit L, Section 34; Julander No. 2 located in Unit I, Section 33; Hargis No. 1 located in Unit G, Section 33; and Hargis No. 2 located in Unit J, Section 33, all in Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7560: (Continued from April 28, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Charles H. Heisen, Fidelity and Deposit Company of Maryland, Surety, and all other interested parties to appear and show cause why the Crownpoint Well No. 1, located in Unit F, Section 14, Township 18 North, Range 13 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7542: (Continued from April 14, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7567: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Richardson Unit Area, comprising 1,283.35 acres, more or less, of State and Fee lands in Townships 13 and 14 South, Range 36 East.

CASE 7565: (Continued from April 28, 1982, Examiner Hearing)

Application of Delta Drilling Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Mescalero Unit Area, comprising 719.77 acres, more or less, of State, Fee and Federal lands in Townships 9 and 10 South, Range 32 East.

CASE 7568: Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.



Examiner Hearing - WEDNESDAY - MAY 12, 1982

CASE 7569: Application of Petroleum Corp. of Delaware for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbores of its Parkway West Unit Well No. 3, located in Unit K of Section 29, and Well No. 10, located in Unit G of Section 27, both in Township 19 South, Range 29 East.

CASE 7570: Application of J. Cleo Thompson for three unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for three unorthodox well locations, being 660 feet from the North line and 1330 feet from the West line, 660 feet from the North line and 2630 feet from the East line, and 660 feet from the North line and 1310 feet from the East line, all in Section 2, Township 17 South, Range 30 East, Square Lake Pool.

CASE 7516: (Continued from March 31, 1982, Examiner Hearing)

Application of Benson-Montin-Greer for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Canada Ojitos Unit Area, comprising 12,361 acres, more or less, of Cicarilla Apache Indian lands in Township 27 North, Range 1 West.

CASE 7571: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the SE/4 of Section 9, the SW/4 of Section 10, the NW/4 of Section 15, all in Township 6 South, Range 26 East, each to form a standard 160-acre spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7551: (Continued from April 14, 1982, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 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 7572: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Ballard GSA Waterflood Project by drilling and converting ten wells located in Unit N of Section 5, Units N and P of Section 6, Units F, H, J, and P of Section 7, Units F and N of Section 8, and Unit F of Section 17, all in Township 18 South, Range 29 East, Loco Hills Pool.

CASE 7573: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its West Square Lake Waterflood Project by the conversion to water injection of five wells located in Units J and N of Section 9, D and H of Section 10, and J of Section 3, all in Township 17 South, Range 30 East.

CASE 7574: Application of Sun Exploration and Production Company for two non-standard gas proration units and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Jalmat gas proration units comprising the NW/4 of Section 21, for its Boren & Greer Com Well No. 2 in Unit C and the NE/4 of Section 20, for its Boren & Greer Com Well No. 3, to be drilled at an unorthodox location 660 feet from the North line and 940 feet from the East line of said Section 20, all in Township 22 South, Range 36 East. Applicant further seeks rescission of Order No. R-5688.

CASE 7575: Application of Eagle Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a Wolfcamp-Penn test well to be drilled 1500 feet from the South line and 660 feet from the East line of Section 2, Township 17 South, Range 27 East, the S/2 of said Section 2 to be dedicated to the well.

CASES 7576 and 7577: Application of Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface through the base of the San Andres formation underlying the lands specified in each case, each to form a standard 40-acre oil spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7576: NE/4 SW/4 Section 6, Township 19 South, Range 38 East

CASE 7577: SE/4 SW/4 Section 6, Township 19 South, Range 38 East

- CASE 7578: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 East, to form a standard 160-acre gas proration unit 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 7579: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the N/2 NW/4 of Section 5, Township 20 South, Range 39 East, to form a non-standard 80-acre gas proration unit 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 7580: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Seven Rivers formation underlying the SW/4 of Section 31, Township 19 South, Range 39 East, to form a standard 160-acre gas proration unit 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 7581: Application of Estoril Producing Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 990 feet from the East line of Section 10, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 10 to be dedicated to the well.
- CASES 7582 thru 7585: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:
- CASE 7582: NW/4 Section 13, Township 6 South, Range 24 East
- CASE 7583: NE/4 Section 13, Township 6 South, Range 24 East
- CASE 7584: SW/4 Section 13, Township 6 South, Range 24 East
- CASE 7585: NW/4 Section 24, Township 6 South, Range 24 East
- CASES 7525 thru 7534: (Continued from April 28, 1982, Examiner Hearing)
- Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following 10 cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:
- CASE 7525: SW/4 Section 3, Township 5 South, Range 24 East
- CASE 7526: NW/4 Section 3, Township 5 South, Range 24 East
- CASE 7527: SE/4 Section 3, Township 5 South, Range 24 East
- CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East
- CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East
- CASE 7530: NW/4 Section 11, Township 6 South, Range 24 East
- CASE 7531: SW/4 Section 11, Township 6 South, Range 24 East
- CASE 7532: SE/4 Section 27, Township 6 South, Range 24 East
- CASE 7533: SW/4 Section 27, Township 6 South, Range 24 East
- CASE 7534: NW/4 Section 34, Township 6 South, Range 24 East

CASE 7515: (Continued from April 14, 1982, Examiner Hearing)

Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Ranges 12 and 13 West, Township 28 North, Range 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 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.

CASE 7586: Application of Standard Resources Corp. for designation of a tight formation, Chaves and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Abo formation underlying all or portions of Township 15 South, Ranges 23 through 25 East, Township 19 South, Range 20 East, and Township 20 South, Range 20 East, all in Chaves County; in Eddy County: Township 16 South, Ranges 23 through 26 East, Township 17 South, Ranges 21, 23, 24, and 25 East, and Township 18 South, Ranges 21, 23, 24 and 25 East, Township 19 South, Ranges 21, 23, and 24 East, and Township 20 South, Ranges 21, 23, and 24 East, containing 460,800 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.

CASE 7587: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Draper Mill-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NNPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NNPM  
Section 16: W/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Jabalina-Morrow Gas Pool. The discovery well is the Amoco Production Company Ferro Grande Unit Well No. 1 located in Unit J of Section 6, Township 26 South, Range 35 East, NNPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NNPM  
Section 6: E/2

- (c) ABOLISH the Diamond Mound-Morrow Gas Pool in Chaves and Eddy Counties, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NNPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NNPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NNPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2

- (d) EXTEND the vertical limits of the Diamond Mound-Atoka Gas Pool in Chaves and Eddy Counties, New Mexico, to include the Morrow formation, and redesignate said pool to Diamond Mound-Atoka-Morrow Gas Pool, and extend the horizontal limits of said pool to include acreage from abolished Diamond Mound-Morrow Gas Pool and one additional well as follows:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NNPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NNPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NNPM  
Section 9: S/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NNPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2

- (e) EXTEND the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NNPM  
Section 35: E/2  
Section 36: N/2

- (f) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NNPM  
Section 1: All  
Section 12: N/2

- (g) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NNPM  
Section 10: All  
Section 11: W/2  
Section 14: W/2  
Section 15: W/2  
Section 34: W/2

- (h) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NNPM  
Section 17: N/2

- (i) EXTEND the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NNPM  
Section 28: All

- (j) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NNPM  
Section 10: N/2

- (k) EXTEND the East LaRica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NNPM  
Section 36: S/2

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NNPM  
Section 31: S/2

- (l) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NNPM  
Section 18: E/2

- (m) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NNPM  
Section 11: E/2

- (n) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NNPM  
Section 16: N/2

- (o) EXTEND the East Millman-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NNPM  
Section 7: NE/4

- (p) EXTEND the Millman Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 8: S/2

- (q) EXTEND the West Nadine-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 5: SW/4

- (r) EXTEND the West Oseido-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
Section 11: S/2  
Section 12: S/2

- (s) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM

Section 24: S/3  
Section 25: All  
Section 26: E/2  
Section 35: W/2 and NE/4  
Section 36: W/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 19: SW/4  
Section 30: W/2  
Section 31: SW/4

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM

Section 2: NW/4  
Section 7: All  
Section 8: All  
Section 9: W/2 and SW/4  
Section 16: W/2  
Section 17 thru 20: All  
Section 21: W/2  
Section 28: W/2  
Section 29: All  
Section 30: All  
Section 31: W/2  
Section 32: W/2  
Section 33: NW/4

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 1 thru 5: All  
Section 6: E/2  
Section 7: SW/4 and E/2  
Section 8 thru 12: All  
Section 14 thru 22: All  
Section 23: W/2  
Section 27: W/2  
Section 28 thru 30: All  
Section 31: NE/4  
Section 32: W/2  
Section 33: All  
Section 34: All

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Section 2: All  
Section 11 thru 14: All  
Section 22 thru 28: All  
Section 34: E/2  
Section 35: All  
Section 36: All

Examiner Hearing - WEDNESDAY - MAY 12, 1962

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM

Section 4 thru 6: All  
 Section 7 thru 8: All  
 Section 9: N/2  
 Section 17 thru 20: All  
 Section 29 thru 32: All

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NMPM

Section 1: All  
 Section 2: All  
 Section 3: E/2  
 Section 9 thru 15: All  
 Section 22 thru 27: All  
 Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM

Section 6: W/2  
 Section 7: S/2  
 Section 13: SW/4  
 Section 14: S/2  
 Section 15: S/2  
 Section 18 and 19: All  
 Section 20: S/2  
 Section 22 thru 27: All  
 Section 29 thru 32: All  
 Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM

Section 5: All  
 Section 6: All  
 Section 7 thru 10: All  
 Section 11: W/2  
 Section 15 thru 17: All  
 Section 18: N/2  
 Section 19 thru 22: All  
 Section 28 thru 32: All

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPM

Section 1 through 3: All  
 Section 10: E/2  
 Section 11: All  
 Section 12: All

TOWNSHIP 8 SOUTH, RANGE 25 EAST, NMPM

Section 1 through 12: All  
 Section 13 through 16: W/2

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 6: W/2

- (c) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM

Section 23: SE/4  
 Section 24: S/2 and NE/4  
 Section 25 through 27: All  
 Section 28: E/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM

Section 3 through 5: All  
 Section 6: W/2  
 Section 8 through 10: N/2  
 Section 17: W/2  
 Section 18: SE/4  
 Section 19: All  
 Section 20: W/2  
 Section 29: W/2  
 Section 30: All  
 Section 31: All  
 Section 32: W/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM

Section 3: W/2  
Section 4: All  
Section 5: All  
Section 6: E/2  
Section 8: All

- (u) EXTEND the East Red Lake-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 25: E/2 NE/4 and NE/4 SE/4

- (v) EXTEND the Sand Ranch-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM

Section 26: All

- (w) EXTEND the Sawyer-San Andres Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM

Section 4: SW/4

- (x) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM

Section 7: All

- (y) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 2: W/2  
Section 7: N/2

- (z) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM

Section 18: N/2 SE/4 and SE/4 SE/4

- (aa) EXTEND the South Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 16: SE/4

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DOCKET: COMMISSION HEARING - MONDAY - MAY 17, 1982

Docket No. 14-82

OIL CONSERVATION COMMISSION - 9 A.M.  
ROOM 205 - STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO.

CASE 7522: (DE NOVO)

Application of Santa Fe Exploration Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 660 feet from the North and West lines of Section 14, Township 30 South, Range 25 East, Permo-Penn, Strawn, Atoka and Morrow formations, the N/2 of said Section 14 to be dedicated to the well.

Upon application of Chama Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7476: (DE NOVO)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7513: (DE NOVO)

Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SE/4 of Section 12, Township 5 South, Range 24 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.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

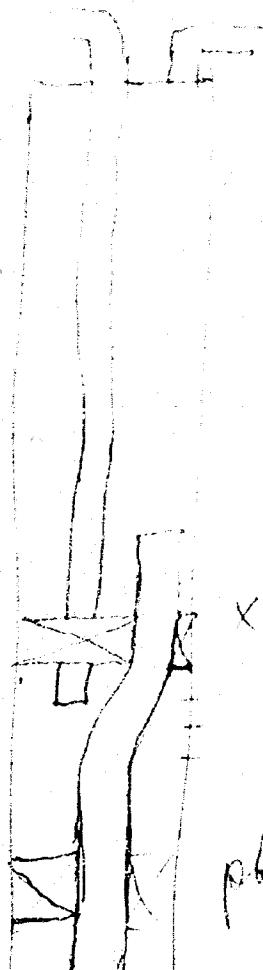


Harry  
Shannon Prod OK  
Pkr looks little draw down  
shoot fluid levels  
get fluid samples  
called Les 91-82

W.N.M.C.F. MICROGRAPHICS



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x-over

Shaw

pk

Marlow

W.N.M.C.F. MICROGRAPHICS



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# Memo

From

R.L. STAMETS

Technical  
Support Chief

To  
This order held to  
confirm the Strawn was  
gas. Production records  
show liquids declining  
thru Feb 1983.

Oil Conservation Division Santa Fe

W.N.M.C.F. MICROGRAPHICS



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# THE PETROLEUM CORPORATION

3303 LEE PARKWAY  
DALLAS, TEXAS 75219

May 10, 1982

SUBJECT: Superior Federal No. 6 Well  
Sketch Of Completion Procedure

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

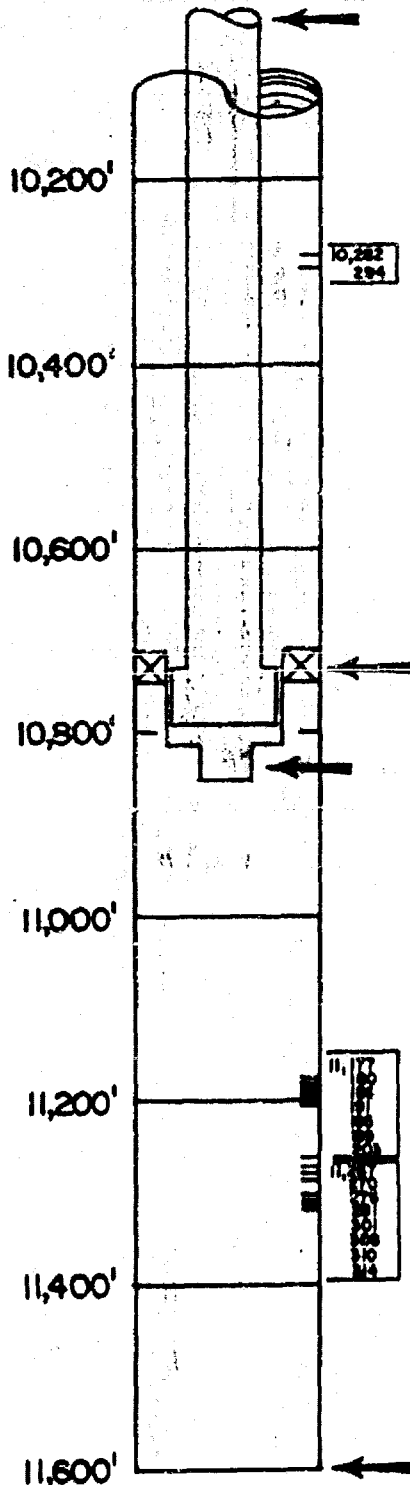
EXHIBIT NO. 3A

CASE NO. 78681 7569

Submitted by Petroleum Corp

Hearing Date 5/12/82

2-3/8-inch tubing



Perforated Strawn zone with Morrow zone blocked off and an RTTS packer set at 10,148 feet. Well flowed at a low unmeasured gas rate; flowing tubing pressure - 50 psi; shut-in tubing pressure - 1,750 psi. Then acidized with 2,500 gallons; maximum pressure - 8,500 psi; initial shut-in pressure - 5,400 psi; 30 minute shut-in pressure - 3,850 psi. Then flowed for several days to clean up; shut-in tubing pressure - 3,200 psi. Flowed through a 3/4-inch choke with 150 psi surface flowing pressure. Then killed well and pulled tubing to equip well as shown on the right.

Baker Model DB packer at 10,710 feet.

Landing Nipples

Perforated Morrow zone from 11,177 feet to 11,251 feet and then flowed from perforations 11,177 feet to 11,314 feet at rate of 2,200,000 cubic feet a day; shut-in tubing pressure - 3,000 psi.

Perforated Morrow zone after tubing was displaced with nitrogen from 11,267 feet to 11,314 feet; tubing pressure was 2,000 psi. Flowed well at rates up to 3,000,000 cubic feet a day; shut-in tubing pressure - 3,300 psi.

4 1/2-inch casing set at 11,600 feet.

3303 LEE PARKWAY  
DALLAS, TEXAS 75219

**SUBJECT: Superior Federal No. 6 Well  
Sketch Of Completion Procedure**

CASE NO. 7568

Submitted by L. Shannon

Hearing Date 9-1-82

4½-inch casing set at 11,600 feet.

**SUPERIOR FEDERAL NO. 6 WELL**  
**PRODUCTION REPORTS**  
 September 1, 1982

		(1)	(2)	(3)
<u>Line No.</u>	<u>Zone</u>	<u>June</u>	<u>July</u>	<u>August (a)</u>
	<u>Morrow Zone</u>			
(1)	Gas	21,715 MCF	32,906 MCF	30,211 MCF
(2)	Oil	243 Bbls.	539 Bbls.	289 Bbls.
(3)	Gas-Oil Ratio	89,362 to 1	61,050 to 1	104,536 to 1
	<u>Strawn Zone</u>			
(4)	Gas	10,121 MCF	11,892 MCF	10,256 MCF
(5)	Oil	151 Bbls.	39 Bbls.	171 Bbls.
(6)	Gas-Oil Ratio	67,026 to 1	304,923 to 1	59,977 to 1

(a) Estimated through August 25, 1982.

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
Pet. Corp.	EXHIBIT NO. <u>2</u>
CASE NO. <u>7568</u>	
Submitted by <u>L. Shannon</u>	
Hearing Date <u>9-1-82</u>	



6466 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210 2211 2212 2213 2214 2215 2216 2217 2218 2219 2220 2221 2222 2223 2224 2225 2226 2227 2228 2229 2230 2231 2232 2233 2234 2235 2236 2237 2238 2239 2240 2241 2242 2243 2244 2245 2246 2247 2248 2249 2250 2251 2252 2253 2254 2255 2256 2257 2258 2259 2260 2261 2262 2263 2264 2265 2266 2267 2268 2269 2270 2271 2272 2273 2274 2275 2276 2277 2278 2279 2280 2281 2282 2283 2284 2285 2286 2287 2288 2289 2290 2291 2292 2293 2294 2295 2296 2297 2298 2299 2300 2301 2302 2303 2304 2305 2306 2307 2308 2309 2310 2311 2312 2313 2314 2315 2316 2317 2318 2319 2320 2321 2322 2323 2324 2325 2326 2327 2328 2329 2330 2331 2332 2333 2334 2335 2336 2337 2338 2339 2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351 2352 2353 2354 2355 2356 2357 2358 2359 2360 2361 2362 2363 2364 2365 2366 2367 2368 2369 2370 2371 2372 2373 2374 2375 2376 2377 2378 2379 2380 2381 2382 2383 2384 2385 2386 2387 2388 2389 2390 2391 2392 2393 2394 2395 2396 2397 2398 2399 2400 2401 2402 2403 2404 2405 2406 2407 2408 2409 2410 2411 2412 2413 2414 2415 2416 2417 2418 2419 2420 2421 2422 2423 2424 2425 2426 2427 2428 2429 2430 2431 2432 2433 2434 2435 2436 2437 2438 2439 2440 2441 2442 2443 2444 2445 2446 2447 2448 2449 2450 2451 2452 2453 2454 2455 2456 2457 2458 2459 2460 2461 2462 2463 2464 2465 2466 2467 2468 2469 2470 2471 2472 2473 2474 2475 2476 2477 2478 2479 2480 2481 2482 2483 2484 2485 2486 2487 2488 2489 2490 2491 2492 2493 2494 2495 2496 2497 2498 2499 2500 2501 2502 2503 2504 2505 2506 2507 2508 2509 2510 2511 2512 2513 2514 2515 2516 2517 2518 2519 2520 2521 2522 2523 2524 2525 2526 2527 2528 2529 2530 2531 2532 2533 2534 2535 2536 2537 2538 2539 2540 2541 2542 2543 2544 2545 2546 2547 2548 2549 2550 2551 2552 2553 2554 2555 2556 2557 2558 2559 2560 2561 2562 2563 2564 2565 2566 2567 2568 2569 2570 2571 2572 2573 2574 2575 2576 2577 2578 2579 2580 2581 2582 2583 2584 2585 2586 2587 2588 2589 2590 2591 2592 2593 2594 2595 2596 2597 2598 2599 2600 2601 2602 2603 2604 2605 2606 2607 2608 2609 2610 2611 2612 2613 2614 2615 2616 2617 2618 2619 2620 2621 2622 2623 2624 2625 2626 2627 2628 2629 2630 2631 2632 2633 2634 2635 2636 2637 2638 2639 2640 2641 2642 2643 2644 2645 2646 2647 2648 2649 2650 2651 2652 2653 2654 2655 2656 2657 2658 2659 2660 2661 2662 2663 2664 2665 2666 2667 2668 2669 2670 2671 2672 2673 2674 2675 2676 2677 2678 2679 2680 2681 2682 2683 2684 2685 2686 2687 2688 2689 2690 2691 2692 2693 2694 2695 2696 2697 2698 2699 2700 2701 2702 2703 2704 2705 2706 2707 2708 2709 2710 2711 2712 2713 2714 2715 2716 2717 2718 2719 2720 2721 2722 2723 2724 2725 2726 2727 2728 2729 2730 2731 2732 2733 2734 2735 2736 2737 2738 2739 2740 2741 2742 2743 2744 2745 2746 2747 2748 2749 2750 2751 2752 2753 2754 2755 2756 2757 2758 2759 2760 2761 2762 2763 2764 2765 2766 2767 2768 2769 2770 2771 2772 2773 2774 2775 2776 2777 2778 2779 2780 2781 2782 2783 2784 2785 2786 2787 2788 2789 2790 2791 2792 2793 2794 2795 2796 2797 2798 2799 2800 2801 2802 2803 2804 2805 2806 2807 2808 2809 2810 2811 2812

1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 26

RE:

100-443887-100

1970-1971

On Monday, August 30, 1960, an acoustic well sounder was used to shoot the fluid level in the captioned well. The following results were obtained:

SECT # 11:45 A.M. 302 Jct. to 124th 15' 2035 1840 1572 feet to fluid

An average tubing joint length of 32.0 feet was used to calculate depth to fluid. The topics are enclosed for your files.

Respectfully submitted,

JOHN WEST ENGINEERING CORP.

5

1992

100

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

Per Corp. EXHIBIT NO. 3

CASE NO. 7568

Submitted by L. Shannon

Hearing Date 9-1-82

3303 LEE PARKWAY  
DALLAS, TEXAS 75219

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

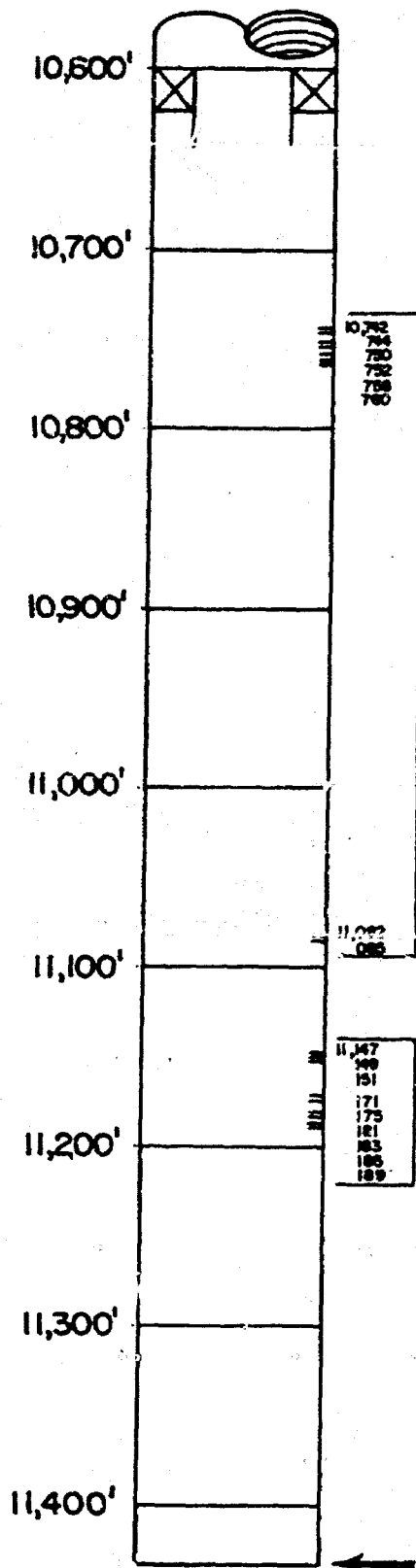
EXHIBIT NO. 3B

CASE NO. 1568-17869

Submitted by Boyle, Cora

Hearing Date 1/2/82

Baker Model DB packer set at 10,600 feet



Perforated from 10,742 feet to 11,085 feet and flowed all perforations (10,742 feet to 11,189 feet) through 22/64-inch choke; tubing pressure - (2,150 psi); estimated gas rate at 4,000 MCF/day. Shut-in tubing pressure 3,500 psi.

Perforated after tubing was displaced with nitrogen; no surface pressure. Acidized with 5,000 gallons; maximum pressure - 8,900 psi; 12 ball sealers. Initial shut-in pressure - 5,200 psi; 60-minute shut-in pressure 1,900 psi. Attempted to clean to pit for three days; maximum surface shut-in pressure - 500 psi.

4½ - inch casing set at 11,434 feet.



THE PETROLEUM CORPORATION

3303 LEE PARKWAY  
DALLAS, TEXAS 75219

May 10, 1982

SUBJECT: Parkway West Unit No. 10 Well  
Sketch Of Completion Procedure

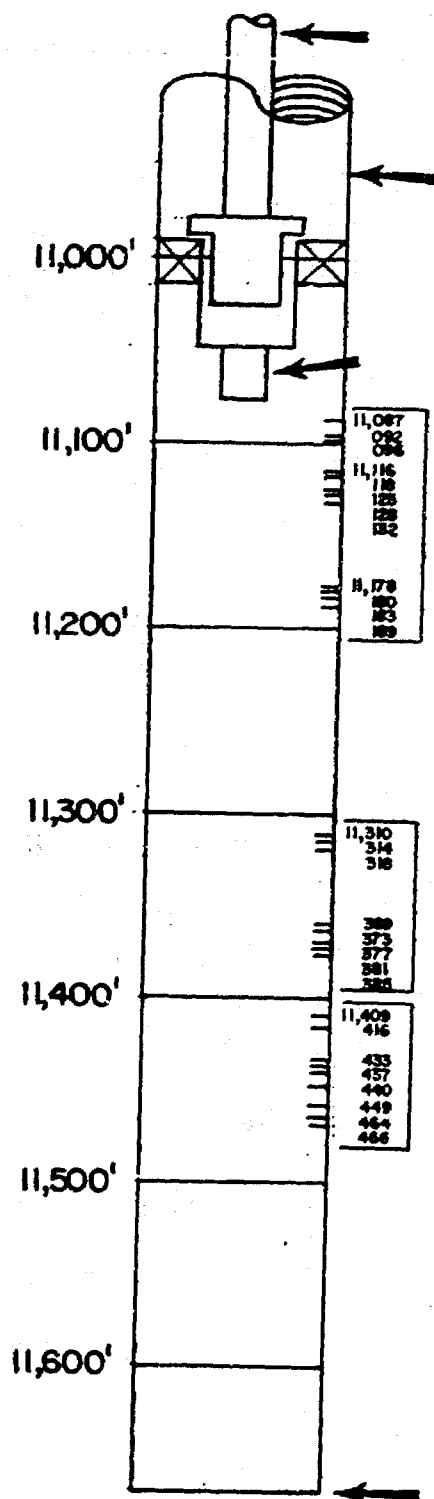
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3C

CASE NO. 7881 7809

Submitted by Darton Corp

Hearing Date 5/12/82



LAW OFFICES  
**HINKLE, COX, EATON, COFFIELD & HENSLEY**

1000 FIRST NATIONAL BANK BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4891

LEWIS C. COX\* T. CALDER EZZELL, JR.\*  
PAUL W. EATON WILLIAM B. BURFORD  
CONRAD E. COFFIELD JOHN S. NELSON\*  
HAROLD L. HENSLEY, JR.\* RICHARD E. OLSON\*  
STUART D. SHANOR\* DEBORAH NORWOOD  
C. D. MARTIN ANDERSON CARTER, II  
PAUL J. KELLY, JR.\* STEVEN D. ARNOLD  
JAMES H. ROZARTH JEFFREY L. BOWMAN  
DOUGLAS L. LUNSFORD\* JOHN C. HARRISON\*  
PAUL M. BOJANNON DAVID L. GORRE  
ERNEST R. FINNEY, JR. JEFFREY D. HEWETT  
J. DOUGLAS FOSTER JAMES BRUCE\*

\*NOT LICENSED IN TEXAS

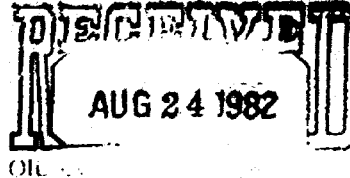
OF COUNSEL  
CLARENCE E. HINKLE  
ROY C. SNODGRASS, JR.  
O. M. CALHOUN

W. E. BONDURANT, JR. (1913-1973)  
ROBERT A. STONE (1905-1988)

ROSWELL, NEW MEXICO OFFICE  
600 HINKLE BUILDING  
POST OFFICE BOX 10  
(505) 622-6510

AMARILLO, TEXAS OFFICE  
AMERICAN NATIONAL BANK BUILDING  
POST OFFICE BOX 12058  
(806) 372-5569

August 20, 1982



Mr. Dick Stamets  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: The Petroleum Corporation of  
Delaware Application for Dual  
Completion in Eddy County, New  
Mexico, Case No. 7568

Dear Dick:

Per our recent phone conversation, I am transmitting herewith, executed in triplicate, copies of an Application for The Petroleum Corporation of Delaware for dual completion of its Superior Federal No. 6 Well in S $\frac{1}{4}$  Section 6, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. Please note that we have requested that this Application be set for hearing on September 1, 1982.

If any additional materials or information are required, please advise.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
Conrad E. Coffield

CEC:cl

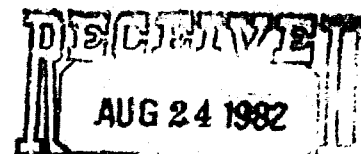
xc: The Petroleum Corporation  
of Delaware  
3303 Lee Parkway  
Dallas, Texas 75201

BEFORE THE OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

APPLICATION BY THE PETROLEUM )  
CORPORATION OF DELAWARE FOR DUAL )  
COMPLETION EDDY COUNTY, NEW MEXICO)



APPLICATION FOR HEARING

COMES NOW the undersigned as attorney on behalf of The Petroleum Corporation and files this written Application for Hearing to be set on the docket for September 1, 1982 in connection with a continuance of Case No. 7568, as ordered by the Division at a hearing on this matter held on May 12, 1982. In connection therewith, the undersigned, on behalf of The Petroleum Corporation, submits the following data:

1. Name of Applicant: The Petroleum Corporation of Delaware

2. Area Affected by the Order Sought:

Township 20 South, Range 29 East, N.M.P.M.  
Eddy County, New Mexico

Section 6: S4

3. General Nature of Order Sought: Applicant seeks authority to dually complete its Superior Federal No. 6 Well located 660 feet from the south line and 1,980 feet from the west line of said Section 4 with said dual completion to be as to the Strawn and Morrow formations, producing oil, gas and liquids therefrom with production to be by way of the dual completion method stated below.

4. Other Matters to be Noted in Connection with Order Sought:

(a) The production from the Morrow formation (principally oil) will be through the tubing and from the Strawn formation (principally gas) through the casing-tubing annulus.

(b) During June 1982,

(i) The Strawn formation produced 10,121 mcf of gas and 151 barrels of oil for GOR of 67,026.

(ii) The Morrow formation produced 21,715 mcf of gas and 243 barrels of oil for GOR of 89,362.

(c) During July 1982,


(i) The Strawn formation produced 11,892 mcf of gas and 39 barrels of oil for GOR of 304,923.

(ii) The Morrow formation produced 32,906 mcf of gas and 552 barrels of oil for GOR of 59,612.

Dated this 20th day of August, 1982.

Respectfully submitted,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By:   
Conrad E. Coffield  
Attorney for The Petroleum

MICROGRAPHICS

ABLE COPY

LAW OFFICES  
HINKLE, COX, EATON, COFFIELD & HENSLEY

1000 FIRST NATIONAL BANK BUILDING

POST OFFICE BOX 3580  
MIDLAND, TEXAS 79702  
(915) 683-4651

LEWIS C. COX\* T. CALDER EZZEL, JR.\*  
PAUL W. EATON WILLIAM B. BURFORD  
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PAUL M. BOHANNON DAVID L. SPOEDE  
ERNEST R. FINNEY, JR. JEFFREY D. HEWITT\*  
J. DOUGLAS FOSTER JAMES BRUCE\*

\*NOT LICENSED IN TEXAS

Mr. Dan Nutter  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: The Petroleum Corporation of  
Delaware Applications for  
Downhole Commingling and Dual  
Completion

Dear Dan:

I am transmitting herewith, executed in triplicate, copies of an Application for The Petroleum Corporation of Delaware for approval of downhole commingling of the Morrow and Atoka formations in their Parkway West Unit No. 10 Well in Unit G of Section 27, and their and Parkway West Unit No. 3 Well in Unit G of Section 29, both in Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.


Also transmitted herewith please find, executed in triplicate, copies of an Application for The Petroleum Corporation of Delaware for approval of dual completion affecting S $\frac{1}{4}$  Section 6, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Per our conversation of several days ago, it is our understanding that these matters will be placed on the docket for May 12, 1982.

If any additional materials or information are required, please advise.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
Conrad E. Coffield

CEC:cl  
xc: The Petroleum Corporation  
of Delaware

Rec'd OED  
APR 30 1982

OF COUNSEL  
CLARENCE E. HINKLE  
ROY C. SNODGRASS, JR.  
O. M. CALHOUN

W. E. BONDURANT, JR. (1913-1973)  
ROBERT A. STONE (1905-1984)

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AMARILLO, TEXAS OFFICE  
1700 AMERICAN NATIONAL BANK BUILDING  
POST OFFICE BOX 12058  
(806) 372-5569

BEFORE THE OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

APPLICATION BY THE PETROLEUM )  
CORPORATION OF DELAWARE FOR DUAL )  
COMPLETION EDDY COUNTY, NEW MEXICO)

*Rec'd OCD*  
*APR 30 1982*

*Case 7568*

APPLICATION FOR HEARING

COMES NOW the undersigned as attorney on behalf of The Petroleum Corporation and files this written Application for Hearing to be set on the docket for May 12, 1982. In connection therewith, the undersigned, on behalf of The Petroleum Corporation, submits the following data:

1. Name of Applicant: The Petroleum Corporation of Delaware
2. Area Affected by the Order Sought:

Township 20 South, Range 29 East, N.M.P.M.  
Eddy County, New Mexico

Section 6: S4

3. General Nature of Order Sought: Applicant seeks authority to dually complete its Superior Federal No. 6 Well located 660 feet from the south line and 1,980 feet from the west line of said Section 4 with said dual completion to be as to the Strawn and Morrow formations, producing oil, gas and liquids therefrom with production to be by way of the dual completion method stated below.

4. Other Matters to be Noted in Connection with Order Sought: The production from the Morrow formation will be through the annulus and from the Strawn formation will be through the tubing.

Dated this 28th day of April, 1982.

Respectfully submitted,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By: 

Conrad E. Coffield  
Attorney for The Petroleum  
Corporation of Delaware

Floran

June	Stu	10121 MCF	151 B0	6012
July		11892	89	69026
				304923

Case 7568

Morrow

Jan	21715	243	89362
July	32906	552	59612

Readu

Stu

~~CSG~~

Morrow

CSG & by annulus

Through tubing

THE PETROLEUM CORPORATION  
OF DELAWARE  
ONE MARIENFELD PLACE SUITE 555  
MIDLAND, TEXAS 79701

RECEIVED

APR 21 1982

O. C. D.  
ARTESIA, OFFICE

April 20, 1982

NEW MEXICO OIL CONSERVATION COMMISSION  
P.O. Drawer DD  
Artesia, N.M. 88210

Dear Bill,

SUPERIOR FEDERAL #6-N, 6-20-29 EDDY COUNTY, N.M.

Enclosed please find the following:

1. Letter requesting exception to Rule 107 (d) (3) ~~under~~  
~~Rule 107 (d) (3)~~ under Rule 107 (d) (4).
2. Letter requesting a non-standard unit with plat.
3. A plat showing all offset operators.
4. A list of all offset operators with their addresses.

This well produces, as indicated by 6 Hour Test, at a rate of 2,175 MCFD and 192 BO. The rate of gas movement through the annulus would be  $\pm 100'$ /second. This velocity is sufficient to carry all fluids out of the well bore without waste to the reservoir energy. If at a later date, the Strawn cannot flow through the casing without undue use of reservoir energy, then we can install a packer with a X-over to produce Strawn up the tubing and Morrow up the casing.

Thanking you in advance for your consideration of this C-107.

Sincerely yours,

THE PETROLEUM CORPORATION OF DELAWARE

Don Cox

Don Cox  
District Manager

DC/sk  
Enclosure

Case 7568  
File  
for multiple  
completion -  
make separate  
TX file  
for tubing  
setting  
depth  
exception  
for  
Morrow  
tubing  
below the  
crossover

One of four

MIDLAND  
(915) 685-3021

DALLAS  
(214) 528-5461

THE PETROLEUM CORPORATION  
OF DELAWARE

ONE MARIENFELD PLACE SUITE 555  
MIDLAND, TEXAS 79701

RECEIVED

APR 21 1982

O. C. D.  
ARTESIA, OFFICE

LIST OF ALL OFFSET OPERATORS TO THE LEASE THE SUPERIOR FEDERAL #6  
IS LOCATED ON:

HNG OIL COMPANY - P.O. Box 2267 - Midland, Texas 79702

ESTORIL PRODUCING CORPORATION - 11th Floor Vaughn Bldg. -  
Midland, Texas 79701

EXXON COMPANY USA - P.O. Box 1600 - Midland, Texas 79702

MARATHON OIL COMPANY - P.O. Box 552 - Midland, Texas 79702

TEXAS OIL AND GAS CORPORATION - 900 Wilco Bldg. - Midland, Texas 79701

COQUINA OIL CORPORATION - P.O. Drawer 2960 - Midland, Texas 79702

UNION TEXAS - 1300 Wilco Building - Midland, Texas 79701

YATES PETROLEUM CORP. - 207 South 4th - Artesia, N.M. 88210

*Case 7568*



THE PETROLEUM CORPORATION  
OF DELAWARE

ONE MARIENFELD PLACE SUITE 838  
MIDLAND, TEXAS 79701

RECEIVED

APR 21 1982

O. C. D.  
ARTESIA, OFFICE

April 20, 1982

NEW MEXICO OIL CONSERVATION COMMISSION  
P.O. Drawer DD  
Artesia, N.M. 88210

Case 7568

Dear Bill,

SUPERIOR FEDERAL #6-N, 6-20-29 EDDY COUNTY, N.M.

The Baker Model DB Production Packer in this well is set at 10,710', 467' above our top perforations in the Morrow sand. (Morrow perforated at 11,177' to 11,314' with 19 holes). Since this exceeds the 250' as required in Rule 107 (d)(3), we are asking you to allow an exception to this Rule under Rule 107 (d)(4) ("waste will not be caused thereby").

Thanking you in advance for your consideration.

Sincerely yours,

THE PETROLEUM CORPORATION OF DELAWARE

*Don Cox*

Don Cox  
District Manager

DC/sk  
Enclosure

Case 7568  
Form C-107 RECEIVED  
Revised 2-1-82

APR 21 1982

APPLICATION FOR MULTIPLE COMPLETION

THE PETROLEUM CORPORATION Operator Eddy County Date 4-20-82  
One Marienfeld Place Suite 555 Address Superior Federal Lease 6 Well No. 6  
Location Unit 6 Section 20S Township 29E Range

All Applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Land (Str) East Burton Flat		East Burton Flat (Morrow)
b. Top and Bottom of Pay Section (Perforations)	10,282'-10,294'		11,177'-11,314'
c. Type of production (Oil or Gas)	Oil		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production <input type="checkbox"/> Actual <input checked="" type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	3/4" choke 6 Hr. Test FTP - 150 psi. Oil - 192 BOPD Gas - 2175 MCFPD Water - 0 GOR - 11,333		16/64" choke 6 Hr. Test FTP - 1725 psi. Oil - Nil Gas - 2540 MCF Water - 0

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

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

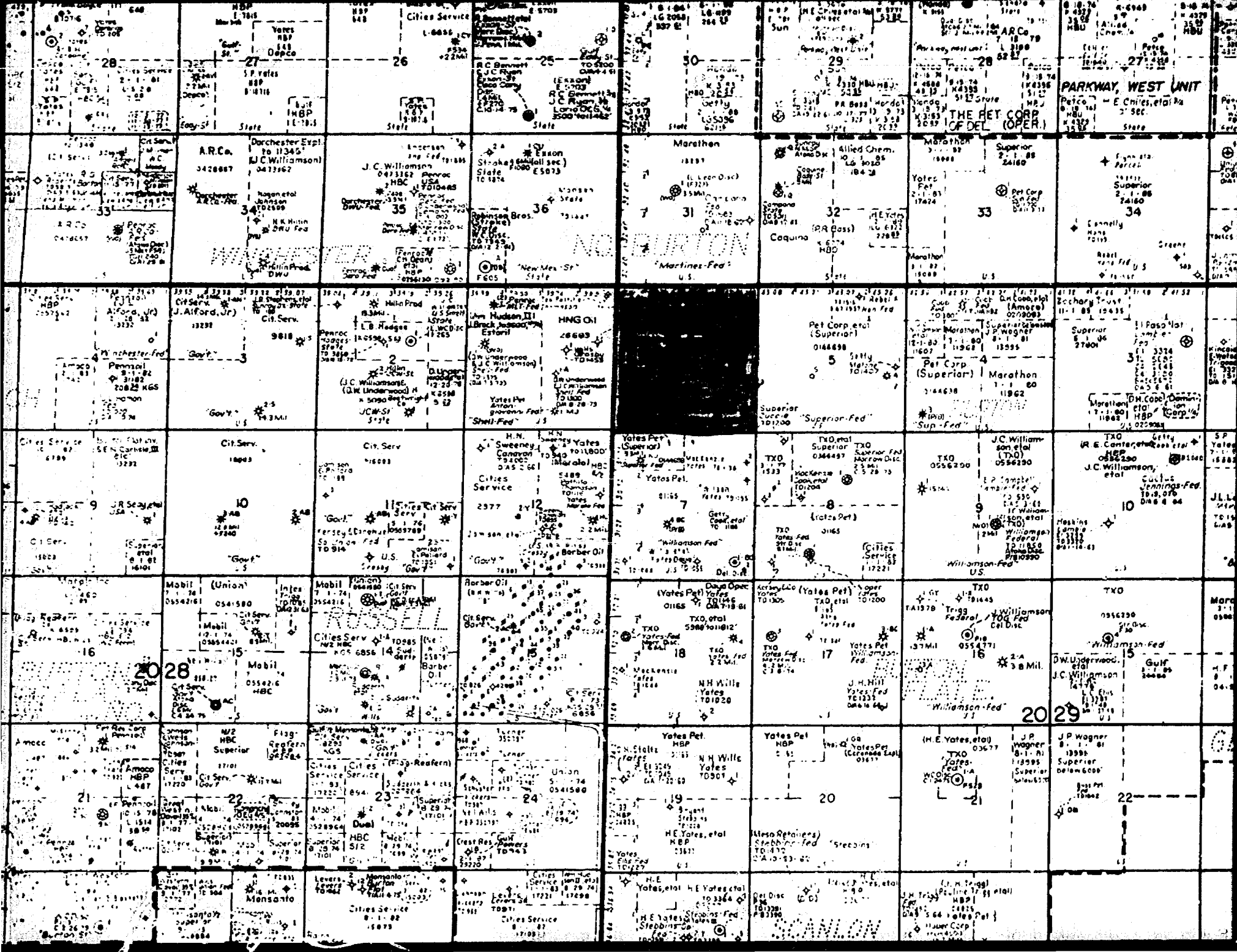
Signed Don Cox Title District Manager Date 4-20-82

(This space for State Use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

4/25 Called Conrad Caffield - advised him that annular flow for this Strawn oil well would not be acceptable and that in order to make the installation eligible for approval of the hearing, I could adv. it to use a crossover. He said OK. Oil so as case 7568  
Don 4/23



# THE PETROLEUM CORPORATION

ONE MARIENFELD  
SUITE 555  
MIDLAND, TEXAS 79701

SUBJECT: Superior Federal Well No. 6

PREPARED BY

Don Cox

660' FSL and 1980' FWL

DATE

4-2-82

Sec. 6, T19S, R29E

Eddy County

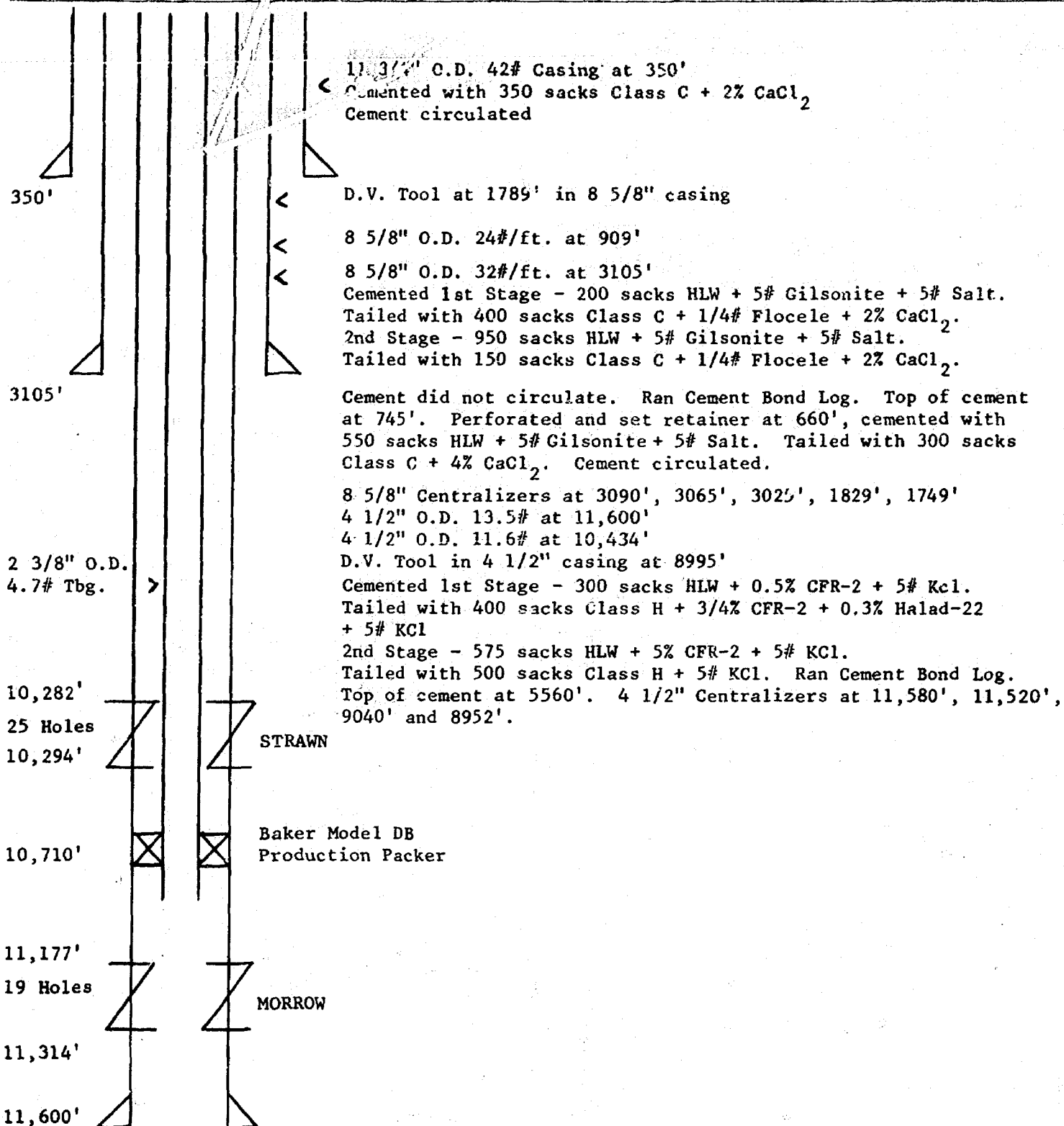
East Burton Flat Field

SHEET

1

OF

1



CASE 7566:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Flag-Redfern Oil Co., Principal, National Surety Corporation, and all other interested parties to appear and show cause why four wells, being the Julander No. 1 located in Unit L, Section 34; Julander No. 2 located in Unit I, Section 33; Hargis No. 1 located in Unit G, Section 33; and Hargis No. 2 located in Unit J, Section 33, all in Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7567:

Application of Harvey E. Yates Company  
for a unit agreement, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Richardson Unit Area, comprising 1,283.35 acres, more or less, of State and Fee lands in Townships 13 and 14 South, Range 36 East.

CASE 7568:

Application of Petroleum Corp. of Delaware  
for a dual completion, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce <sup>oil</sup> gas from the Strawn and Morrow formations. ~~then~~ *then* ~~the casing tubing and gas from the Morrow formation~~ ~~these~~ ~~then~~ ~~tubing the~~ ~~through the casing-tubing annulus and tubing respectively.~~

*by means of a cross-over assembly.*

CASE 7569:

Application of Petroleum Corp. of Delaware  
for downhole commingling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbores of its Parkway West Unit Well No. 3, located in Unit K of Section 29, and Well No. 10, located in Unit G of Section 27, both in Township 19 South, Range 29 East.

4/20

checked in by Council Coffield written up to  
✓ follows.

✓ Petroleum Corp of Delaware

dual comp Eddy Co.

Superior Tool # 6

Unit N

1000

1980 FINE 1980 FINE

6-20-29 E

commenced

making

prod from Shallow & narrow formations

G. Norton Test

5/2 Sec 6 dedicated.

downhole comm. Eddy Co

Parkway West Unit K Well No 3.

Unit K 1980 FINE 1980 FINE 29-19-29 E

5/2 dedicated.

2 wells  
1 core

commencing Alaska - Marrow.

Parkway West

No. 10

Unit G 1980 FINE 1980 FINE 27-19-29

5/2 ded.

commencing Alaska & Marrow.

*Sibbie*  
*Casals*  
*RK*

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

*Sept 8 1982*

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

*M.S.*  
*SPQ*

CASE NO. 7568

Order No. R-7269

APPLICATION OF PETROLEUM CORP. OF  
DELAWARE FOR A DUAL COMPLETION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

*Sept 1* This cause came on for hearing at 9 o'clock a.m. on  
~~May 12~~, 1982, at Santa Fe, New Mexico, before Examiner Richard  
L. Stamets.

*September*  
NOW, on this \_\_\_\_\_ day of ~~May~~, 1982, 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, Petroleum Corp. of Delaware, seeks authority to complete its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce <sup>gas</sup> ~~oil~~ from the Strawn formation through ~~the casing tubing annulus~~ and gas from the Morrow formation through ~~the casing tubing annulus by means of a cross over assembly.~~ *with separation of the two zones to be achieved by means of a packer.*

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corp. of Delaware is hereby authorized to complete its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, East Burton Flat Field, Eddy County, New Mexico, as a dual completion (conventional) to produce <sup>gas</sup> ~~oil~~ from the Strawn ~~formation through the casing-tubing annulus~~ and gas from the Morrow formation ~~through the casing tubing annulus by means of a cross over assembly.~~ *with separation of the zones to be achieved by means of a packer set at an approximate depth of 10,710 feet*

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;



PROVIDED FURTHER, that the applicant shall take a  
packer leakage tests upon completion and  
annually thereafter during the Annual Shut-In  
Test Period for ~~the pool~~ gas wells in Southeastern New Mexico

(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 designated.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

S E A L



DOCKET MAILED

Date 4/30/82