

CASE 3341: Application of TENNECO
OIL CO. for an administrative
procedure, San Juan & Rio Arriba.

Handwritten signature

CASE NO.

3341

Application,

TRANSCRIPTS,

SMALL Exhibits

ETC.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 3341
Order No. R-3031-A

APPLICATION OF TENNECO OIL COMPANY
FOR AN ADMINISTRATIVE PROCEDURE,
SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that due to clerical error and omission, Order No. R-3031, dated January 24, 1966, does not correctly state the intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That paragraph 1 (a) on page 2 of Order No. R-3031, dated January 24, 1966, is hereby corrected to read in its entirety as follows:

"(a) The operator shall file an application, in triplicate, requesting authority to set a whipstock above the Mesaverde producing interval, intentionally deviate and re-drill to the Blanco-Mesaverde Pool or to the Blanco-Mesaverde Pool and the Basin-Dakota Pool, and stipulating that the well shall be so drilled and such tests conducted as may be necessary to ensure that the well is bottomed no nearer than 200 feet to the outer boundary of its proration unit.

The application shall be accompanied by a plat showing the proration unit upon which the well is located and also all offsetting proration units, and shall identify the owner of each such offsetting proration unit.

The applicant shall forward a copy of the application by registered or certified mail to each operator offsetting the proration unit, and the application shall state that such notice has been furnished."

(2) That this order shall be effective nunc pro tunc as of January 24, 1966.

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CASE No. 3341


Order No. R-3031-A

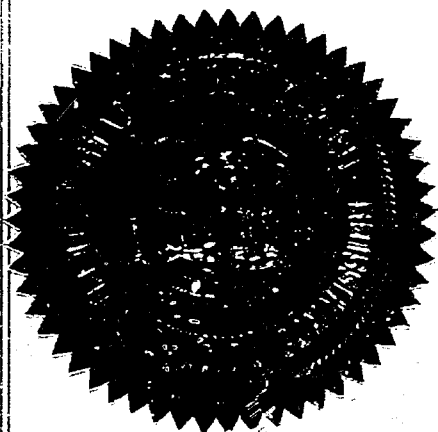
DONE at Santa Fe, New Mexico, this 3rd day of February,
1966.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


A. L. PORTER, Jr., Member & Secretary



enc/

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

February 3, 1966

Re: Case No. 3341
Order No. R-3031-A
Applicant:

A. L. PORTER, Jr.
Secretary-Director

Hobbs OCC x
Artesia OCC
Aztec OCC x

Other _____

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY • DIRECTOR

Other

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3341
Order No. R-3031

APPLICATION OF TENNECO OIL COMPANY
FOR AN ADMINISTRATIVE PROCEDURE,
SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 23, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 24th day of January, 1966, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Tenneco Oil Company, seeks establishment of an administrative procedure authorizing the Secretary-Director of the Commission to approve the intentional deviation of wells previously drilled to the Blanco-Mesaverde Pool in San Juan or Rio Arriba County, New Mexico, when the operator of the well proposes to set a whipstock above the Mesaverde producing interval and re-drill to the Blanco-Mesaverde Pool or the Blanco-Mesaverde Pool and the Basin-Dakota Gas Pool.

(3) That the applicant proposes that the administrative procedure should require deviation tests or directional surveys

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CASE No. 3341.

Order No. R-3031

to assure that no well will be bottomed nearer than 200 feet to the outer boundary of its proration unit.

(4) That conventional completion methods are impracticable in numerous wells previously drilled to the Blanco-Mesaverde Pool in San Juan and Rio Arriba Counties, New Mexico, due to the completion methods originally utilized in drilling said wells.

(5) That in many instances the proposed method of completion will prevent the drilling of unnecessary wells and result in more efficient completions.

(6) That in order to facilitate administration of the laws of the State of New Mexico concerning the prevention of waste and protection of correlative rights, the proposed administrative procedure should be established.

IT IS THEREFORE ORDERED:

(1) That the Secretary-Director of the Commission is hereby authorized to approve the intentional deviation of wells previously drilled to the Blanco-Mesaverde Pool in San Juan or Rio Arriba County, New Mexico, in accordance with the following-described administrative procedure:

- (a) The operator shall file an application, in triplicate, requesting authority to set a whipstock above the Mesaverde producing interval, intentionally deviate and re-drill to the Blanco-Mesaverde Pool or to the Blanco-Mesaverde Pool and the Basin-Dakota Pool, and stipulating that the well shall be so drilled and such tests conducted as may be necessary to ensure that the well is bottomed no nearer than 200 feet to the outer boundary of its proration unit.

The application shall be accompanied by a plat showing the proration unit upon which the well is located and also all offsetting proration units, and shall identify the owner of each such offsetting proration unit.

- (b) The Secretary-Director may approve the application if:

1. Waivers of objection have been received from all offset operators or if no offset operator has objected within 20 days after the Secretary-Director has received the application.

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CASE No. 3341

Order No. R-3031

2. The well was originally completed in the Blanco-Mesaverde Pool prior to the effective date of this order.
3. The Secretary-Director determines that approval of the application will prevent waste and protect correlative rights.

(c) No allowable shall be assigned to any well intentionally deviated in accordance with the above unless:

1. The operator of the well has conducted deviation tests at at least 500-foot intervals while re-drilling the well, and has filed a tabulation of all such tests together with a tabulation of all deviation tests taken on the well during the original drilling down to the whipstock point; and
2. The total cumulative horizontal drift of the well as determined from said deviation tests and taken toward the nearest boundary of the proration unit does not place the bottom of the well nearer than 200 feet to said boundary.
3. In lieu of paragraphs 1. and 2. above, the operator may establish that the bottom of the well is no nearer than 200 feet to the nearest boundary of the proration unit by conducting a continuous multi-shot directional survey of the entire well bore with shots not more than 100 feet apart and by filing the report of said survey with the Commission.

IT IS FURTHER ORDERED:

(1) That any well which has been intentionally deviated, but which does not satisfy the Secretary-Director of the Commission or any offset operator with respect to its bottom-hole location, shall become the subject of a hearing to consider the assignment of an allowable, including possible adjustment thereof, to said well.

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CASE No. 3341
Order No. R-3031

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

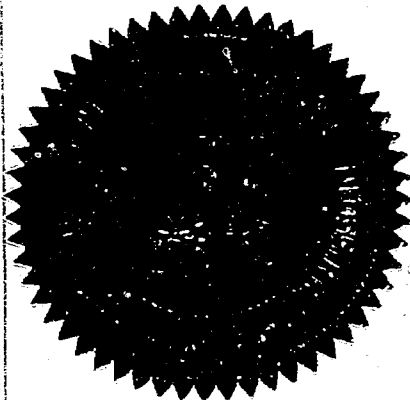
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



Memo

From

E. C. ARNOLD

SUPERVISOR AND OIL & GAS
INSPECTOR

To *Jim*

*We have made a few
minor changes of our own
in the order just for Mike*

EC

esx/

DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CF Subj. _____

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3341

Order No. R- _____

APPLICATION OF TENNECO OIL COMPANY
FOR AN ADMINISTRATIVE PROCEDURE,
SAN JUAN AND RIO ARRIBA COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION



BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
November 23, 1965, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this _____ day of December, 1965, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Tenneco Oil Company, seeks estab-
lishment of an administrative procedure authorizing the Secretary-
Director of the Commission to approve the ~~directional~~ drilling of
wells previously drilled to the Blanco-Mesaverde Pool in San Juan
or Rio Arriba County, New Mexico, when the operator of the well
proposes to set a whipstock above the Mesaverde producing interval
and ~~directionally~~ drill to the Blanco-Mesaverde Pool or the Blanco-
Mesaverde Pool and the Basin-Dakota Gas Pool.

(3) That the applicant proposes that the administrative
procedure should require deviation tests or ~~directional surveys~~

to assure that no well will be bottomed nearer than 200 feet to the outer boundary of its proration unit.

(4) That conventional completion methods are impracticable in numerous wells previously drilled to the Blanco-Mesaverde Pool in San Juan and Rio Arriba Counties, New Mexico, due to the completion methods originally utilized in drilling said wells.

(5) That in many instances the proposed method of completion will prevent the drilling of unnecessary wells and result in more efficient completions.

(6) That in order to facilitate administration of the laws of the State of New Mexico concerning the prevention of waste and protection of correlative rights, the proposed administrative procedure should be established.

IT IS THEREFORE ORDERED:

(1) That the Secretary-Director of the Commission is hereby authorized to approve the directional drilling of wells previously drilled to the Blanco-Mesaverde Pool in San Juan or Rio Arriba County, New Mexico, in accordance with the following-described administrative procedure:

(a) The operator shall file an application, in triplicate, requesting authority to set a whipstock above the Mesaverde producing interval and directionally drill to the Blanco-Mesaverde Pool or to the Blanco-Mesaverde Pool and the Basin-Dakota Pool, *OR To any gas reservoir intervening between the Blanco-Mesaverde & Basin-Dakota Pools.* and stipulating that the well shall be so drilled and such tests conducted as may be necessary to ensure that the well is bottomed no nearer than 200 feet to the outer boundary of its proration unit.

The application shall be accompanied by a plat showing the proration unit upon which the well is located and also all

offsetting proration units, and shall identify the ownership of each such offsetting proration unit.

(b) The Secretary-Director may approve the application ^{to directionally drill} if:

1. Waivers of objection have been received from all offset operators or if no offset operator has objected within 20 days after the Secretary-Director has received the application.
2. The well was originally completed in the Blanco-Mesaverde Pool prior to the effective date of this order.
3. The Secretary-Director determines that approval of the application will prevent waste and protect correlative rights.

(c) *An allowable shall not be assigned to the well until:*

~~(2) That the Secretary Director of the Commission may permit the assignment of an allowable to any well directionally drilled in accordance with Section (1) above provided:~~

~~(1)~~ 1. The operator of the well has conducted deviation tests at at least 200-foot intervals while directionally drilling the well, ~~and~~ has filed a tabulation of all such tests together with a tabulation of all deviation tests taken on the well during the original drilling down to the whipstock point, *and* ~~and~~

~~(1)~~ The total cumulative horizontal drift of the well as determined from said deviation tests and taken toward the nearest boundary of the proration unit does not place the bottom of the well nearer than 200 feet to said boundary; *or*

~~(2)~~ 2. ~~In lieu of paragraphs (a) and (b) above,~~ The operator ^{has} ~~may~~ establish ^{ed} that the bottom of the well is no nearer than 200 feet to the nearest boundary of the proration unit by

conducting a continuous multi-shot directional survey of the entire well bore with shots not more than 100 feet apart and by filing the report of said survey with the Commission.

IT IS FURTHER ORDERED:

(1) ~~That~~ ^{the administrative procedure outlined above,} That any well which is directionally drilled in accordance with ~~Section (1) above,~~ but which does not satisfy the Secretary-Director of the Commission or any offset operator with respect to its bottom-hole location, shall become the subject of a hearing ~~be~~ ^{called by the Commission to} consider the assignment of an allowable, including possible adjustment thereof, to said well.

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

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

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

1000 RIO BRAZOS RD.
AZTEC

January 4, 1966

Mr. A. L. Porter
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Re: Proposed Order in Case 3341

Dear Pete:

We discussed the above matter briefly last week and at that time I raised a couple of questions which you requested that I put in writing.

First I will review the present method of handling unintentionally deviated holes. An operator is required on each hole drilled to conduct deviation surveys at 500-foot intervals, or at the first bit change succeeding 500 feet. If the total deviation, which is assumed to be in the direction of the nearest lease line, shows that the location of the hole at the producing formation is located within the limits of the proration or drilling unit, approval of C-104 is made without further question. If the location of the hole at the producing formation is calculated to be off the unit, a directional survey is required to determine the exact location of the hole at the producing formation. If the directional survey shows that the hole at the producing interval is located off the assigned unit, no C-104 is approved and the operator may be in bad trouble, depending on who his neighbor is and what the neighbor's general philosophy of life may be.

The questions which I have raised in connection with the proposed order have to do with deviations from standard procedure as set out above. If it is the opinion of the Commission that the Statewide rule does not provide proper protection, perhaps it should be re-written. If the present rule does provide proper protection then any special deviation orders should be patterned on the Statewide rule unless there is some special circumstance which calls for a change.

The "200 from unit boundary" provision is not objectionable to me in a gas pool from a practical standpoint, however it is different from the Statewide rule. Is this 200-foot figure to be used in future similar orders or will it change and if it changes what is it to be based upon?

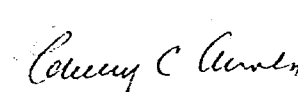
Paragraph C, Section 1 stipulates that deviation tests are to be taken at 200-foot intervals rather than 500-foot or at bit changes succeeding each 200 feet. This change will entail considerable extra expense and I see no justification for it. This point was discussed at length in the original hearing on deviation rules and the present statewide rule meets with everyone's approval so far as I know. I strongly object to changing the rule for this order.

I would also suggest that the order might be written to allow administrative approval for wells which are whipstocked above the Mesaverde formation and drilled to the Dakota formation or any intervening gas reservoir.

I also note that Paragraph A uses the term "directionally drill". As I understand it those are not to be directionally drilled wells but rather are intentionally deviated in an indeterminate direction. This wording should be corrected.

I will be glad to discuss the matter further with you at your convenience.

Yours very truly


Emery C. Arnold
Supervisor, District #3

ECA:ks

P.S. I realize I may be right.

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 23, 1965

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

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

CASE 3294 (Continued from the September 22, 1965, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Harold J. Sechler, dba S. & S. Oil Producers, and all other interested parties to show cause why the Bond Well No. 1 located in the SW/4 NE/4 of Section 17, Township 9 North, Range 14 West, Valencia County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 3333: Application of William A. and Edward R. Hudson for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Queen formation through six wells in Sections 10, 11, and 15, Township 18 South, Range 31 East, Shugart Yates-Seven Rivers-Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 3334: Application of Felmont Oil Corporation for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Federal 9 Well No. 1 at an unorthodox location 660 feet from the North and East lines of Section 9, Township 8 South, Range 37 East, Bluitt-San Andres Gas Pool, Roosevelt County, New Mexico.

CASE 3335: Application of Monsanto Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1200 feet from the South line and 660 feet from the West line of Section 32, Township 16 South, Range 33 East, West Kemnitz-Lower Wolfcamp Pool, Lea County, New Mexico.

CASE 3336: Application of Shell Oil Company for special rules for the East Hightower-Upper Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Hightower-Upper Pennsylvanian Pool in Section 25, Township 12 South, Range 33 East, Lea County, New Mexico, including a provision for 80-acre proration units.

CASE 3337: Application of Shell Oil Company for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Morrow production in Sections 3 and 4, Township 22 South, Range 34 East, and Section 34, Township 21 South, Range 34 East, Lea County, New Mexico, and the establishment of special pool rules, including a provision for 640-acre spacing units.

November 23, 1965, Examiner Hearing

- CASE 3338: Application of Socony-Mobil Oil Company, Inc. for pool-lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Glorieta, Blinebry, Upper-Pennsylvanian, Lower-Pennsylvanian, Devonian, Abo and Wolfcamp production from its State Bridges (Military Institute) Lease in Section 25, Township 17 South, Range 34 East, and from its State Bridges (Common School) Lease in Sections 3, 10 through 15, 22, 23, 24, and 26 and 27, Township 17 South, Range 34 East, Lea County, New Mexico, after separately metering the Military Institute production, allocating production to each lease by means of the subtraction method.
- CASE 3339: Application of Socony-Mobil Oil Company, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Denton North Wolfcamp Unit Area comprising 2,640 acres, more or less, of Federal and fee lands in Township 14 South, Range 37 East, Lea County, New Mexico.
- CASE 3340: Application of Socony-Mobil Oil Company, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Denton North Wolfcamp Unit by the injection of water into the Wolfcamp formation through twelve wells located in Sections 25, 26, 27, 34, 35, and 36, Township 14 South, Range 37 East, Lea County, New Mexico.
- CASE 3341: Application of Tenneco Oil Company for an administrative procedure, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an administrative procedure whereby wells presently completed in the Blanco-Mesaverde Pool could, without notice and hearing, be recompleted in the Blanco-Mesaverde and/or Basin-Dakota Gas Pools by means of setting a whipstock above the Mesaverde producing interval and directionally drilling around the old interval of completion which was originally shot. Operators utilizing such administrative procedure would be required to conduct appropriate deviation tests to ensure that no well would be completed nearer than 200 feet to the outer boundary of its proration unit.
- CASE 3342: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Keeley zone of the San Andres formation through four wells in Sections 22 and 23, Township 17 South, Range 29 East.
- CASE 3343: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Metex zone of the Grayburg formation through four injection wells in Sections 14 and 15, Township 17 South, Range 29 East.

November 23, 1965, Examiner Hearing

CASE 3344: Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Vacuum Unit Area comprising 2000 acres, more or less, of State land in Township 17 South, Range 37 East, Lea County, New Mexico.

CASE 3345: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its West Vacuum Unit by the injection of water into the Grayburg-San Andres formations through six injection wells located in Sections 3 and 4, Township 18 South, Range 34 East, and Sections 33 and 34, Township 17 South, Range 34 East, Vacuum Pool, Lea County, New Mexico.

CASE 3346: Application of Sinclair Oil & Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formations through eight wells in Section 24, Township 17 South, Range 32 East, Lea County, New Mexico.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 23, 1965

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company for an administrative procedure, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an administrative procedure whereby wells presently completed in the Blanco-Mesaverde Pool could, without notice and hearing, be recompleted in the Blanco-Mesaverde and/or Basin-Dakota Gas Pools by means of setting a whipstock above the Mesaverde producing interval and directionally drilling around the old

Case No. 3341

interval of completion which was originally shot. Operators utilizing such administrative procedure would be required to conduct appropriate deviation tests to ensure that no well would be completed nearer than 200 feet to the outer boundary of its proration unit.

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING



MR. WHITE: If the Examiner, please. Charles White of Santa Fe, New Mexico, appearing on behalf of the applicant. For the purpose of the record, we would like to submit a written application for the call to hearing. In further support of the application, we would like, for the record, to have included a transcript of the hearing in Case Number 3329.

MR. NUTTER: Is there any objection to this consolidation of the record? In Case 3329 the record will be incorporated.

MR. WHITE: That concludes the applicant's case.

MR. NUTTER: Did you have any particular recommendation, Mr. White, as to how this administrative procedure should work?

MR. WHITE: No, sir, but I can inquire of my client and see if we can furnish you with some information if you would like.

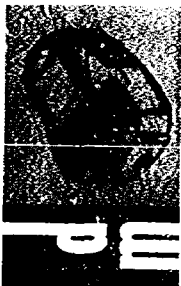
MR. NUTTER: You haven't made any recommendation as to notice to offset operations?

MR. WHITE: No, sir. We would be glad to furnish that to you if you would like.

MR. NUTTER: You could just leave it to the Commission's discretion to come up with some kind of a rule.

MR. WHITE: I'm sure it will be reasonable and we will leave it to your discretion.

MR. NUTTER: Is there anything further in Case 3341?



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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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1213 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

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We will take the case under advisement and call case 3342.

(Whereupon, Case Number 3341 was concluded.)

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, DEAN A. ROBINSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 31st Day of December, 1965.

Dean A. Robinson
NOTARY PUBLIC

My Commission Expires:
October 16, 1969.

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing before the New Mexico Oil Conservation Commission on Case No. 3341, held by me on 11/23, 1965.

C. J. [Signature], Examiner
New Mexico Oil Conservation Commission

WHITE, GILBERT, KOCH & KELLY
ATTORNEYS AT LAW
P. O. BOX 787
SANTA FE, NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF TENNECO OIL COMPANY
FOR THE ESTABLISHMENT OF AN ADMINIS-
TRATIVE PROCEDURE WHEREBY WELLS PRES-
ENTLY COMPLETED IN THE BLANCO MESA-
VERDE POOL COULD WITHOUT NOTICE AND
HEARING BE RECOMPLETED IN THE BLANCO
MESA VERDE AND/OR BASIN DAKOTA GAS
POOL BY DIRECTIONAL DRILLING.

Comes now Tenneco Oil Company by its Attorneys, White, Gilbert, Koch and
Kelly and shows the Commission:

1. That it is the owner of certain wells presently completed in the
Blanco Mesaverde Pool, San Juan County, New Mexico. In order to make these
wells better gas producers, applicant proposes to recomplete in the Blanco
Mesaverde and/or Basin Dakota Gas Pools by means of setting a whipstock
above the Mesaverde producing interval and directional drilling around the
old interval of completion. Applicant submits that an appropriate rule for
the proposed administrative procedure would be to require operators utilizing
such administrative procedure to conduct appropriate deviation tests to in-
sure that no well would be completed nearer than 200 feet to the outer
boundary of its proration unit.

WHEREFORE applicant prays the establishment of an administrative pro-
cedure to allow directional drilling as outlined above.

WHITE, GILBERT, KOCH AND KELLY

By Lawrence
Attorneys for Tenneco Oil Company