



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

December 27, 1994

BRUCE KING
GOVERNOR

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

Great Western Drilling Company
P.O. Box 1659
Midland, Texas 79702

1119A

Attention: Gina Howard

Re: *Administrative Application of an Unorthodox Gas Well Location for its Existing Glenn Cleveland Well No. 1 (API No. 30-025-27920), located 660'FSL - 1980'FEL (Unit O) of Section 7, Township 15 South, Range 352 East, NMPM, Lea County, New Mexico.*

Dear Ms. Howard:

The subject application dated October 4, 1994 was received by the New Mexico Oil Conservation Division in Santa Fe on October 6, 1994, regrettably however it was misplaced sometime during the move from the State Land Office to our new building on Pacheco Street and has just recently turned up. I apologize for the tardiness in the review time that this blunder has created.

I have however reviewed this application quit thoroughly and must inform you at this time that this application can not be approved administratively per **Rule 104.B(1)(c)** of the Division's General Rules and Regulations, which states:

"In the event gas production is encountered in a well which was projected as an oil well and which is located accordingly but does not conform to the gas well location rules applicable to the particular zone in question, it shall be necessary for the operator to bring the matter to a hearing before approval for the production of gas can be given."

Review of the subject well file indicates that the original Form C-101, "Application for Permit to Drill" ("APD") filed on this well indicates it to have been a Strawn oil test to 12,500 feet, further information in the well file shows that a depth of 10,425 feet, in the Atoka

formation, was reached sometime between October 1, 1982 and October 4, 1982. Between October 7, 1982 and October 21, 1982 Great Western Drilling Company continued drilling to a total depth of 13,036 feet into the Morrow formation. By a Form C-103, dated October 28, 1982, Great Western Drilling filed with the Supervisor of the Division's Hobbs District Office an "Amended" report to drill into the Morrow formation at a depth of 13,036 feet. The lower zones in this well were "squeezed-off" and was subsequently completed as an oil well in the Morton-Wolfcamp Pool.

No further administrative action can be taken on this application, I have therefore caused this matter to be placed on the next available docket for hearing before a Division Examiner scheduled for January 19, 1995.

Please provide proper notice of this matter to all applicable parties pursuant to **Rule 1207.A(5)** of said General Rules.

Once again I sincerely apologize for losing your application and regret any inconvenience the delay may have caused.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
W. Thomas Kellahin - Santa Fe

Case File