

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

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

CASE NO. 9679
Order No. R-8942

APPLICATION OF FRED POOL DRILLING,
INC. FOR AN UNORTHODOX GAS WELL
LOCATION AND DUAL COMPLETION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 24, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 1st day of June, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Fred Pool Drilling, Inc., seeks approval for an unorthodox gas well location as to the Wolfcamp formation for its Eastland State Well No. 4 located 660 feet from the North and West lines (Unit D) of Section 13, Township 9 South, Range 26 East, NMPM, Foor Ranch-Wolfcamp Gas Pool, Chaves County, New Mexico.

(3) The applicant further seeks authority to dually complete said well in a manner which will allow the production of gas up the tubing from said Foor Ranch-Wolfcamp Gas Pool and the production of gas up the casing-tubing annulus from the South Pecos Slope-Abo Gas Pool.

(4) The applicant further proposes to dedicate two standard gas proration units to the subject well as follows:

A. The NW/4 of said Section 13 forming a standard 160-acre gas spacing and proration unit for the South Pecos Slope-Abo Gas Pool.

B. The N/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit for the Foor Ranch-Wolfcamp Gas Pool.

(5) Testimony and evidence indicates that the applicant drilled the subject well at the standard South Pecos Slope-Abo Gas Pool well location as described above with the intent of protecting its acreage in the NW/4 of said Section 13 from drainage which may be occurring through offset Abo production in Sections 11 and 12.

(6) In lieu of drilling an additional well in the N/2 of said Section 13 to produce the Wolfcamp gas reserves, the applicant opted to drill the subject well to a depth sufficient to produce the Wolfcamp formation.

(7) Although the subject well had not been tested in either zone at the time of the hearing, all indications are that commercial gas production will be encountered in both the Abo and Wolfcamp formations.

(8) The applicant presented as evidence in this case written waivers of objection to the proposed unorthodox Wolfcamp location from Yates Petroleum Corporation and Elk Oil Company, the two affected offset operators.

(9) No other offset operator appeared at the hearing in opposition to the application.

(10) Approval of the unorthodox Wolfcamp gas well location and dual completion will afford the applicant the opportunity to produce its just and equitable share of the gas in the Foor Ranch-Wolfcamp and South Pecos Slope-Abo Gas Pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Fred Pool Drilling, Inc. for an unorthodox Wolfcamp gas well location for its Eastland State Well No. 4 located 660 feet from the North and West lines (Unit D) of Section 13, Township 9 South, Range 26 East, NMPM, Foor Ranch-Wolfcamp Gas Pool, Chaves County, New Mexico, is hereby approved.

(2) The applicant is further authorized to dually complete said Eastland State Well No. 4 in the Foor Ranch-Wolfcamp Gas Pool and the South Pecos Slope-Abo Gas Pool in the manner described in Finding No. (3) above.

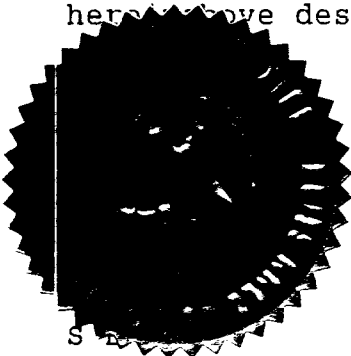
(3) The following described standard gas proration units shall be dedicated to the subject well:

A. The NW/4 of said Section 13 forming a standard 160-acre gas spacing and proration unit for the South Pecos Slope-Abo Gas Pool.

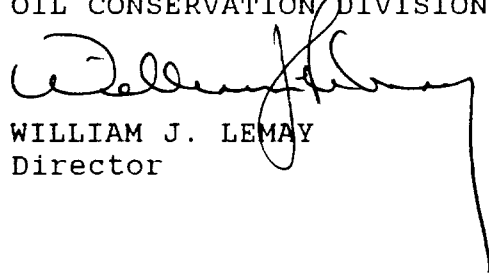
B. The N/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit for the Foor Ranch-Wolfcamp Gas Pool.

(4) 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 hereabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

Dockets Nos. 17-89 and 18-89 are tentatively set for June 7 and June 21, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 24, 1989

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, or Victor T. Lyon, Alternate Examiners:

CASE 9673: Application of Grand Resources, Inc. for a unit agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Mesa-Gallup Unit Area comprising 2,680.00 acres, more or less, of Navajo Indian lands in all or portions of Sections 10, 13, 14, 15, 23, 24 and 25, Township 32 North, Range 18 West, all as projected into the unsurveyed Navajo Indian Reservation. Said unit is located approximately 12 miles north of Shiprock, New Mexico.

CASE 9674: Application of Texaco Producing, Inc. for pool reclassification, to rescind Division Order No. R-2439, as amended, and to amend Division Order No. R-5353, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks reclassification of the West Jal-Strawn Gas Pool as an associated pool. Applicant further seeks to replace the Special Pool Rules presently in effect for said pool, which includes 640-acre spacing, by rescinding Division Order No. R-2439, as amended, with the General Rules and Regulations for Associated Pools in Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended, including provisions for 40-acre oil and 320-acre gas spacing and proration units. The horizontal limits of said pool presently comprises all of Sections 8, 17 and 20, Township 25 South, Range 36 East, being approximately 5.5 miles west by north of Jal, New Mexico.

CASE 9675: 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 to the base of the Abo formation, underlying the NW/4 of Section 20, Township 6 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing (which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool) and the NE/4 NW/4 of said Section 20 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on statewide 40-acre spacing. Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 20. 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. Said well location is approximately 8.5 miles east of Milepost No. 137 on U.S. Highway 285.

CASE 9109: (Reopened)

In the matter of Case 9109 being reopened pursuant to the provisions of Division Orders Nos. R-6129-A and R-8446, whereby the Benson-Strawn Pool was redesignated as a gas pool and developed on statewide 320-acre gas spacing units, Eddy County. Operators in the subject pool may appear and show cause why the Benson-Strawn Gas Pool should not be redesignated as an oil pool and the special rules and regulations reinstituted as promulgated by said Order No. R-6129-A.

CASE 9676: Application of McKay Oil Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2480 feet from the South line and 360 feet from the East line (Unit I) of Section 31, Township 4 South, Range 22 East, to test the Abo formation, the SE/4 of said Section 31 to be dedicated to said well to form a standard 160-acre gas spacing and proration unit. Said location is approximately 3.75 miles west of the junction of U.S. Highway 285 and New Mexico State Highway No. 20.

CASE 9677: Application of Charles B. Gillespie, Jr. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 510 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, the W/2 NW/4 of said Section 11 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 4 miles north by west of Humble City, New Mexico.

CASE 9678: Application of Phillips Petroleum Company to amend Division Order No. R-3668 by authorizing a carbon dioxide pilot project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-3668 to authorize the injection of carbon dioxide into its previously approved Maljamar Grayburg-San Andres Waterflood Project through its Philmex Well No. 38 to be drilled at an unorthodox location 1440 feet from the South line and 1340 feet from the West line (Unit K) of Section 26, Township 17 South, Range 33 East. Applicant further seeks authority to drill two observation wells at unorthodox locations in said Section 26 as follows: Philmex Well No. 39 to be drilled 1552 feet from the South line and 1261 feet from the West line (Unit L) and Philmex Well No. 40 to be drilled 1702 feet from the South line and 1156 feet from the West line (Unit L). Said project area is located approximately 7.5 miles west of Buckeye, New Mexico.

CASE 9679: Application of Fred Pool Drilling, Inc. for an unorthodox gas well location and dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Eastland State Well No. 4 located 660 feet from the North and West lines (Unit D) of Section 13, Township 9 South, Range 26 East, by producing gas from the Poor Ranch-Wolfcamp Gas Pool up tubing and South Pecos Slope-Abo

Gas Pool production up the casing/tubing annulus in said wellbore, which is an unorthodox gas well location for the Wolfcamp zone, the N/2 of said Section 13 to be dedicated to said well in the Wolfcamp zone and the NW/4 of said Section 13 to be dedicated to the Abo zone. Said well is located approximately 5.5 miles southwest by south of the Campbell railroad switch.

CASE 9680: Application of Meridian Oil, Inc. for an unorthodox coal gas well location and an exception to General Rule 104.C.II (simultaneous dedication), Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for its San Juan 30-6 Unit Well No. 406R to be drilled 2560 feet from the North line and 2610 feet from the West line (Unit F) of Section 15, Township 30 North, Range 7 West, Basin-Fruitland Coal (Gas) Pool. Applicant further seeks an exception to General Rule 104.C.II. to allow the W/2 of said Section 15 to form a standard 320-acre gas spacing and proration unit for said pool, to be simultaneously dedicated to the subject well and to the existing San Juan 30-6 Unit Well No. 402 located at a standard coal gas well location 1455 feet from the South and West lines (Unit K) of said Section 15. Said unit is located approximately 3 miles east by north of the Navajo Reservoir Dam.

CASE 9681: Application of Meridian Oil, Inc. for a non-standard proration unit and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 282.50-acre non-standard gas proration unit for production in the Basin-Fruitland Coal (Gas) Pool comprising Lots 3, 10, and 11 and the NE/4 SW/4 of Section 30 and Lots 7 through 10 and Lots 15 through 18 of Section 31, all in Township 30 North, Range 8 West, to be dedicated to a well to be drilled at an unorthodox coal gas well location 1590 feet from the South line and 875 feet from the West line (Unit K) of said Section 31. Said well location is approximately 2 miles south-southwest of Archuleta, New Mexico.

CASE 9572: (Continued from April 12, 1989, Examiner Hearing.)

Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 164.87-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising Lots 1 and 2 and the E/2 NW/4 of Section 31, Township 28 North, Range 10 West. Said unit is to be dedicated to its Knauff Well No. 1 which is presently completed in the Kutz-Fruitland Pool and is located at a previously authorized unorthodox coal gas well location pursuant to Decretory Paragraph No. (4) of Division Order No. R-8768) 1015 feet from the North line and 1650 feet from the West line (Unit C) of said Section 31. This well is located approximately 6.5 miles south-southeast of Bloomfield, New Mexico.

CASE 9573: (Continued from April 12, 1989, Examiner Hearing.)

Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising the NE/4 of Section 18, Township 29 North, Range 11 West. Said unit is to be dedicated to its Hana Well No. 1 which is presently a dually completed gas well in the Fruitland formation and the Fulcher Kutz-Pictured Cliffs Pool and is located at a standard coal gas well location 790 feet from the North line and 1520 feet from the East line (Unit B) of said Section 18. This well is located approximately 2.5 miles west-northwest of Bloomfield, New Mexico.

CASE 9682: Application of Kerr-McGee Corporation for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the designated and Undesignated Chaveroo-San Andres Pool underlying 1280.37 acres, more or less, of State lands in all of Sections 1 and 2, Township 8 South, Range 33 East. Said unit is to be designated the K-M Chaveroo San Andres Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of the production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any nonconsenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 11 miles west of Milnesand, New Mexico.

CASE 9683: Application of Kerr-McGee Corporation for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the designated and Undesignated Chaveroo-San Andres Pool, in its proposed K-M Chaveroo San Andres Unit (Division Case No. 9682) underlying all of Sections 1 and 2, Township 8 South, Range 33 East. Said area is located approximately 11 miles west of Milnesand, New Mexico.

CASE 9667: (Continued from May 10, 1989, Examiner Hearing.)

Application of Midland Phoenix Corporation for unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Atoka Gas Pool and the Undesignated Pitchfork Ranch-Morrow Gas Pool underlying the E/2 of Section 34, Township 24 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for both pools, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 34. 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. Said unit is located approximately 3 miles west-southwest of the Junction of Old State Highway No. 128 and County Road No. 2.

CASE 9669: (Continued from May 10, 1989, Examiner Hearing.)

Application of Enron Oil & Gas Company for compulsory pooling, unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Morrow Gas Pool underlying the S/2 of Section 34, Township 24 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for said pool. Applicant further seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Atoka Gas Pool underlying the SE/4 of said Section 34, forming a non-standard 160-acre gas spacing and proration unit for said pool. Both aforementioned units are to be dedicated to a single well to be drilled at a location which is standard for the Morrow zone and unorthodox for the Atoka zone, 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 34. 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. Said well location is approximately 3 miles west-southwest of the junction of Old State Highway No. 128 and County Road No. 2.

CASE 9684: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the South Acme-Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corporation Cactus Flower State Well No. 1 located in Unit K of Section 19, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 19: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Canyon production and designated as the Boyd-Canyon Pool. The discovery well is the Yates Petroleum Corporation Cotton MX Federal Com Well No. 1 located in Unit C of Section 14, Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 14: NW/4

- (c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pre-Permian production and designated as the Comanche Spring Pre-Permian Gas Pool. The discovery well is the BHP Petroleum Company, Inc. Ervin Ranch State Com Well No. 1 located in Unit G of Section 5, Township 11 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 36: W/2

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 5: N/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Foster Draw-Delaware Gas Pool. The discovery well is the H.L. Brown, Jr. Federal 8 Well No. 1 located in Unit E of Section 8, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 8: NW/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Hackberry Hills-Canyon Gas Pool. The discovery well is the Mewbourne Oil Company Federal N Well No. 1 located in Unit M of Section 6, Township 22 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 6: W/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yates Production and designated as the Parkway-Yates Pool. The discovery well is the Siete Oil and Gas Corporation Osage Federal Well No. 7 located in Unit K of Section 35, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 35: SW/4

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the South Poker Lake-Delaware Pool. The discovery well is the Charles Gillespie Jr. Poker Lake Unit Well No. 70 located in Unit P of Section 28, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 28: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 12: W/2

- (i) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 19: S/2
Section 20: S/2

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 10: S/2

- (k) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 20: NW/4

- (l) EXTEND the Eagle Creek-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 25: E/2

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 30: S/2

- (m) EXTEND the Poor Ranch-Pre-Permian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 36: All

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

TOWNSHIP 24 SOUTH, RANGE 23 EAST, NMPM
Section 2: All

- (o) EXTEND the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 34: NE/4
Section 35: W/2

- (p) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 18: NE/4

- (q) EXTEND the East Loving-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 22: SE/4
Section 27: NE/4

- (r) EXTEND the West Millman-Grayburg Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 12: SE/4
- (s) EXTEND the Mosley Canyon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 8: S/2
Section 17: N/2
- (t) EXTEND the Parkway-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 35: NW/4
- (u) EXTEND the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:
TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 6: All
- (v) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:
TOWNSHIP 5 SOUTH, RANGE 22 EAST, NMPM
Section 25: SE/4
Section 35: NW/4 and E/2
Section 36: N/2
- (w) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 35: S/2
- (x) EXTEND the South Sand Dunes-Lower Pennsylvanian Gas Pool in Eddy county, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 4: S/2
Section 9: All
- (y) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 9: S/2
- (z) EXTEND the Turkey Track-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 26: SE/4

FRED POOL DRILLING, INC. CASE #9679

Exhibit #1 Map

Exhibit #2 Waivers form offset operators with copy of letter of notification.

Exhibit #3 Simultaneous application for multiple completion and unorthodox location as filed by FPDI.

Exhibit #4 Original APD, and amendment showing new T.D.

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<i>Pool</i>	EXHIBIT NO. <u> — </u>
CASE NO.	<u>9679</u>

Insert
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WAIVER OF CONSENT

In the matter of the simultaneous application by Fred Pool Drilling, Inc. for approval by the State of New Mexico Oil Conservation Division of a Multiple Completion and an Unorthodox Location for it's Eastland State #4 well, located 660' FNL & 660' FWL of Sec. 13, T9S, R26E in Chaves County, New Mexico, Yates Petroleum Corporation has no objection and hereby consents.

by: 

Yates Petroleum Corporation

date: 8-22-81

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Pool

EXHIBIT NO.

2

CASE NO.

9679

FRED POOL DRILLING, INC.

P.O. Box 1393
Roswell, New Mexico 88201

May 1, 1989

States Petroleum Corporation
207 S. Fourth St.
Alamogordo, NM 88210

Re: Application for unorthodox location.
Application for multiple completion.
Fred Pool Drilling, Inc.
Eastland State #4
660' FHL & 660' FWL, Sec. 13, T9S,
E29E, Chaves County, NM

Gentlemen:

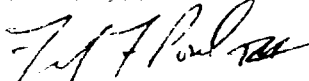
Fred Pool Drilling, Inc. has applied to the State of New Mexico, Oil Conservation Division for approval of an unorthodox location and a multiple completion for the above referenced well. We intend to complete the well in the Abo and the Wolfcamp formations. We will produce the Wolfcamp (lower zone) through 2 3/8" tubing and produce the Abo (upper zone) through the tubing casing annulus.

Production casing (5 1/2") was set on April 25, 1989 and a hearing on the above referenced matter has been set for May 24, 1989 before the Oil Conservation Division in Santa Fe.

If you do not object to our intentions, in this matter, please sign the enclosed waiver and return it to Fred Pool Drilling, Inc., P.O. Box 1393, Roswell, NM 88201 by May 16, 1989.

Thank you for your cooperation.

Sincerely,


Fred E. Pool, III
Engineer

REP/LLP

ILLEGIBLE

cc: Logans

WAIVER OF CONSENT

In the matter of the simultaneous application by Fred Pool Drilling, Inc. for approval by the State of New Mexico Oil Conservation Division of a Multiple Completion and an Unorthodox Location for it's Eastland State #4 well, located 660' FNL & 660' FWL of Sec. 13, T9S, R26E in Chaves County, New Mexico, Plains Radio ~~Inc~~ Broadcasting ~~Corporation~~ has no objection and hereby consents.

by:



Plains Radio ~~Inc~~ Broadcasting - Jim W. Walker, President

date: May 8, 1989

FRED POOL DRILLING, INC.

P.O. Box 1393
Roswell, New Mexico 88201

May 4, 1989

Plains Radio & Broadcasting
P.O. Box 2526
Amarillo, Texas 79105

Re: Application for unorthodox location.
Application for multiple completion.
Fred Pool Drilling, Inc.
Eastland State #4
660' ENL & 660' FWL, Sec. 13, T9S, R26E,
Chaves County, NM

Gentlemen:

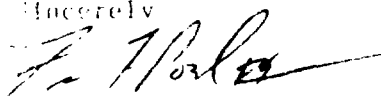
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If you do not object to our intentions, in this matter, please sign the enclosed waiver and return it to Fred Pool Drilling, Inc., P.O. Box 1393, Roswell, NM 88202 by May 16, 1989.

Thank you for your cooperation.

Sincerely,


Fred E. Pool, III
Engineer

FFP/deb


Enclosure

ILLEGIBLE

COPY

WAIVER OF CONSENT

In the matter of the simultaneous application by Fred Pool Drilling, Inc. for approval by the State of New Mexico Oil Conservation Division of a Multiple Completion and an Unorthodox Location for it's Eastland State #4 well, located 660' FNL & 660' FWL of Sec. 13, T9S, R26E in Chaves County, New Mexico, Elk Oil Company has no objection and hereby consents.

by: 
Elk Oil Company

date: Aug 13, 1968

FRED POOL DRILLING, INC.

P.O. Box 1393
Roswell, New Mexico 88201

May 1, 1989

ENI Oil Company
P.O. Box 310
Roswell, NM 88202

RE: Application for unorthodox location.
Application for multiple completion.
Fred Pool Drilling, Inc.
Eastland State #4
660' FMI & 660' FWL. Sec. 13, 19S,
T26N, Chaves County, NM

Gentlemen:

Fred Pool Drilling, Inc. has applied to the State of New Mexico, Oil Conservation Division for approval of an unorthodox location and a multiple completion for the above referenced well. We intend to complete the well in the Abo and the Wolfcamp formations. We will produce the Wolfcamp (lower zone) through 2 3/8" tubing and produce the Abo (upper zone) through the tubing casing annulus.

Production casing (5 1/2") was set on April 25, 1989 and a hearing on the above referenced matter has been set for May 24, 1989 before the Oil Conservation Division in Santa Fe.

If you do not object to our intentions, in this matter, please sign the enclosed waiver and return it to Fred Pool Drilling, Inc., P.O. Box 1393, Roswell, NM 88202 by May 16, 1989.

Thank you for your cooperation.

Sincerely,



Fred E. Pool, III
Engineer

EEF/Job

ILLEGIBLE

En Encmt

Johnny

FRED POOL DRILLING, INC.

P.O. Box 1393
Roswell, New Mexico 88201

May 14, 1969

Mr. J. W. Catanach
Oil and Minerals Dept.
Oil Conservation Division
P.O. Box 1088
Santa Fe, New Mexico 87504-2088

Re: Request for Unorthodox Location.
Application for Multiple Completion.
Fred Pool Drilling, Inc.
The Eastland State #4 Well
660' FNL & 660' FWL, Sec. 13, T.9S, R.26E,
Chaves County, New Mexico.

Fred Pool Drilling, Inc. simultaneously submits herewith an application for Multiple Completion and Unorthodox Location for the above captioned well. If the application for multiple completion is approved as filed, it will result in an unorthodox location for the wolfcamp formation, the lower zone in the proposed multiple completion.

We hereby request approval of an Unorthodox Location and Multiple Completion for the referenced well, The Eastland State #4, 660' FNL & 660' FWL, Sec. 13, T.9S, R.26E, Chaves County, New Mexico.

The reason for this request resulted from our penetration of the wolfcamp formation while drilling the subject well. Since we encountered both zones in the well, we would like to produce from both zones and therefore request for a multiple completion.

We appreciate your consideration in this matter. If I may be of any assistance, please advise.

[Handwritten signature]
J. W. Catanach

ILLEGIBLE

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

Pool EXHIBIT NO. 3
CASE NO. 9679

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APPLICATION FOR MULTIPLE COMPLETION

Form O-10
1-66

Fred Pool Drilling, Inc.

Chaves

5/7/89

P.O. Box 1393, Roswell, NM 88202

Eastland Lease

13

95

26L

Does the New Mexico Oil Conservation Commission Order here authorized the multiple completion of well in these zones within one wellbore in subject well? YES NO XX

If answer is yes, identify each such instance: Order No. Operator Lease, and Well No.

The following facts are submitted:

	Upper Zone	Lower Zone
a. Name of Pool and Formation	Floor Ranch add	Floor Ranch well add
b. Top and Bottom of Pay Section (Performances)	4854-4873	4854-4873
c. Type of production (Oil or Gas)	Gas	Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

The following are attached: (Please check YES or NO)

- Yes ☒ No ☐
- ☒ a. 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 slide door chokes, and such other information as may be pertinent.
- ☒ b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and address of operators of all leases offsetting applicant's lease.
- ☒ c. Waivers, assenting to such multiple completion from each offset operator, or, if none then, a statement that said offset operators have been furnished copies of the application.
- ☒ d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation, if such log is not available at the time application is filed it shall be submitted as provided by Rule 112.

List all other operators on the lease on which this well is located together with their correct mailing address:

Chaves Petroleum Corporation 207 S. Fourth St., Artesia, NM 88210

Plains Radio Broadcasting, P.O. Box 2526, Amarillo, TX 79105

Chick Oil Company, P.O. Box 310, Roswell, NM 88202

Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO ☐ If answer is yes, give date of such notification: 5/4/89

CERTIFICATE: I, the undersigned, state that I am the Petroleum Engineer of the Fred Pool Drilling, Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

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[Signature]
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty day period, no protest or request for hearing is received by the Santa Fe office, the application will then be processed.

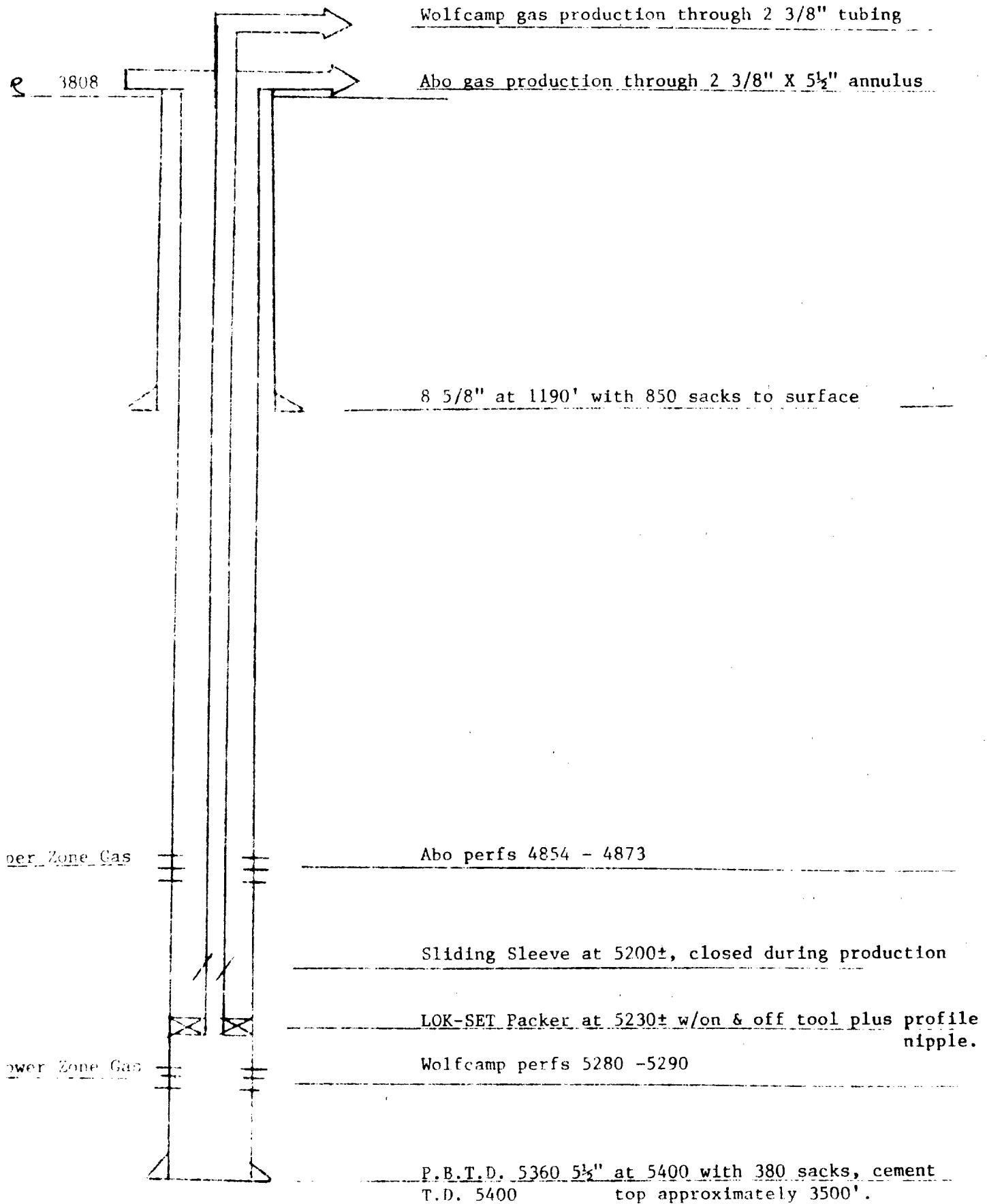
NOTE: If the proposed multiple completion will be subject to orthodox well location and/or a non-standard perforation unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

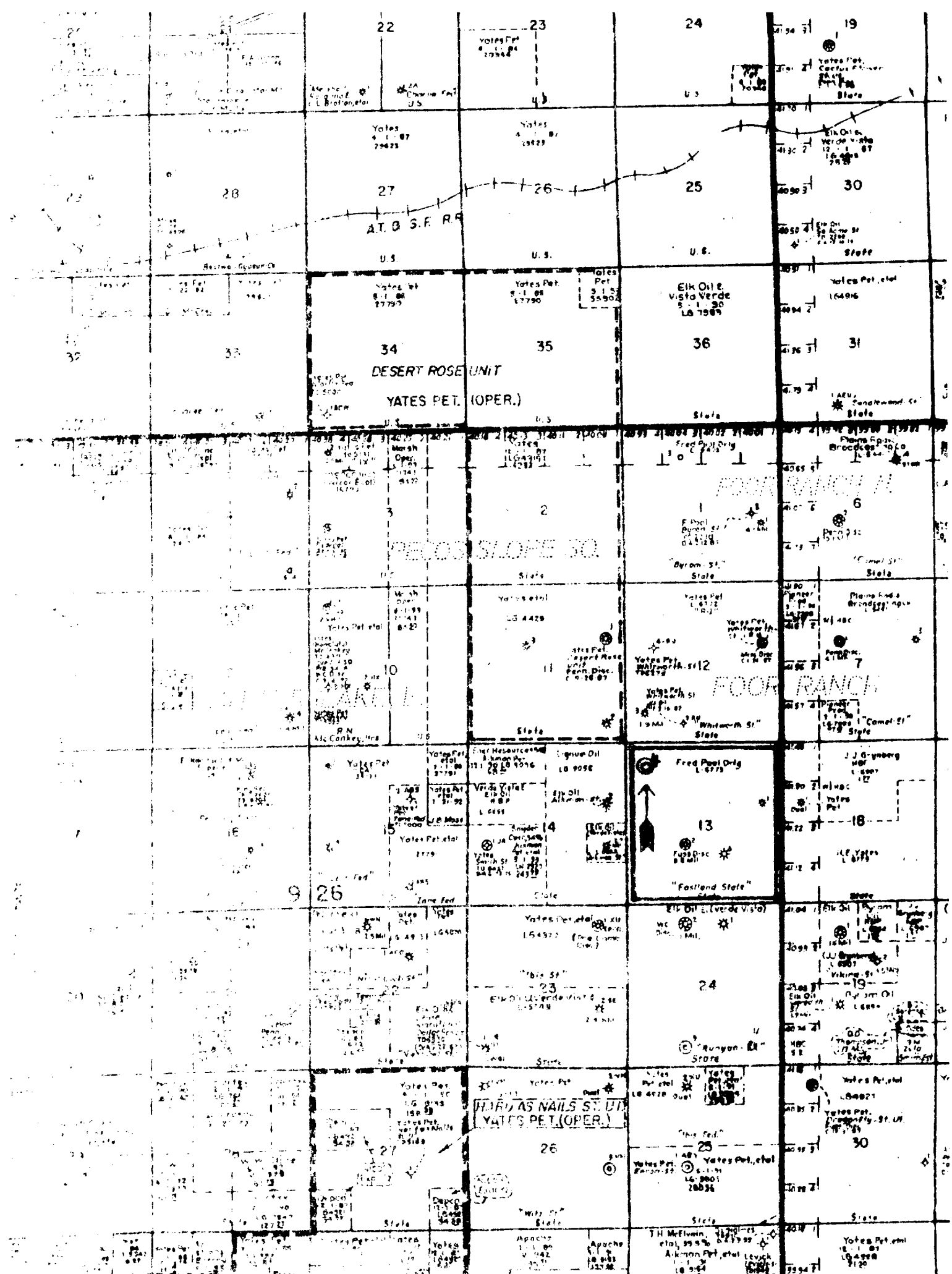
Fred Pool Drilling, Inc.

Eastland State #4

660' FNL & 660 FWL, Sec. 13, T.9S, R.26E, Chaves County

Schematic of Proposed Multiple Completion





LITHO-DENSITY COMPENSATED NEUTRON

CSU

COMPANY: FRED POOL DRILLING, INC.

WELL: EASTLAND STATE NO. 4

FIELD: FOUR RANCH

COUNTY: CHAVES

STATE: NEW MEXICO

NATION: USA

LOCATION: 660' FNL & 660' FHL

SEC: 13

TWP: 9S

RGE: 26E

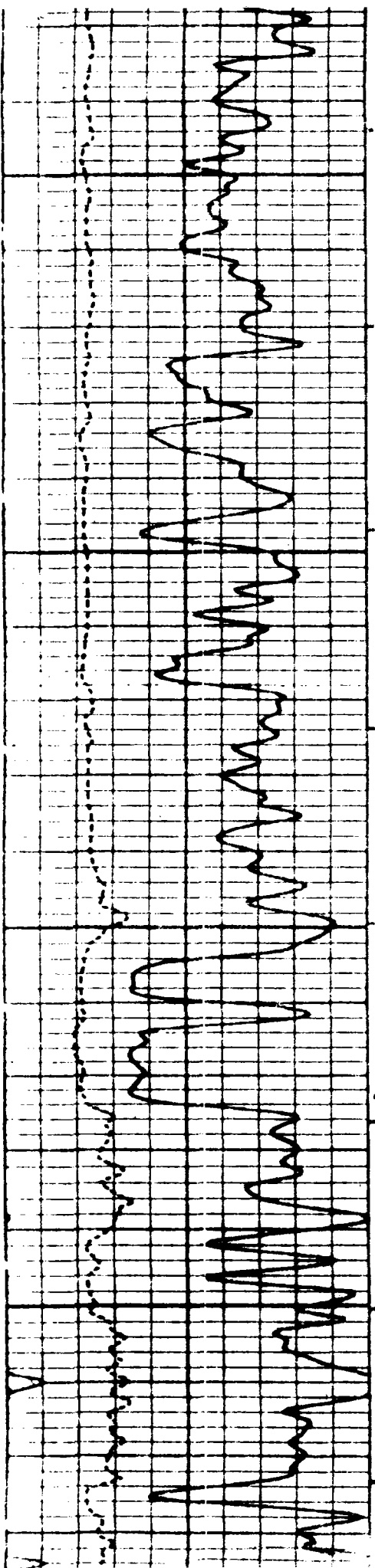
PERMANENT DATUM: GL
ELEV. OF PERM. DATUM: 3808.0 F
LOG MEASURED FROM: KB
0.0 F ABOVE PERM. DATUM
DRLG. MEASURED FROM: KB

ELEVATIONS-
KB: 3816.0 F
DF: 3815.0 F
GL: 3808.0 F

DATE: 24 APR 89
RUN NO: 1

DEPTH-DRILLER: 5400.0 F
DEPTH-LOGGER: 5400.0 F
BTH. LOG INTERVAL: 5367.0 F
TOP LOG INTERVAL: 50.0 F

CASING-DRILLER: 1185.0 F
CASING-LOGGER: 1185.0 F
CASING: 8 5/8
WEIGHT: 24.0000 LB/F
BIT SIZE: 7 7/8
DEPTH: 5400.0 F



4800

4854

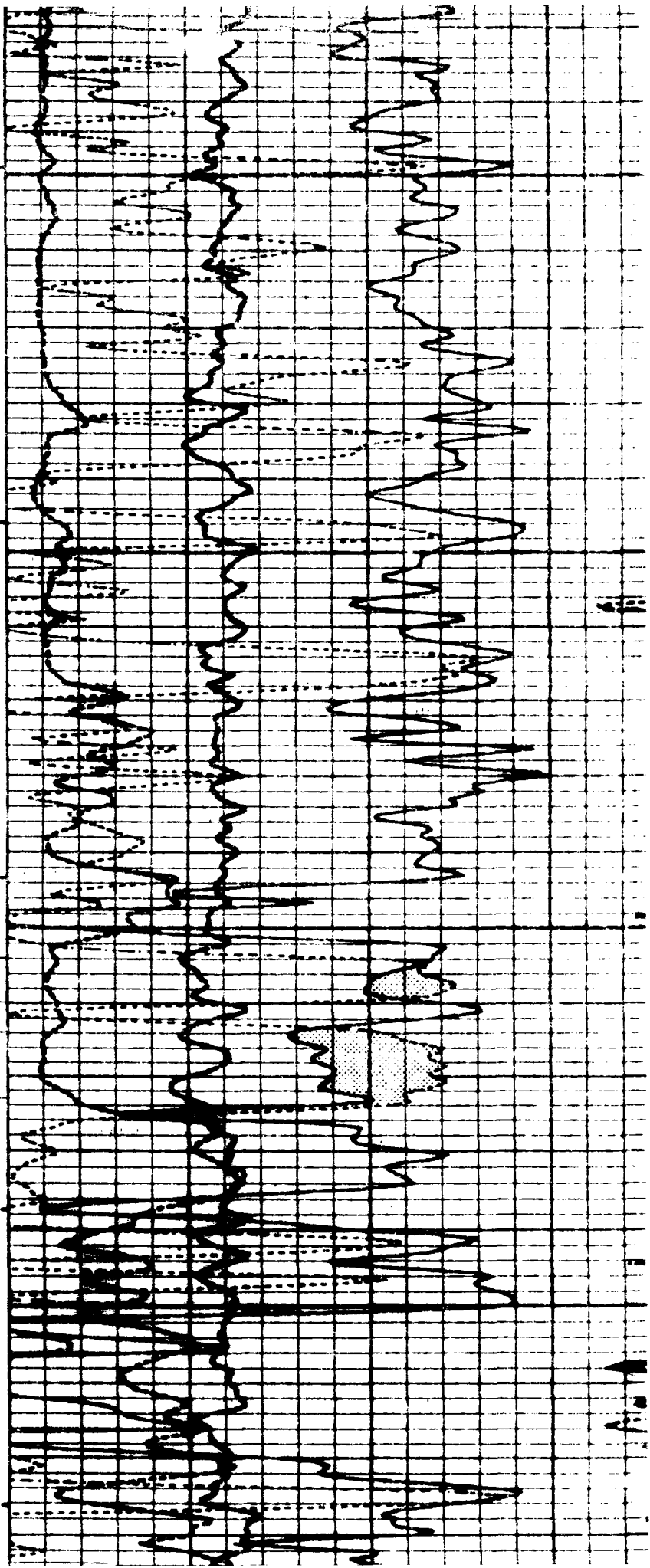
4860

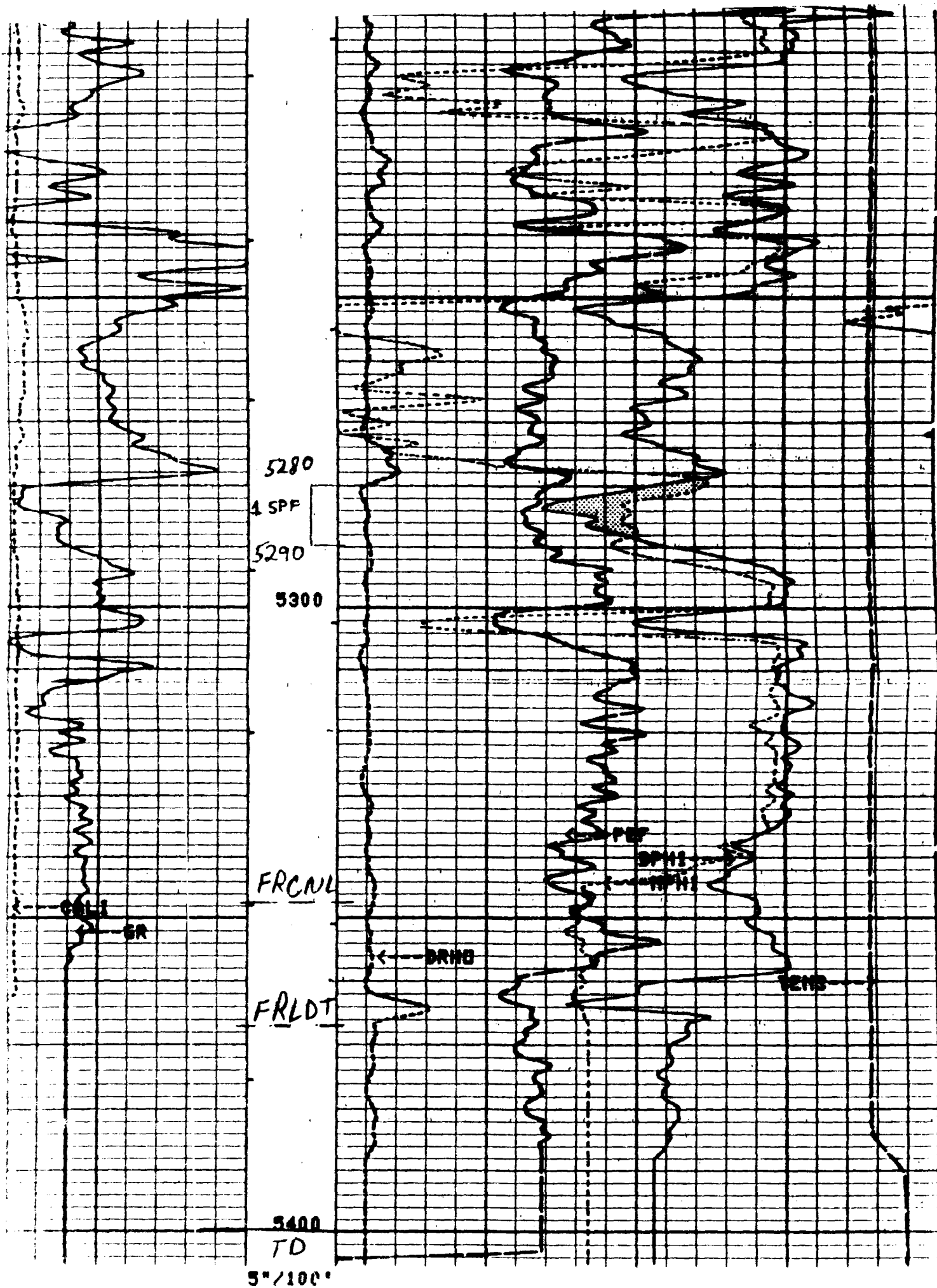
4864

4873

1 SPF

4900





OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

30-005-62686

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

1 -6773

7. Lease Name or Unit Agreement Name

Eastland State

8. Well No.

#4

9. Pool name or Wildcat

Foor Ranch, Pre-Permian

660 Feet From The North Line and 660 Feet From The West Line

Township 9S Range 26E NMPM Chaves County

10. Elevation (Show whether DP, KNS, RT, GR, etc.)

3808 GR

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

☐ STOP WORK
☐ PLUG AND ABANDON ☐
☐ CHANGE PLANS ☒
☐ OTHER: ☐

SUBSEQUENT REPORT OF:

☐ REMEDIAL WORK ☐ ALTERING CASING ☐
☐ COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
☐ CASING TEST AND CEMENT JOB ☐
☐ OTHER: ☐

If the well is to be plugged, indicate the date of plugging, and give pertinent dates, including estimated date of starting any proposed work.

The well is to be plugged on the subject well to reflect a proposed TD of 5400'.

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BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Pool EXHIBIT NO. 4

CASE NO. 9679

I, the undersigned, being duly sworn, depose and say that the foregoing is true to the best of my knowledge and belief.

TITLE Secretary DATE 4/21/89

TELEPHONE NO. 623-8202

Original Signed by
Mike Williams

DATE MAY 1 1989

LAND CONSERVATION DIVISION

STATE OF NEW MEXICO
DEPARTMENT OF LAND AND MINES

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-77

All distances must be from the outer boundaries of the Section.

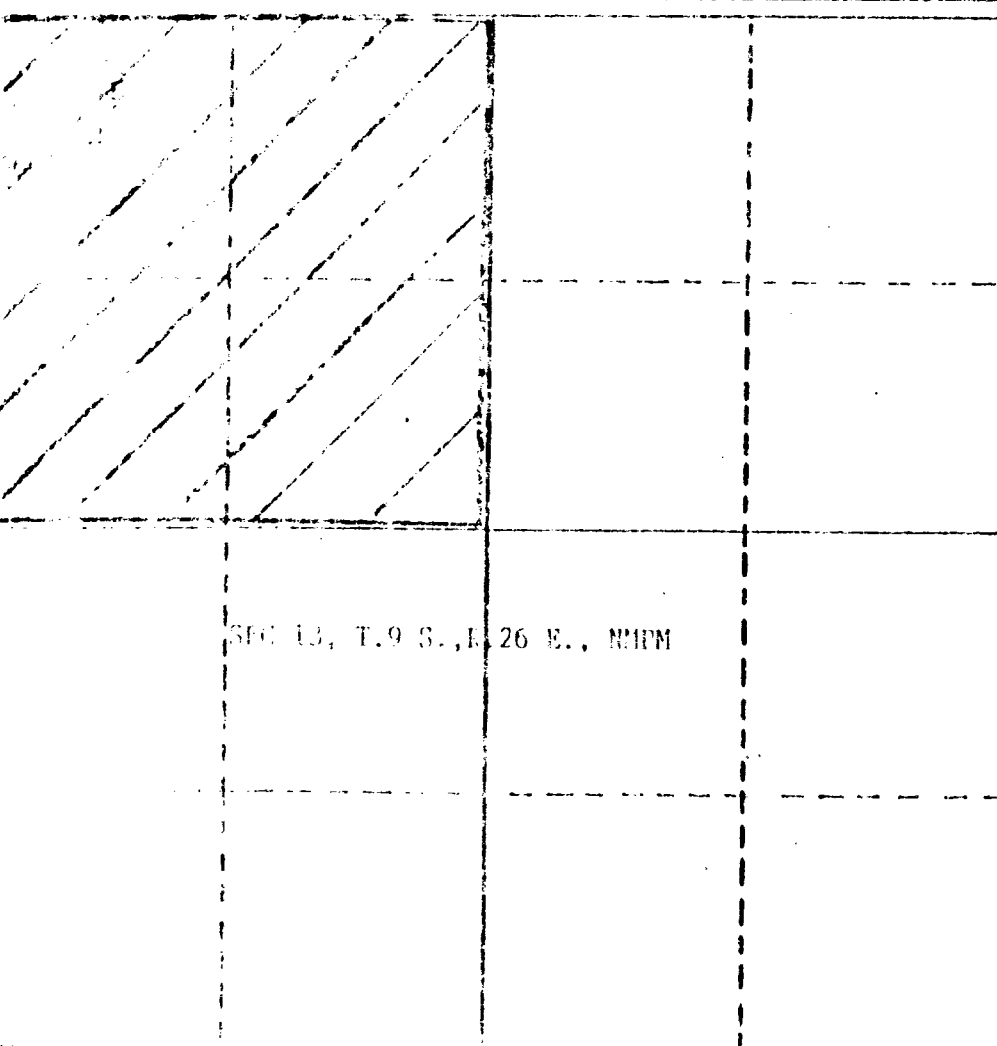
Owner FRED POOL DRILLING, INC.			Lease EASTLAND STATE		Well No. #4
Section 13	Township 9 SOUTH	Range 26 EAST	County CHAVES		
Bearing NORTH			Line and 660		
Feet from the WEST			Line 160		
Producing Formation Abo			Pool Four Ranch Pre-Perm		Dedicated Acreage 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

_____ will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

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

Penta Pool

Name

Vice President

Position

Fred Pool Drilling, Inc.

Company

March 31, 1989

Date

Penta Pool

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Signed

June 1, 1989

Signature

JOHN D. JACQUES

Registered Professional Engineer

and/or Land Surveyor

JOHN D. JACQUES

State of New Mexico

Professional Seal

10000

1000

100

0

Submit to appropriate
Executive Office
State Lease - 6 copies
Oil Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-100
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

LIC 80271
P.O. Box 1080, Hobbs, NM 88240

DISTRICT I
P.O. Drawer DB, Artesia, NM 88210

DISTRICT III
1000 2nd Brazos Rd., Artesia, NM 87410

APR 03 '89

API NO. (assigned by OGD on New Wells)

30-005-62686

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

L-6773

7. Lease Name or Unit Agreement Name

Eastland State

8. Well No.

4

9. Pool name or Wildcat

Foor Ranch, Pre-Parm.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG-BACK

1. Type of Work

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

ARTESIA, OFFICE

PLUG-BACK ☐

2. Type of Well

Oil ☐

Gas ☐

WELL ☒

OTHER ☐

SINGLE ☐

ZONE ☒

MULTIPLE ☐

ZONE ☐

3. Name of Operator

Fred Pool Drilling, Inc.

4. Address of Operator

P.O. Box 1393, Roswell, N.M. 88201

5. Well Location

Unit Letter

D

: 660

Feet From The

North

Line and

660

Feet From The

West

Line

Section

13

Township

9S

Range

26E

North

Chaves

County

10. Proposed Depth

5200 ft.

11. Formation

Abo

12. Proposed Cement

Notify

13. Elevation (Show whether DP, RT, GR, etc.)

3808 GR

14. Kind & Status Plug, Head

Blanket

15. Drilling Contractor

L & M Drilling

16. Approx. Date Work will start

4-15-89

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2	8 5/8	24 1/2	1000 ft.	600 SX	SURFACE
7 7/8	5 1/2	15.5	5200 ft.	500 SX	3500'

L & M Drilling rig will use Double Ram Hydraulic BOP

Gas is dedicated to purchaser.

APPROVAL VALID FOR 180 DAYS

PERMIT EXPIRES 10/1/89

UNLESS DRILLING UNDERWAY

DEAR AND PLEASE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE PLUG BACK PREVENTER PROGRAM, IF ANY.

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

SIGNED: Scott Pool TITLE: Vice President DATE: 3-31-89

TYPE OR PRINT NAME: Penta Pool TELEPHONE NO. 623-8202

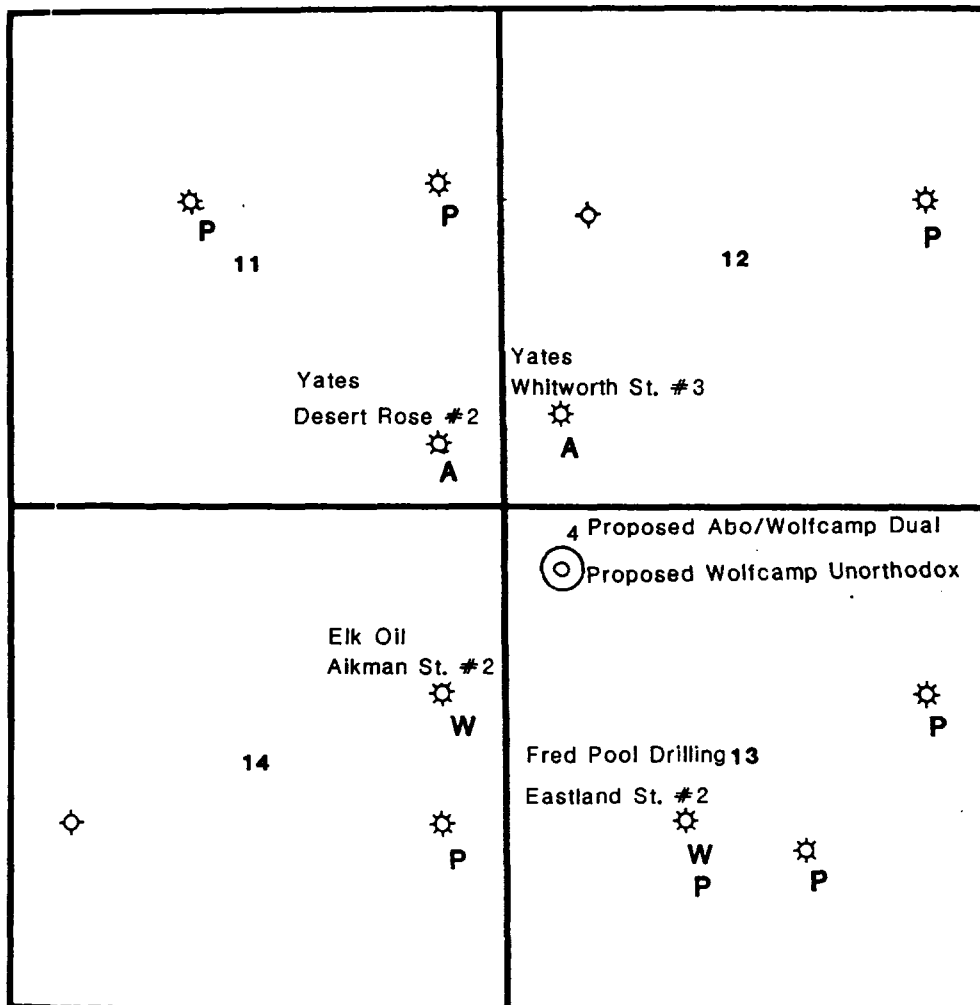
(This space for State Use)

Original Signed By
Mike Williams

APPROVED BY: _____ TITLE: _____ DATE: APR 4 1989

OFFICIAL REVIEW APPROVAL, IF ANY

R 26 E



T 9 S

**FOOR RANCH
EASTLAND STATE NO.4
MULTIPLE COMPLETION REQUEST
UNORTHODOX LOCATION REQUEST**

Production Zones

A Abo

W Wolfcamp

P Pre Permian

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Pool EXHIBIT NO. 5

CASE NO. 9679

JACK AHLEN

May 15, 1989

Insert

Color Page/Photo

Here

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

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

CASE NO. 9679

Order No. R-8942

APPLICATION OF FRED POOL DRILLING,
INC. FOR AN UNORTHODOX GAS WELL
LOCATION AND DUAL COMPLETION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 24, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of May, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Fred Pool Drilling, Inc., seeks approval for an unorthodox gas well location as to the Wolfcamp formation for its Eastland State Well No. 4 located 660 feet from the North and West lines (Unit D) of Section 13, Township 9 South, Range 26 East, NMPM, Foor Ranch-Wolfcamp Gas Pool, Chaves County, New Mexico.

(3) The applicant further seeks authority to dually complete said well in a manner which will allow the production of gas up the tubing from said Foor Ranch-Wolfcamp Gas Pool and the production of gas up the casing-tubing annulus from the South Pecos Slope-Abo Gas Pool.

(4) The applicant further proposes to dedicate two standard gas proration units to the subject well as follows:

A. The NW/4 of said Section 13 forming a standard 160-acre gas spacing and proration unit for the South Pecos Slope-Abo Gas Pool.

B. The N/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit for the Foor Ranch-Wolfcamp Gas Pool.

(5) Testimony and evidence indicates that the applicant drilled the subject well at the standard South Pecos Slope-Abo Gas Pool well location as described above with the intent of protecting its acreage in the NW/4 of said Section 13 from drainage which may be occurring through offset Abo production in Sections 11 and 12.

(6) ^{4118 5 15} In lieu of drilling an additional well in the N/2 of said Section 13 to produce the Wolfcamp gas reserves, the applicant ~~opted to drill the subject well to a depth sufficient to produce the Wolfcamp formation.~~ ^{deeper than the existing}

(7) Although the subject well had not been tested in either zone at the time of the hearing, all indications are that commercial gas production will be encountered in both the Abo and Wolfcamp formations.

(8) The applicant presented as evidence in this case, written waivers of objection to the proposed unorthodox Wolfcamp location from Yates Petroleum Corporation and Elk Oil Company, the two affected offset operators.

(9) No other offset operator appeared at the hearing in opposition to the application.

(10) Approval of the unorthodox Wolfcamp gas well location and dual completion will afford the applicant the opportunity to produce its just and equitable share of the gas in the Foor Ranch-Wolfcamp and South Pecos Slope-Abo Gas Pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Fred Pool Drilling, Inc. for an unorthodox Wolfcamp gas well location for its Eastland State Well No. 4 located 660 feet from the North and West lines (Unit D) of Section 13, Township 9 South, Range 26 East, NMPM, Foor Ranch-Wolfcamp Gas Pool, Chaves County, New Mexicc, is hereby approved.

(2) The applicant is further authorized to dually complete said Eastland State Well No. 4 in the Foor

Ranch-Wolfcamp Gas Pool and the South Pecos Slope-Abo Gas Pool in the manner described in Finding No. (3) above.

(3) The following described standard gas proration units shall be dedicated to the subject well:

A. The NW/4 of said Section 13 forming a standard 160-acre gas spacing and proration unit for the South Pecos Slope-Abo Gas Pool.

B. The N/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit for the Foor Ranch-Wolfcamp Gas Pool.

(4) 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

WILLIAM J. LEMAY
Director

S E A L