

CASE 4716: Application of UNION
OIL CO. OF CALIF. FOR DIRECTIONAL
DRILLING, LEA COUNTY, N. MEX.

4716-14

Case Number

4716

Application

Transcripts

Small Exhibits

ETC.

1 BEFORE THE
2 NEW MEXICO OIL CONSERVATION COMMISSION
3 CONFERENCE HALL, STATE LAND OFFICE BUILDING
4 SANTA FE, NEW MEXICO
5 June 7, 1972

6 EXAMINER HEARING

7 IN THE MATTER OF:

8 Application of Union Oil Company
9 of California for directional
10 drilling, Lea County, New Mexico.

CASE NO. 4716

11 BEFORE: Daniel Nutter
12 Examiner

21 TRANSCRIPT OF HEARING
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dearnley, meier & mc cornick

209 SIMMS BLDG. P.O. BOX 1092 PHONE 243-6601 ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87106

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MR. NUTTER: Call Case Number 4716.

MR. HATCH: Application of Union Oil Company of
California for directional drilling, Lea County, New Mexico.

MR. NUTTER: This case was originally heard on
May 17, 1972, and in the absence of any objection, the case
will be taken under advisement and an order issued.

1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, ROSALIE E. CLAUSSEN, a Shorthand Reporter, in and for
5 the County of Bernalillo, State of New Mexico, do hereby
6 certify:


7 That the foregoing and attached Transcript of Hearing
8 before the New Mexico Oil Conservation Commission was reported
9 by me;

10 That the same is a true and correct record of the said
11 proceedings to the best of my knowledge, skill and ability.

12 
13 ROSALIE E. CLAUSSEN

14 Dated at Albuquerque, New Mexico
15 this 31st day of July, 1972.

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22 I do hereby certify that the foregoing is
23 a complete record of the proceedings of
24 the hearing of Case No. 4716
25 heard by me on 6/7, 1972


New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

PAGE

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
May 17, 1972

EXAMINER HEARING

IN THE MATTER OF:

The Application of Union Oil Company
of California for directional drilling,
Lea County, New Mexico.

CASE NO. 4716

BEFORE: RICHARD L. STAMETS
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: Case 4716.

2 MR. HATCH: Application of Union Oil Company of
3 California for directional drilling, Lea County, New Mexico.

4 MR. LOPEZ: My name is Owen Lopez with Montgomery,
5 Federici, Andrews, Hannahs and Morris, of Santa Fe,
6 appearing on behalf of the Applicant. I have one witness
7 in this Case.

8 MR. STAMETS: Will there be other appearances in
9 this Case?

10 (No response.)

11 * * * * *

12 ALLEN SMITH,
13 was called as a witness and, after being duly sworn. testified
14 as follows:

15 DIRECT EXAMINATION

16 BY MR. LOPEZ:

17 Q Will you state your name, address and occupation?

18 A Allen Smith, I live in Midland, Texas, and work for
19 the Union Oil Company as a reservoir engineer in the
20 District Office in Midland, Texas.

21 Q Have you previously testified before the Commission?

22 A No, sir.

23 Q Would you briefly outline your educational background
24 and work experience?

25 A I have been working for Union Oil Company for six

1 years. I spent two years in the Army. I have
2 worked, experience-wise, for Union Oil Company of
3 California, in California and also in Midland.

4 I attended the Colorado School of Mines and
5 obtained a Bachelor of Science Degree in Petroleum
6 Engineering.

7 Q Are you familiar with Union Oil Company of California's
8 Application in this Case?

9 A Yes, sir.

10 Q Does it involve an area within your field of operations?

11 A Yes, sir.

12 MR. LOPEZ: Mr. Examiner, are the witness'
13 qualifications acceptable?

14 MR. STAMETS: They are.

15 Q (By Mr. Lopez) Mr. Smith, what does Union Oil Company
16 of California propose to request of the Commission by
17 its Application in this Case?

18 A Generally speaking, if you will look at Exhibit 1 you
19 will get a good idea of what Union is proposing.

20 Exhibit 1 is a structure map contoured to the
21 top of the Wolfcamp which is the productive zone in
22 this area.

23 There are two structures in one in the Union
24 area and there's some question as to theological
25 interpretation. Under one interpretation, you would

1 think by the structure that there is a high to the
2 east of the Owens Well Number 2 as shown on the map.

3 We propose to redrill the Owens Number 2 to
4 directly encounter the two high points in this
5 structure.

6 Q Could you briefly review the economics involved if
7 you were required to drill an Owens Number 3 at the
8 location you propose and whether you would redrill the
9 Owens Number 1 by directional drilling.

10 A We generally have three options, we can redrill the
11 Owens Number 1; redrill the Owens Number 2 and these
12 would have the same bottom hole locations.

13 The Owens Number 3 would have a dry hole cost
14 of \$129,000; the Owens Number 2, \$89,000; and the
15 Owens Number 1, redrilling the dry hole, would cost
16 \$93,000. So, based on this, we think redrilling the
17 Owens Number 2 is the way to go.

18 Also, we have a problem with salt water disposal
19 apparently, and the Owens Number 2 is being used for
20 the salt water disposal of the Owens Number 1. Our
21 chief objective then would be to redrill the Owens
22 Number 2 and use the Owens Number 1 for salt water
23 disposal.

24 Q Would you describe Exhibit 2?

25 A Exhibit 2 was prepared by Road Stock, Inc., in Midland,

1 and it shows what Union wants to do. We are going
2 to drill and cement plug the Owens Number 2 to a
3 depth of 7600 feet and drill from 7200 feet to a
4 total depth of 10,932. The portion on the right-hand
5 side shows the angle deviation and this will all be
6 subject to survey.

7 The horizontal projection of this will be
8 1730 feet from the north line and 560 feet from the
9 east line of Section 34.

10 Q Will Union conduct tests at least at each 500 foot
11 interval at the beginning of operations?

12 A Yes, sir.

13 Q Will Union submit to a directional survey either at
14 request or upon completion of the well?

15 A Yes, sir.

16 Q What is Exhibit Number 3?

17 A Exhibit 3 is just a schematic of what the Owens Number
18 2 currently looks like. Of course, it is currently
19 a salt water disposal well, but when we first drilled
20 the well, we ran a drill stem test and found it to
21 be wet so they plugged it back at an interval from
22 4635 to 6102 which eventually was used as a salt water
23 disposal from the Owens Number 1.

24 Q Have you received any objection from the offset
25 operators?

1 A No, sir. Exhibit Number 4 is whatever we received
2 from Superior Oil Company.

3 Q Has acreage been dedicated to the new proposed location
4 if the Application is granted?

5 A No, we are going to have to dedicate the east half
6 of the NW/4 instead of the south half.

7 MR. LOPEZ: We request that if the Application
8 is granted, that it be readvertised with the dedication of
9 the east half of the Section rather than the south half, as
10 advertised.

11 Q (By Mr. Lopez) Were these Exhibits, except for
12 Exhibit 2, prepared by you or under your supervision?

13 A Yes, sir.

14 MR. LOPEZ: At this time, I will request that
15 Exhibits 1 through 4 be accepted in evidence.

16 MR. STAMETS: Without objection, Applicant's
17 Exhibits 1 through 4 will be admitted in evidence.

18 (Whereupon Applicant's Exhibits 1 through 4
19 were admitted in evidence.)

20 MR. STAMETS: Any questions of this witness?

21 (No response.)

22 * * * * *

23 CROSS-EXAMINATION

24 BY MR. STAMETS:

25 Q What precautions will be taken to eliminate any salt

1 water from the old salt water disposal zone in well
2 Number 2?

3 A Well, setting pipe through the zone and, of course,
4 trying to run temperature pressure tests to make
5 sure we have good cement.

6 Q Will you run an intermediate string of pipe or will
7 it be a production string?

8 A A production string.

9 Q And the cement would come up above your salt water
10 disposal zone?

11 A Yes, sir. We don't want the salt water any more than
12 anybody else does.

13 Q And Union is the operator of the acreage offsetting
14 this proposed location in Section 35; is that correct?

15 A Yes, sir.

16 Q And Union is the offset operator to the north?

17 A Right.

18 Q And Union and Superior are the operators to the
19 north and east?

20 A Right.

21 * * * * *

22 CROSS-EXAMINATION

23 BY MR. HATCH:

24 Q What is the reason for changing the dedicated
25 acreage?

1 A Well, the acreage in the east half is dedicated to
2 the Number 1 Well, so we are going to rededicate it
3 to make sure we don't dedicate the same acreage to
4 Number 1 and Number 2.

5 Q Both wells will not be produced?

6 A No, if we get a producer at the Number 2 we will shut-in
7 the Number 1 hole.

8 Q I don't understand that acreage you desire, is that
9 in the east half of the NE/4?

10 A Right.

11 MR. STAMETS: Any further questions?

12 (No response.)

13 MR. STAMETS: If not, the witness may be excused.

14 (Witness excused.)

15 MR. STAMETS: Any statements?

16 (No response.)

17 MR. STAMETS: The Case will be taken under
18 advisement.

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1	<u>I N D E X</u>		
2	<u>WITNESS:</u>		<u>PAGE</u>
3	<u>ALLEN SMITH</u>		
4	Direct Examination by Mr. Lopez		3
5	Cross-Examination by Mr. Stamets		7
6	Cross-Examination by Mr. Hatch		8
7			
8			
9	<u>E X H I B I T S</u>		
10	<u>APPLICANT'S</u> (Union Oil)	<u>OFFERED</u>	<u>ADMITTED</u>
11	Exhibit Number 1	4	7
12	Exhibit Number 2	5	7
13	Exhibit Number 3	6	7
14	Exhibit Number 4	7	7
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1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, RICHARD E. McCORMICK, a Certified Shorthand Reporter
5 in and for the County of Bernalillo, State of New Mexico,
6 do hereby certify that the foregoing and attached Transcript
7 of Hearing before the New Mexico Oil Conservation Commission
8 was reported by me; and that the same is a true and correct
9 record of the said proceedings to the best of my knowledge,
10 skill and ability.

11 *Richard E. McCormick*
12 CERTIFIED SHORTHAND REPORTER
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23 I hereby certify that the foregoing is a true and correct
24 transcript of the hearing of Case No. 4716
25 heard by me on May 17, 1927.
Richard E. McCormick Foreman
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

June 30, 1972

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

Mr. Owen Lopez
Montgomerym Federici, Andrews, Hannans
& Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 4716

Order No. R-4328

Applicant:

Union Oil Co. of Calif.

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

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. 4716
Order No. R-4328

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 7, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of June, 1972, 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, Union Oil Company of California, is the owner and operator of the Owens Well No. 2, having a surface location in Unit I of Section 34, Township 14 South, Range 35 East, East Morton-Wolfcamp Pool, Lea County, New Mexico.

(3) That the subject well was originally drilled to a total depth of 11,341 feet into the East Morton-Wolfcamp Pool and was plugged and abandoned as a dry hole in September, 1969.

(4) That said well was recompleted as a salt water disposal well in January, 1970, with injection into the open hole interval from 4,635 feet to 6,102 feet.

(5) That the applicant proposes to set a whipstock at approximately 7,200 feet and to directionally drill to bottom the well in the Wolfcamp formation within 100 feet of a point in Unit H, 1730 feet from the North line and 560 feet from the East line of said Section 34, with the E/2 NE/4 of Section 34 to be dedicated to the well.

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CASE NO. 4716
Order No. R-4328

(6) That the applicant proposes to determine the sub-surface location of the whipstock point by means of a continuous multi-shot directional survey conducted prior to said directional drilling.

(7) That in order to prevent the migration of salt water from the former injection zone, 4,635 feet to 6,102 feet, cement should be circulated to a point at least 100 feet into the 8 5/8-inch casing set at 4,635 feet. The top of the cement should be determined by temperature survey.

(8) That approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Oil Company of California, is hereby authorized to set a whipstock at approximately 7,200 feet and to directionally drill to bottom the well in the Wolf-camp formation within 100 feet of a point in Unit H, 1730 feet from the North line and 560 feet from the East line of said Section 34, Township 14 South, Range 35 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that prior to commencing the aforesaid directional drilling, a continuous multi-shot directional survey shall be made of the well bore with shot points not more than 100 feet apart in order to determine the sub-surface location of the whipstock point; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, Box 2088, Santa Fe, New Mexico; and that the operator shall notify the Commission's Hobbs District Office of the date and time survey is to be commenced.

(2) That subsequent to the above-described directional drilling, a continuous multi-shot directional survey shall be made of the well bore from total depth to the whipstock point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe Office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Commission Rule 1108 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(4) That cement shall be circulated on the well's production casing to a point at least 100 feet into the 8 5/8-inch casing set at 4,635 feet.

-3-

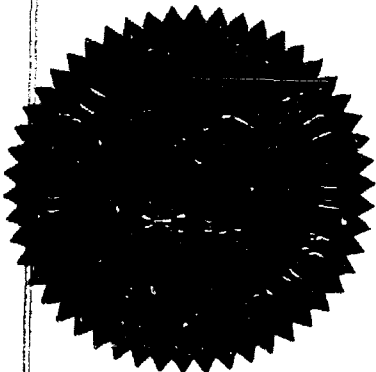
CASE NO. 4716
Order No. R-4328

(5) That the E/2 NE/4 of said Section 34 shall be dedicated to the subject well.

(6) 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



Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

1134 @ 401

8 5/8 @ 11635

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7200

1134

Case 4713 continued from page 1

7. An 80-acre unit comprising Lot 1 and the NE/4 NW/4 of Section 19, Township 17 North, Range 8 West, to be dedicated to Well No. 26;
8. An 80-acre unit comprising the N/2 NW/4 of Section 24, Township 17 North, Range 9 West, to be dedicated to Well No. 28.

Applicant further seeks a procedure whereby other non-standard proration units may be established administratively.

CASE 4714: Application of Thunderbird Oil Corporation for an unorthodox well location and amendment of Order No. R-1145, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 2635 feet from the North line and 1315 feet from the West line of Section 8, Township 13 South, Range 32 East, in the North Caprock-Queen Unit Waterflood Project, Lea County, New Mexico, authorized by Order No. R-1145. Applicant further seeks a procedure whereby additional production and injection wells at orthodox and unorthodox locations may be approved administratively.

CASE 4715: Application of Glen D. Aaron and James C. Whitten for an unorthodox well location, Eddy County, New Mexico. Applicants, in the above-styled cause, seek approval for an unorthodox gas well location for their well to be drilled 990 feet from the South line and 1650 feet from the West line of Section 11, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, with the W/2 of said Section 11 to be dedicated to the well.

CASE 4716: Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Owens Well No. 2, having a surface location in Unit I of Section 34, Township 14 South, Range 35 East, Morton-Wolfcamp Pool, Lea County, New Mexico. Applicant proposes to set a whipstock at approximately 7200 feet and to directionally drill to bottom the well in the Wolfcamp formation within 100 feet of a point in Unit H 1730 feet from the North line and 560 feet from the East line of said Section 34. Applicant proposes to dedicate the S/2 NE/4 of Section 34 to the well.

CASE 4717: Application of Sohio Petroleum Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard unit in an undesignated San Andres gas pool comprising the S/2 SE/4 of Section 7 and the W/2 SW/4 of Section 8, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its well located 660 feet from the South line and 660 feet from the West line of said Section 8.

CASE 4718: Application of E. B. White, Jr. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phantom Banks Unit Area comprising 7680 acres, more or less, of federal, state, and fee lands in Township 26 South, Range 31 East, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 17, 1972

9 A.M. - OIL CONSERVATION COMMISSION 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, 1972, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico; also presentation of purchaser's nominations for said pools for the six-month period beginning July 1, 1972;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1972.

CASE 4712: Application of Texaco Inc. for multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Lockhart (NCT-1) Well No. 3 located in Unit O of Section 18, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Paddock and Blinbry Oil Pools through a single string of tubing and gas from the Tubb Gas Pool through the casing-tubing annulus.

CASE 4713: Application of Tenneco Oil Company for non-standard proration units, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard proration units in the Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico.

1. An 80-acre unit comprising the SE/4 NE/4 and the NE/4 SE/4 of Section 7, Township 17 North, Range 8 West, to be dedicated to Well No. 2;
2. An 80-acre unit comprising the SW/4 NE/4 and NW/4 SE/4 of Section 7, Township 17 North, Range 8 West, to be dedicated to Well No. 3;
3. A 91.66-acre unit comprising Lots 7 and 8 and SW/4 SE/4 of Section 12, Township 17 North, Range 9 West, to be dedicated to Well No. 5.
4. A 91.59-acre unit comprising Lots 1 and 2 and NW/4 NE/4 of Section 13, Township 17 North, Range 9 West, to be dedicated to Well No. 12;
5. A 91.56-acre unit comprising Lots 3 and 4 and SW/4 NE/4 of Section 13, Township 17 North, Range 9 West, to be dedicated to Well No. 14;
6. An 80-acre unit comprising the SW/4 NW/4 and NW/4 SW/4 of Section 17, Township 17 North, Range 8 West, to be dedicated to Well No. 17;

Case No. 4724 continued from page 3

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Empire-Morrow Gas Pool. The discovery well is the Midwest Oil Corporation South Empire Deep Unit No. 1 located in Unit F of Section 6, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
SECTION 6: N/2

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Humble City-Strawn Pool. The discovery well is the Harding Oil Company Shipp No. 1 located in Unit K of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
SECTION 11: SW/4

(c) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Abo production and designated as the Many Gates-Abo Pool. The discovery well is the Jack Phillips Isler Federal No. 1 located in Unit A of Section 31, Township 9 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
SECTION 31: NE/4

(d) Create a new pool in Roosevelt County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Peterson-Pennsylvanian Gas Pool. The discovery well is the Amoco Production Company Peterson "A" Gas Com No. 1 located in Unit B of Section 19, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
SECTION 19: All

(e) Abolish Loco Hills-Queen Pool in Eddy County, New Mexico, described as:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
SECTION 29: SW/4
SECTION 31: SE/4 NE/4 and NE/4 SE/4
SECTION 32: NW/4

- CASE 4719: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its G.C. Matthews Well No. 5 located in Unit J of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Eunice-Monument and Monument-Paddock Pools through parallel strings of tubing.
- CASE 4720: Application of Rotary Oil & Gas Company for an unorthodox location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit in the Osudo-Devonian Gas Pool comprising the NE/4 of Section 32 and the NW/4 of Section 33, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the East line of said Section 32.
- CASE 4721: Application of C. W. Trainer for a non-standard gas unit, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval of a 316.9-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, undesignated Fusselman and Devonian gas pools, Lea County, New Mexico, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- CASE 4722: Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, Fusselman and Ellenburger formations underlying Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, Custer Field, Lea County, New Mexico, to form a 316.9-acre non-standard spacing unit for the production of gas from said formations, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- CASE 4723: Application of Black River Corporation for pool abolishment, creation of two new gas pools, and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, and the creation of the Washington Ranch-Upper Morrow and Washington Ranch-Lower Morrow Gas Pools for the production of gas from the upper and lower Morrow formations. Applicant further seeks approval of the dual completion (conventional) of its Cities 3 Federal Well No. 1 located in Unit F of Section 3, Township 26 South, Range 24 East, to produce the lower Morrow through tubing and the upper Morrow through the casing-tubing annulus.
- CASE 4724: Southeastern New Mexico nomenclature case calling for an order for the creation, extension, abolishment and contraction of certain pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.

Case No. 4724 continued - (1)

TOWNSHIP 11 SOUTH, RANGE 37 EAST, NMPM

SECTION 2: All
SECTION 3: Lots 1, 2, 3, 4, 5, 6, 7,
8, 9, and 16
SECTION 4: Lots 1, 3, 4, 5, 6, 8, 11,
12, 13, 14, and 15
SECTION 11: E/2 and NW/4
SECTION 12: All
SECTION 13: All
SECTION 14: E/2
SECTION 24: All
SECTION 30: NW/4

- (j) Contract the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

SECTION 33: SE/4
SECTION 34: W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 3: NE/4

- (k) Contract the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

SECTION 33: N/2 and SE/4
SECTION 34: W/2 and SE/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 3: SE/4
SECTION 4: N/2
SECTION 5: N/2 and SW/4
SECTION 10: NE/4

- (l) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

SECTION 34: N/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 3: S/2 SW/4
SECTION 4: S/2
SECTION 5: S/2

Case No. 4724 continued from page 4

(f) Abolish the Sand Tank-Queen Pool in Eddy County, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
SECTION 7: NE/4 SE/4

(g) Extend the vertical limits of the Loco Hills Grayburg-San Andres Pool in Eddy County, New Mexico, to include the Queen formation and redesignate said pool to Loco Hills Queen Grayburg-San Andres Pool.

(h) Abolish the Terry-Blinebry Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 32: SE/4
SECTION 33: S/2 and NE/4
SECTION 34: S/2 and NW/4
SECTION 35: S/2
SECTION 36: W/2

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
SECTION 1: Lots 4, 5, 9, 10, 11, 12,
13, 14, 15, 16, and S/2
SECTION 2: All
SECTION 3: Lots 1, 2, 3, 4, 5, 6, 7,
8, 9, and 16
SECTION 4: Lots 1, 3, 4, 5, 6, 8, 11,
12, 13, 14, and 15
SECTION 11: E/2 and NW/4
SECTION 12: All
SECTION 13: All
SECTION 14: E/2
SECTION 24: All

(i) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 32: SE/4
SECTION 33: S/2 and NE/4
SECTION 34: S/2 and NW/4
SECTION 35: S/2
SECTION 36: W/2

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 25: NE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
SECTION 1: Lots 4, 5, 9, 10, 11, 12,
13, 14, 15, 16, and S/2

Case No. 4724 continued

(u) Extend the Garrett-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
SECTION 28: NE/4

(v) Extend the Jennings-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
SECTION 4: NE/4

(w) Extend the Round Tank-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
SECTION 24: SE/4

(x) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 27: SE/4

(y) Extend the Townsend-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
SECTION 9: W/2 and SE/4
SECTION 10: S/2
SECTION 15: E/2

(z) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 21: SE/4
SECTION 22: SW/4

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
SECTION 19: NE/4

(aa) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 24 EAST, NMPM
SECTION 35: W/2

(bb) Extend the Osudo-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
SECTION 31: E/2

Case No. 4724 continued

- (m) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 34: N/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
SECTION 3: S/2 SW/4

- (n) Extend the Allison-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
SECTION 11: SW/4

- (o) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: All

- (p) Extend the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
SECTION 9: All

- (q) Extend the Chambers-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
SECTION 35: SW/4

- (r) Extend the Dollarhide-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
SECTION 30: SW/4

- (s) Extend the Dollarhide-Ellenburger Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
SECTION 31: E/2

- (t) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
SECTION 1: NW/4 NE/4
SECTION 12: E/2 NW/4

Case 4725 continued from page 9

(d) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Paradox production, designated as the Cone-Paradox Oil Pool and described as:

TOWNSHIP 31 NORTH, RANGE 18 WEST, NMPM
SECTION 22: SE/4

(e) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Mesaverde production, designated as the Crouch Mesa-Mesaverde Pool and described as:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
SECTION 5: W/2
SECTION 6: N/2

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
SECTION 31: SW/4

(f) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Cuervo-Mesaverde Oil Pool and described as:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
SECTION 28: NE/4

(g) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Devils Fork-Mesaverde Oil Pool and described as:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
Section 16: SW/4

(h) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production, designated as the Dufers Point-Dakota Oil Pool and described as:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 17: E/2
Section 19: N/2 & SW/4
Section 20: N/2

(i) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production, designated as the Escrito-Dakota Oil Pool and described as:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 1: W/2
Section 2: N/2
Section 12: W/2

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 35: SW/4

CASE 4725: Northwest New Mexico nomenclature case calling for an order for the creation, extension and contraction of certain pools in San Juan and Rio Arriba Counties, New Mexico.

(a) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Farmington production, designated as the Alamo-Farmington Oil Pool and described as:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

SECTION 4: S/2
SECTION 9: NE/4
SECTION 10: W/2
SECTION 15: NW/4 & SW/4 NE/4

(b) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Amarillo-Gallup Oil Pool and described as:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM

SECTION 33: SE/4 SE/4
SECTION 34: SW/4 & SE/4 NW/4

(c) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the Blanco-Fruitland Pool and described as:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

SECTION 2: W/2
SECTION 3: N/2
SECTION 4: NE/4
SECTION 11: NW/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM

SECTION 29: S/2
SECTION 30: S/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

SECTION 8: N/2 & SE/4
SECTION 9: S/2
SECTION 16: E/2
SECTION 21: E/2
SECTION 25: S/2
SECTION 26: S/2
SECTION 27: S/2
SECTION 28: E/2
SECTION 33: N/2 & SE/4
SECTION 34: All
SECTION 35: W/2

Case No. 4725 continued from page 11

(o) Create a new pool in San Juan and Rio Arriba Counties, New Mexico, classified as a gas pool for Chacra production, designated as the Largo-Chacra Pool and described as:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
SECTION 19: S/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
SECTION 23: S/2
SECTION 24: S/2
SECTION 26: W/2
SECTION 35: NW/4

(p) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production, designated as the Lindrith-Gallup Pool and described as:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
SECTION 20: All
SECTION 21: All
SECTION 28: All
SECTION 29: All

(q) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Meadows-Gallup Oil Pool and described as:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
SECTION 33: S/2 & SW/4 NW/4
SECTION 34: SW/4

(r) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Nenahnezad-Mesaverde Oil Pool and described as:

TOWNSHIP 29 NORTH, RANGE 15 WEST, NMPM
SECTION 10: SW/4

(s) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Dakota production, designated as the Ojito-Dakota Oil Pool and described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
SECTION 17: SW/4
SECTION 18: SE/4
SECTION 19: NE/4

(t) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the North Pinon-Gallup Pool and described as:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
SECTION 28: SW/4

Case 4725 continued from page 10

(j) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Gallup production, designated as the Flora Vista-Gallup Pool and described as:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM
SECTION 2: SW/4
SECTION 3: N/2 & SE/4
SECTION 4: N/2

(k) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Mesaverde production, designated as the Gonzales-Mesa-Mesaverde Pool and described as:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
SECTION 5: W/2
SECTION 6: All
SECTION 7: NE/4
SECTION 8: All

(l) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production, designated as the Harris Mesa-Chacra Pool and described as:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
SECTION 26: SW/4
SECTION 27: S/2
SECTION 28: S/2
SECTION 29: E/2

(m) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated as the Huerfano-Pictured Cliffs Pool and described as:

TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM
SECTION 1: NE/4

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
SECTION 19: S/2

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM
SECTION 24: SE/4
SECTION 25: E/2
SECTION 36: E/2

(n) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Jewett Valley-Gallup Oil Pool and described as:

TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM
SECTION 3: W/2 & SE/4

Case No. 4725 continued from page 12

(u) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the Pump Mesa-Fruitland Pool and described as:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
SECTION 32: SW/4

(v) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated as the Twin Mounds-Pictured Cliffs Pool and described as:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
SECTION 31: SE/4
SECTION 32: S/2
SECTION 33: S/2

(w) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Dakota production, designated as the Wild Horse-Dakota Oil Pool and described as:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
SECTION 26: NW/4 NW/4
SECTION 27: N/2 & NW/4 SW/4

(x) Contract the Gavilan-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
SECTION 23: SE/4

(y) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Pictured Cliffs production, designated as the Sleeper-Pictured Cliffs Oil Pool and described as:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
SECTION 23: S/2
SECTION 26: NE/4

(z) Extend the Tapacito-Gallup Associated Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
SECTION 19: S/2
SECTION 20: SW/4
SECTION 29: NW/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
SECTION 24: S/2

(Case 4729 continued)

of Federal, State and Fee lands in Sections 19, 20, 21, 28, 29, 30, 31, 32, and 33, Township 21 South, Range 25 East, Eddy County, New Mexico.

CASE 4730: Application of Stoltz, Wagner & Brown for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Devonian formation in the interval from 11224 to 11234 feet in their Soldier Hill State AE Well No. 1 located 800 feet from the North line and 1800 feet from the West line of Section 23, Township 12 South, Range 32 East, East Caprock Devonian Pool, Lea County, New Mexico.

CASE 4731: Application of Continental Oil Company for rededication of acreage and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate a standard 640-acre gas proration unit comprising all of Section 14, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Sanderson "A" Wells Nos. 12 and 13 located, respectively, in Units P and G of said Section 14. Applicant further seeks authority to produce the allowable for the unit from either well in any proportion. Applicant further seeks the establishment of a procedure whereby the allowable for the above-described proration unit may be produced by any or all Eumont gas wells located within said unit without the necessity of notice and hearing.

CASE 4732: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Skaggs-Glorieta, East Weir-Blinebry, and Skaggs-Drinkard Pools in the wellbore of its Skaggs "B" Well No. 5 located 990 feet from the North line and 1700 feet from the West line of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 4709: (Continued from the May 5, 1972, Examiner Hearing)

Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Eumont Gas Pool and the Penrose Skelly Oil Pool in the wellbore of its Lockhart A-17 Well No. 1 located in Unit L of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 1972

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 4716 (Readvertised):

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Owens Well No. 2, having a surface location in Unit I of Section 34, Township 14 South, Range 35 East, East Morton-Wolfcamp Pool, Lea County, New Mexico. Applicant proposes to set a whipstock at approximately 7200 feet and to directionally drill to bottom the well in the Wolfcamp formation within 100 feet of a point in Unit H 1730 feet from the North line and 560 feet from the East line of said Section 34. Applicant proposes to dedicate the E/2 NE/4 of Section 34 to the well. In the absence of objection an order will issue based upon testimony received in this case on May 17, 1972.

CASE 4726: Application of Shenandoah Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in the SE/4 NW/4 of Section 27, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 4727: Application of Harper Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle oil production from the Blinbry, Drinkard, and Wantz-Abo Pools in the wellbore of its S. J. Sarkey Well No. 2 located in Unit H of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4728: Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Weir-Tubb Pool, Lea County, New Mexico, including provisions for 80-acre proration units and a limiting gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 4729: Application of American Trading and Production Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Round Mountain Unit Agreement comprising 5,757 acres, more or less,

CASE 4733: Application of David Fasken for pool contraction and creation of a new gas pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the horizontal limits of the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, by the deletion therefrom of all of Sections 4 and 5, Township 21 South, Range 24 East. Applicant further seeks the creation of a new gas pool with horizontal limits comprising all of said Section 4 and 5 for the production of gas from the Morrow formation.

CASE 4734: Application of Hanagan Petroleum Corporation for pool extension, non-standard spacing unit, and unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the horizontal limits of the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to include all of Section 24, Township 21 South, Range 25 East and all of Section 19, Township 21 South, Range 26 East. Applicant further seeks approval of a 636.38-acre non-standard gas spacing unit comprising all of said Section 19 to be dedicated to its Nan-Bet Well No. 1 located at an unorthodox location for said pool 1980 feet from the North line and 660 feet from the West line of said Section 19.

CASE 4735: Application of El Paso Natural Gas Company for capacity production, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 14 (A) 15 (A), and 15 (B) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, to produce six wells located in Sections 29, 30, 31, and 32 of Township 32 North, Range 8 West and Section 36, Township 32 North, Range 9 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity for approximately one year from February 1, 1972.

Applicant further seeks authority to offset any overproduction accrued to the above-described six wells during the one-year period by underproduction attributable to any underproduced wells or marginal wells located within the participating area of the San Juan 32-9 Unit.

CASE 4736: Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose into an unlined surface pit water produced from its Todhunter-Federal Well No. 1 located in the SE/4 NW/4 of Section 22, Township 15 South, Range 29 East, Double L Field, Chaves County, New Mexico.

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Remarks:

Ph.

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Remarks:

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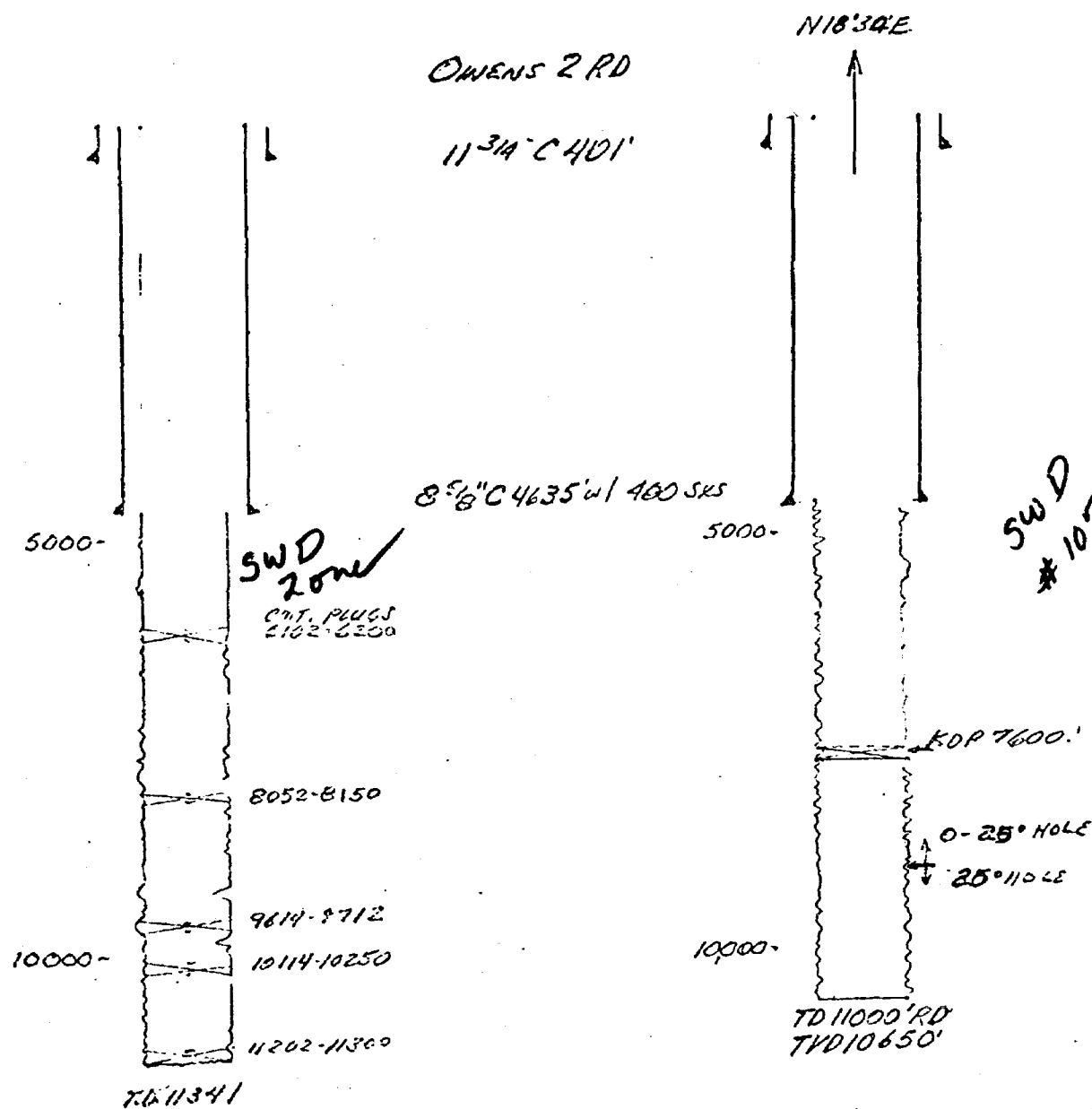


Exhibit # 3

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Union EXHIBIT NO. 3
CASE NO. 4716
Submitted by Alan Smith
Hearing Date 5-17-72

3-27-72 GBW.

Union Oil and Gas Division: Central Region

Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
Telephone (915) 682-9731



Midland District

May 10, 1972

The Superior Oil Company
P. O. Box 1900
Midland, Texas 79701

Gentlemen:

Union Oil Company of California is making application to the New Mexico Oil Conservation Commission to directionally redrill its Owens No. 2 well, East Morton Field, Lea County, New Mexico, to an approximate bottom hole location of 1730' FNL and 560' FEL of Section 34, T-14-S, R-35-E, Lea County, New Mexico.

If you have no objection to the above application, we would appreciate your executing and returning one copy of the attached waiver to the undersigned at your earliest convenience.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

A handwritten signature in dark ink, appearing to read "H. R. Willis".

H. R. Willis
Acting District Operations Manager

AGS:rb
Attach.

Exhibit #4

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION
Union EXHIBIT NO. <u>4</u>
CASE NO. <u>4716</u>
Submitted by <u>Alan Smith</u>
Hearing Date <u>5-17-72</u>

WAIVER

As offset operator to Union Oil Company of California's Owens No. 2 well, located 2310' FSL & 990' FEL, Section 34, Block 1, 14-S, 35-E, East Morton Field, Lea County, New Mexico, the undersigned waives objection to Union's application to directionally redrill the well to an approximate bottom hole location (circle with 100' radius) of 1730' FNL and 560' FEL of Section 34, 14-S, 35-E, Lea County, New Mexico.

The Superior Oil Co.
COMPANY

BY E. W. Collins Jr.

DATE May 15, 1972

RETURN ONE COPY TO:

H. R. Willis
Union Oil Company of California
P. O. Box 671
Midland, Texas 79701

T WC 9718
T Room 10943

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF UNION OIL COMPANY
TO DIRECTIONALLY DRILL ITS WELL
UNION OWENS WELL NO. 2, LOCATED
IN THE MORTON WOLFCAMP EAST
FIELD, LEA COUNTY, NEW MEXICO.

10,500
Case 4716

A P P L I C A T I O N

Comes now the Union Oil Company of California, by and through its attorneys, and makes the following application:

1. The Union Oil Company of California, applicant, is the owner and operator of the Union Owens Well No. 2, located in the Morton Wolfcamp East Field, Lea County, New Mexico. Said well is located in Unit I, 2,310 feet from the South Line and 990 feet from the East Line of Section 34, Township 14 South, Range 35 East, N.M.P.M.
2. The well was originally drilled to 11,341 feet and completed as a dry hole in September, 1969.
3. The said hole was recompleted as a salt water disposal well in January, 1970, with an open hole from 4,635 feet to 6,102 feet.
3. Applicant proposes to clean out the well to a depth of 7,400 feet, set a plug at 7,200 feet and directionally redrill the well to a circle with a 100 foot radius, the center of said circle to be 1,730 feet from the North Line and 560 feet from the East Line of Section 34, Township 14 South, Range 35 East, N.M.P.M. and at a depth 11,000 feet.
4. The purpose of the directional drilling is to gain structural position at a savings to the applicant.

DOCKET MAILED

Date 5-24-72

DOCKET MAILED

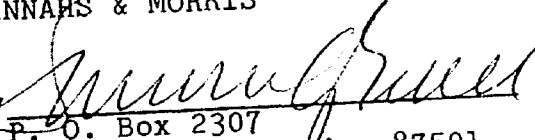
Date 5-25-72

5. The granting of the application will prevent waste and protect correlative rights.

Respectfully submitted,

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & MORRIS

By


P. O. Box 2307

Santa Fe, New Mexico 87501

Attorneys for Applicant

Union Oil Company of California

DRAFT

GMH/dr

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. 4716

Order No. R-4328

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

*advertising
all requirements
in Orders Nos.
12, & 14.*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 7, 1972,
at Santa Fe, New Mexico, before Examiner Richard B. Stamets.

Penel S. Mutter

NOW, on this _____ day of _____, 1972, 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, Union Oil Company of California,
~~has acquired and~~ is the owner and operator of the Owens Well
No. 2, having a surface location in Unit I of Section 34, Town-
ship 14 South, Range 35 East, ^{East} Morton-Wolfcamp Pool, Lea County,
New Mexico.

(3) That the subject well was originally drilled to a total depth of 11,241 feet into the ^{East} Morton-Wolfcamp Pool/

(3) *Cont'd*
and was plugged and abandoned as a dry hole in September, 1969

(4) *That said well was recompleted as a salt water disposal well in January, 1970, with injection into the open hole interval from 4,635 feet to 6,102 feet.*

continuous multi-shot directional survey.

said directional drilling.

8 (6) That approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Oil Company of California, is hereby authorized to set a whipstock at approximately 7,200

That in order to prevent the migration of salt water from the former injection zone, 4635 feet to 6102 feet, cement ~~must~~ be circulated to a point at least 100 feet ^{into the} 8 5/8" casing set at 4635 feet. The top of the cement should be determined by temperature survey.

100 feet apart in order to determine the sub-surface location of the whipstock point; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, Box 2088, Santa Fe, New Mexico; and that the operator shall notify the Commission's Hobbs District Office of the date and time survey is to be commenced.

(2) That subsequent to the above-described directional drilling, a continuous multi-shot directional survey shall be made of the well bore from total depth to the whipstock point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe Office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Commission Rule 1108 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(5) (A) That the ~~S~~^E/₂ NE/4 of said Section 34 shall be dedicated to the subject well.

(6) (B) 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.

(4) That cement shall be circulated on the well's production casing to a point at least 100 feet into the 8 5/8 inch casing set at 4635 feet.

CASE 4717: Application of SOHIO
for a non-standard gas proration
unit, Lea County, New Mexico.