

CASE 4746: Application of MOBIL
OIL CORP. FOR AN UNORTHODOX WELL
LOCATION & AMENDMENT OF R-2914.

Case Number

4746

Application

Transcripts

Small Exhibits

ETC.

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

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 28, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Mobil Oil
Corporation for an unorthodox
well location and amendment
of Order No. R-2914, Lea
County, New Mexico.

CASE NO. 4746.

BEFORE: Elvis A. Utz
Examiner

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4746.

2 MR. HATCH: Application of Mobil Oil Corporation
3 for an unorthodox well location and amendment of Order No.
4 R-2914, Lea County, New Mexico.

5 MR. SPERLING: James E. Sperling of Modrall,
6 Sperling, Roehl, Harris & Sisk, of Albuquerque, appearing for
7 the Applicant. We have one witness we would like to have
8 sworn.

9 * * * * *

10 W. B. SIMMONS,
11 was called as a witness and, after being duly sworn, testified
12 as follows:

13 DIRECT EXAMINATION

14 BY MR. SPERLING:

15 Q Would you please state your name?

16 A I am W. B. Simmons, Jr.

17 Q By whom are you employed, and in what capacity?

18 A Mobil Oil Corporation as an associate engineer in the
19 Midland Division.

20 Q Have you, on previous occasions, testified before the
21 New Mexico Oil Conservation Commission so that your
22 qualifications as an engineer are a matter of record?

23 A Yes, I have.

24 MR. SPERLING: Are the witness' qualifications
25 accepted?

1 MR. UTZ: He is qualified.

2 Q (By Mr. Sperling) Mr. Simmons, what is Mobil's
3 purpose in filing this Application?

4 A Mobil requests Commission approval to drill an
5 unorthodox well location 1450 feet from the north line
6 and 70 feet from the west line of Section 19, Township
7 18 South, Range 34 East, in the E-K Guess Waterflood
8 Project Area authorized by Order No. R-2914. Mobil
9 further seeks a procedure whereby additional production
10 and injection wells at orthodox and unorthodox locations
11 may be approved administratively.

12 Q Would you please refer to what has been marked as
13 Exhibit Number 1 and explain what is shown on that
14 Exhibit?

15 A Exhibit 1 is an area plat which shows the Mobil operated
16 E-K Queen Unit and the immediate offset area. The
17 unorthodox location is indicated on the plat by a red
18 arrow and it is also underlined in red as 6.17 and is
19 shown to be 1450 feet from the north line and 70 feet
20 from the west line of Section 19, Township 18 South,
21 Range 34 East, in Lea County, New Mexico.

22 The other wells are also shown on the plat and
23 the subject well is located on the same 40 acre tract
24 as the E-K Queen unit, tract number 6, well number 7.

25 The water injection wells, the two wells, are 756

1 feet apart. The reasons for well number 17 being
2 unorthodox is the state-wide rules require a well be
3 located no closer than 330 feet from any boundary and
4 well 17 is 70 feet from such a boundary. However, the
5 well is in a field location and is some 2474 feet from
6 the NE boundary line.

7 Q Would you please refer to what has been marked Exhibit
8 2 and explain the purpose of that Exhibit?

9 A Exhibit 2 is a graph and shows the production history
10 of the E-K Queen unit area both before and after unit
11 position. The graph shows unit production periodically
12 in the life of the unit and shows 2673 barrels per day
13 during February of 1968. Since then, it has experienced
14 a rapid decline in production and is presently producing
15 at a rate of 154 barrels per day in April, 1972.

16 Q Would you refer to Exhibit 3, please, and explain that
17 Exhibit?

18 A Exhibit 3 is a tabulation of the oil production of the
19 unit giving the exact production history and barrels
20 of oil per month.

21 Q And it also shows accumulative production prior to
22 unitization?

23 A Yes, that is up at the top and indicates 727,000 barrels.

24 Q And the accumulative underflow to date is what?

25 A 1,847,378.

dearnley, meier & mc cormick

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1 Q What is Mobil's purpose in proposing the drilling of
2 this unorthodox well at that location and what benefit
3 do you hope it will prove to be insofar as the unit
4 is concerned?

5 A Well, as I stated before, oil production peaked early
6 and subsequently declined and the decline has been
7 abrupt and steady. We have investigated all the problems
8 and tried possible solutions which were indicated by
9 our studies with limited success. Since production
10 is rapidly approaching economic limits an improved
11 method of secondary recovery is necessary. The core
12 obtained from this well will provide tests necessary to
13 determine the most effective type of secondary recovery
14 method to be employed. The well is located at this
15 particular spot and a core could be obtained and this
16 would allow us to better determine the remaining oil in
17 place.

18 Mobil will also be able to produce water from the
19 trap area and defray the cost of drilling. A second
20 completion of this well would indicate economic
21 feasibility of additional infill drilling on the unit.

22 Q Referring you to Exhibit Number 4, would you please
23 explain its purpose?

24 A Exhibit 4 is a plat of the unit and shows the waterflood
25 pattern and the estimated configuration of the trap area

1 available for drainage by the proposed well 17.

2 Well Number 68, which is south and west of the
3 proposed location tested 8 barrels of oil per day and
4 80 barrels of water per day, on April 11, 1972. Well
5 Number 6.5 which is north and east of the proposed well
6 tested 16 barrels of oil per day and 157 barrels of
7 water per day on April 6, 1972.

8 Both of these wells had 91 percent water effective
9 at their economic limits and are expected to recover
10 a negligible amount of reserves before being shut-in
11 by the end of this year.

12 By locating the proposed well in this area indicated
13 on the plat, we estimate that approximately 25,000
14 barrels of oil can be recovered thereby appreciably
15 defraying the cost of drilling the test hole. In my
16 opinion, the drilling of this well, at this unorthodox
17 location is vitally necessary to continue operations
18 of this unit. It will certainly afford Mobil the means
19 to recover hydrocarbons which could not otherwise be
20 recovered, thereby preventing waste.

21 Q Absent the information which you expect to obtain from
22 this well and taking into consideration the proposed
23 production from the well, when do you expect the
24 economic life or limit of this unit to be reached?

25 A In the very near future, this year is our estimate.

1 Q Do you have anything else to submit at this time?

2 A Yes, Exhibit 5 and 6. Exhibit 5 is form 9-31 and
3 Exhibit 6 is the well location and the acreage dedicated
4 on the plat for Well 17.

5 Q Now, I understand that initially the application was
6 submitted with the hope that it could be approved
7 administratively; is that correct?

8 A That is correct.

9 Q Are you proposing at this time to suggest to the
10 Commission that the order include provisions for future
11 administrative approval in the event that the information
12 which you receive from the proposed well indicates the
13 necessity for additional infill drilling?

14 A Yes, I believe, administrative procedure that this
15 Commission can use in this case would be very useful.
16 It would cut the time element which is critical in some
17 of these cases, down appreciably and allow us to follow
18 a predetermined course in our development drilling plan
19 if one is indicated by this well, Number 17. It would
20 same time and money and a lot of paperwork and we think
21 it would be very useful.

22 Q Are you proposing any particular rule with reference to
23 the unit boundary line? And the distance from the unit
24 boundary lines, for infill wells?

25 A Yes, I think such a rule would be quite easy

1 administratively if we were limited to wells that
2 were interior wells. In other words, no closer than
3 the outside line of the wells now existing in the
4 unit itself.

5 Q Is there anything further you wish to add at this time?

6 A No, I have no further Direct Testimony.

7 MR. SPERLING: That is all we have at this time.
8 We offer Exhibits 1 through 6.

9 MR. UTZ: Without objection, Exhibits 1 through 6
10 will be entered into the record of this case.

11 (Whereupon, Applicant's Exhibits 1 through 6
12 were entered in evidence.)

13 * * * * *

14 CROSS EXAMINATION

15 BY MR. UTZ:

16 Q I was looking through something else, Mr. Simmons, when
17 you made your last statement in regard to administrative
18 approval, are you requesting certain restrictions?

19 A The only one would be if the Commission determined it
20 necessary that we would be perfectly happy with
21 administrative approval limited to the truly interior
22 wells. In other words, this would eliminate a well
23 closer than the wells that are spaced on the normal
24 boundaries that exist right now.

25 Q Will this well be completed in a conventional manner?

dearnley, meier & mc cormick

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1 A Yes, sir, the only major difficulty in this well is
2 it will be drilled primarily for a core that we are
3 going to obtain from the well, but we want to be able
4 to produce to defray some of the costs involved here.

5 MR. UTZ: Any other questions?

6 (No response)

7 MR. UTZ: If not, the witness may be excused.

8 (Witness excused.)

9 MR. UTZ: Any statements in this case?

10 (No response.)

11 MR. UTZ: The Case will be taken under advisement.
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dearnley, meier & mc cormick

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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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22 I hereby certify that the foregoing is
23 a true and correct record of the proceedings in
24 the above hearing of Case No. 4746,
25 held by me on June 28, 19 72.
Richard E. McCormick, Examiner
New Mexico Oil Conservation Commission

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25I N D E XWITNESS:PAGEW. B. SIMMONS

Direct Examination by Mr. Sperling

3

Cross-Examination by Mr. Utz

9

E X H I B I T SAPPLICANT'SOFFEREDADMITTED

Mobil Oil Corporation

Exhibit Number 1

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Exhibit Number 2

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Exhibit Number 3

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Exhibit Number 4

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Exhibit Number 5

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Exhibit Number 6

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OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

July 19, 1972

Mr. James E. Sperling
Modrall, Seymour, Sperling, Roehl,
& Harris
Attorneys at Law
Public Service Building
Post Office Box 2168
Albuquerque, New Mexico 87103

Re: Case No. 4746
Order No. R-2914-A
Applicant:
Mobil Oil Corporation

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.

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. 4746
Order No. R-2914-A

APPLICATION OF MOBIL OIL
CORPORATION FOR AN UNORTHODOX
WELL LOCATION AND AMENDMENT OF
ORDER NO. R-2914, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of July, 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, Mobil Oil Corporation, is the
operator of the E-K Queen Unit Waterflood Project in its E-K
Queen Unit Area, E-K Queen Pool, Lea County, New Mexico, approved
by Commission Order No. R-2914.

(3) That the applicant seeks authority to drill a producing
oil well in said waterflood project area at an unorthodox loca-
tion 1450 feet from the North line and 70 feet from the West
line of Section 19, Township 18 South, Range 34 East, NMPM, Lea
County, New Mexico.

(4) That the proposed unorthodox location is necessary to
complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of said
Order No. R-2914 to provide for the establishment of an adminis-
trative procedure whereby the Secretary-Director of the Commission
may authorize expansion of said E-K Queen Unit Waterflood Project
to include additional lands and injection wells and producing wells
at orthodox and unorthodox locations as may be necessary to com-
plete an efficient injection and producing pattern without the
necessity of showing well response.

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the E-K Queen Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said E-K Queen Waterflood Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the E-K Queen Unit Waterflood Project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby authorized to drill a producing oil well in the E-K Queen Unit Waterflood Project in its E-K Queen Unit Area, E-K Queen Pool, at an unorthodox location 1450 feet from the North line and 70 feet from the West line of Section 19, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That Order (2) of Order No. R-2914 is hereby amended to read in its entirety as follows:

"(2) That the E-K Queen Unit Waterflood Project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

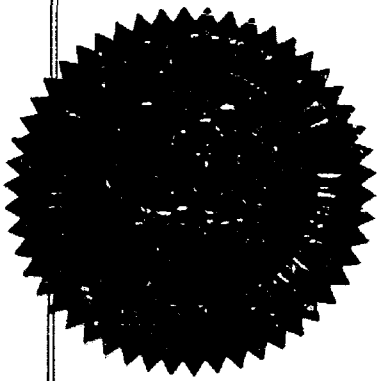
PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the E-K Queen Unit Waterflood Project to include such additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said E-K Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection."

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

-3-
CASE NO. 4746
Order No. R-2914-A

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

#746

Leads 6-28-72

Rec. 7-11-72

Grant Mobile request for
an NSL for a prod license
in their E. H. Queen unit.
The well is E. H. Queen unit.
Dr. #17. 1450/N + 701/W - 19-18-34
This will permit them to
recover oil not otherwise
~~and~~ recoverable in the flood.

Thos. J. [Signature]

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 28, 1972

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

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

- CASE 4735: (Continued and readvertised from the June 7th examiner hearing)
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 9 West and Section 36, Township 32 North, Range 10 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 over-production 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 4739: Application of Texas Pacific Oil Company for rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate the 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of Section 1, Township 23 South, Range 36 East, Lea County, New Mexico, simultaneously to its Emery King "NW" Wells Nos. 1 and 4 located, respectively, in Units E and F of said Section 1 and to produce the allowable for the unit from either well in any proportion.
- CASE 4740: Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas and condensate production from the Flora Vista-Gallup and Basin-Dakota Pools in the wellbores of its L. C. Kelly Wells Nos. 3 and 5 located, respectively, in Unit F of Section 4 and Unit I of Section 3, Township 30 North, Range 12 West, San Juan County, New Mexico.
- CASE 4741: Application of Robert, Koch & Cartwright for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 16, Township 19 South, Range 25 East, Eddy County, New Mexico.

(Case 4741 continued)

Said acreage to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the West line of said Section 16. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

- CASE 4728: (Continued from the June 7, 1972, Examiner Hearing)
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 4742: Application of Tenneco Oil Company for dual completions, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Well No. 12 located in Unit B of Section 13, Township 17 North, Range 9 West, McKinley County, New Mexico, in such a manner as to inject gas into Lone Pine-Dakota "D" Oil Pool through tubing and produce gas from the "A" zone of the Dakota formation through the casing-tubing annulus. Applicant also seeks authority to complete its Well No. 13 located in Unit F of said Section 13 in such a manner as to produce oil from the Lone Pine-Dakota "D" Oil Pool through tubing and gas from the "A" zone of the Dakota formation through the casing-tubing annulus.
- CASE 4743: Application of Tenneco Oil Company for pool contraction, redefinition of a pool and special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to contract the horizontal limits of the Basin-Dakota Pool by deleting therefrom all of Section 17 and 20, Township 21 North, Range 8 West, San Juan County, New Mexico. Applicant further seeks to redefine the Snake Eyes-Dakota "D" Oil Pool as a gas pool with horizontal limits comprising the above-described Sections 17 and 20. Applicant further seeks the promulgation of special pool rules for the redefined pool including a provision for 320-acre spacing.
- CASE 4744: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 8, Township 19 South, Range 25 East, Eddy County, New Mexico. Said acreage to be dedicated to applicant's Johnston "BE" Well No. 1 located 330 feet from the North and East lines of said Section 8. Also to be considered will be the costs

(Case 4744 continued)

of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4745: Application of Yates Petroleum Corporation for pool re-definition and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the re-definition of the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, as an associated oil and gas pool. Applicant further seeks the promulgation of special rules for said associated pool, including provisions defining a gas well as one producing with a gas-liquid ratio of 10,000 or more cubic feet of gas per barrel of oil, a gas-liquid ratio limitation for oil wells of 3,000 cubic feet of gas per barrel of oil, and 320-acre spacing units for gas wells. Applicant further seeks authority to commingle on the surface gas production from various wells prior to metering and to report said gas production on a lease basis. Applicant further seeks authority to commingle on the surface all casinghead gas prior to metering and to allocate said casinghead gas to the various wells on the basis of gas-oil ratio tests.

CASE 4746: Application of Mobil Oil Corporation for an unorthodox well location and amendment of Order No. R-2914, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well at an unorthodox location 1450 feet from the North line and 70 feet from the West line of Section 19, Township 18 South, Range 34 East, in the E-K Queen Waterflood Project Area authorized by Order No. R-2914. Applicant further seeks a procedure whereby additional production and injection wells at orthodox and unorthodox locations may be approved administratively.

CASE 4747: Application of Union Texas Petroleum, a Division of Allied Chemical Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the base of the Devonian formation underlying the N/2 of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico. Said acreage to be dedicated to its well to be located 1650 feet from the North line and 2310 feet from the East line of said Section 33. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

- CASE 4748: Application of Pubco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Humble City-Strawn Pool, Lea County, New Mexico, including provisions for 160-acre proration units and wells to be located within 150 feet of the center of any quarter-quarter section.
- CASE 4749: Application of Harding Oil Company for a discovery allowable and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units and for the assignment of an oil discovery allowable to its E. D. Shipp Well No. 1 located in Unit K of Section 11, Township 17 South, Range 37 East.
- CASE 4750: Application of Cities Service Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well in its Southeast Maljamar Grayburg-San Andres Unit Waterflood Project Area at an unorthodox location 1155 feet from the South line and 1385 feet from the East line of Section 29, Township 17 South, Range 33 East, Maljamar Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection and production wells within the project area at unorthodox locations may be approved administratively.
- CASE 4751: Application of Sun Oil Company for pool extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the horizontal limits of the Lusk-Morrow Gas Pool, Lea County, New Mexico to include all of Sections 15 and 16 of Township 19-South, Range 32 East.
- CASE 4752: Application of Claude C. Kennedy for permission to flare casinghead gas, McKinley, County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-4070, to flare casinghead gas produced by his PSK Edna Well No. 1 located in Unit F of Section 8, Township 17 North, Range 8 West, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

4746
JES
J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.
JAMES A. PARKER
JOHN R. COONEY
KENNETH L. HARRIGAN
PETER J. ADAMS
DALE W. EK
DENNIS J. FALK
FARRELL L. LINES
ARTHUR D. MELENDRES

LAW OFFICES OF
MODRALL, SPERLING, ROEHL, HARRIS & SISK

PUBLIC SERVICE BUILDING

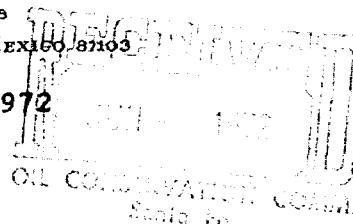
P. O. BOX 2168

ALBUQUERQUE, NEW MEXICO 87103

June 8, 1972

JOHN F. SIMMS (685-1954)
AUGUSTUS T. SEYMOUR
(907-1965)

TELEPHONE 243-4511
AREA CODE 505



Mr. George Hatch, Attorney
New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Mobil Oil Corporation's Application for
Unorthodox Well Location, E-K Queen Pool,
Lea County, New Mexico

Dear George:

You have today advised me that Mobil's application in the above matter has been set for hearing on June 28, 1972. The Commission has previously received letter application dated June 2, 1972. Please consider the Mobil application amended to include a request that the order of the Commission include a provision for administrative approval of infill wells within the unit area which may be required in the future.

Very truly yours,

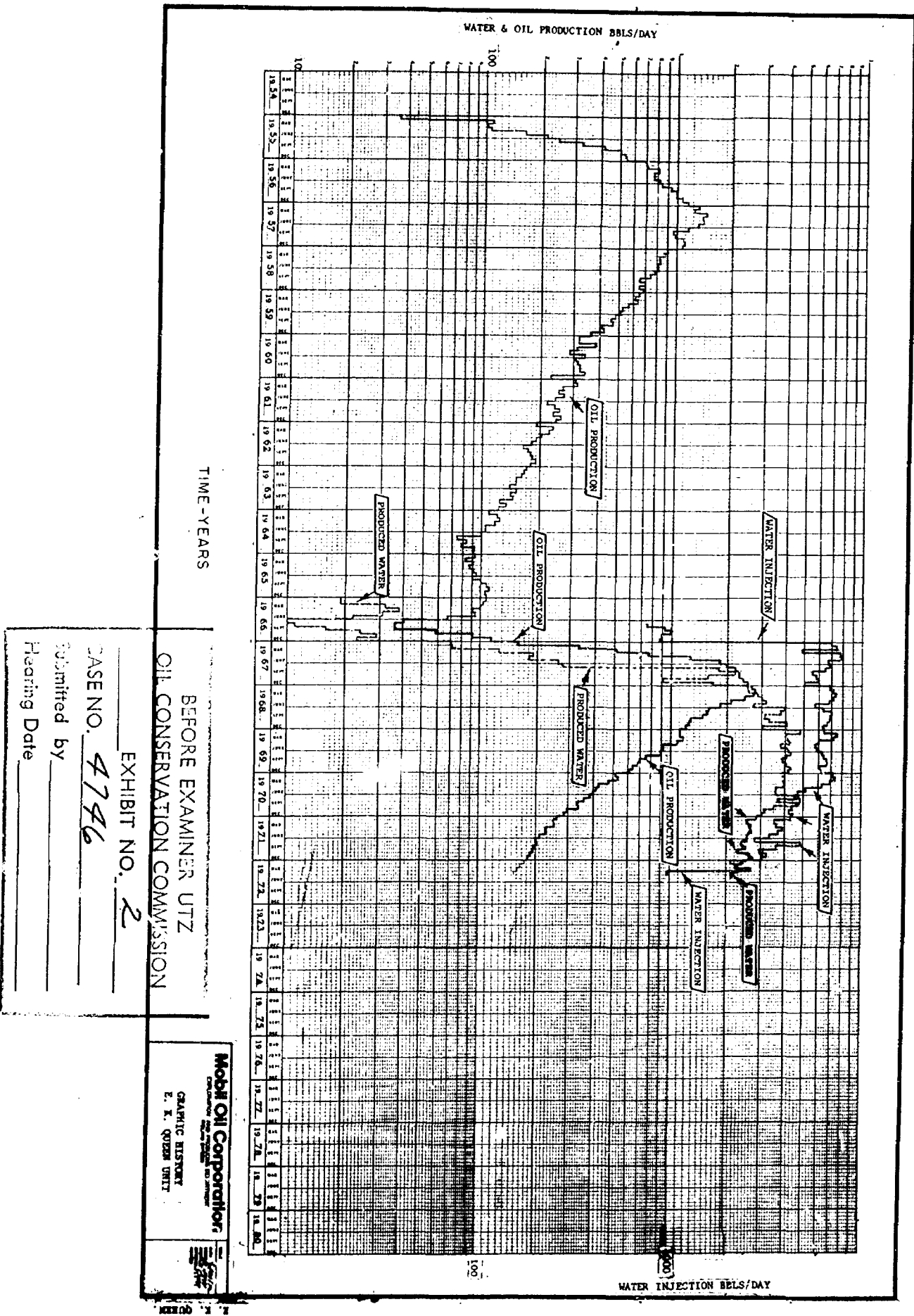
James E. Sperling
James E. Sperling

JES:jv

cc: Mr. Ira B. Stitt
Mobil Oil Corporation
P. O. Box 633
Midland, Texas 79701
Attn: Mr. W. B. Simmons, Jr.

DOCKET MAILED

Date 6-13-72



PRODUCTION HISTORY
E-K QUEEN UNIT
LEA COUNTY, NEW MEXICO

Cumulative production prior to unitization was 1,727M barrels.

<u>1966</u>	<u>No. Barrels</u>	<u>1969</u>	<u>No. Barrels</u>	<u>1972</u>	<u>No. Barrels</u>
January	3,331	January	33,983	January	5,252
February	2,880	February	30,760	February	4,770
March	3,086	March	35,336	March	5,030
April	2,731	April	31,783	April	4,608
May	2,924	May	28,200		
June	1,995	June	27,169	Total	19,660
July	1,241	July	27,417	Cum.	1,847,378
August	1,105	August	23,274		
Sept.	1,082	Sept.	20,701		
Oct.	1,808	Oct.	21,110		
Nov.	2,722	Nov.	19,176		
Dec.	3,573	Dec.	18,883		
Total	28,478	Total	317,792		
Cum.	28,478	Cum.	1,604,989		
<u>1967</u>		<u>1970</u>			
January	4,906	January	16,010		
February	9,350	February	14,808		
March	15,945	March	14,501		
April	23,081	April	12,659		
May	38,417	May	12,814		
June	53,737	June	12,047		
July	60,289	July	11,985		
August	68,865	August	11,188		
Sept.	68,854	Sept.	10,096		
Oct.	71,810	Oct.	10,501		
Nov.	74,032	Nov.	8,889		
Dec.	80,257	Dec.	8,854		
Total	569,543	Total	144,352		
Cum.	598,021	Cum.	1,749,341		
<u>1968</u>		<u>1971</u>			
January	82,070	January	8,040		
February	80,440	February	6,988		
March	84,182	March	7,381		
April	73,036	April	6,945		
May	64,744	May	6,779		
June	53,699	June	6,381		
July	48,288	July	6,108		
August	47,359	August	6,306		
Sept.	43,271	Sept.	5,944		
Oct.	38,849	Oct.	6,130		
Nov.	36,695	Nov.	5,634		
Dec.	36,543	Dec.	5,741		
Total	689,176	Total	78,377		
Cum.	1,287,197	Cum.	1,827,718		

RFReam/lh 6-14-72

BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>3</u>	
CASE NO. <u>4746</u>	
Filed by _____	
Filing Date _____	

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 0459	
2. NAME OF OPERATOR Mobil Oil Corporation			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P. O. Box 633, Midland, Texas 79701			7. UNIT AGREEMENT NAME E-K Queen Unit Tr. 6	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1450' FNL & 70' FWL Sec. 19, T, 18S, R 34E At proposed prod. zone Same as Surface			8. FARM OR LEASE NAME	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* ---			9. WELL NO. 17	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) ---			10. FIELD AND POOL, OR WILDCAT E-K Queen	
16. NO. OF ACRES IN LEASE 2895.36			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 19, T 18S, R 34E	
17. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4800			12. COUNTY OR PARISH Lea	
18. ELEVATIONS (Show whether DF, RT, GK, etc.) 3965' Ground			13. STATE New Mexico	
19. PROPOSED DEPTH 4800			20. ROTARY OR CABLE TOOLS Rotary	
21. APPROX. DATE WORK WILL START* When permit approved				

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	20# Gr. LBF	350	(1) Circulate to Surface
7 7/8	5 1/2	14# Gr. J-55	4800	(2) Circulate to Surface

(1) Class A Containing 2% Ca Cl₂.

(2) Light weight slurry (13.1#/gal) containing 7 1/2# salt/sx. & tail in with sufficient class C to cover pay zone.

Mud Program:

0'	-	350'	Sand Mud
350'	-	1600'	Fresh Water
1600'	-	4200'	Saturated Brine
4200'	-	4800'	Saturated Brine, Salt Gel & Starch

Blowout Preventers:

Casing String	Equipment Size & API Series	No. & Type	Test Press. PS
Surface	8" 600	1-Pipe & 1-Blank	1000

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED A. D. Bond A. D. Bond TITLE Proration Staff Assistant DATE June 19, 1972

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSIONEXHIBIT NO. 5CASE NO. 4746

Submitted by _____

*See Instructions On Reverse Side

Date _____

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

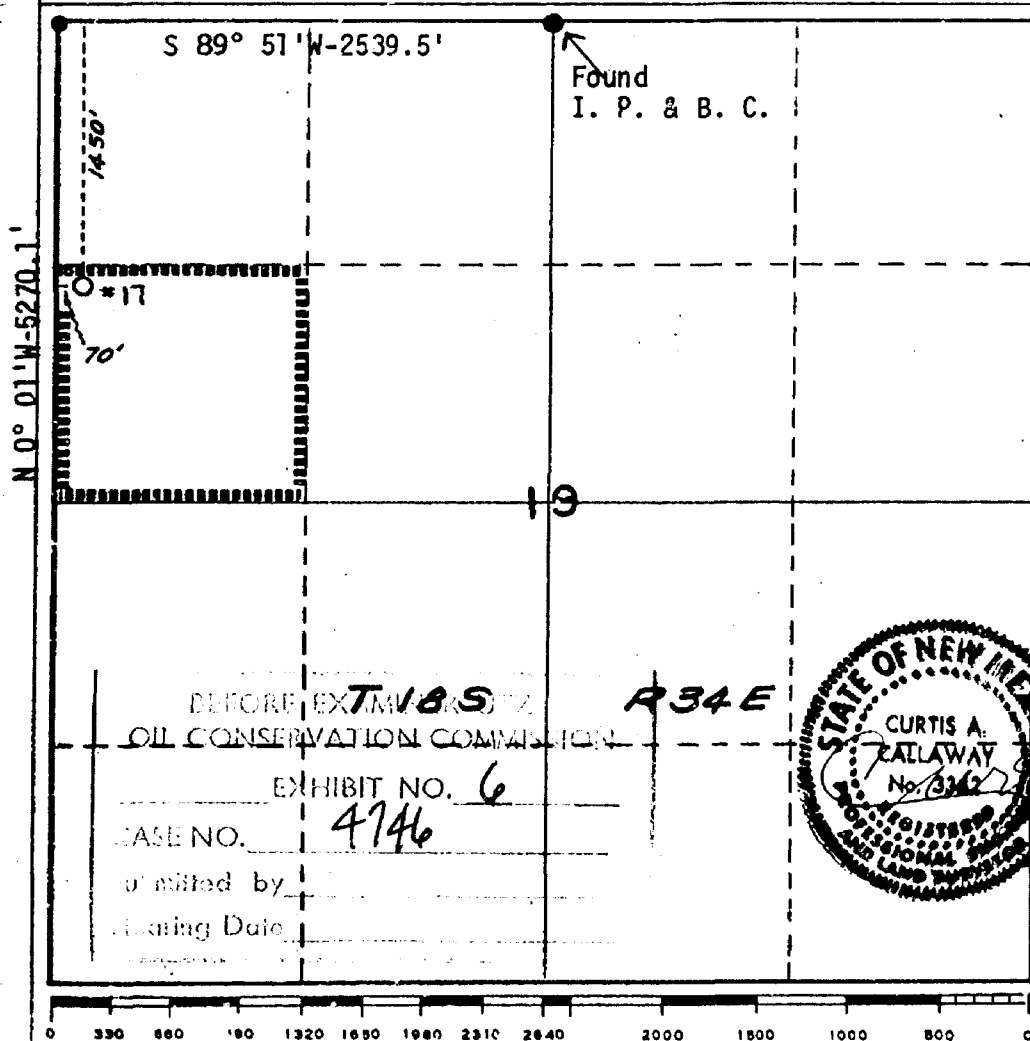
Operator Mobil Oil Corporation			Lease E-K Queen Unit Tract #6		Well No. 17
Unit Letter E	Section 19	Township 18S	Range 34E	County Lea	
Actual Footage Location of Well: 1450 feet from the North line and 70 feet from the West line					
Ground Level Elev. 3965	Producing Formation Queen		Pool E-K Queen	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

A. D. Bond

Name
A. D. Bond

Position
Proration Staff Assistant

Company
Mobil Oil Corporation

Date
June 2, 1972

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.

C. Callaway

Date Surveyed
May 27, 1972

Registered Professional Engineer
and/or Land Surveyor

Curtis A. Callaway

Certificate No.
3342

OIL CONSERVATION COMMISSION

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

June 5, 1972

Case 4746

Mobil Oil Corporation
P. O. Box 633
Midland, Texas 79701

~~Date~~

Attention: Mr. Ira B. Stitt

Re: Unorthodox location -
Mobil Oil Corporation's
E-K Queen Unit Tract 6,
Well No. 17, E-K Queen Pool,
Lea County, New Mexico

Gentlemen:

As the above-described unorthodox location cannot be granted administratively, we have set this for hearing before an examiner for June 28, 1972. A copy of the docket will be mailed to you at a later date.

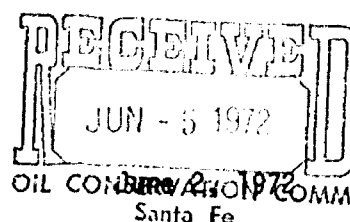
Very truly yours,

GEORGE M. HATCH
Attorney

GMH/dr

C
O
P
Y

Mobil Oil Corporation



P.O. BOX 633
MIDLAND, TEXAS 79701

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

UNORTHODOX LOCATION - MOBIL
OIL CORPORATION'S E-K QUEEN
UNIT TRACT 6, WELL #17
E-K QUEEN POOL
LEA COUNTY, NEW MEXICO

Gentlemen:

Mobil Oil Corporation respectfully requests Commission approval to drill the subject well at an unorthodox location. This proposed well will be located in Unit E, 1450 ft. from the north line and 70 ft. from the west line of Sec. 19, T 18S, R 34E, Lea County, New Mexico.

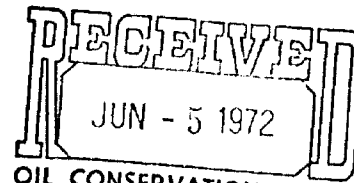
The following items supporting this request are submitted in triplicate:

1. Form 9-331C - Application for Permit to Drill, Deepen or Plug Back on Federal Land
2. Form C-102 - Well Location and Acreage Dedication Plat
3. Plat of subject unit showing all wells and offset operators

Commission Order No. R-2914 entered in Case No. 3256, effective June 1, 1965 approved Mobil Oil Corporation's E-K Queen Waterflood Project. This project is rapidly approaching its economic limit and improved secondary recovery operations are necessary to extend its life. The subject well is needed to obtain a core on which to run tests to determine the most effective type of secondary recovery method to be employed. Another purpose of this well will be to recover oil from and determine the amount of oil in "trap-areas". This in turn could indicate whether or not additional infill drilling will be necessary.

Because of the urgency to get this well drilled and information evaluated and because this is an interior well, located approximately 2470 ft. from the nearest unit boundary line, administrative approval of this application

*Set for hearing June 28, 1972
Case 4746*



is requested. Should the Commission conclude that this matter cannot be processed administratively, please set it for hearing before an Examiner at the scheduled Examiner Hearing on June 28, 1972.

Yours very truly

A handwritten signature in dark ink, appearing to read "Ira B. Stitt".

Ira B. Stitt
Division Operation Engineer

ADBond/lj

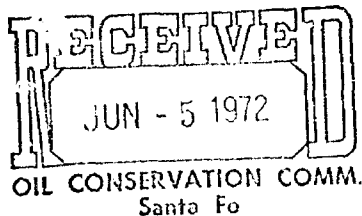
cc: N.M.O.C.C. - Hobbs w/attach.
U.S.G.S. - Hobbs w/attach.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 04591	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Mobil Oil Corporation			7. UNIT AGREEMENT NAME E-K Queen Unit Tr. 6	
3. ADDRESS OF OPERATOR P. O. Box 633 Midland, Texas 79701			8. FARM OR LEASE NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1450' FNL & 70' FWL Sec. 19, T17S, R34E At proposed prod. zone Same as surface			9. WELL NO. 17	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			10. FIELD AND POOL, OR WILDCAT E-K Queen	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 19, T 17S, R 34E	
16. NO. OF ACRES IN LEASE 2895.36			12. COUNTY OR PARISH Lea	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4800			13. STATE New Mexico	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3965 Ground			17. NO. OF ACRES ASSIGNED TO THIS WELL. 40	
20. ROTARY OR CABLE TOOLS Rotary			22. APPROX. DATE WORK WILL START*	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	20	350	Circulate to surface
7 7/8	5 1/2	14	4800	Circulate to surface



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED A. D. Bond TITLE Proration Staff Assistant DATE June 2, 1972
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

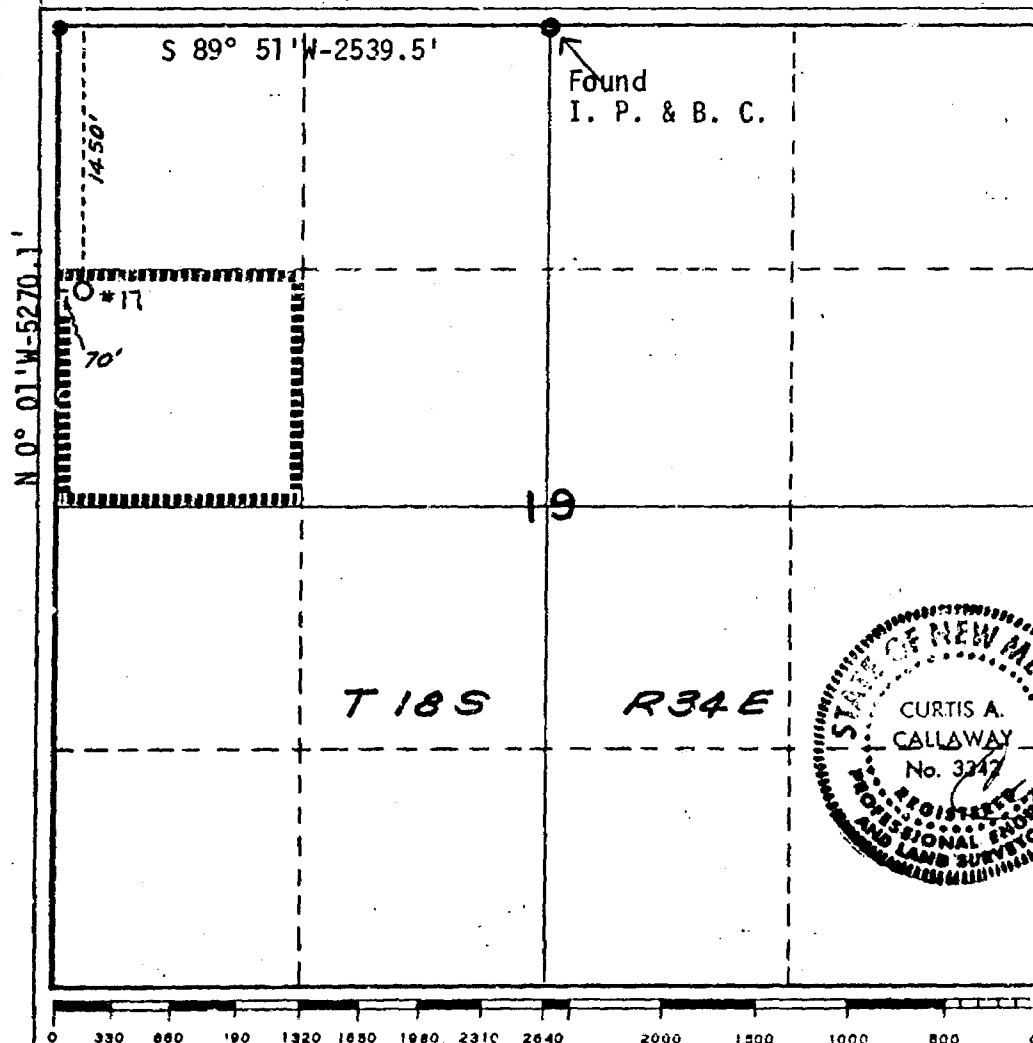
Operator Mobil Oil Corporation			Lease OIL CONSERVATION COMM.		Well No. 17
Unit Letter E	Section 19	Township 18S	Range 34E	County Lea	
Actual Footage Location of Well: 1450 feet from the North line and 70 feet from the West line					
Ground Level Elev. 3965	Producing Formation Queen		Pool E-K Queen	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



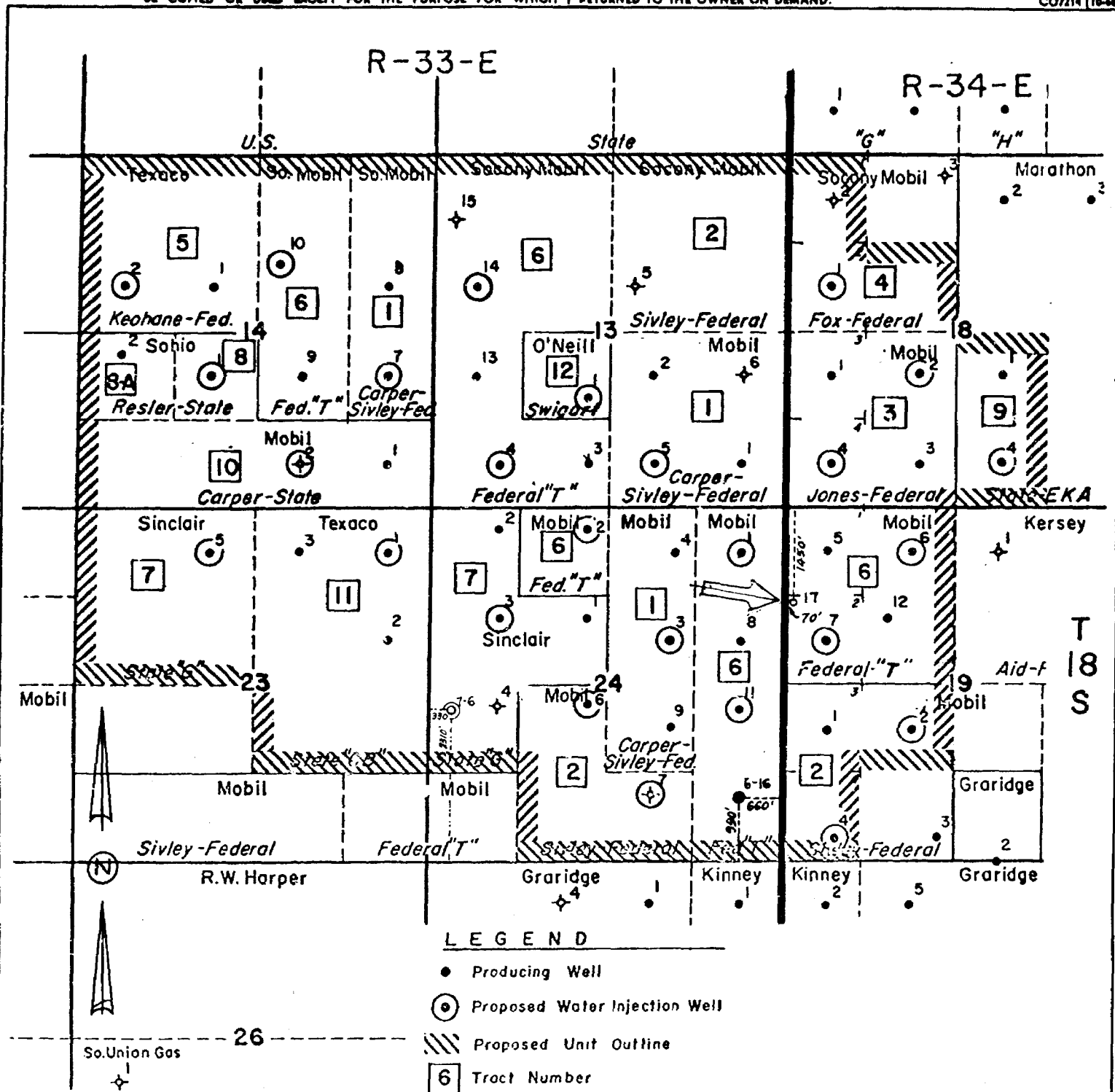
CERTIFICATION

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

A. D. Bond
Name
A. D. Bond
Position
Proration Staff Assistant
Company
Mobil Oil Corporation
Date
June 2, 1972

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.

Curtis A. Callaway
Date Surveyed
May 27, 1972
Registered Professional Engineer and/or Land Surveyor
Curtis A. Callaway
Certificate No.
3342



Reserve	Permit depth
Special Instructions	LOC. OR DRUG. WELL
	ABANDONED LOC.
	DRY & ABANDONED
	OIL WELL
	ABD. OIL WELL
	GAS WELL
	ABD. GAS WELL
	S.W. DISPOSAL WELL
	GAS INPUT WELL
	WATER INPUT WELL
Date work is commenced	19
Location approved by	Plat by
	Surveyed by

THE STATE OF Texas
County OF Midland

I hereby certify that this plat truly represents conditions as they actually exist on this lease; that said plat which is drawn to the scale indicated hereon, is to the best of my knowledge true and correct; that it accurately shows said lease with all wells on same; that number and locations of said wells are as indicated hereon; and that this plat correctly reflects all pertinent and required data.

Ad Band 6-2-72

Mobil Oil Corporation

EXPLORATION & PRODUCING DEPARTMENT
Midland Division - Midland, Texas

LEASE E-K Queen Unit
WELL NO. DATE 19 68
DIVISION LEASE NO. NM-3772-B
TOTAL ACRES IN LEASE 2895.36 ACRES COVERED BY PLAT 2895.36
DESCRIPTION 2595.36 Acres out of T18S, R33 & 34E

Chaves County, New Mexico

DRAWN ADB
SCALE 1" = 2000'

DATE 2-21-68
FILE NO. 60

FIELD E-K Queen

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4746

Order No. R- 2914-A

APPLICATION OF MOBIL OIL
CORPORATION FOR AN UNORTHODOX
WELL LOCATION AND AMENDMENT OF
ORDER NO. R-2914, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of July, 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, Mobil Oil Corporation, is the
operator of the E-K Queen Unit Waterflood Project in its E-K
Queen Unit Area, E-K Queen Pool,
Lea County, New Mexico, approved by Commission Order No. R-2914.

(3) That the applicant seeks authority to drill a producing
oil well in said waterflood project area at an unorthodox loca-
tion 1450 feet from the North line and 70 feet from the West
line of Section 19, Township 18 South, Range 34 East, NMPM,
Lea County, New Mexico.

-2-
CASE NO. 4746
Order No. R-

(4) That the proposed unorthodox location is necessary to complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of said Order No. R-2914 to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize expansion of said E-K Queen Unit Waterflood Project to include additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern without the necessity of showing well response.

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the E-K Queen Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said E-K Queen Waterflood Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the E-K Queen Unit Waterflood Project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby authorized to drill a producing oil well in the E-K Queen

Unit Waterflood Project in its E-K Queen Unit Area, E-K
Queen Pool, at an unorthodox location 1450 feet
from the North line and 70 feet from the West line of Section 19,
Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That Order (2) of Order No. R-2914 is hereby amended
to read in its entirety as follows:

"(2) That the E-K Queen Unit Waterflood Project
shall be governed by the provisions of Rules 701,
702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Com-
mission may approve expansion of the E-K Queen Unit Waterflood
Project to include such additional lands and injection wells and
producing wells at orthodox and unorthodox locations as may be
necessary to complete an efficient injection and producing pattern,
provided said wells are drilled no closer than 330 feet to the
outer boundary of said E-K Queen Unit nor closer than 10 feet
to any quarter-quarter section or subdivision inner boundary,
and provided that the application therefor has been filed in
accordance with Rule 701 B of the Commission Rules and Regulations,
and provided further, that a copy of the application has been
sent to all offset operators, if any there be, and no such operator
has objected within 15 days. The showing of well response as
required by Rule 701 E-5 shall not be necessary before obtaining
administrative approval for the conversion of additional wells to
water injection."

(3) 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.