

CASE 5327: Appli. of CITIES
SERVICE OIL CO. for unorthodox
location and gas injection,
Eddy County. New Mexico.

CASE No.

5327

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 18, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Cities Service
Oil Company for an unorthodox
location and gas injection,
Eddy County, New Mexico.

Case No. 5327

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William Carr, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:
(Cities Service)

W. Thomas Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

CASE 5327

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I N D E X

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E. F. MOTTER

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Stamets

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E X H I B I T S

Applicant's Exhibits Nos. 1 and 2

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MOTTER-DIRECT

MR. STAMETS: Case 5327.

MR. CARR: Case 5327. Application of Cities Service Oil Company for an unorthodox location and gas injection, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of Cities Service Oil Company, and I have one witness.

(Witness sworn.)

E. F. MOTTER

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Motter, would you please state by whom you are employed and in what capacity?

A Cities Service Oil Company, Engineering Manager of the southwest region, Midland, Texas.

Q Mr. Motter, have you made a study of and are you familiar with the facts surrounding this particular Application?

A Yes, I have.

MR. KELLAHIN: If the Examiner please, are the witness' qualifications acceptable?

MOTTER-DIRECT

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MR. STAMETS: They are.

BY MR. KELLAHIN:

Q Mr. Motter, will you refer to Exhibit No. 1, identify it and state what Cities Service is seeking?

A Yes. Prior to doing that, I would like to back up just a minute and refer to Order R-4808 which was granted by the Commission on the 11th day of June, 1974 which authorized Cities Service to conduct operations in the Empire-Abo Unit. One particular feature of that Order, we had asked for an injection well and the Order indicated it would be drilled in an unorthodox location, 990 from the south line, 2635 from the east line, Section 35, Township 17 South, Range 27 East, Eddy County, New Mexico. Our purpose in being here today is that we went out and staked that well. We, of course, had worked up all of our data based on geological maps without probably properly giving due attention to surface conditions, and when we went out and staked the well, if you will note on Exhibit No. 1, down there where I have indicated "abandoned location," that may be improperly stated. It probably should be "approved location." But it fell within about 25 feet of a residence and 15 feet or so of a blacktop road. We attempted to move it to the east, and as you will note,

MOTTER-DIRECT

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there is a coral east of the house and then you run into a South Red Lake Unit Well, which is a well producing from the Grayburg. Then you run into a pipe and junkyard, and quite frankly, we were getting out to a point that we were dealing with such a thin section of the gas cap that we felt this would not be a good injection well. So then we started to the west, and I might further point out that the limitations on this particular order stated that we could not put an injection well in closer than 1640 feet to the lease or boundary lines of the unit. Well, when we moved west, this placed us closer to the boundary than was authorized in the Order, and that is the purpose for seeking permission or seeking in this hearing, an approval of a proposed location 1880 from the west line and 990 from the south line in the same section, township and range.

Q Would you please refer to what has been marked as Exhibit 2 and identify it?

A Yes. This is a letter that we have received. Actually, it is directed to the Oil Conservation Commission in Artesia, that Atlantic operates the Empire-Abo Unit which more or less surrounds our unit to the east and south and west, and by this letter, they waive any objection

MOTTER-DIRECT

to the drilling of this particular well.

Q Was Exhibit No. 1 prepared under your supervision and direction?

A Yes, it was.

Q In your opinion, Mr. Motter, will granting of this application be in the best interest of conservation and prevention of waste and the protection of correlative rights?

A It most certainly will.

MR. KELLAHIN: We move the introduction of Exhibits 1 and 2.

MR. STAMETS: Exhibits 1 and 2 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1 and 2 were marked for identification, and were admitted into evidence.)

MR. KELLAHIN: That concludes our direct examination.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Motter, will the gas to be injected into the new proposed injection well do an efficient job of refreshing this reservoir and everything that your original

MOTTER-CROSS

well would do?

A Yes, I think, if anything, it will probably do a little better job because we will encounter a little bit thicker section on the gas cap here, and as such, we should be able to get gas from the ground a little bit easier because there is probably a little bit less surface pressure and will make all operating conditions more satisfactory.

MR. STAMETS: Are there any other questions of this witness? He may be excused.

(Witness dismissed.)

MR. STAMETS: Is there anything further in this case? If not, we will take the case under advisement and the Hearing is adjourned.

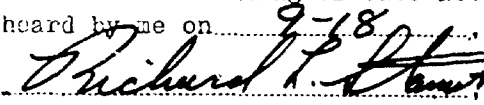
(Whereupon, the Hearing was adjourned at approximately 3:25 p.m.)

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5327 heard by me on 9-18-74 1974

 Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

October 22, 1974

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5327
ORDER NO. R-4865-A
Applicant:
Cities Service Oil Company

Dear Sir:

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

Very truly yours,

N. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	<u>x</u>
Aztec OCC	

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR AN UNORTHODOX LOCATION
AND GAS INJECTION, EDDY COUNTY,
NEW MEXICO.

CASE NO. 5327
Order No. R-4865-A

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that due to clerical error and inadvertence, Order No. R-4865, dated October 9, 1974, does not correctly state the intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) on page 2 of Order No. R-4865, dated October 9, 1974, is hereby corrected to read in its entirety as follows:

"(1) That the applicant, Cities Service Oil Company, is hereby authorized to drill its Empire Abo Unit Well No. 111 at an unorthodox location 990 feet from the South line and 1880 feet from the West line of Section 35, Township 17 South, Range 27 East. Empire-Abo Pool, Eddy County, New Mexico."

(2) That this order shall be effective nunc pro tunc as of October 9, 1974.

DONE at Santa Fe, New Mexico, this 22nd day of October, 1974.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

U.C.C.
Arthur

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

CASE NO. 5327
Order No. R-4865

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR AN UNORTHODOX LOCATION
AND GAS INJECTION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 18, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of October, 1974, 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 sub-
ject matter thereof.

(2) That the applicant, Cities Service Oil Company, seeks
authority to drill and complete its Empire Abo Unit Well No. 111
as a gas injection well at an unorthodox location 990 feet from
the South line and 1880 feet from the West line of Section 35,
Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County,
New Mexico.

(3) That the mechanics of the proposed injection well are
feasible and in accord with good conservation practices.

(4) That the unorthodox location of the proposed well is
necessary to inject gas high on the Empire-Abo reef and to
provide proper clearance from a dwelling.

(5) That no offset operator objected to the application.

(6) That the subject application should be approved.

Dec'd.
9905-1880W.
9905-1880E
Applicant filed a Permit to Drill @
9905-1880 W - 35-17-27
also Case # 5352 in legal add for 10-30-74
shows unorthodox loc. 9905-1650E 2-18-26
this off to the Atoka Penn Pool.

Case No. 5327
Order No. R-4865

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to drill its Empire Abo Unit Well No. 111 at an unorthodox location 990 feet from the South line and 1880 feet from the East line of Section 35, Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.

(2) Applicant is further authorized to utilize said well as an injection well for the injection of gas into the Empire-Abo Pool.

PROVIDED HOWEVER, that injection shall take place through 2 3/8-inch plastic-lined tubing set in a packer at approximately 5450 feet, and that the casing-tubing annulus should be fitted with a pressure gauge in order to determine leakage in the casing, tubing, or packer.


(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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

S E A L

dr/



OIL CONSERVATION COMMISSION

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

October 9, 1974

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5327
ORDER NO. R-4863, R-4864,
R-4865, R-4866 and R-4868
Applicant:

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 R-4865, R-4866, R-4868
Aztec OCC R-4863

Other Mr. Nick Franklin

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. 5327
Order No. R-4865

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR AN UNORTHODOX LOCATION
AND GAS INJECTION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 18, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of October, 1974, 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, Cities Service Oil Company, seeks authority to drill and complete its Empire Abo Unit Well No. 111 as a gas injection well at an unorthodox location 990 feet from the South line and 1880 feet from the West line of Section 35, Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.
- (3) That the mechanics of the proposed injection well are feasible and in accord with good conservation practices.
- (4) That the unorthodox location of the proposed well is necessary to inject gas high on the Empire-Abo reef and to provide proper clearance from a dwelling.
- (5) That no offset operator objected to the application.
- (6) That the subject application should be approved.

-2-

Case No. 5327

Order No. R-4865

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to drill its Empire Abo Unit Well No. 111 at an unorthodox location 990 feet from the South line and 1880 feet from the East line of Section 35, Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.

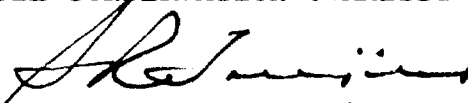
(2) Applicant is further authorized to utilize said well as an injection well for the injection of gas into the Empire-Abo Pool.

PROVIDED HOWEVER, that injection shall take place through 2 3/8-inch plastic-lined tubing set in a packer at approximately 5450 feet, and that the casing-tubing annulus should be fitted with a pressure gauge in order to determine leakage in the casing, tubing, or packer.

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

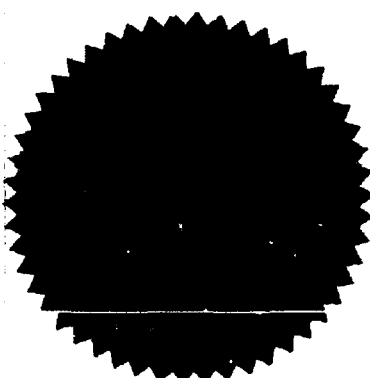
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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


S E A L

dr/

Dockets Nos. 29-74 and 30-74 are tentatively set for hearing on October 2 and October 16, 1974. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 18, 1974

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 from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for October, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for October, 1974;

CASE 5288: (Continued from the August 7, 1974, Examiner Hearing)

Application of Merrion & Bayless for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of hydrocarbon production from the top of the Gallup formation at 5434 feet to the base of the Dakota formation at 6570 feet in its Keeling Federal Well No. 1 located in Unit B of Section 20, Township 25 North, Range 8 West, Dufers Point-Dakota Pool, San Juan County, New Mexico.

CASE 5313: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its Ludwick Well No. 11 located in Unit B of Section 9, Township 30 North, Range 10 West, San Juan County, New Mexico.

CASE 5292: (Continued from the August 7, 1974, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit El Paso Natural Gas Company, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why each of the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

EPNG Ludwick Well No. 11, located in Unit B, Section 19, Township 30 North, Range 10 West, San Juan County, New Mexico;

EPNG Rincon Unit Well No. 127, located in Unit A, Section 28, Township 27 North, Range 6 West, Rio Arriba County, New Mexico; and

EPNG Warren A Well No. 2, located in Unit A, Section 23, Township 28 North, Range 9 West, San Juan County, New Mexico.

- CASE 5316: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company and all other interested parties to appear and show cause why the Segal Well No. 1 located in Unit K of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5317: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company, Inc., and all other interested parties to appear and show cause why the Marron Well No. 42 in Unit M of Section 22, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5318: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit William C. Russell and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Marron Well No. 46 located in Unit K of Section 23, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5326: Application of William C. Russell for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of his Hammond Well No. 1, the surface location of which is 1800 feet from the North line and 1650 feet from the East line of Section 26, Township 27 North, Range 8 West, Largo-Chacra Pool, San Juan County, New Mexico.
- CASE 5328: Application of R & G Drilling Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco-Mesaverde and Basin-Dakota gas production in the wellbore of its Hammond Well No. 47, located in Unit K of Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico.
- CASE 5312: Application of SEC Corporation for two non-standard carbon dioxide gas units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard gas units in the South Bueyeros Carbon Dioxide Field, Harding County, New Mexico, the first comprising the W/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 32, Township 19 North, Range 30 East, to be dedicated to a well to be drilled in the approximate center of the SW/4 NE/4 of said Section 32; the second non-standard unit would comprise the SW/4 NE/4, N/2 SE/4 and SE/4 SE/4 of Section 5, Township 18 North, Range 30 East, and would be dedicated to a well in the approximate center of the NW/4 SE/4 of said Section 5.

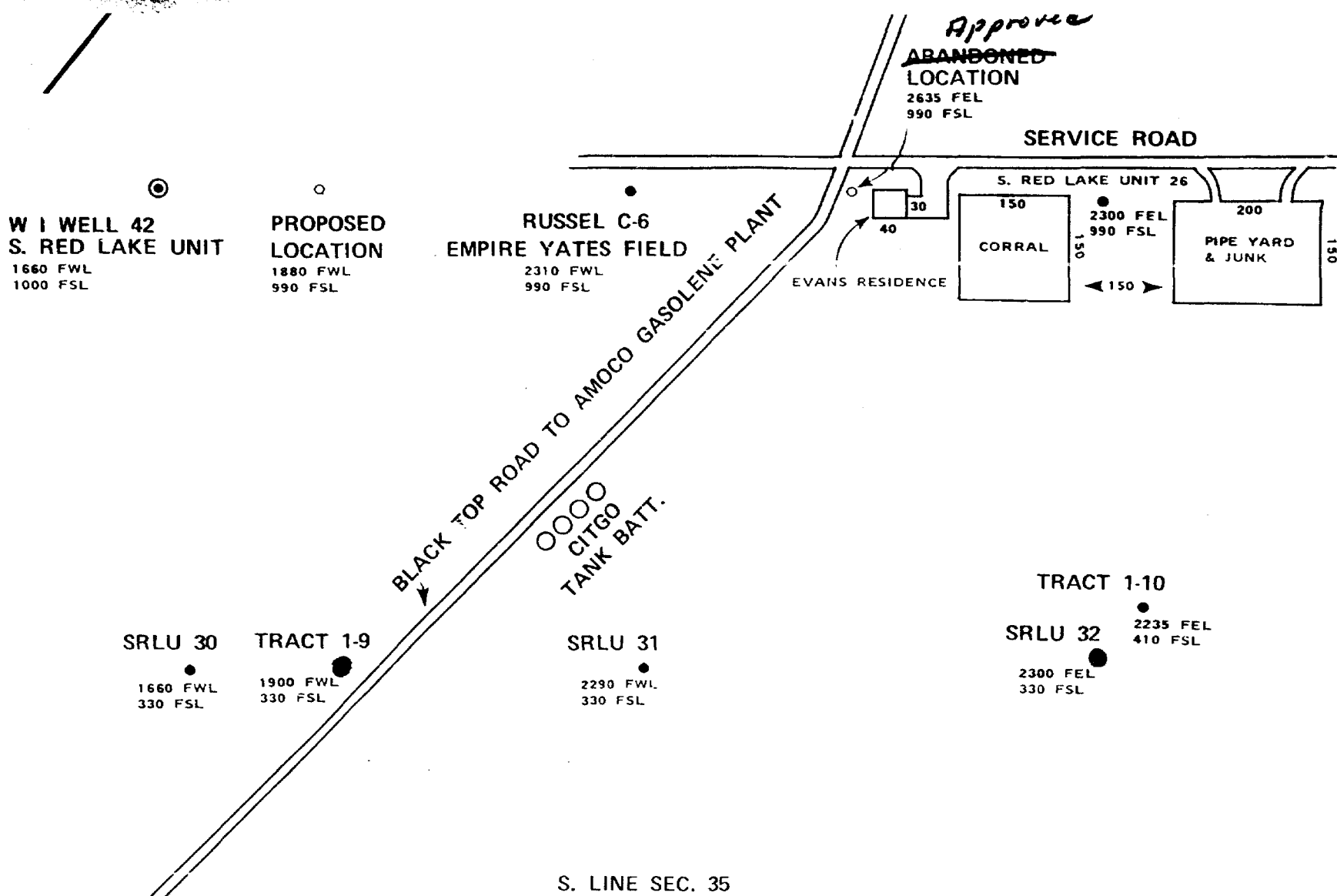
- CASE 5314: Application of Gulf Oil Corporation for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its W. A. Ramsay Wells Nos. 6, 7, and 20 located in Units H, N, and E, respectively, of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to a standard 640-acre gas proration unit comprising all of said Section 35. Each of the aforesaid wells is at a non-standard location for a 640-acre unit in said pool.
- CASE 5315: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Tubb-Drinkard, and Fusselman production in the wellbore of its G. L. Erwin "B" Federal Well No. 4 located in Unit O of Section 35, Township 24 South, Range 37 East, Justis Field, Lea County, New Mexico.
- CASE 5319: Application of Alan Ralston dba Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 25, Township 25 South, Range 36 East, Lea County, New Mexico, to form a 160-acre non-standard gas proration unit to be dedicated to applicant's Brown Well No. 1 located 1980 feet from the North line and 2310 feet from the West line of said Section 25. Applicant further seeks the pooling of all mineral interests in the Jalmat Pool underlying the following 40-acre oil proration units in said Section 25: the NW/4 NW/4 to be dedicated to Brown Well No. 2 located 330 feet from the North line and 825 feet from the West line; the NE/4 NW/4 to be dedicated to Brown Well No. 3 located 365 feet from the North line and 1650 feet from the West line; the SE/4 NW/4 to be dedicated to Brown Well No. 4 located 1690 feet from the North line and 1870 feet from the West line; and the SW/4 NW/4 to be dedicated to Brown Well No. 5 located 1650 feet from the North line and 990 feet from the West line. Also to be considered will be the cost of reworking said wells and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the wells and a charge for risk involved in reworking said wells.
- CASE 5320: Application of Lively Exploration Company for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 341.33-acre non-standard gas proration unit comprising Lots 9, 10, 11, and 12 of Section 7, and Lots 1, 2, 3, and 4 and the E/2 W/2 of Section 18, Township 29 North, Range 8 West, Basin Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit.

- CASE 5321: Application of Northern Minerals, Inc. for pool creation and special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Miguel Creek-Hospah Oil Pool in Township 16 North, Range 6 West, McKinley County, New Mexico, and for the promulgation of special pool rules therefor, including the elimination of the requirement for surface casing and authority to inject water through casing. Applicant is currently conducting waterflood operations in said pool pursuant to authority granted by Order No. R-4649 and seeks administrative provision for the drilling of additional injection and production wells at orthodox and unorthodox locations.
- CASE 5322: Application of Phillips Petroleum Company for an exception to Rule 104-C-I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Commission Rule 104-C-I to permit the production of its Santa Fe Wells Nos. 41 and 86, both of which are located in Unit C of Section 26, Township 17 South, Range 35 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, said wells being located closer than the required 330 feet apart.
- CASE 5323: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age, or older, underlying the E/2 of Section 32, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5324: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age, or older, underlying the E/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to applicant's Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5325: Application of Cities Service Oil Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of Section 18, Township 22 South, Range 27 East, South

(Case 5325 continued from Page 4)

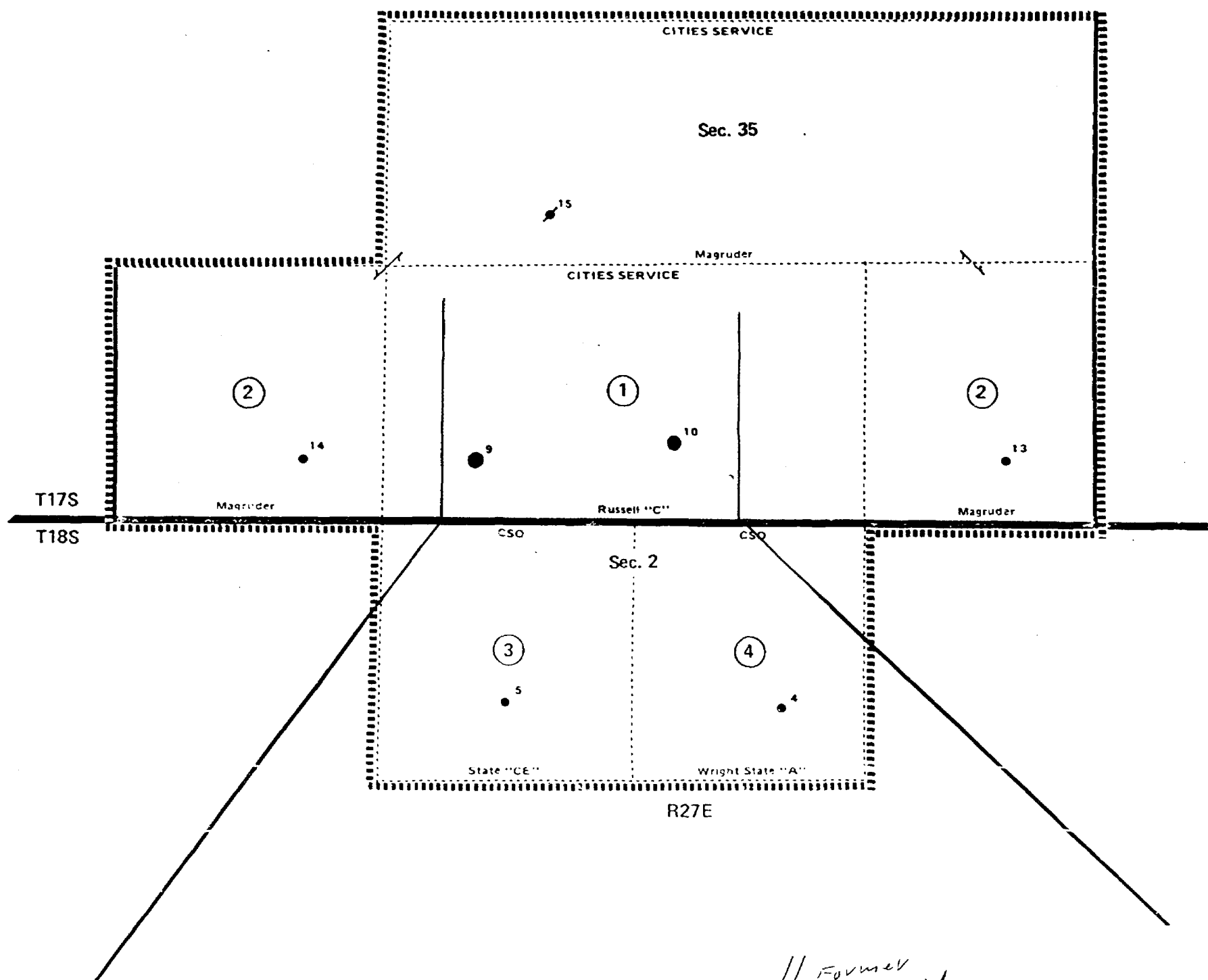
Carlsbad Field, Eddy County, New Mexico, in such a manner as to bottom said well in the Morrow formation at an orthodox location within 165 feet of a point 2145 feet from the North line and 825 feet from the East line of said Section 18. Applicant further seeks approval for the unorthodox location of said well in the Strawn formation, in the event production is therein encountered, within a 100-foot radius of a point 2000 feet from the North line and 675 feet from the East line of said Section 18. The E/2 of said Section 18 would be dedicated to the well for both formations.

CASE 5327: Application of Cities Service Oil Company for an unorthodox location and gas injection, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Empire-Abo Unit Well No. 111 to be drilled at a point 990 feet from the South line and 1880 feet from the West line of Section 35, Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico. This well is to be used as a gas injection well and, in exception to the provisions of Order No. R-4808, is located 1140 feet from the outer boundary of the Citgo Empire-Abo Unit Boundary, rather than the required 1650 feet from the outer boundary.



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Cities EXHIBIT NO. 1
CASE NO. 5327
Submitted by MOTTER
Hearing Date 18 Aug 74

CITGO EMPIRE ABO UNIT
Eddy County, New Mexico
SCALE 1"=200'



AllanRichfieldCompany

North American Producing Division
Permian Dis
Post Office Box 1610
Midland, Texas 79701
Telephone 915 682 8631



August 22, 1974

Mr. W. A. Gressett (3)
New Mexico Oil Conservation Commission
District II
P. O. Drawer DD
Artesia, New Mexico 88210

Re: Citgo Empire Abo Unit
Gas Injection Well
Request for approval of
Non-standard location

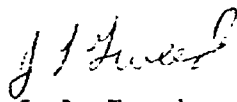
Gentlemen:

By letter dated August 7, 1974, Cities Service Oil Company has requested a location for their proposed gas injection well, Citgo Empire Abo Unit No. 111, which is 990' FSL and 1880' FWL of Section 35, T-17S, R-27E, Eddy County, New Mexico. This proposed location will be only 1140 feet from the nearest boundary of the ARCO-Empire Abo Unit. Citgo Empire Abo Unit Rules, Order No. R-4808, specify that injection wells shall be no closer than 1650 feet to a non-unit tract having a well completed in the Abo formation.

Atlantic Richfield Company, operator of the ARCO-Empire Abo Unit, by this letter, agrees to waive objection to the drilling of this well at the location specified in this letter.

Very truly yours,

ATLANTIC RICHFIELD COMPANY


J. L. Tweed
District Engineer

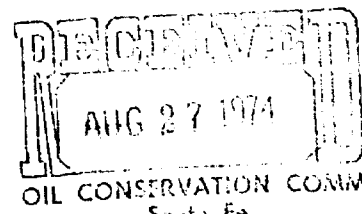
SHC/agp

cc: Cities Service Oil Company
Attn: Mr. E. Y. Wilder
P. O. Box 1919
Midland, Texas 79701

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Cities	EXHIBIT NO. 2
CASE NO.	5327
Submitted by	MOTTER
Hearing Date	18 Sep 74

Atlantic Richfield Company

North American Producing Division
Permian District
Post Office Box 1610
Midland, Texas 79701
Telephone 915 682 8631



August 22, 1974

Mr. W. A. Gressett (3)
New Mexico Oil Conservation Commission
District II
P. O. Drawer DD
Artesia, New Mexico 88210

RECEIVED

AUG 23 1974

Re: Citgo Empire Abo Unit
Gas Injection Well
Request for approval of
Non-standard location

Case File
5327

O. C. C.
ARTESIA, OFFICE

Gentlemen:

By letter dated August 7, 1974, Cities Service Oil Company has requested a location for their proposed gas injection well, Citgo Empire Abo Unit No. 111, which is 990' FSL and 1880' FWL of Section 35, T-17S, R-27E, Eddy County, New Mexico. This proposed location will be only 1140 feet from the nearest boundary of the ARCO-Empire Abo Unit. Citgo Empire Abo Unit Rules, Order No. R-4808, specify that injection wells shall be no closer than 1650 feet to a non-unit tract having a well completed in the Abo formation.

Atlantic Richfield Company, operator of the ARCO-Empire Abo Unit, by this letter, agrees to waive objection to the drilling of this well at the location specified in this letter.

Very truly yours,

ATLANTIC RICHFIELD COMPANY

J. L. Tweed
J. L. Tweed
District Engineer

SHC/agp

cc: Cities Service Oil Company
Attn: Mr. E. Y. Wilder
P. O. Box 1919
Midland, Texas 79701

RECEIVED

AUG 12 1974



O. C. C.
ARTESIA, OFFICE

CITIES SERVICE OIL COMPANY

Box 1919
Midland, Texas 79701
Telephone: 915 684-7131

E. F. Motter

August 7, 1974

MSL-678

New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Gentlemen:

Administrative approval is requested for the drilling of Cities Service Oil Company's Citgo Empire Abo Unit #111. The location for the drilling of this well has been changed to 990' from the South line and 1880' from the West line of Section 35, T-17S, R-27E, Eddy County, New Mexico.

The drilling site authorized for this well by Order No. R-4808 was 990 FSL, 2635 FEL of the same section. This location cannot be used due to surface conditions such as pipe yard, corral and outbuildings.

The requested location is 745' West of the approved location in the same 40 acre unit of Section 35 and is free of roads and other surface obstructions.

Rule 10 of New Mexico Oil Conservation Commission Order No. R-4808 stipulates that injection wells shall be no closer than 1650 feet to a tract not committed to the unit. The proposed location will be 1140 feet from the Northeast corner of Tract 88 of the ARCO Empire Abo Unit.

The proposed location of 990' FSL and 1880' FWL of Section 35-17S-27E, Eddy County, New Mexico is requested for the following reasons:

1. The previously authorized location cannot be used due to surface conditions.
2. The objective of this well is to inject gas into the gas cap and moving the location East or North any appreciable distance would make the gas cap inaccessible.

We are attaching a letter, dated August 7, 1974, that we have furnished offset operators advising them of our application.

Thank you for your consideration of our request.

Yours very truly,

E. Y. Wilder

E. Y. Wilder
Region Operation Manager

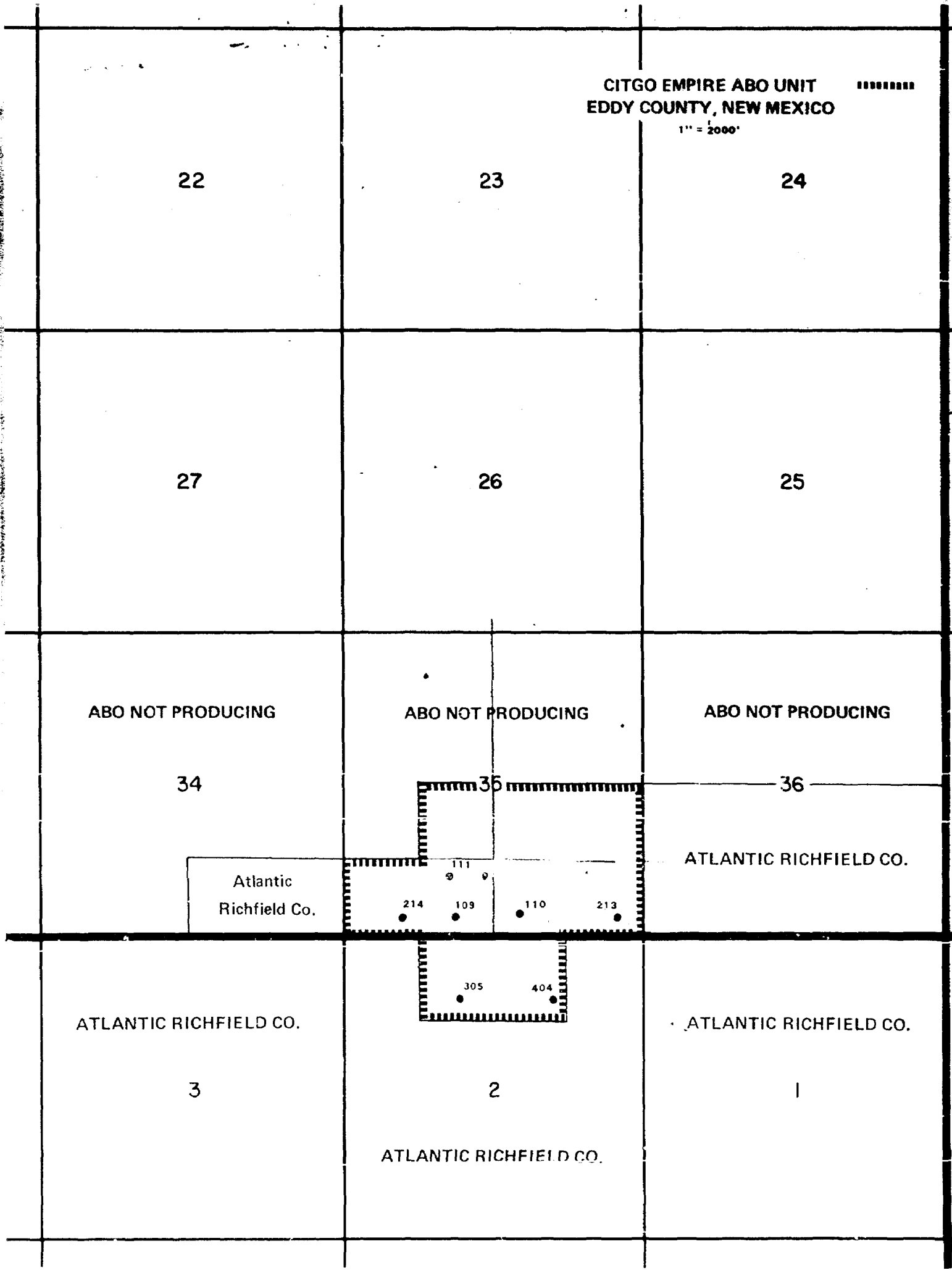
EYW:EL:bl

Attachment

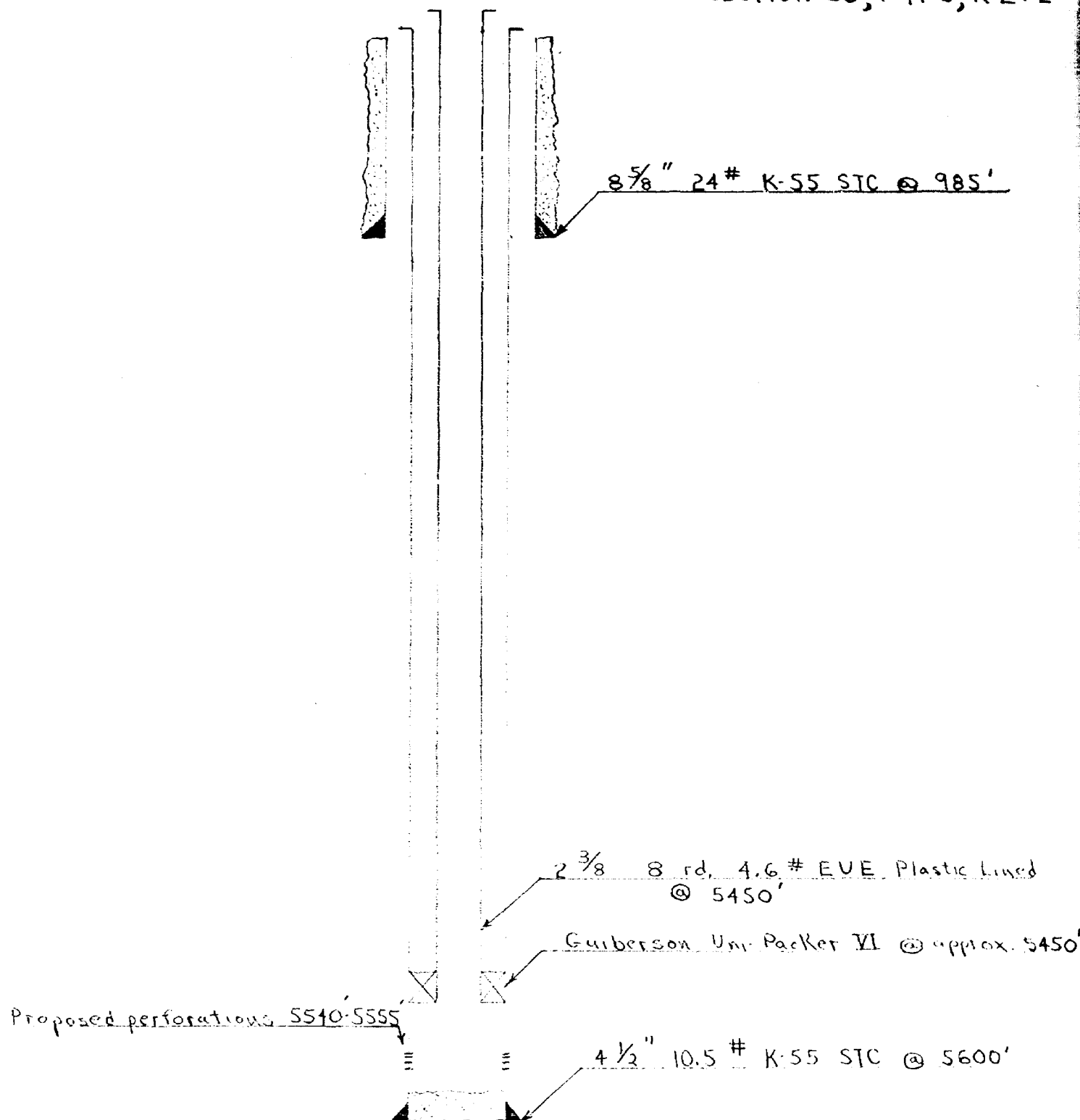
DOCKET MAILED

Date 9-6-74

CITGO EMPIRE ABO UNIT
EDDY COUNTY, NEW MEXICO
1" = 2000'



CITGO EMPIRE ABO
TRACT 1 WELL II
990 FSL 2640 FEL
SECTION 35, T-17-S, R-27E



CITIES SERVICE OIL COMPANY



Box 1919
Midland, Texas 79701
Telephone: 915 684-7131

August 7, 1974

RECEIVED

AUG 12 1974

O. C. C.
ARTESIA, OFFICE

Atlantic Richfield Company
Box 1610
Midland, Texas 79701

Gentlemen:

Cities Service Oil Company is making application with the New Mexico Oil Conservation Commission to drill its Citgo Empire Abo Unit #111, a gas injection well, located 990' from the South line and 1880' from the West line of Section 35, T-17S, R27E, Eddy County, New Mexico. We are attaching a copy of this application for your information.

In accordance with New Mexico Oil Conservation Commission regulations we are attaching a copy of this application and request that you, as an offset operator, waive objection to the drilling of this well.

Thank you for your consideration of this request.

Yours very truly,

CITIES SERVICE OIL COMPANY

E. Y. Wilder
Region Operation Manager

EYW:RHS:bl

Attachment

cc: New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

DRAFT

jr/ RLS

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. 5327

Order No. R- 4865

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR AN UNORTHODOX LOCATION
AND GAS INJECTION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 18, 1974
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of October, 1974, 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, Cities Service Oil Company, seeks
authority to drill and complete its Empire Abo Unit Well No. 111
as a gas injection well at an unorthodox location 990 feet from the
South line and 1880 feet from the West line of Section 35, Township
17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.

1 -2-

2 CASE NO. 5327

3 Order No. R-

4 (3) That the mechanics of the proposed injection well are
5 feasible and in accord with good conservation practices.

6 (4) That the unorthodox location of the proposed well is
7 necessary to inject gas high on the Empire-Abo reef and to provide
8 proper clearance from a dwelling.

9 (5) That no offset operator objected to the application.

10 (6) That the subject application should be approved.

11 IT IS THEREFORE ORDERED:

12 (1) That the applicant, Cities Service Oil Company, is
13 hereby authorized to drill its Empire Abo Unit Well No. 111 at an
14 unorthodox location 990 feet from the South line and 1880 feet
15 from the East line of Section 35, Township 17 South, Range 27 East,
16 Empire-Abo Pool, Eddy County, New Mexico.

17 (2) Applicant is further authorized to utilize said well as
18 an injection well for the injection of gas into the Empire-Abo
19 Pool.

20 PROVIDED HOWEVER, that injection shall take place through
21 2 3/8-inch ~~internally lined~~ plastic-lined tubing set in a packer at approximately
22 5450 feet, and that the casing-tubing annulus should be fitted with
23 a pressure gauge in order to determine leakage in the casing,
24 tubing, or packer.

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

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

29

30

31

32

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR AN UNORTHODOX LOCATION
AND GAS INJECTION, EDDY COUNTY,
NEW MEXICO.

CASE NO. 5327

Order No. R-4865-A

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that due to clerical error
and inadvertence, Order No. R-4865, dated October 9, 1974, does
not correctly state the intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) on page 2 of Order No. R-4865, dated
October 9, 1974, is hereby corrected to read in its entirety as
follows:

"(1) That the applicant, Cities Service Oil Company,
is hereby authorized to drill its Empire Abo Unit
Well No. 111 at an unorthodox location 990 feet
from the South line and 1880 feet from the West
line of Section 35, Township 17 South, Range 27
East, Empire-Abo Pool, Eddy County, New Mexico."

(2) That this order shall be effective nunc pro tunc as of
October 9, 1974.

DONE at Santa Fe, New Mexico, this _____ day of October,
1974.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

dr