

CASE 5334: Application of STOLTZ,
WAGNER & BROWN FOR DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

CASE No.

5334

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 2, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Stoltz, Wagner and
Brown for directional drilling,
Lea County, New Mexico.

Case No. 5334

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

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

For the Applicant:

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

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COLLIGAN-DIRECT

MR. NUTTER: Case 5334.

MR. DERRYBERRY: Case 5344.. Application of Stoltz, Wagner and Brown for directional drilling, Lea County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, appearing on behalf of the Applicant, Stoltz, Wagner and Brown. I have one witness to be sworn.

MYLES A. COLLIGAN

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name and occupation?

A Myles A. Colligan. I am a consulting geologist.

Q Mr. Colligan, when and where did you obtain your geology degree?

A I graduated from the University of California, Los Angeles in 1940 with a B.A. degree in geology.

Q Would you please state briefly what your employment background has been since graduation?

A Since 1945 through 1958, I was employed with the Wilshire Oil Company of both California and of Texas, and upon leaving in 1958, as a Chief Geologist. From 1958 on,

COLLIGAN-DIRECT

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I have been an independent geologist, consulting geologist.

Q Are you familiar with oil and gas production in Lea County, New Mexico?

A Yes, I am.

Q Have you made a study of the facts surrounding this particular Application by Stoltz, Wagner and Brown?

A Yes, I have.

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

MR. NUTTER: They are.

BY MR. KELLAHIN:

Q Mr. Colligan, would you please refer to what has been marked as Exhibit No. 1, identify it and state briefly what the Applicant is seeking?

A This is a land map of the crossroad area in Lea County, New Mexico in Township 9 South, Range 36 East. The northeast quarter of Section 22, colored in yellow, is the lease that my client has under lease now and wishes to develop by re-entering an old hole and whip-stocking it to the southeast.

Q Would you please refer to Exhibit No. 2 and identify it?

A No. 2 is the well location plat showing the

new proposed bottomhole location of the re-entry and whip-stock hole to be 2310 feet from the north of Section 22 and 1320 feet west of the east line of Section 22.

Q On your Exhibit No. 2, the bottomhole site of the well is within 180-foot radius, is that correct?

A That is correct.

Q And it would be your intention to comply with any Commission Order requiring you to be no closer than five feet on either side of the quarter section line?

A Yes.

Q Please refer to Exhibit No. 3 and identify it?

A Exhibit No. 3 is the Application to re-enter and directional drill the abandoned hole which is known as the H. L. Vincent No. 2, which would be Stoltz, Wagner and Brown No. 1 Well. They plan to kick off somewhere in the neighborhood of 8400 feet and drill a 7 and 7/8 inch diameter hole to 12,300 feet and run 4 1/2 inch casing and recomplete in the Devonian Formation. The original well here was the Warren Petroleum No. 1 or No. 2 H. L. Vinson.

Q What has been the production of this Gulf No. 2 Vincent?

A This well has a cumulative production of 438,261 barrels of oil. It was completed as a -- both swabbing

and flowing for 275 barrels of oil per day.

Q What does the Applicant seek to achieve by the directional drilling?

A They plan to drill in a southeasterly direction, and based upon the contours of this Exhibit 4 -- if I am not getting ahead of myself --

Q (Interrupting) That is fine. Let's go to Exhibit 4 and have you continue your testimony by reference to Exhibit 4.

A They plan to gain about 20 -- maybe more -- feet structural elevation on top of the Devonian formation by by drilling to the southeast, and in so doing, they will be draining a considerable area in the northeast quarter that had been undrained.

Q Is the Crossroads Siluro-Devonian Field primarily a water-drive field?

A Yes, it is.

Q What specific problems has the operator encountered in the existing Vinson Well?

A Of course, the main problem is just -- if you will just hold on a minute, I will get the log on that particular well. It is just a matter of going to water.

Q Right. Does the operator believe that the

watering out of the well is a result of coning of water or is it simply the advancement of the edgewater?

A They think it is primarily -- and I tend to agree -- that it is probably a combination of both, but I think predominately, especially where they are drilling, and as indicated in some of the other wells in the field that it is coning, because some of the wells, infill wells that have been drilled as late as 1972 have been completed with no water and at a high rate of production. An example is the one down in Section 26 in the northwest quarter of the northwest quarter. It is the Magnolia No. 11 Santa Fe which was completed in October of '72 for 550 barrels of oil per day with no formation water reported, however, it seems shortly after this production, why -- after completion, why, copious amounts of water are produced in these wells.

Another one is the Sun No. 9 Well and No. 9 Sawyer in Section 27. Another one is the Sun No. 7 Well-Sawyer which was completed in '72 for 372 barrels a day, plus one barrel of water.

Now, in this particular one, in June of 1974, it produced 16,288 barrels of oil with no water. The one right to the southeast of it, the No. 6, its June production

COLLIGAN-DIRECT

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of 1974, was 15,257 barrels of oil and 19,320 barrels of water. The No. 10, up in Section 22, that was completed in December of '72. The cumulative in June of '74 was 271,890 barrels of oil, and in June of 1974, it produced 70,043 barrels of oil and 514,162 barrels of water.

So, we have, I think here, an erratic condition in the water-drive, and I believe that both mechanisms are at work here.

Q Would you please refer to Exhibit No. 5 and identify it?

A Exhibit 5 is an excerpt out of the Roswell Geologic Society Symposium by Larry D. Ryder, who is a Mobil Oil Company geologist, and these maps were dated July 5th of 1960, and what he did here was draw the subsurface structure on top of the Devonian or the Crossroads Field and other fields adjacent to it. And the main reason that this is incorporated in the exhibit is the fact that the client wanted to show that his interpretation was very very similar to that of a Mobil Oil Company geologist back in 1960.

Q Have you yourself made an independent study of Exhibits 4 and 5 and have you reached the same conclusion?

A Yes, I have.

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SANTA FE, NEW MEXICO 87501
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Q Please refer to Exhibit No. 6 and identify it?

A No. 6 is the plan for drilling the directional hole starting at a depth of 8400 feet. It shows here in the righthand side, the plan and the target area, the approximate distance of offset and direction. I believe that at about 8400 feet, they will be kicking off in what would be called the Lower Abo formation.

Q Mr. Colligan, based upon your study of the facts surrounding this Application, in your opinion, is the existing well as it is presently completed adequately draining the unit area?

A Well, the existing well -- are you referring now to the old Vinson No. 2 that was abandoned?

Q That's right.

A It is an abandoned hole now and, of course, it is not draining anything at the present time.

Q In its present state, they have left hydrocarbons in place that otherwise could be produced?

A I believe so.

Q In your opinion, Mr. Colligan, if this Application is approved, will considerable amounts of oil be recovered from the Vinson lease that otherwise would not be recovered?

A Yes, indeed.

Q In your opinion, then, would approval of this Application be in the best interest of conservation, prevention of waste and the protection of correlative rights?

A Yes, indeed.

Q And you have made a study of Exhibits 1 through 6, and based upon your independent knowledge of the circumstances surrounding this field, those exhibits are correct and true?

A Yes.

MR. KELLAHIN: We move the introduction of Exhibits 1 through 6.

MR. NUTTER: Applicant's Exhibits 1 through 6 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2, 3, 4, 5 and 6 were marked for identification, and were admitted into evidence.)

MR. KELLAHIN: That concludes our direct examination, Mr. Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Colligan, do you have any idea what the current oil-water contact level is, assuming that there hadn't been any excessive coning of this well?

A No, I haven't. I don't know quite how you would be able to determine a field, oil-water contact right here, Mr. Examiner, on the way the various wells make water and oil, both in good quantities.

Q Is some of the production in the field still water-free?

A There is one down here in Section 27, Well No. 7 which is a new well. It was completed 7/4/72, flowing 372 barrels of oil a day, and completed one barrel of water per 24 hours. And in June of '74, there was no water reported. It made 16,288 barrels of oil in that month.

Q So, if the reports are correct, it is water-free production?

A There is some, yes.

MR. NUTTER: Thank you. Are there further questions of the witness? He may be excused.

(Witness dismissed.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 5334?

(Whereupon, a discussion was held off the record.)

MR. DERRYBERRY: Mr. Examiner, the Commission has received a letter from Mobil Oil Corporation, stating that they do not object to the unorthodox location, and that this letter should be considered as their waiver of no objection.

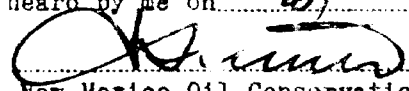
MR. NUTTER: Thank you, Mr. Derryberry. Does anyone else have anything they wish to offer in this case? We will take the case under advisement.

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 5334 heard by me on 10/1/74, 1974


 Examiner
 New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMUJO
MEMBER

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

November 4, 1974

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

Re: CASE NO. 5334
ORDER NO. R-4899
Applicant:
Stoltz, Wagner & Brown

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	<u> X </u>
Artesia OCC	<u> </u>
Aztec OCC	<u> </u>

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. 5334
Order No. R-4899

APPLICATION OF STOLTZ, WAGNER &
BROWN 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 October 2, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of November, 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, Stoltz, Wagner & Brown, is the owner and operator of its H. L. Vinson Well No. 1, formerly the Gulf Oil Corporation Vinson Well No. 2, located 1980 feet from the North line and 1980 feet from the East line of Section 22, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.

(3) That the subject well was originally drilled to a total depth of 12,250 feet to the Devonian formation, but after a period of production experienced a high water cut which led to its plugging and abandonment.

(4) That the applicant proposes to reenter the subject well and clean it out to a depth of approximately 8400 feet, set a whipstock at that point, and directionally drill to the Devonian formation within a 180-foot radius of a point 2310 feet from the North line and 1320 feet from the East line of said Section 22 at a true vertical depth of approximately 12,255 feet.

(5) That a well drilled to the Devonian formation at said subsurface location will encounter the formation at a higher structural elevation than was encountered in the original completion of said well, and should avoid the excessive water cut that led to that well's abandonment.

(6) That the applicant should be required to determine the subsurface location of the "kick off" point prior to said directional drilling and the subsurface location of the bottom of the hole subsequent to said directional drilling by means of continuous multi-shot directional surveys.

(7) 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, Stoltz, Wagner, & Brown, is hereby authorized to reenter its H. L. Vincon Well No. 1, the surface location of which is 1980 feet from the North line and 1980 feet from the East line of Section 22, Township 9 South, Range 36 East, NMPM, Crossroads Siluro-Devonian Pool, Lea County, New Mexico, to clean said well out to a depth of approximately 8400 feet, and thence to directionally drill to bottom said well in the Devonian formation within a 180 foot radius of a point 2310 feet from the North line and 1320 feet from the East line of said Section 22 at a true vertical depth of approximately 12,255 feet.

PROVIDED HOWEVER, that prior to said directionally drilling, applicant shall determine the subsurface location of the "kick off" point at approximately 8400 feet and subsequent to said directional drilling applicant shall determine the subsurface location of the bottom of the hole by means of continuous multi-shot directional surveys with shot points no more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey reports directly to the Commission's Santa Fe Office, P.O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said surveys are to be commenced.

(2) 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. ARMILLO, Member

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

SEAL
jr/

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

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 2, 1974

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 Richard L. Stamets, Alternate Examiner:

CASE 5329: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 109 of the Commission Rules and Regulations to require installation of blowout preventers on all drilling and workover rigs operating in areas of unknown pressures or high pressures and on all drilling and workover rigs operating within the corporate limits of any city, town, or village or within 1320 feet of a habitation, school, or church, wherever located.

CASE 5305: (Continued and Readvertised)

Application of Continental Oil Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the simultaneous dedication of its Britt B Well No. 17 located in Unit P of Section 10 and its Skaggs B Well No. 7 located in Unit K of Section 11, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, said wells to be dedicated to a 320-acre non-standard proration unit comprising the SE/4 of said Section 10 and the SW/4 of said Section 11, said unit having previously been approved by Commission Order No. R-908.

CASE 5330: Application of Texas Pacific Oil Company, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J. H. Ansley Unit Well No. 1 to be located 660 feet from the North and East lines of Section 27, Township 17 South, Range 26 East, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 27 to be dedicated to the well.

CASE 4976: (Reopened)

In the matter of Case No. 4976 being reopened pursuant to the provisions of Order No. R-4638 to permit all operators in the West Parkway-Strawn and West Parkway-Atoka Gas Pools in Section 28, Township 19 South, Range 29 East, Eddy County, New Mexico, to appear and present evidence to clearly establish the nature of the reservoirs, proper rates of production for wells therein, and special rules therefor.

CASE 5331: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Devils Fork-Mesaverde and Devils Fork-Gallup production in the wellbore of his NCRA State Wells Nos. 1 and 4 located in Units E and J, respectively, of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 5288: (Continued from the September 18, 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 5332: Application of C & K Petroleum, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Airport Unit Area comprising 3,840 acres, more or less, of Federal, Fee and State lands in Township 22 South, Range 26 East, Eddy County, New Mexico.

CASE 5333: Application of Mark Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a gas well to be drilled 660 feet from the South and West lines of Section 9, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 9 to be dedicated to the well.

CASE 5334: Application of Stoltz, Wagner & Brown for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter and clean out to a depth of approximately 8400 feet its H. L. Vinson Well No. 1, formerly Gulf Oil Corporation Vinson Well No. 2, the surface location of which is 1980 feet from the North and East lines of Section 22, Township 9 South, Range 36 East, Cross-roads Siluro-Devonian Pool, Lea County, New Mexico, and to then directionally drill said well in such a manner as to bottom the well in the Devonian formation within a 180-foot radius of a point 2310 feet from the North line and 1320 feet from the East line of said Section 22.

CASE 5337: Application of Keesee & Thomas for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Chacon Jicarilla Apache "D" Well No. 1 located 870 feet from the North line and 1140 feet from the East line of Section 23, Township 23 North, Range 3 West, Sandoval County, New Mexico. Said well was projected at an orthodox location for a Basin-Dakota gas well, but was completed as an oil well in the Dakota formation.

CASE 5335: Northwestern nomenclature case calling for the creation and extension of certain pools in Rio Arriba, San Juan and McKinley Counties, New Mexico:

(a) Create a new pool in McKinley County, New Mexico, classified as an oil pool for Gallup production, designated the Arroyo Chico-Gallup Oil Pool. The discovery well is the Northern Minerals, Inc. Santa Fe Pacific Railroad Well No. 7 located in Unit G of Section 29, Township 16 North, Range 6 West, completed October 15, 1973. The depth of the casing shoe is 764 feet. Said pool would comprise:

TOWNSHIP 16 NORTH, RANGE 6 WEST, NMPM
Section 29: SW/4 NE/4

(b) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production, designated the Bloomfield-Chacra Pool. The discovery well is the El Paso Natural Gas Company Hubbell Well No. 9, located in Unit P of Section 18, Township 29 North, Range 10 West. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 7: SW/4
Section 18: All
Section 19: All
Section 20: NW/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 4: SW/4
Section 5: SE/4
Section 9: N/2 & SE/4
Section 10: S/2
Section 11: S/2
Section 12: W/2 & SE/4
Section 13: All
Section 14: E/2
Section 23: E/2
Section 24: All
Section 26: E/2

(c) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production, designated the Campo-Gallup Pool. The discovery well is the Continental Oil Co. Conoco 29-4 Well No. 2 located in Unit H of Section 11, Township 29 North, Range 4 West. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 11: NE/4

(Case 5335 continued from Page 3)

(d) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated the Gobernador-Pictured Cliffs Pool. The discovery well is the Lone Star Industries, Inc. Schalk 52 Well No. 1 located in Unit M of Section 24, Township 29 North, Range 5 West. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM
Section 24: All

(e) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production, designated the Rosa-Gallup Pool. The discovery well is the Merrion & Bayless Gibbins Well No. 1, located in Unit L of Section 20, Township 32 North, Range 5 West. Said pool would comprise:

TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM
Section 20: S/2
Section 28: SW/4
Section 29: E/2
Section 33: NW/4

(f) Extend the Aztec-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 15: SW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 7: N/2

(g) Extend the Blanco-Mesaverde Pool boundary in Rio Arriba & San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 16: All

(h) Extend the Blanco-Pictured Cliffs Pool boundary in Rio Arriba & San Juan Counties, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM
Section 7: All

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 9: SW/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 17: SW/4

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 25: NE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 5: SW/4
Section 26: SE/4

(Case 5335 continued from Page 4)

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 2: NW/4

Section 7: E/2

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM

Section 19: E/2

Section 20: All

Section 21: W/2

Section 22: SE/4

(i) Extend the Gonzales-Mesaverde Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 1: NE/4

(j) Extend the Harris Mesa-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 34: NE/4

(k) Extend the Largo-Chacra Pool boundary in Rio Arriba & San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM

Section 5: SW/4

Section 6: E/2

Section 7: E/2

Section 8: All

Section 9: W/2 & SE/4

Section 16: All

Section 17: All

Section 18: All

Section 19: N/2

Section 20: All

Section 21: All

Section 28: W/2

Section 29: N/2

Section 30: All

Section 33: W/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Section 13: NE/4

Section 24: N/2

Section 25: E/2

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 31: SE/4

(Case 5335 continued from Page 5)

(1) Extend the Otero-Chacra Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 36: NE/4

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 24: E/2

(m) Extend the Tapacito-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 3: N/2
Section 4: N/2

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 19: NW/4
Section 22: SE/4
Section 26: NW/4
Section 27: All
Section 28: All
Section 33: E/2
Section 34: All

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
Section 9: SE/4
Section 10: SW/4
Section 27: SE/4
Section 34: NE/4
Section 35: NW/4

(n) Extend the Tocito Dome-Pennsylvanian L Oil Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM
Section 7: SW/4
Section 15: S/2 & NE/4
Section 20: NW/4
Section 22: N/2
Section 26: NE/4
Section 27: SE/4

CASE 5336: Southeastern nomenclature case calling for the creation and extension of certain pools in Chaves, Eddy and Lea Counties, New Mexico:

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated the Avalon-Morrow Gas Pool. The discovery well is the David Fasken El Paso Federal Well No. 1 located in the SW/4 NW/4 of Section 3, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

(Case 5336 continued from Page 6)

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 33: S/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 3: Lots 1 through 16
Sections 4 and 5: All
Sections 8 and 9: All
Section 10: All
Section 21: All

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated the Avalon-Strawn Gas Pool. The discovery well is the David Fasken El Paso Federal Well No. 1 located in the SW/4 NW/4 of Section 3, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 3: Lots 1 through 16

(c) Create a new pool in Chaves County, New Mexico, classified as a gas pool for Mississippian production and designated the Denton Camp-Mississippian Gas Pool. The discovery well is The Superior Oil Company Chatten & Muncy Well No. 1 located in Unit 0 of Section 18, Township 6 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 28 EAST, NMPM
Section 18: S/2
Section 19: E/2

(d) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated the LaHuerta-Wolfcamp Pool. The discovery well is the Cities Service Oil Company Simpson A Well No. 1 located in Unit H of Section 29, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 29: NE/4

(e) Extend the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 21: S/2
Section 28: E/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 10: E/2

(Case 5336 continued from Page 7)

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

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 6: NW/4

(h) Extend the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 5: NW/4
Section 6: N/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 35: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 16: N/2

(k) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 14: N/2

(l) Extend the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 1: S/2

(m) Extend the Catclaw Draw Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 27: All
Section 34: All

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 3: All

(Case 5336 continued from Page 8)

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 5: S/2

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

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 2: All

(p) Extend the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 13: E/2 SW/4

(q) Extend the South Flying M-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4
Section 23: E/2

(r) Extend the Golden Lane-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 31: E/2

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 5: Lots 1 & 2, 7, 8, 9 & 10 and 15 & 16

(s) Extend the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 29: S/2

(t) Extend the Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: N/2

(u) Extend the McMillan Seven Rivers-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 1: SE/4 NE/4
Section 12: SE/4 NE/4

(Case 5336 continued from Page 9)

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 15: SW/4

Section 22: NW/4

(w) Extend the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 4: Lots 3, 4, 5 and 6

(x) Extend the Sams Ranch Grayburg-San Andres Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM

Section 10: SE/4

Section 11: S/2

Section 14: N/2 and SE/4

Section 15: NE/4

(y) Extend the North Shoe Bar-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 13: SW/4

(z) Extend the Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 9: E/2 NW/4

(aa) Extend the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 7: W/2

(bb) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 2: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 2: S/2

Examiner Hearing - Wednesday - October 2, 1974

Docket No. 28-74

-11-

CASE 4548: (Reopened)

In the matter of Case No. 4548 being reopened on the motion of the Commission to consider the amendment of the special pool rules for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to limit the applicability of said special rules to the confines of the pool's horizontal limits.

Case 5334

September 4, 1974

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Re: H. L. Vinson Lease, Well No. 1,
located 1980' FNL & 1980' FEL
Sec. 22, T-9-S, R-36-E, Cross-
roads Siluro Devonian Field,
Lea County, New Mexico.

Gentlemen:

We are in receipt of notification from Stoltz, Wagner & Brown of their intent to re-enter and directionally drill the subject well. It is our understanding that they propose to re-enter and wash down to 3400', sidetrack the hole and directionally drill to a bottom hole location of which the center of the target will be 2310' from the North line and 1320' from the East line of Section 22, with a 180-foot radius of tolerance.

As offset operator to this well, we have no objection to the approval of this application and ask that this serve as the requested letter of waiver.

Yours very truly,

MOBIL OIL CORPORATION

By 

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.

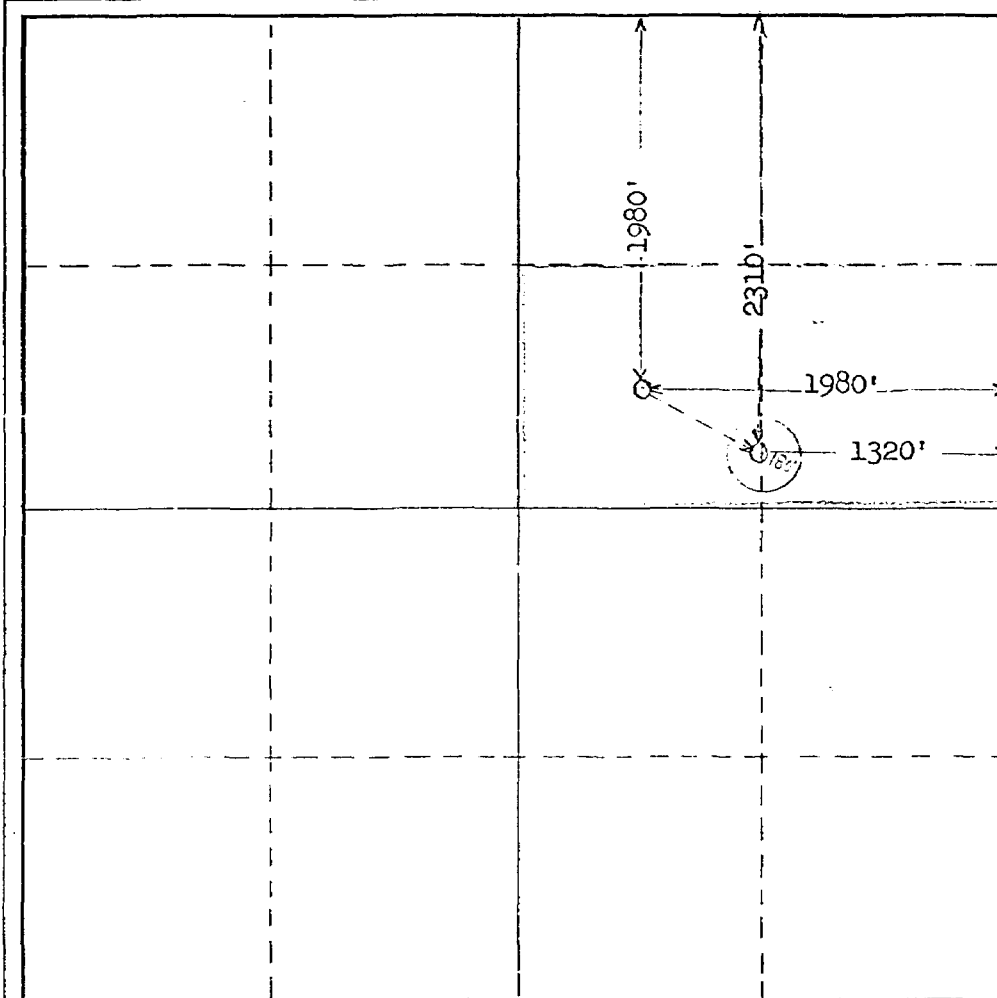
Operator Stoltz, Wagner & Brown			Lease H. L. Vinson		Well No. 1
Unit Letter G	Section 22	Township 9-South	Range 36-East	County Lea	
Actual Footage Location of Well: Surface location: 1980' FNL & 1980' FEL ; bottom hole location: 2310 feet from the North line and 1320 feet from the East line w/180' tolerance					
Ground Level Elev. 4037'	Producing Formation Devonian		Pool Crossroads Siluro Devonian		Dedicated Acreage: 80 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.

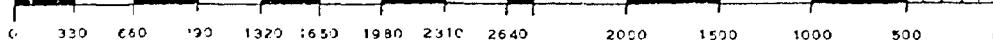
Name R. Buehly
Position
Agent
Company
Stoltz, Wagner & Brown
Date
September 4, 1974

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

Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor _____

Certificate No. _____



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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-4-65

5A. Indicate Type of Lease
STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work Re-enter and directionally drill		7. Unit Agreement Name	
b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name H. L. Vinson	
2. Name of Operator Stoltz, Wagner & Brown		9. Well No. 1 (formerly No. 2)	
3. Address of Operator P. O. Box 1714, Midland, Texas 79701		10. Field and Pool, or Wildcat Crossroads Siluro Dev.	
4. Location of Well UNIT LETTER G LOCATED 1980 FEET FROM THE North LINE AND 1980 FEET FROM THE East LINE OF SEC. 22 TWP. 9-S RGE. 36-E NMPM		12. County Lea	
19. Proposed Depth. 12,300'		19A. Formation Devonian	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DE, RT, etc.) 4037' GR	
21A. Kind & Status Plug. Bond Blanket Bond		21B. Drilling Contractor M G F Drilling Co., Inc.	
22. Approx. Date Work will start 9/15/74			

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
Unknown	13-3/8"	Unknown	372'	400 sacks	Surface
Unknown	9-5/8"	Unknown	4200'	1800 sacks	Circulated
Unknown	5-1/2"	Unknown	12230 (pulled 8500')		
7-7/8"	4-1/2"	11.60 & 13.50#	4000-12300'	200 sacks	11,500'

This well was originally drilled to 12,250' and completed by Warren Petroleum Company as their H. L. Vinson, Well No. 2, and was plugged and abandoned in 1972, by Gulf Oil Corp.

We propose to re-enter and wash down to 8400', sidetrack the hole and directionally drill to a bottom hole location of which the center of the target will be 2310 feet from the North line and 1320 feet from the East line with a 180-foot radius of tolerance. We will run 4000' of 4-1/2", 11.60# N80 and 13.50# N80 casing and cement with 200 sacks.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 12-6-74

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed R. Bush Title Agent Date September 4, 1974

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT I DATE SEP 6 1974

CONDITIONS OF APPROVAL, IF ANY: No allowable will be assigned for this well until the directional drilling has been approved after notice and hearing.

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

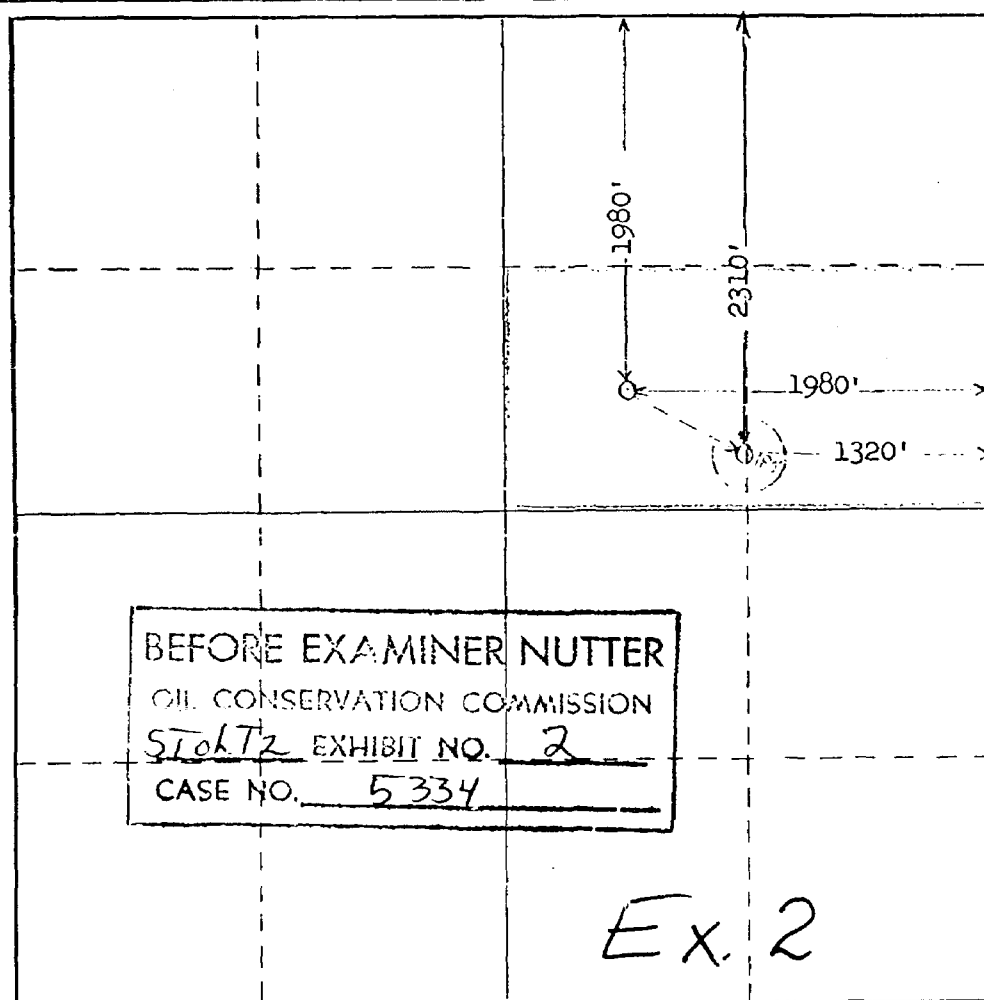
Operator Stoltz, Wagner & Brown			Lease H. L. Vinson		Well No. 1
Unit Letter G	Section 22	Township 9-South	Range 36-East	County Lea	
Actual Footage Location of Well: Surface location: 1980' FNL & 1980' FEL ; bottom hole location: 2310 feet from the North line and 1320 feet from the East line w/180' tolerance					
Ground Level Elev. 4037'	Producing Formation Devonian		Pool Crossroads Siluro Devonian		Dedicated Acreage: 80 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

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

Name R. Busby
Position
Agent

Company
Stoltz, Wagner & Brown

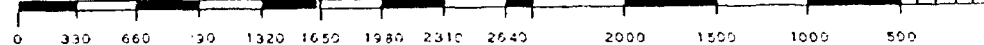
Date
September 4, 1974

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

Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor

Certificate No. _____



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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			
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b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		5. State Oil & Gas Lease No.	
2. Name of Operator Stoltz, Wagner & Brown		7. Unit Agreement Name	
3. Address of Operator P. O. Box 1714, Midland, Texas 79701		8. Farm or Lease Name H. L. Vinson	
4. Location of Well UNIT LETTER G LOCATED 1980 FEET FROM THE North LINE AND 1980 FEET FROM THE East LINE OF SEC. 22 TWP. 9-S RGE. 36-E NMPM		9. Well No. 1 (formerly No. 2)	
		10. Field and Pool, or Wildcat Crossroads Siluro Dev.	
		12. County Lea	
		19. Proposed Depth 12,300'	19A. Formation Devonian
		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.) 4037' GR	21A. Kind & Status Plug. Bond Blanket Bond	21B. Drilling Contractor M G F Drilling Co., Inc.	22. Approx. Date Work will start 9/15/74

23.

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We propose to re-enter and wash down to 8400', sidetrack the hole and directionally drill to a bottom hole location of which the center of the target will be 2310 feet from the North line and 1320 feet from the East line with a 180-foot radius of tolerance. We will run 4000' of 4-1/2", 11.60# N80 and 13.50# N80 casing and cement with 200 sacks.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
STOLTZ EXHIBIT NO. 3
CASE NO. 5334

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed R. Burley Title Agent Date September 4, 1974

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Ex. 3

ROSWELL GEOLOGICAL SOCIETY SYMPOSIUM

47

Data prepared by: Larry D. Rider
Affiliation: Mobil Oil Company
Date: July 5, 1960

Field Name: Crossroads Devonian
Location: T. 9 S., R. 36 E.
County & State: Lea Co., N. Mex

DISCOVERY WELL: Mid-Continent #1 U.D. Sawyer "A" COMPLETION DATE: May 6, 1948
PAY ZONE: Siluro-Devonian: Fine to coarse crystalline, white to light gray dolomite with associated milky chert; porosity is vuggy and fractured with the pay interval being variable in thickness and in position relative to the top of the dolomite.

TYPICAL CORE ANALYSIS OF A PAY INTERVAL IN THIS FIELD:

Perm. in millidarcys		% Porosity	Liquid Saturation (% of pore space)	
Horizontal	Vertical		Water	Oil
0.1-12	0.1-5.6	.8-9.8	40.8-57.6	8.5-17.8

OTHER SHOWS ENCOUNTERED IN THIS FIELD: Lower Pennsylvanian sands, Bough limestone member of the upper Pennsylvanian, San Andres formation of the upper Permian.

TRAP TYPE: Faulted Anticline

NATURE OF OIL: Gravity 42.6° API at 60° F

NATURE OF GAS: not available

NATURE OF PRODUCING ZONE WATER:

Resistivity: .15 ohm-meters @ 68 °F.

	Total Solids	Na+K	Ca	Mg	Fe	SO ₄	Cl	CO ₃	HCO ₃	OH	HS
ppm	55400				none		33600				trace

INITIAL FIELD PRESSURE: at -8100' ss, 4885 #, May 24, 1948

TYPE OF DRIVE: Water

NORMAL COMPLETION PRACTICES: Devonian cored and drillstem tested, electric and radioactive logs run, production string set in or through pay zone, production through perforations or in open hole.

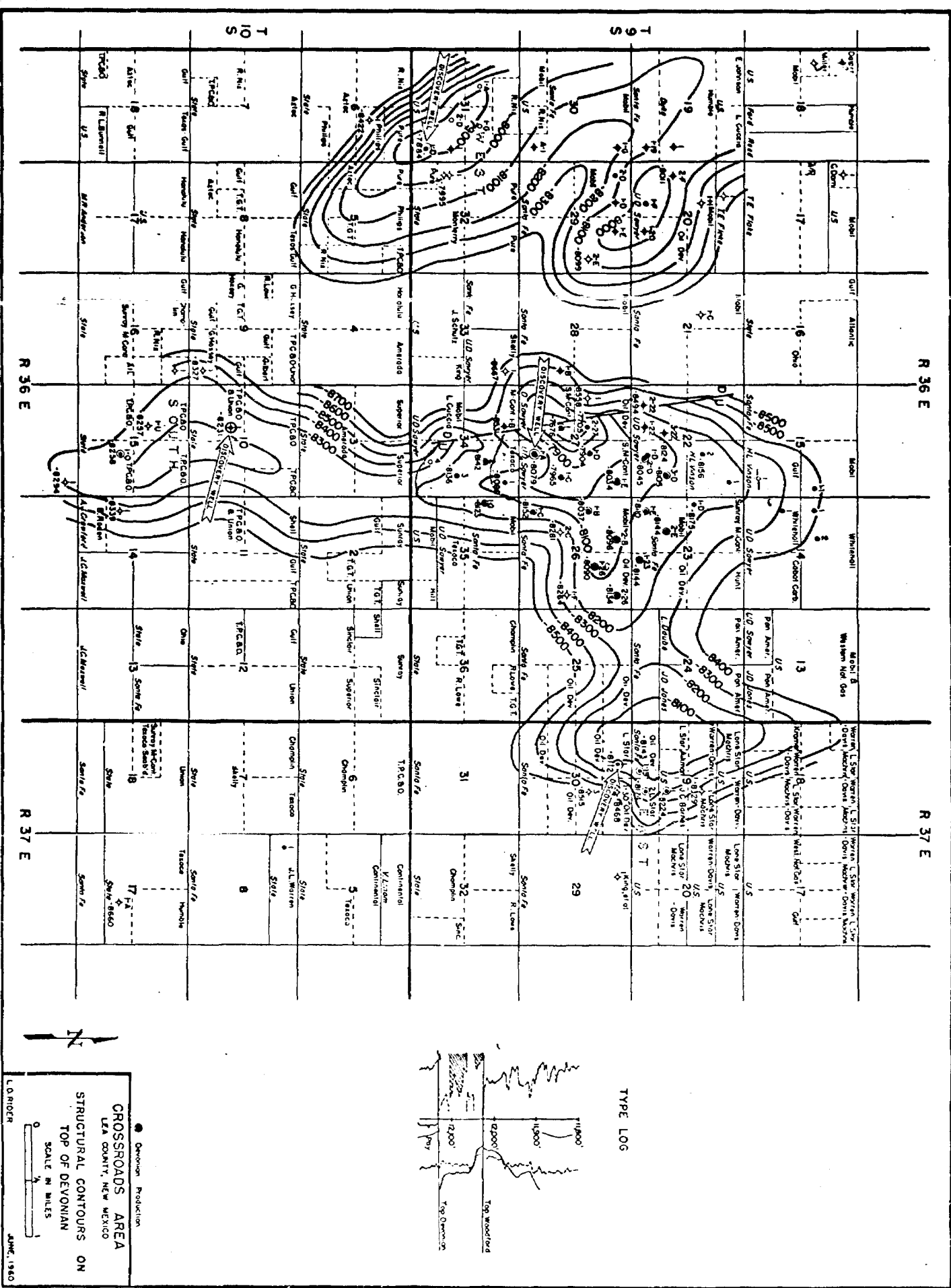
PRODUCTION DATA:

Year	Type	No. of wells @ yr. end		Production Oil in barrels Gas in MMCF	
		Producing	Shut in or Abnd.	Annual	Cumulative
1956	oil	15		1,134,386	5,731,799
	gas			8,964	219,572
1957	oil	18		1,272,454	7,004,253
	gas			18,022	237,594
1958	oil	21		1,358,949	8,363,202
	gas			51,390	288,984
1959	oil	21	1	1,409,859	9,773,061
	gas			75,877	364,861
1960*	oil	22	1	753,107	10,426,168
	gas			14,688	379,549

* 1960 Figure is production in July 1, 1960.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Sloatz EXHIBIT NO. 5
CASE NO. 5334

Ex. 5



DRAFT

jr/

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. 5334

Order No. R-4899

APPLICATION OF STOLTZ, WAGNER &
BROWN 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 October 2, 1974
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of November, 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, Stoltz, Wagner & Brown, is the owner
and operator of its H. L. Vinson Well No. 1, formerly the Gulf Oil
Corporation Vinson Well ^{No. 2}, located 1980 feet from the North line and
1980 feet from the East line of Section 22, Township 9 South, Range
36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.

1 -2-

2 CASE NO. 5334
3 Order No. R-

4 (3) That the subject well was originally drilled to a total
5 depth of 12,250 feet to the Devonian formation, but after a period
6 of production experienced a high water cut which led to its plugging
7 and abandonment.

8 (4) That the applicant proposes to reenter the subject well
9 and clean it out to a depth of approximately 8400 feet, set a
10 whipstock at that point, and directionally drill to the Devonian
11 formation within a 180-foot radius of a point 2310 feet from the
12 North line and 1320 feet from the East line of said Section 22 at
13 a ~~total~~ ^{true vertical} depth of approximately ^{12,255} ~~12,300~~ feet.

14 (5) That a well drilled to the Devonian formation at said
15 subsurface location will encounter the formation at a higher
16 structural elevation than was encountered in the original com-
17 pletion of said well, and should avoid the excessive water cut
18 that led to that well's abandonment.

19 (6) That the applicant should be required to determine the
20 subsurface location of the "kick off" point prior to said
21 directional drilling and the subsurface location of the bottom
22 of the hole subsequent to said directional drilling by means of
23 continuous multi-shot directional surveys.

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

28 IT IS THEREFORE ORDERED:

29 (1) That the applicant, Stoltz, Wagner, ~~and~~ ² Brown, is hereby
30 authorized to reenter its H. L. Vinson Well No. 1, the surface
31 location of which is 1980 feet from the North line and 1980 feet
32 from the East line of Section 22, Township 9 South, Range 36 East,
NMPM, Crossroads Siluro-Devonian Pool, Lea County, New Mexico, to

1 -3-
2 CASE NO. 5334
3 Order No. R-

4 clean said well out to a depth of approximately 8400 feet, and
5 thence to directionally drill to bottom said well in the Devonian
6 formation within a 180 foot radius of a point 2310 feet from the
7 North line and 1320 feet from the East line of said Section 22
8 at a ~~total~~ ^{true vertical} depth of approximately ~~12,300~~ ^{12,255} feet.

9 PROVIDED HOWEVER, that prior to said directionally drilling,
10 applicant shall determine the subsurface location of the "kick off
11 point ^{at approximately 8400 feet} and subsequent to said directional drilling applicant shall
12 determine the subsurface location of the bottom of the hole by
13 means of continuous multi-shot directional surveys with shot
14 points no more than 100 feet apart; that the operator shall cause
15 the surveying company to forward a copy of the survey reports
16 directly to the Commission's Santa Fe Office, P.O. Box 2088,
17 Santa Fe, New Mexico, and that the operator shall notify the
18 Commission's Hobbs District Office of the date and time said
19 surveys ^{are} ~~is~~ to be commenced.

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

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