

CASE 6912: SOUTHLAND ROYALTY COMPANY
FOR A DUAL COMPLETION, EDDY COUNTY, NEW MEXICO 7

Case No.

6912

Application

Transcripts

Small Exhibits

ETC



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

June 20, 1980

Mr. Michael Campbell
Campbell and Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 6912
ORDER NO. R-6378

Applicant:

Southland Royalty Company

Dear Sir:

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD _____ X
Artesia OCD _____ X
Aztec OCD _____

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6912
Order No. R-6378

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR A DUAL COMPLETION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 4, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of June, 1980, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Southland Royalty Company, seeks
authority to complete its State "14" Comm. Well No. 1, located
in Unit I of Section 14, Township 19 South, Range 29 East, NMPM,
Turkey Track Field, Eddy County, New Mexico, as a dual completion
(conventional) to produce gas from the Atoka formation through
the casing-tubing annulus and gas from the Morrow formation
through 2 3/8-inch tubing, with separation of the zones to be
achieved by means of a packer set at approximately 11,000 feet.

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

(4) That approval of the subject application will prevent
waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southland Royalty Company, is hereby authorized to complete its State "14" Comm. Well No. 1, located in Unit E of Section 14, Township 19 South, Range 29 East, NMPH, Turkey Track Field, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Atoka formation through the casing-tubing annulus and gas from the Morrow formation through 2 3/8-inch tubing, with a packer set at approximately 11,000 feet.

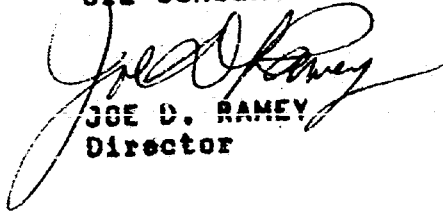
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual gas well Shut-In Pressure Test Period for the Morrow zone.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

rd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
4 June 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty Company) CASE
for a dual completion, Eddy County, New) 6912
Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Michael Campbell, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

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I N D E X

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ED JONES

Direct Examination by Mr. Campbell

3

Cross Examination by Mr. Nutter

11

E X H I B I T S

Applicant Exhibit One, C-107

5

Applicant Exhibit Two, Plat

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Applicant Exhibit Three, Log

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Applicant Exhibit Four, Schematic Diagram

8

Applicant Exhibit Five, Correspondence

10

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MR. NUTTER: The hearing will come to order,

please.

The first case this afternoon will be

Case Number 6912.

MR. PADILLA: Application of Southland
Royalty Company for a dual completion, Eddy County, New
Mexico.

MR. CAMPBELL: My name is Michael Campbell
with Campbell and Black, appearing on behalf of the applicant,
Southland Royalty Company. We have one witness to be sworn.

(Witness sworn.)

ED JONES

being called as a witness and having been duly sworn upon
his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q. Would you please state your name and cur-
rent occupation?

A. My name is Ed Jones. I'm employed by
Southland Royalty Company in Midland. I am employed there
as an operations engineer.

Q. Have you previously testified before this

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Commission in any manner?

A. No, I have not.

Q. Would you please briefly summarize your educational and professional background?

A. I graduated in December of 1972 from the University of Arkansas; received a Bachelor of Science in electrical engineering. Very soon thereafter I went to work for Texas Instruments in Dallas, Texas, as a product engineer; worked there for about a year and a half.

Next place of employment was with Schlumberger Well Services in Tyler, Texas. I was an open hole logging engineer with Schlumberger there in the east Texas area for about two years, and then I came to work for Texas Pacific Oil Company in Midland, Texas. I worked there for the next three years as a petroleum engineer. Chief areas of responsibility being mainly in New Mexico and a few counties in Texas close to New Mexico.

And I came to work for Southland Royalty April of this year in the capacity of operations engineer there in Midland, Texas.

Q. Thank you. Are you familiar with the subject matter of the present application?

A. Yes, I am.

MR. CAMPBELL: Mr. Examiner, do you find the witness' qualifications adequate?

MR. NUTTER: Yes, he's qualified.

Q I would ask you to briefly explain the subject matter of the application.

A Southland Royalty seeks permission to dually complete our State 14 Com No. 1 in Eddy County, in the Morrow gas and the Atoka gas reservoirs.

Q I would ask you to please refer to Applicant's Exhibit Number One and explain that exhibit, please.

A This is Form C-107, an application for multiple completion. It identifies the subject well; identifies the present producing Morrow gas zone, the gross interval indicated there; the Atoka zone we expect to be gas, flowing gas. It is not as yet completed in this zone, but that is our proposed gross interval for the perforations.

Q I would ask you to refer to Applicant's Exhibit Number Two and explain that exhibit.

A This is a land plat, chiefly centered in Eddy County, Township 19, Range 29, Section 14. The subject well is located in the west half of Section 14, State Com 14 No. 1. It's located 1980 feet from the north line, 660 feet from the west line of Section 14.

Q Have you compiled log data on the existing well?

A Yes.

Q I'll ask you to identify and examine --

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Page 6

1 and explain, excuse me, Applicant's Exhibit Number Three.

2 A This is the lower portion of the subject
3 well density neutron log. The lower section in the Morrow
4 is colored in red, identified on the left by yellow, the
5 Morrow producing zone as it is now perforated. There's a
6 packer set at 10,603 feet producing this interval now.

7 The zone in the top portion of the log is
8 the proposed zone of completion in the Atoka, two intervals
9 there. The interval will be a total of about 12 feet of net
10 pay in the Atoka.

11 Q Have you likewise prepared a structure
12 cross section comparing the electric logs in the Southland
13 Well and in the Tenneco Well to the north of the location?

14 A Yes, I have.

15 Q Would you please step to the Exhibit
16 marked Three-A and explain that exhibit?

17 A Okay, this log on the left is the subject
18 well, the State Com 14-1, and the log on the right is the
19 Tenneco State HL-11 No. 1.

20 You'll notice, as identified on the plat,
21 this is the State Com 14 in the west half of Section 14.
22 The Tenneco Well is located in the south half of Section 11,
23 approximately 3000 feet away from the subject well.

24 We completed the State Com 14 No. 1 in
25 the Morrow about March of '79, and in the meantime, in Novem-

1 ber of '79, Tenneco completed their well here in the Atoka
2 zone. They had about 14 feet of net pay that they perforated
3 and completed. It flowed for an absolute open flow of 4836
4 Mcf of gas per day.

5 As you can see on the cross section, I've
6 got them correlated here, this we identify as the B zone
7 from the Atoka reservoir. We also have some porosity and
8 pay some feet above that, which we call our C zone. I do
9 feel, though, that the zone that they have perforated here,
10 the B zone, is equivalent to this zone in our well, and we
11 propose --

12 MR. NUTTER: That's the lower zone?

13 A That's correct. And I propose that we
14 complete this lower zone and in addition also complete the
15 upper zone here.

16 Q That's fine. You can resume your seat,
17 if you would.

18 MR. NUTTER: They didn't have any Morrow
19 in their well?

20 A They had it. Well, they had it, but I
21 had -- I was unable to find any records of their attempts
22 to complete it, so apparently it was not developed enough
23 to be commercially productive.

24 Q Have you prepared a schematic diagram of
25 your proposed completion of the well?

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1 A Yes.

2 Q Please identify and explain Applicant's
3 Exhibit Number Four.

4 A Okay. This is the proposed method of
5 dual completion as the well stands now. As I mentioned be-
6 fore, there is a packer set at 10,603 feet. We are producing
7 only the Morrow perforations.

8 What we propose to do is kill the Morrow
9 and release the packer that we have in the hole now and then
10 go back in with the Otis Permatrieve packer that you see here
11 identified; go back in and bring the Morrow back on production
12 as quickly as possible with this packer and this lower half
13 of the bottom hole assembly, and then come up and through
14 tubing perforate the Atoka zone, and after that is accom-
15 plished, a packer, through tubing perforations, then we'll go
16 in with the rest of the assembly you see here above the on/
17 off tool, which consists of blast joints in the sliding
18 sleeve, so that we may swab either zone, if necessary, and
19 produce the Atoka through the tubing-casing annulus and the
20 Morrow through the tubing, and we expect both wells to be
21 flowing gas.

22 Q On completion of the well will you supply
23 the Division with a pack or setting report, as required by
24 Division Rule 112-A?

25 A Yes.

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Q Does the proposed method of completion conform with good engineering practices and insure the separation of and no communication between the two zones?

A Yes.

Q In your opinion is the proposed method of dual completion the best possible and most economical way to recover the gas from the producing zones in the well?

A I believe it is, yes, sir.

Q Do you have any pressure information relative to the two zones?

A Yes. The last bottom hole pressure survey that was run on the subject well for the Morrow zone indicated a bottom hole pressure of approximately 4160 pounds.

The pressure data that we have available on the offsetting Atoka well, the Tenneco HL No. 1, reported at completion a shutin bottom hole pressure of 4944 pounds.

Q Is it your opinion that your method of completion and your packers can handle this pressure differential?

A Yes. There is a differential. I believe the Atoka is higher pressure than the Morrow that has been producing for awhile in this well, but I don't believe the pressure is significantly different to cause any kind of a problem, any kind of problem whatsoever in differential for the packer or tubular goods.

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1 Q Has notice of this proposed dual completion
2 been issued to your offsetting owners?

3 A We have sent waiver letters, a request,
4 to all the offset operators and have received signed copies
5 of their agreement for us to go ahead with the dual comple-
6 tion. They had no opposition.

7 Q All right.

8 A No opposition from the -- from any of the
9 offsets.

10 Q I'd ask you to identify and explain Exhibit
11 Five.

12 A Okay. This is copies of all of the waiver
13 letters that we sent out; all the letters were essentially
14 the same sent to the five offset operators, and they all --
15 in the month of May, this May of '80, have sent them back
16 signed and have -- have sent no opposition whatsoever to
17 dually complete the well.

18 Q In your opinion will granting this appli-
19 cation be in the best interests of conservation, the prevention
20 of waste, and the protection of correlative rights?

21 A Yes.

22 Q Were Exhibits One through Five prepared
23 by you or under your supervision?

24 A Yes, they were.

25 MR. CAMPBELL: Mr. Examiner, I would move

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1 the admission of Applicant's Exhibits One through Five.

2 MR. NUTTER: Southland's Exhibits One
3 through Five will be admitted in evidence.

4 MR. CAMPBELL: Thank you, sir. I have no
5 further questions.

6 CROSS EXAMINATION

7
8 BY MR. NUTTER:

9 Q Mr. Jones, what was the original producti-
10 vity of the Morrow in this well?

11 A It was about a half million cubic feet
12 per day and it's held pretty steady in there. It's been
13 producing for about a year now and it still makes 500 to 600
14 Mcf gas per day.

15 Q And you have no idea what you will get
16 from the Atoka but the Tenneco well had a CAOF of over four
17 million, almost five million?

18 A Yes. I see no reason to believe that we
19 will have any less and possibly even better production than
20 their well, because as indicated on the cross section, we do
21 have some more pay than they had in that zone. So I'm ex-
22 pecting three million a day, anyway, at initial completion.

23 MR. NUTTER: Are there any further ques-
24 tions of Mr. Jones? He may be excused.

25 Do you have anything further, Mr. Campbell?

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1 MR. CAMPBELL: No, sir.

2 MR. NUTTER: Does anyone have anything to
3 offer in Case Number 6912?

4 We'll take the case under advisement.

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6 (Hearing concluded.)
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SALLY W. BOYD, C.S.R.

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
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I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6912, heard by me on 6/4 1980.

[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
4 June 1980

EXAMINER HEARING

IN THE MATTER OF:

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for a dual completion, Eddy County, New) 6912
Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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I N D E X

ED JONES

Direct Examination by Mr. Campbell	3
Cross Examination by Mr. Nutter	11

E X H I B I T S

Applicant Exhibit One, C-107	5
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7 Mexico.

8 MR. CAMPBELL: My name is Michael Campbell
9 with Campbell and Black, appearing on behalf of the applicant,
10 Southland Royalty Company. We have one witness to be sworn.

11
12 (Witness sworn.)
13

14 ED JONES

15 being called as a witness and having been duly sworn upon
16 his oath, testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. CAMPBELL:

20 Q Would you please state your name and cur-
21 rent occupation?

22 A My name is Ed Jones. I'm employed by
23 Southland Royalty Company in Midland. I am employed there
24 as an operations engineer.

25 Q Have you previously testified before this

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1 Commission in any manner?

2 A No, I have not.

3 Q Would you please briefly summarize your
4 educational and professional background?

5 A I graduated in December of 1972 from the
6 University of Arkansas; received a Bachelor of Science in
7 electrical engineering. Very soon thereafter I went to work
8 for Texas Instruments in Dallas, Texas, as a product engineer;
9 worked there for about a year and a half.

10 Next place of employment was with Schlum-
11 berger Well Services in Tyler, Texas. I was an open hole
12 logging engineer with Schlumberger there in the east Texas
13 area for about two years, and then I came to work for Texas
14 Pacific Oil Company in Midland, Texas. I worked there for
15 the next three years as a petroleum engineer. Chief areas
16 of responsibility being mainly in New Mexico and a few
17 counties in Texas close to New Mexico.

18 And I came to work for Southland Royalty
19 April of this year in the capacity of operations engineer
20 there in Midland, Texas.

21 Q Thank you. Are you familiar with the
22 subject matter of the present application?

23 A Yes, I am.

24 MR. CAMPBELL: Mr. Examiner, do you find
25 the witness' qualifications adequate?

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MR. NUTTER: Yes, he's qualified.

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A Southland Royalty seeks permission to dually complete our State 14 Com No. 1 in Eddy County, in the Morrow gas and the Atoka gas reservoirs.

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Q Have you compiled log data on the existing well?

A Yes.

Q I'll ask you to identify and examine --

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1 and explain, excuse me, Applicant's Exhibit Number Three.

2 A This is the lower portion of the subject
3 well density neutron log. The lower section in the Morrow
4 is colored in red, identified on the left by yellow, the
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6 packer set at 10,603 feet producing this interval now.

7 The zone in the top portion of the log is
8 the proposed zone of completion in the Atoka, two intervals
9 there. The interval will be a total of about 12 feet of net
10 pay in the Atoka.

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12 cross section comparing the electric logs in the Southland
13 Well and in the Tenneco Well to the north of the location?

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18 well, the State Com 14-1, and the log on the right is the
19 Tenneco State HL-11 No. 1.

20 You'll notice, as identified on the plat,
21 this is the State Com 14 in the west half of Section 14.
22 The Tenneco Well is located in the south half of Section 11,
23 approximately 3000 feet away from the subject well.

24 We completed the State Com 14 No. 1 in
25 the Morrow about March of '79, and in the meantime, in Novem-

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1 ber of '79, Tenneco completed their well here in the Atoka
2 zone. They had about 14 feet of net pay that they perforated
3 and completed. It flowed for an absolute open flow of 4836
4 Mcf of gas per day.

5 As you can see on the cross section, I've
6 got them correlated here, this we identify as the B zone
7 from the Atoka reservoir. We also have some porosity and
8 pay some feet above that, which we call our C zone. I do
9 feel, though, that the zone that they have perforated here,
10 the B zone, is equivalent to this zone in our well, and we
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12 MR. NUTTER: That's the lower zone?

13 A That's correct. And I propose that we
14 complete this lower zone and in addition also complete the
15 upper zone here.

16 Q That's fine. You can resume your seat,
17 if you would.

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19 in their well?

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22 to complete it, so apparently it was not developed enough
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24 Q Have you prepared a schematic diagram of
25 your proposed completion of the well?

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1 A Yes.

2 Q Please identify and explain Applicant's
3 Exhibit Number Four.

4 A Okay. This is the proposed method of
5 dual completion as the well stands now. As I mentioned be-
6 fore, there is a packer set at 10,603 feet. We are producing
7 only the Morrow perforations.

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10 go back in with the Otis Permatrieve packer that you see here
11 identified; go back in and bring the Morrow back on production
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15 plished, a packer, through tubing perforations, then we'll go
16 in with the rest of the assembly you see here above the on/
17 off tool, which consists of blast joints in the sliding
18 sleeve, so that we may swab either zone, if necessary, and
19 produce the Atoka through the tubing-casing annulus and the
20 Morrow through the tubing, and we expect both wells to be
21 flowing gas.

22 Q On completion of the well will you supply
23 the Division with a pack or setting report, as required by
24 Division Rule 112-A?
25

26 A Yes.

SALLY W. BOYD, C.S.R.

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Q Does the proposed method of completion conform with good engineering practices and insure the separation of and no communication between the two zones?

A Yes.

Q In your opinion is the proposed method of dual completion the best possible and most economical way to recover the gas from the producing zones in the well?

A I believe it is, yes, sir.

Q Do you have any pressure information relative to the two zones?

A Yes. The last bottom hole pressure survey that was run on the subject well for the Morrow zone indicated a bottom hole pressure of approximately 4160 pounds.

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2 been issued to your offsetting owners?

3 A We have sent waiver letters, a request,
4 to all the offset operators and have received signed copies
5 of their agreement for us to go ahead with the dual comple-
6 tion. They had no opposition.

7 Q All right.

8 A No opposition from the -- from any of the
9 offsets.

10 Q I'd ask you to identify and explain Exhibit
11 Five.

12 A Okay. This is copies of all of the waiver
13 letters that we sent out; all the letters were essentially
14 the same sent to the five offset operators, and they all --
15 in the month of May, this May of '80, have sent them back
16 signed and have -- have sent no opposition whatsoever to
17 dually complete the well.

18 Q In your opinion will granting this appli-
19 cation be in the best interests of conservation, the prevention
20 of waste, and the protection of correlative rights?

21 A Yes.

22 Q Were Exhibits One through Five prepared
23 by you or under your supervision?

24 A Yes, they were.

25 MR. CAMPBELL: Mr. Examiner, I would move

SALLY W. BOYD, C.S.R.

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1 the admission of Applicant's Exhibits One through Five.

2 MR. NUTTER: Southland's Exhibits One
3 through Five will be admitted in evidence.

4 MR. CAMPBELL: Thank you, sir. I have no
5 further questions.

6
7 CROSS EXAMINATION

8 BY MR. NUTTER:

9 Q Mr. Jones, what was the original producti-
10 vity of the Morrow in this well?

11 A It was about a half million cubic feet
12 per day and it's held pretty steady in there. It's been
13 producing for about a year now and it still makes 500 to 600
14 Mcf gas per day.

15 Q And you have no idea what you will get
16 from the Atoka but the Tenneco well had a CAOF of over four
17 million, almost five million?

18 A Yes. I see no reason to believe that we
19 will have any less and possibly even better production than
20 their well, because as indicated on the cross section, we do
21 have some more pay than they had in that zone. So I'm ex-
22 pecting three million a day, anyway, at initial completion.

23 MR. NUTTER: Are there any further ques-
24 tions of Mr. Jones? He may be excused.

25 Do you have anything further, Mr. Campbell?

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1 MR. CAMPBELL: No, sir.

2 MR. NUTTER: Does anyone have anything to
3 offer in Case Number 6912?

4 We'll take the case under advisement.
5

6 (Hearing concluded.)
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SALLY W. BOYD, C.S.R.

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

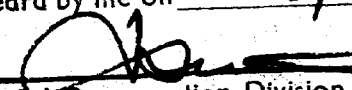
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6912
heard by me on 6/4 1980.


Oil Conservation Division, Examiner

Docket No. 17-80

Dockets Nos. 19-80 and 20-80 are tentatively set for June 25 and July 9, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - JUNE 5, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6927: Application of Doyle Hartman for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 24, Township 17 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and West lines of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6928: Application of ARCO Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 24, Township 17 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Docket No. 16-80

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 4, 1980

9 A.M. - OIL CONSERVATION DIVISION 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 6803: (Continued from April 23, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6906: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Mattix Unit Well No. 39 located in Unit G of Section 15, Township 24 South, Range 37 East, to produce oil from the Fowler-Upper Yeso and Fowler-Drinkard Pools thru parallel strings of tubing.

CASE 6907: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Myers B Federal Well No. 28 located in Unit M of Section 9, Township 24 South, Range 37 East, to produce gas from the Jalmat and Langlie Mattix Pools thru parallel strings of tubing.

CASE 6908: Application of Estoril Producing Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Curry State Well No. 1, a Pennsylvanian test to be drilled 660 feet from the North and East lines of Section 22, Township 23 South, Range 34 East, Antelope Ridge Field, the N/2 of said Section 22 to be dedicated to the well.

CASE 6909: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Largo-Gallup production in the wellbore of its Rincon Unit Well No. 164 located in Unit L of Section 2, Township 26 North, Range 7 West.

CASE 6886: (Continued from May 21, 1980, Examiner Hearing)

Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6910: Application of Grace Petroleum Corporation for four compulsory poolings, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying four 40-acre proration units, being the SE/4 NE/4, the SE/4 NW/4, and the NW/4 NW/4 of Section 28, and the SW/4 SE/4 of Section 29, all in Township 24 North, Range 7 West, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6911: Application of Grace Petroleum Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the NE/4 NW/4 of Section 11, Township 23 North, Range 7 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6912: Application of Southland Royalty Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State "14" Comm. Well No. 1 located in Unit E of Section 14, Township 19 South, Range 29 East, Turkey Track Field, to produce gas from the Morrow and Atoka formations thru tubing and the casing-tubing annulus, respectively

CASE 6913: Application of Kerr-McGee Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State F Well No. 14 to be drilled 1310 feet from the North line and 1330 feet from the West line of Section 2, Township 8 South, Range 33 East, Chaveroo-San Andres Pool.

CASE 6914: Application of Wilson Oil Company for a non-standard proration unit and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, to be dedicated to its State JD Well No. 1 at an unorthodox location 1650 feet from the South line and 1980 feet from the West line of said Section 29.

CASE 6915: Application of Jake L. Hamon for a non-standard gas proration unit and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 8, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 8.

CASE 6916: Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinbry production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit F of Section 19, Township 21 South, Range 37 East.

CASE 6917: Application of Yates Petroleum Corporation for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Goat Roper "LP" Com. Well No. 1 located in Unit P of Section 30, Township 17 South, Range 26 East.

CASE 6918: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Penn and Morrow gas production in the wellbore of its Kennedy "JQ" Com. Well No. 1 located in Unit H of Section 33, Township 17 South, Range 26 East, Kennedy Farms Field.

CASE 6919: Application of Yates Petroleum Corporation for downhole commingling or consolidation of two pools, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Penn gas production in the wellbore of its Anderson State "CS" Com. Well No. 1-Y located in Unit G of Section 14, and its Fordinkus State "HZ" Com. Well No. 1 located in Unit G of Section 22, both in Township 18 South, Range 24 East, or, in the alternative, the consolidation of the Fordinkus-Cisco Gas Pool and the Pennasco Draw Permo-Penn Gas Pool into one Permo-Penn gas pool to include the above-described wells.

CASE 6920: Application of Yates Petroleum Corporation for a dual completion and unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its 5 Mile Draw Federal Well No. 1 to produce from the Pennsylvanian and Abo formations thru the tubing and casing-tubing annulus, respectively; applicant also seeks approval for the unorthodox location of said well in the Abo formation 800 feet from the South line and 2100 feet from the East line of Section 34, Township 6 South, Range 25 East, the SE/4 of the section to be dedicated to the well.

CASE 6903: (Continued from May 21, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian-Mississippian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.

CASE 6904: (Continued from May 21, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the McDonald Unit Area, comprising 1,440 acres, more or less, of fee lands in Townships 13 and 14 South, Range 36 East.

CASE 6921: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6922: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the E/2 of Section 24, Township 18 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6923: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cayton-Austin Unit Area, comprising 960 acres, more or less, of State and fee lands in Township 14 South, Range 36 East.

CASE 6924: Application of Caribou Four Corners, Inc. for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of two wells to be drilled, the first being 860 feet from the North line and 2090 feet from the West line, and the second being 910 feet from the North line and 395 feet from the West line, both in Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, the E/2 and the W/2, respectively, of the NW/4 of said Section 13 to be dedicated to the wells.

CASE 6925: Application of Caribou Four Corners, Inc. for two exceptions to Rule 306, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 306 of the Division Rules and Regulations to permit the permanent flaring of gas from its Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West.

CASE 6889: (Readvertised)

Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 660 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6896: (Continued from May 21, 1980, Examiner Hearing)

Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.

CASE 6926: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting vertical limits, and extending horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Arkansas Junction-Pennsylvanian Pool. The discovery well is Rex Alcorn Bobbi Well No. 1Y located in Unit J of Section 20, Township 18 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 20: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Avalon-Delaware Pool. The discovery well is MWJ Producing Company State GW Well No. 1 located in Unit K of Section 36, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 36: SW/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the East Burton-Delaware Pool. The discovery well is J. C. Williamson TOG Federal Well No. 1 located in Unit F of Section 16, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 16: NW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Dog Canyon-Strawn Gas Pool. The discovery well is Harvey E. Yates Company Gates Federal Deep Well No. 1 located in Unit P of Section 6, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 6: S/2

(e) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Double L-San Andres Pool. The discovery well is McClellan Oil Corporation Mark Federal Well No. 1 located in Unit I of Section 30, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 30: SE/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Grayburg production and designated as the Empire-Grayburg Gas Pool. The discovery well is Carl A. Schellinger West Federal Well No. 1 located in Unit G of Section 14, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 14: NE/4

(g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Hume-Morrow Gas Pool. The discovery well is Bass Enterprises Production Company Bass 36 State Well No. 1 located in Unit E of Section 36, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 36: W/2

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Lusk-Atoka Gas Pool. The discovery well is Phillips Petroleum Company Lusk Deep Unit A Com Well No. 13 located in Unit K of Section 18, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 18: S/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Milepost-Morrow Gas Pool. The discovery well is Exxon Corporation Scheidt Federal Well No. 1 located in Unit I of Section 30, Township 26 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 25 EAST, NMPM
Section 36: N/2 N/2 and Lots, 1, 2,
3, and 4

TOWNSHIP 26 SOUTH, RANGE 26 EAST, NMPM
Section 30: S/2
Section 31: N/2 NW/4 and Lots 3 and 4

(j) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Turkey Track-Atoka Gas Pool. The discovery well is Tenneco Oil Company State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 10: E/2
Section 11: S/2

(k) CONTRACT the vertical limits of the East Grama Ridge-Bone Springs Pool to the interval from 10,472 feet to 10,900 feet as found on the type log for the Getty Oil Company State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, NMPM, and redesignate said pool as the East Grama Ridge-Lower Bone Springs Pool.

(l) EXTEND the Airstrip-Upper Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 25: W/2 SW/4
Section 26: SE/4

(m) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 33: NW/4 and N/2 S/2

(n) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: SE/4

(o) EXTEND the Buckeye-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 9: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 13: W/2
Section 14: E/2

(q) EXTEND the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 34: S/2

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 2: Lots 1 through 8

(r) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 34: NE/4

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 3: SW/4

- (a) EXTEND the Cinta Roja-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 4: All
- (c) EXTEND the South Corbin-Strawn Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 29: N/2
Section 30: S/2
- (u) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 28: W/2
- (v) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 8: S/2
- (w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 17: All
- (x) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 12: W/2
- (y) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 10: W/2
- (z) EXTEND the Henshaw Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 11: SW/4 SW/4
Section 14: S/2 and W/2 NW/4
Section 15: E/2 SE/4
- (aa) EXTEND the Hobbs-Drinkard Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 4: SE/4
- (bb) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2 NE/4
- (cc) EXTEND the South Kemnitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 29: W/2
- (dd) EXTEND the Logan Draw-San Andres Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 19: N/2 NE/4 and SE/4 NE/4
- (ee) EXTEND the Middle Lynch Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 21: E/2 SW/4

(ff) EXTEND the Pecos Draw San Andres-Yaso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 31: SW/4

(gg) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 25: S/2 S/2
Section 26: S/2 SE/4 and SE/4 SW/4
Section 36: N/2 NW/4

(hh) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 17: S/2

(ii) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 25: SE/4

(jj) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 9: E/2 NE/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 3: All

(mm) EXTEND the Winchester-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 30: W/2

Docket No. 18-80

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 19, 1980

9 A.M. - OIL CONSERVATION DIVISION 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for July, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for July, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

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

Form C-107
5-1-61

Operator Southland Royalty Company		County Eddy	Date
Address 1100 Wall Towers West Midland, Texas 79701		Lease State "14" Comm.	Well No. 1
Location of Well E	Section 14	Township 19S	Range 29E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X ; Operator: Lease, and Well No.: _____
2. If answer is yes, identify one such instance: Order No. _____

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Atoka		Morrow
b. Top and Bottom of Pay Section (Perforations)	10,686'-10,768'		Gas
c. Type of production (Oil or Gas)	Gas		Flowing
d. Method of Production (Flowing or Artificial Lift)	Flowing		

4. The following are attached. (Please check YES or NO)
- | | | |
|-------------------------------------|--------------------------|--|
| Yes | No | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, cementizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See List.

BEFORE EXAMINER
OIL CONSERVATION COMMISSION
SL
6912
CASE NO.

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO ____ . If answer is yes, give date of such notification _____

CERTIFICATE: I, the undersigned, state that I am the District Operations Engineer of the Southland Royalty Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Donald R. Cray
Signature

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

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

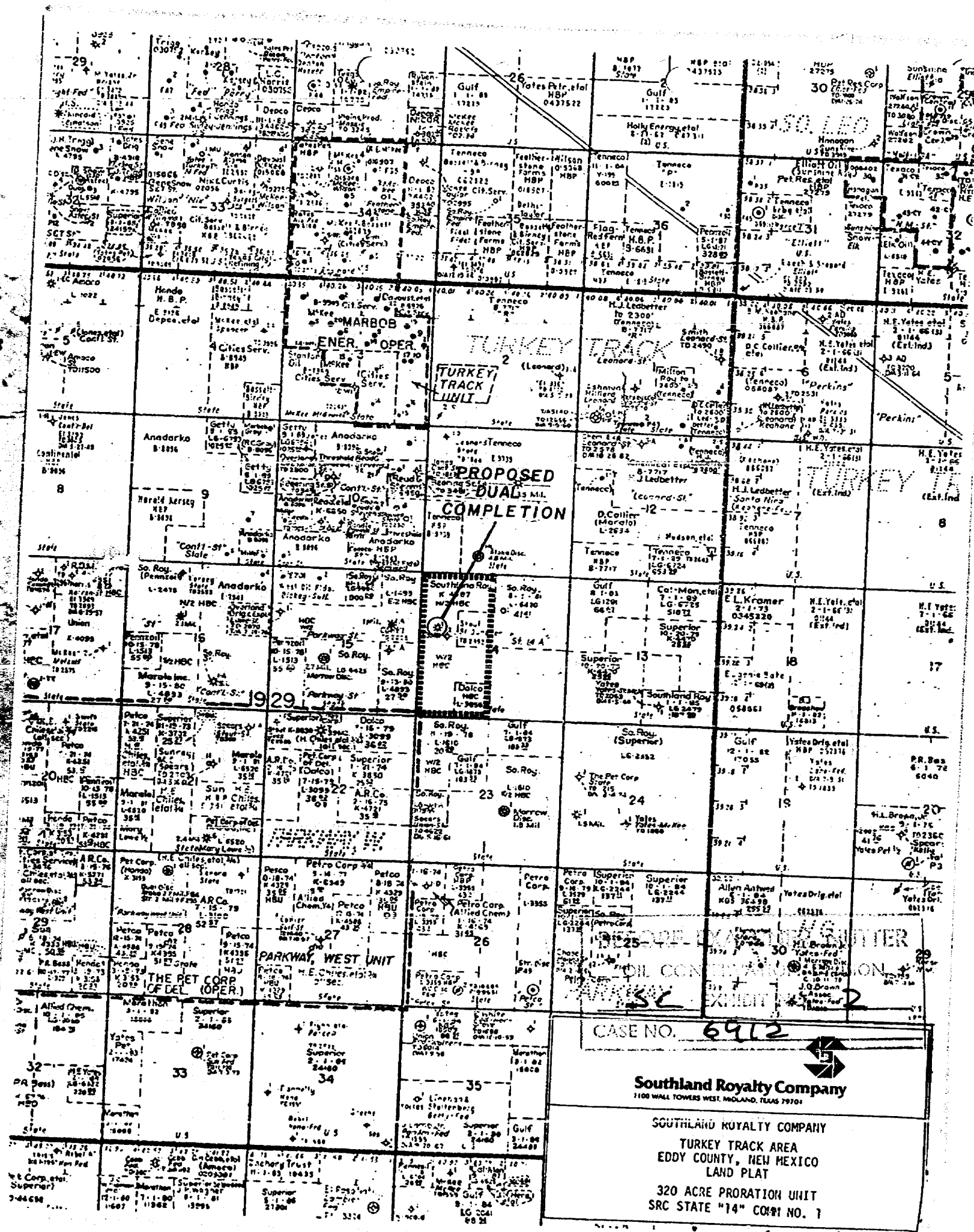
Anadarko Production Company
P. O. Box 2497
215 W. Wall
Midland, Texas 79702

Gulf Oil Exploration and Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

Sabine Royalty Co. (Dalco)
Attn: Bernard L. House
901 Wall Towers East
Midland, Texas 79701

Tenneco Oil Company
6800 Park Tenn Blvd. Suite 200 North
San Antonio, Texas 78213

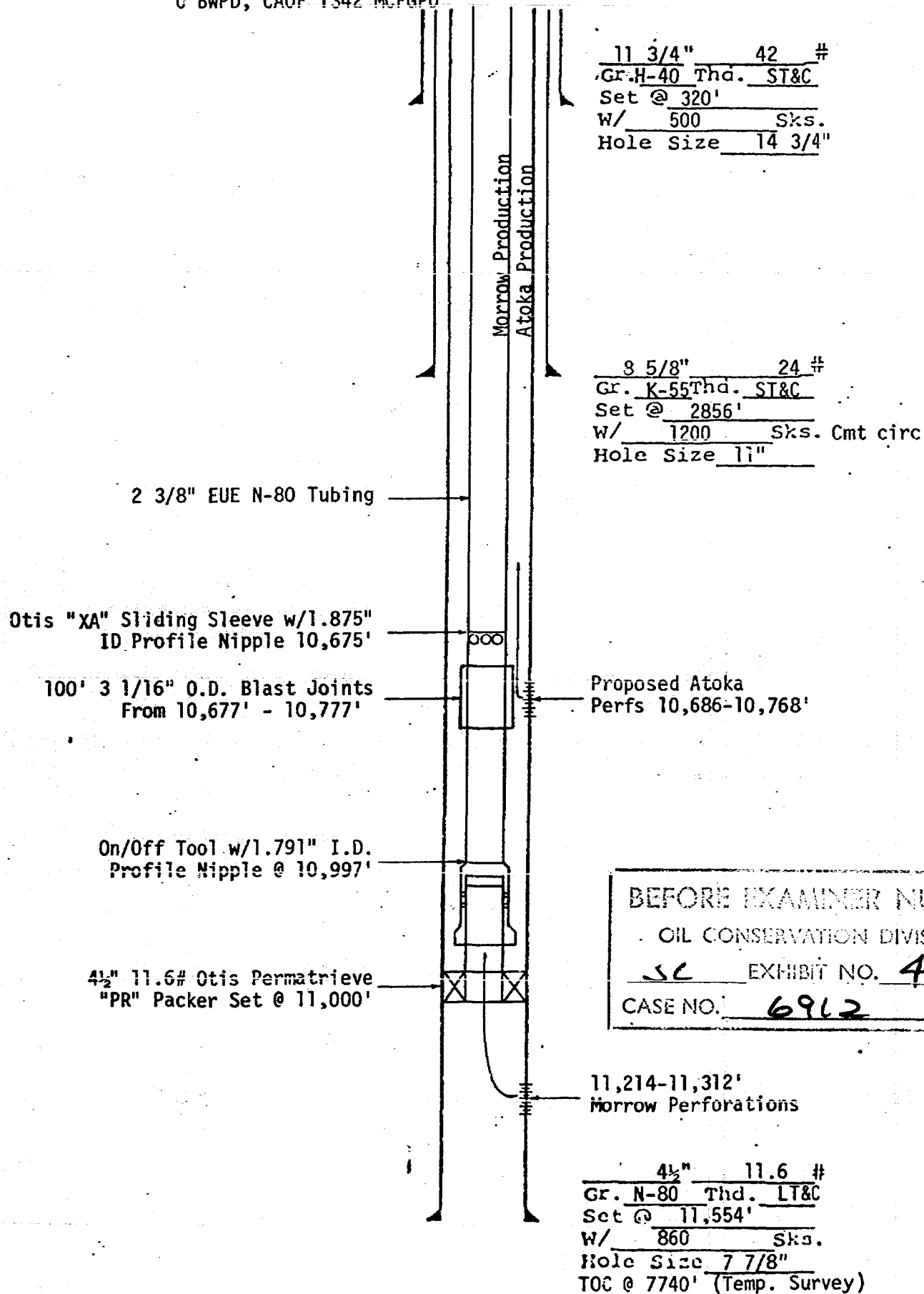
The Petroleum Corporation of Delaware
3303 Lee Parkway
Dallas, Texas 75219



PROPOSED DOWNHOLE MECHANICAL INSTALLATION

WELL DATA SHEET

Lease SRC State "14" Comm. Well No. 1
 Location 1980' FNL, 660' FWL, Sec 14, T19S, R29E County Eddy State New Mexico
 Elevation 3319.2' GR Formation Morrow
 Date Completed 3/14/79 Field Turkey Track
 Initial Potential F 897 MCEGPD, 12 BOPD,
0 BOPD, CAOF 1342 MCEGPD



BEFORE EXAMINER NUTTER
 OIL CONSERVATION DIVISION
 SC EXHIBIT NO. 4
 CASE NO. 6962

cust-5/21

Southland Royalty Company



May 14, 1980

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Secretary Director

RE: Application For
Multiple Completion,
SRC State "14" Comm No. 1

Dear Sir:

Southland Royalty inadvertently neglected to include The Petroleum Corporation of Delaware as an offset operator, with respect to our Application for Multiple Completion of the subject well. They were subsequently sent a request for waiver and a copy of Form C-107 on 5/14/80.

Enclosed you will find the now complete list of offset operators who have been sent waiver requests.

Sincerely,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

Enclosure

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
<u>SC</u>	EXHIBIT NO. <u>5</u>
CASE NO. <u>6912</u>	

FILE 20



Southland Royalty Company

May 13, 1980

The Petroleum Corporation of Delaware
3303 Lee Parkway
Dallas, Texas 75219

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

THE PETROLEUM CORP.

BY: Larry C. Shamm, SENIOR P.
May 16, 1980

BEFORE EXAMINED MATTER	
OIL CONSERVATION DIVISION	
SC	EXHIBIT NO. 5
CASE NO.	6912



Southland Royalty Company

May 8, 1980

Sabine Royalty Co. (Dalco)
Attn: Bernard L. House
901 Wall Towers East
Midland, Texas 79701

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

Dalco Production Company

BY: *B. L. House*

May 13, 1980

BEFORE EXAMINER MUTTER	
OIL CONSERVATION DIVISION	
SL	EXHIBIT NO. 5
CASE NO.	6912

FILE 5-23



Southland Royalty Company

May 8, 1980

Tenneco Oil Company
6800 Park Tenn Blvd., Suite 200 North
San Antonio, Texas 78213

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the (State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

TENNECO OIL COMPANY

BY: *[Signature]*

May 14,

1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SL	EXHIBIT NO. 5
CASE NO.	6912

RECEIVED
MAY 23 1980

SOUTHLAND ROYALTY CO.
MIDLAND, TEXAS

FILE



Southland Royalty Company

May 8, 1980

Anadarko Production Company
P. O. Box 2497
215 W. Wall
Midland, Texas 79702

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED
Anadarko Production Company
BY: *[Signature]*
5/12/80 1980

BEFORE SIGNING THIS WAIVER	
OIL COMPLETION SECTION	
SL	WELL NO. 5
CASE NO.	6912

RECEIVED
MAY 13 1980
SOUTHLAND ROYALTY CO.
MIDLAND, TEXAS



Southland Royalty Company

May 8, 1980

Gulf Oil Exploration & Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

Gulf Oil Corporation

By: *[Signature]*
S. F. [unclear] - Chief Production Engineer
1980

BEFORE [unclear] [unclear]	
OIL CONSERVATION DIVISION	
<u>SL</u>	EXHIBIT NO. <u>5</u>
CASE NO. <u>6912</u>	

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

Form C-107
5-1-61

Operator <u>Southland Royalty Company</u>		County <u>Eddy</u>	Date
Address <u>1100 Wall Towers West Midland, Texas 79701</u>		Lease <u>State "14" Comm.</u>	Well No. <u>1</u>
Location of Well <u>E</u>	Unit <u>14</u>	Section <u>19S</u>	Range <u>29E</u>

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____; Operator Lease, and Well No.: _____

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<u>Atoka</u>		<u>Morrow</u>
b. Top and Bottom of Pay Section (Perforations)	<u>10,686'-10,768'</u>		<u>11,214'-11,312'</u>
c. Type of production (Oil or Gas)	<u>Gas</u>		<u>Gas</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>		<u>Flowing</u>

4. The following are attached. (Please check YES or NO)

- | Yes | No | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.* |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See List.

BEFORE EXAMINER MUTTER
OIL CONSERVATION DIVISION
SL EXHIBIT NO. 1
CASE NO. 6912

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the District Operations Engineer the Southland Royalty Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Donald R. Cray
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

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

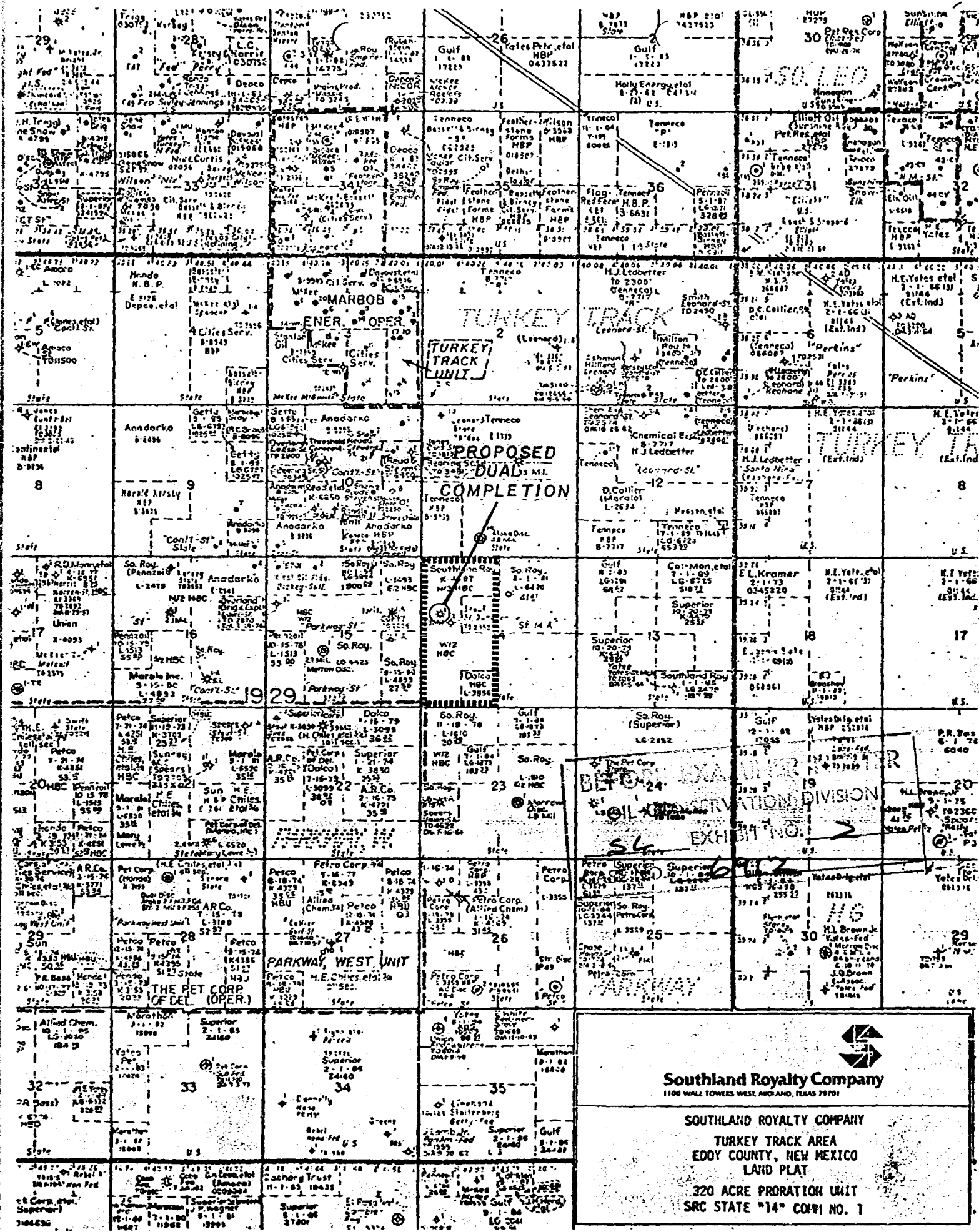
Anadarko Production Company
P. O. Box 2497
215 W. Wall
Midland, Texas 79702


Gulf Oil Exploration and Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

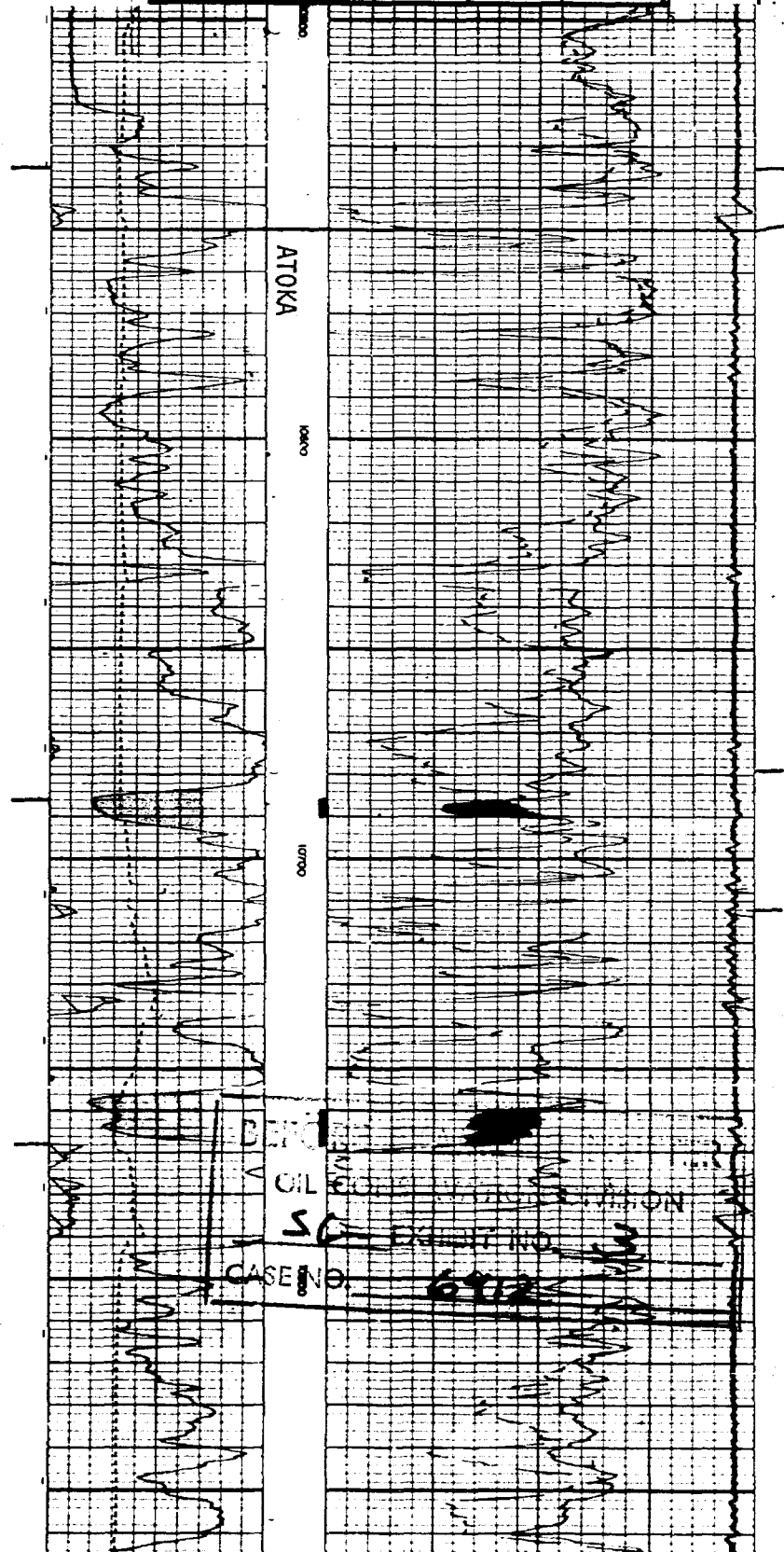
Sabine Royalty Co. (Dalco)
Attn: Bernard L. House
901 Wall Towers East
Midland, Texas 79701

Tenneco Oil Company
6800 Park Tenn Blvd. Suite 200 North
San Antonio, Texas 78213

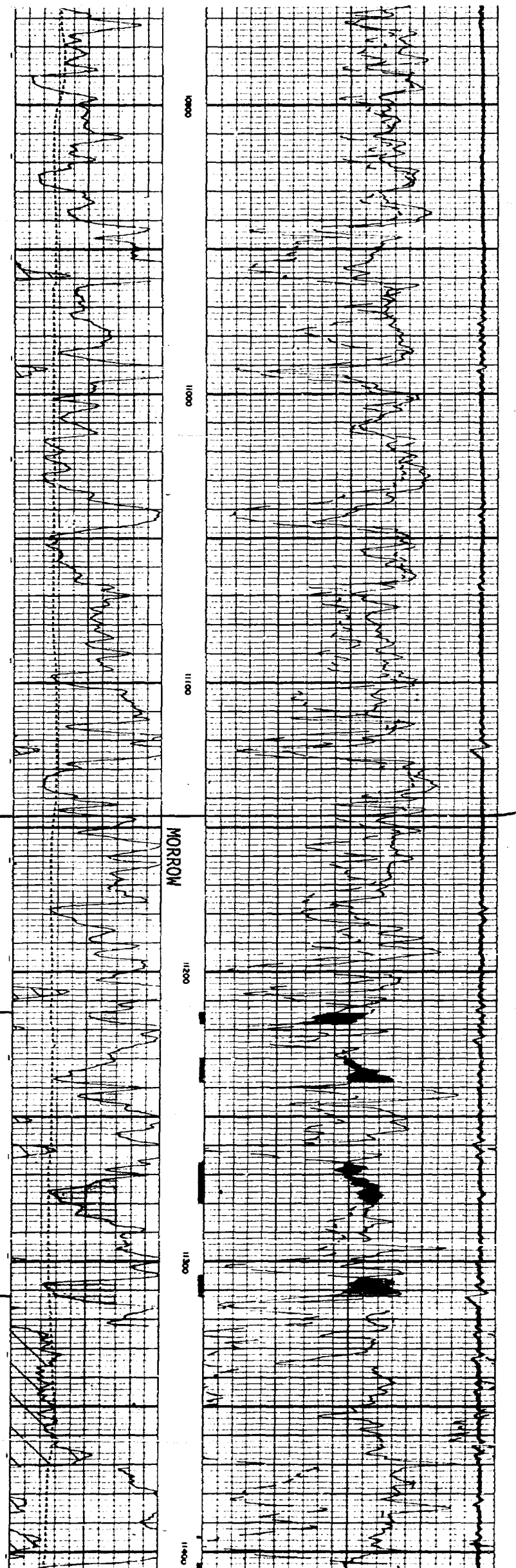
The Petroleum Corporation of Delaware
3303 Lee Parkway
Dallas, Texas 75219

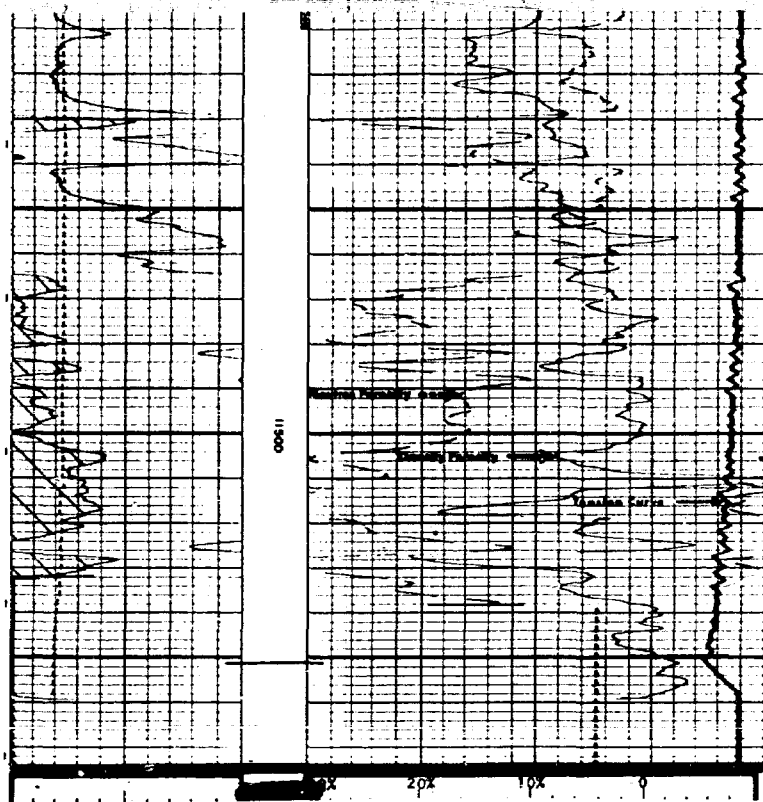


Dresser Atlas Combination Logging Systems		
Compensated Densilog Compensated Neutron		
FILE NO.	COMPANY SOUTHLAND ROYALTY COMPANY	
	WELL STATE COMM NO. 14-1	
	FIELD UNDESIGNATED (MORROW)	
	COUNTY EDDY STATE NEW MEXICO	
	LOCATION:	
	1980' FNL & 660' FWL	
	SEC 14 TWP 19-S RGE 29-E	
	Other Services DLL/MLL/GR	
Permanent Datum	GROUND LEVEL	KB 3319.2
Log Measured from	K. B. 15.5 F1 Above Permanent Datum	OF
Onting Measured from	K. B.	OK 3319.2
Date	1-27-79	
Run No	ONE	
Service Order	26307	
Depth - Onting	11566	
Depth - Logger	11551	
Bottom Logged Interval	11550	
Top Logged Interval	2800	
Core - Onting	8' 5 1/2" 2855	
Core - Logger	2860	
Bit Size	7 7/8"	
Type Fluid in Hole	BRIKE GEL - LOTS - DRISPAK	
Density and Viscosity	10.1 140	
pH and Fluid Loss	10.5 8.8	
Source of Sample	FLOWLINE	
Pin @ Mass Temp	.066 @ 60 °F	
Pin @ Mass Temp	.053 @ 60 °F	
Pin @ Mass Temp	.051 @ 60 °F	
Source of Pin and Pinc	HEAS 1	
Pin @ BHT	.024 @ 162 °F	
Time Since Crc	11 HOURS	
Mar. Rec Temp Day F	162 °F	
Equip No and Location	6205 HOBBS	
Recorded by	LOWE	
Checked by	WATFALL	



DENS
 OIL
 SC
 CASE NO. **6912**





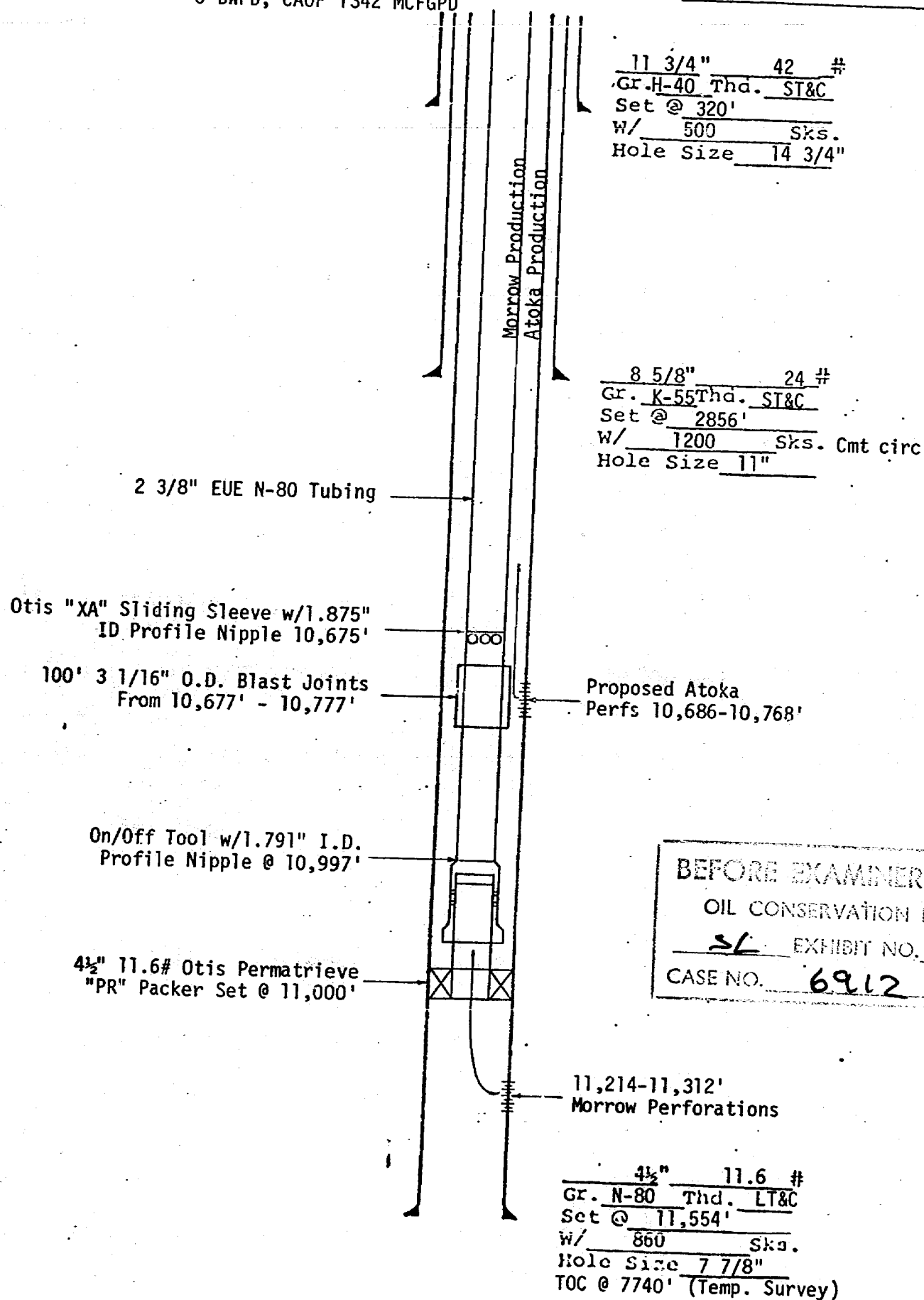
PROPOSED DOWNHOLE MECHANICAL INSTALLATION

WELL DATA SHEET

Lease SRC State "14" Comm. Well No. 1
 Location 1980' FNL, 660' FWL, Sec 14, T19S, R29E County Eddy State New Mexico
 Elevation 3319.2' GR Formation Morrow
 Date Completed 3/14/79 Field Turkey Track
 Initial Potential F 897 MCFGPD, 12 BOPD,
0 BOPD, CAOF 1342 MCFGPD

11 3/4" 42 #
 Gr. H-40 Thd. ST&C
 Set @ 320'
 W/ 500 Sks.
 Hole Size 14 3/4"

8 5/8" 24 #
 Gr. K-55 Thd. ST&C
 Set @ 2856'
 W/ 1200 Sks. Cmt circ
 Hole Size 11"



BEFORE EXAMINER NUTTER
 OIL CONSERVATION DIVISION
SL EXHIBIT NO. 4
 CASE NO. 6912

4 1/2" 11.6 #
 Gr. N-80 Thd. LT&C
 Set @ 11,554'
 W/ 860 Sks.
 Hole Size 7 7/8"
 TOC @ 7740' (Temp. Survey)

T.D. 11,566' PBTD 11,355'

FILE



Southland Royalty Company

May 13, 1980

The Petroleum Corporation of Delaware
3303 Lee Parkway
Dallas, Texas 75219

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

THE PETROLEUM CORP.

BY: Larry C. Hammon, SENIOR P.

May 16, 1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SL	EXHIBIT NO. 5
CASE NO. 6912	

FILE 5-17



Southland Royalty Company

May 8, 1980

Sabine Royalty Co. (Dalco)
Attn: Bernard L. House
901 Wall Towers East
Midland, Texas 79701

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

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Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

Sabine Royalty Company

BY: *B. L. House*

May 13,

1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SL	EXHIBIT NO. 5
CASE NO.	6912



Southland Royalty Company

May 8, 1980

Gulf Oil Exploration & Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

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Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

Gulf Oil Corporation

BY: *C. F. Kalteyer*

C. F. Kalteyer - Chief Proration Engineer
1980

BEFORE EXAMINER MUTTER

OIL CONSERVATION DIVISION

SL EXHIBIT NO. 5

CASE NO. 6912


Southland Royalty Company

MAY 5, 1980

Tenneco Oil Company
6800 Park Term Blvd., Suite 200 North
San Antonio, Texas 78213

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

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Yours very truly,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

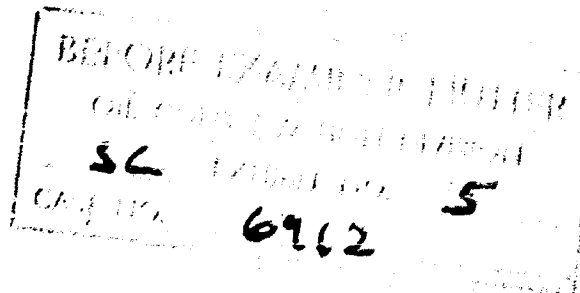
Attachments

AGREED, APPROVED AND ACCEPTED
TENNECO OIL COMPANY

BY: *[Signature]*

May 14, 1980

1980



FILE



Southland Royalty Company

May 8, 1980

Anadarko Production Company
P. O. Box 2497
215 W. Wall
Midland, Texas 79702

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

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Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

Anadarko Production Company
BY: *[Signature]*
5/12/1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SL	EXHIBIT NO. 5
CASE NO.	6912

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

Form C-107
5-1-61

Operator <u>Southland Royalty Company</u>		County <u>Eddy</u>	Date
Address <u>1100 Wall Towers West Midland, Texas 79701</u>		Lease <u>State "14" Comm.</u>	Well No. <u>1</u>
Location of Well <u>E</u>	Unit <u>14</u>	Section <u>19S</u>	Range <u>29E</u>

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____; Operator Lease, and Well No.: _____

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<u>Atoka</u>		<u>Morrow</u>
b. Top and Bottom of Pay Section (Perforations)	<u>10,686'-10,768'</u>		<u>11,214'-11,312'</u>
c. Type of production (Oil or Gas)	<u>Gas</u>		<u>Gas</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>		<u>Flowing</u>

4. The following are attached. (Please check YES or NO)

- | Yes | No | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.* |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See List.

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

SL EXHIBIT NO. 1

CASE NO. 6912

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the District Operations Engineer the Southland Royalty Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Donald R. Cray
Signature

*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

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

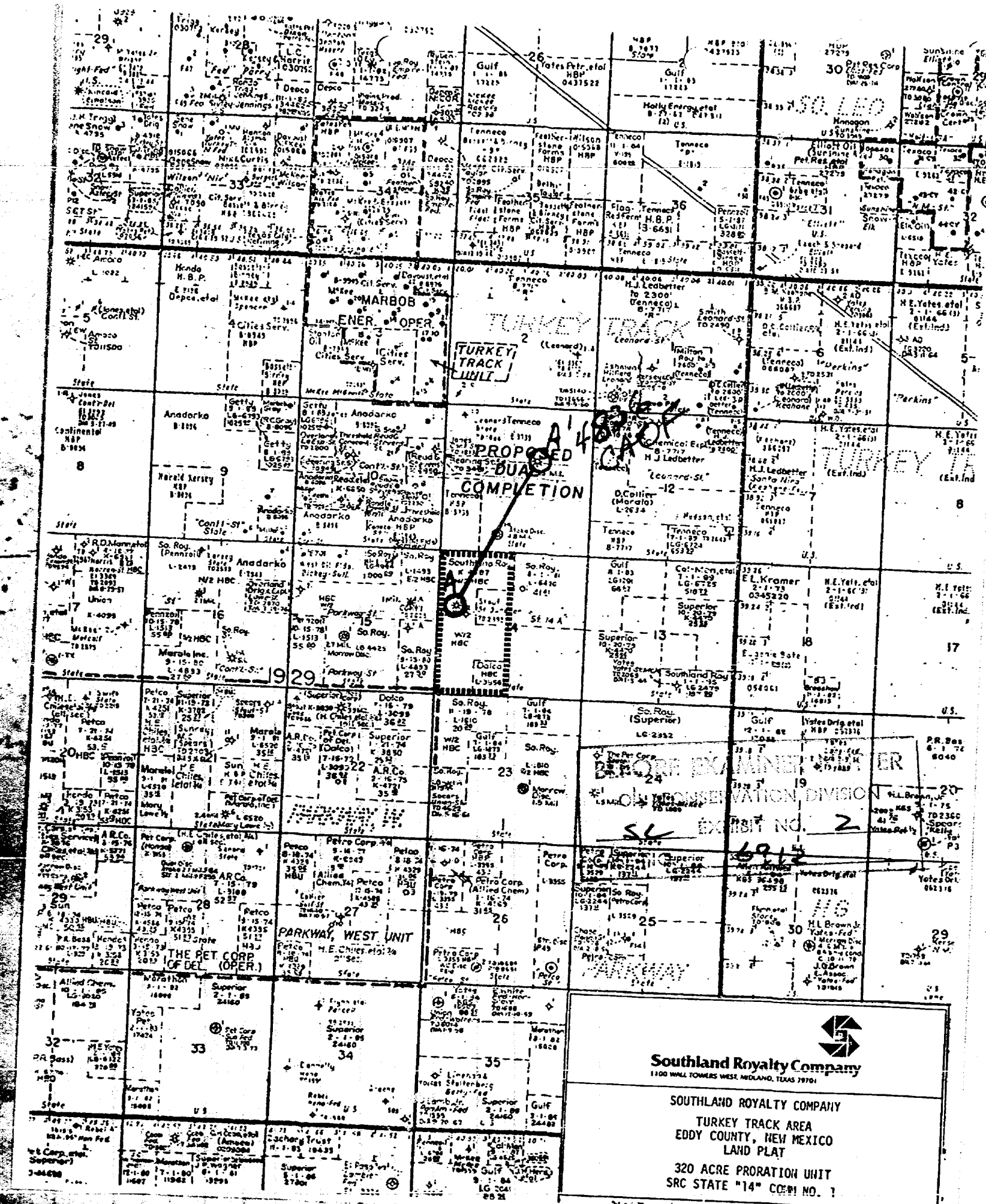
Anadarko Production Company
P. O. Box 2497
215 W. Wall
Midland, Texas 79702

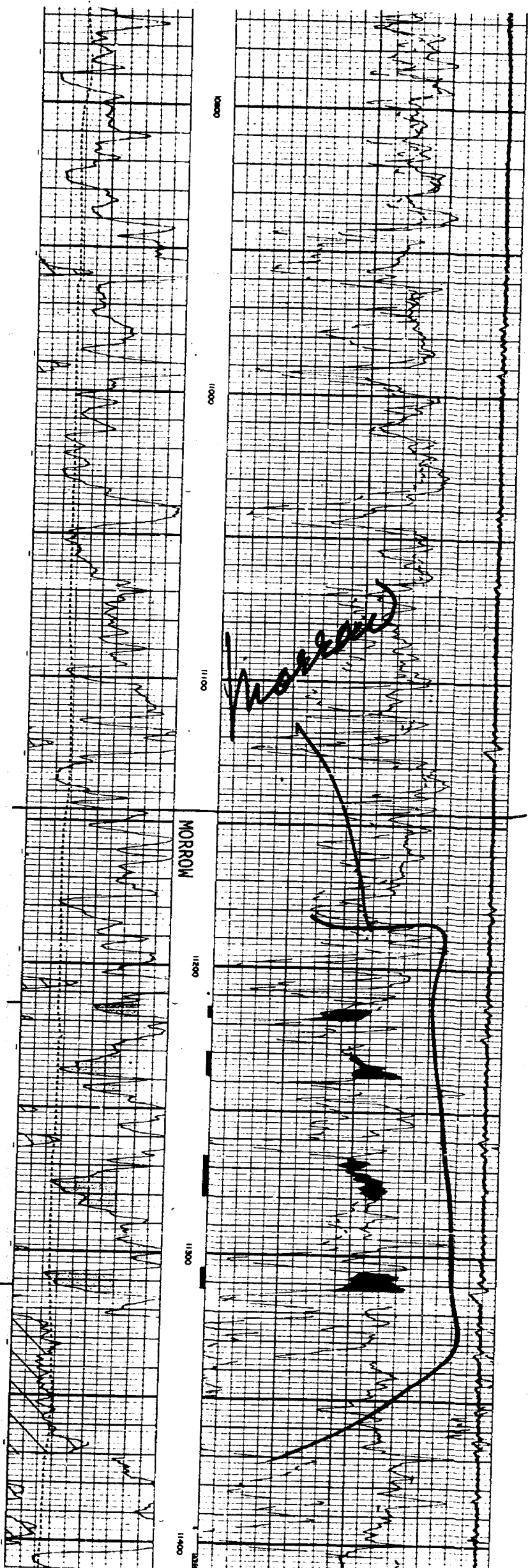
Gulf Oil Exploration and Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

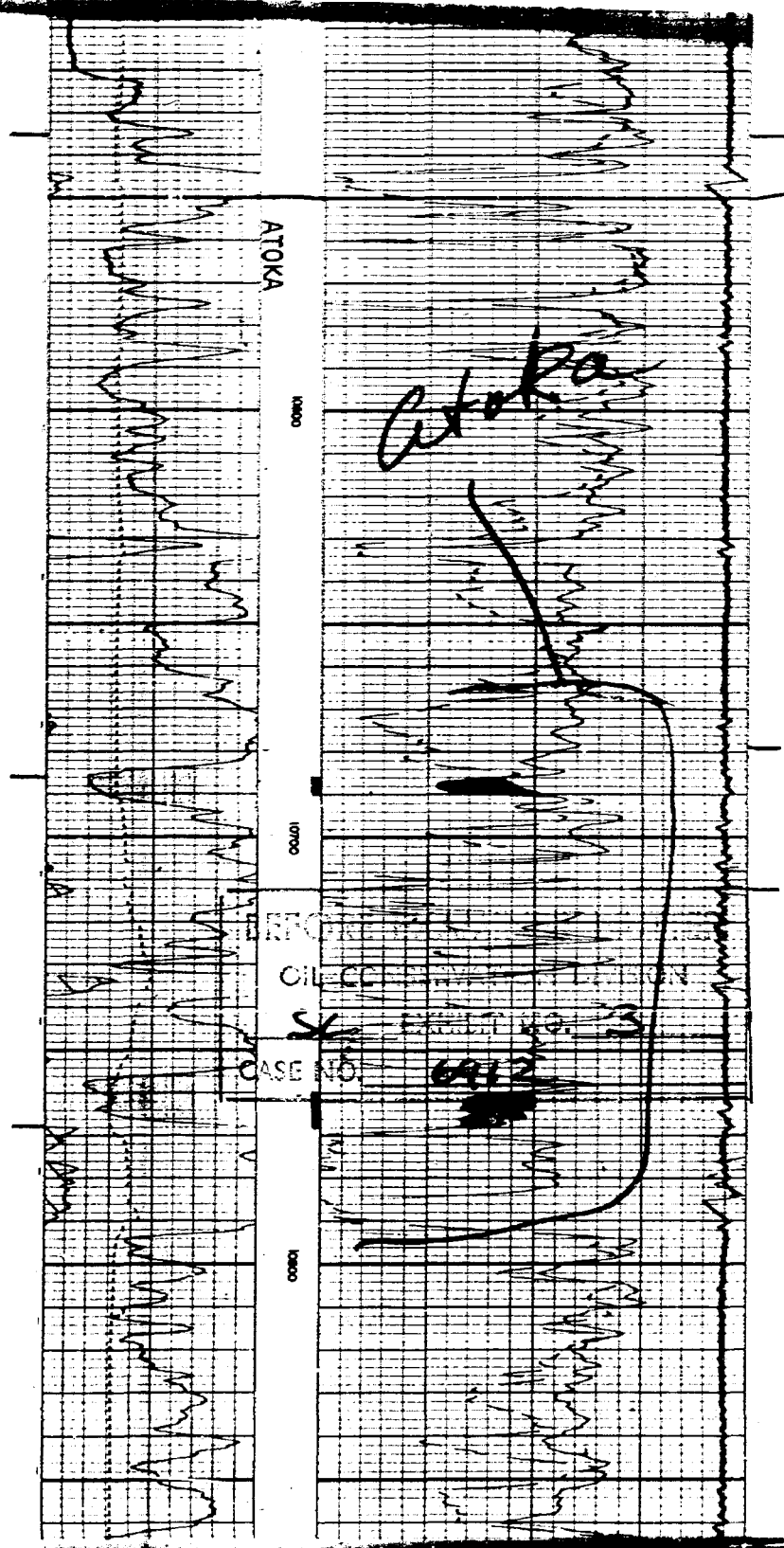
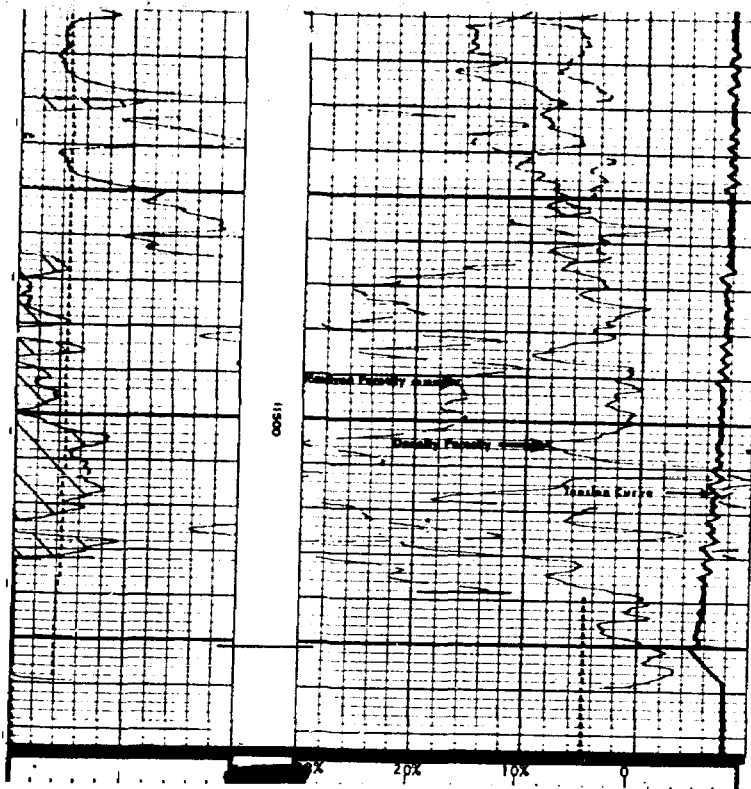
Sabine Royalty Co. (Dalco)
Attn: Bernard L. House
901 Wall Towers East
Midland, Texas 79701

Tenneco Oil Company
6800 Park Tenn Blvd. Suite 200 North
San Antonio, Texas 78213

The Petroleum Corporation of Delaware
3303 Lee Parkway
Dallas, Texas 75219







PROPOSED DOWNHOLE MECHANICAL INSTALLATION

WELL DATA SHEET

Lease SRC State "14" Comm. Well No. 1
 Location 1980' FNL, 660' FWL, Sec 14, T19S, R29E County Eddy State New Mexico
 Elevation 3319.2' GR Formation Morrow
 Date Completed 3/14/79 & Field Turkey Track
 Initial Potential F 897 MCEGPD, 12 BOPD,
0 BWPD, CAOF 1342 MCEGPD

11 3/4" 42 #
 Gr. H-40 Thd. ST&C
 Set @ 320'
 W/ 500 Sks.
 Hole Size 14 3/4"

8 5/8" 24 #
 Gr. K-55 Thd. ST&C
 Set @ 2856'
 W/ 1200 Sks. Cmt circ
 Hole Size 11"

2 3/8" EUE N-80 Tubing

Otis "XA" Sliding Sleeve w/1.875"
 ID Profile Nipple 10,675'

100' 3 1/16" O.D. Blast Joints
 From 10,677' - 10,777'

*Atoka press
 in Tennessee well
 51 BHP: 4944 psi*

On/Off Tool w/1.791" I.D.
 Profile Nipple @ 10,997'

4 1/2" 11.6# Otis Permatrieve
 "PR" Packer Set @ 11,000'

Proposed Atoka *up the annulus*
 Perfs 10,686-10,768'

BEFORE EXAMINER NUTTER
 OIL CONSERVATION DIVISION
SL EXHIBIT NO. 4
 CASE NO. 6912

*Morrow
 Capacity (orig) 1/2 million/day
 (present) still about
 the same
 after 1 yr.*

11,214-11,312'
 Morrow Perforations

thru the
4 1/2" 11.6 #
 Gr. N-80 Thd. LT&C
 Set @ 11,554'
 W/ 860 Sks.
 Hole Size 7 7/8"
 TOC @ 7740' (Temp. Survey)

*Latest
 BHP in Morrow
 4160 psi*

FILE



Southland Royalty Company

May 13, 1980

The Petroleum Corporation of Delaware
3303 Lee Parkway
Dallas, Texas 75219

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

THE PETROLEUM CORP.

BY: Larry C. Shamm, SEN. ORN. P.

May 16, 1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SL	EXHIBIT NO. 5
CASE NO.	6912

FILE 5-17



Southland Royalty Company

May 8, 1980

Sabine Royalty Co. (Dalco)
Attn: Bernard L. House
901 Wall Towers East
Midland, Texas 79701

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
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3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

Sabine Royalty Company

BY: *B. L. House*

May 13,

1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SC	EXHIBIT NO. 5
CASE NO.	6962

FILE 100



Southland Royalty Company

May 8, 1980

Tenneco Oil Company
6800 Park Tenn Blvd., Suite 200 North
San Antonio, Texas 78213

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

TENNECO OIL COMPANY

Don B. Smith

1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SC	EXHIBIT NO. 5
CASE NO.	6912

FILE



Southland Royalty Company

May 8, 1980

Anadarko Production Company
P. O. Box 2497
215 W. Wall
Midland, Texas 79702

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig

Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

AGREED, APPROVED AND ACCEPTED

Anadarko Production Co.
BY: *[Signature]*
5/12/80 1980

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

SL EXHIBIT NO. 5

CASE NO. 6962



Southland Royalty Company

May 8, 1980

Gulf Oil Exploration & Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

RE: Application for Dual Completion
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the State "14" Comm. No. 1, located 1980' FNL & 660' FWL of Section 14, T-19-S, R-29-E, Eddy County, New Mexico, desires to dual complete said well in the Atoka and Morrow formations.

Attached for your review is the following:

1. Plat
2. Application for Multiple Completion (C-107)
3. Diagramatic sketch of Multiple Completion

As an offset operator, if you have no objection to this application we would appreciate your signing this waiver and returning it to this office as soon as possible. A self-addressed envelope is enclosed for your convenience.

Yours very truly,

Donald R. Craig
Donald R. Craig
District Operations Engineer

EJ/cr

Attachments

RECEIVED, APPROVED AND ACCEPTED

Gulf Oil Corporation

Kalkey
Chief Proration Engineer
1980

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
SL	EXHIBIT NO. 5
CASE NO.	6912



Southland Royalty Company

April 6, 1980

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 6912

Attn: Secretary Director

RE. State "14" Comm. No. 1
Multiple Completion

Dear Sir:

Southland Royalty Company requests that an examiner hearing be set to consider our application to dually complete the State "14" Comm. No. 1 in the Turkey Track Morrow and an undesignated Atoka interval. This well is located in Unit letter E of Section 14, T-19-S, R-29-E, Eddy County, New Mexico.

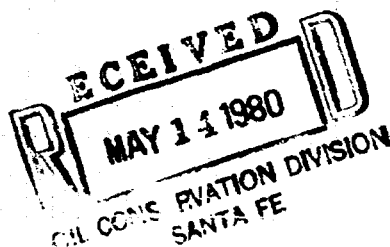
The Morrow interval is presently gas productive in the subject well, and the Atoka is also expected to be gas productive. Attached are Forms C-107, diagramatic sketches of the wellbore and mechanical downhole assembly, land plats showing offset operators and a Compensated Neutron/Compensated Density Log with both zones marked as to tops and perforations. These exhibits and additional information will be presented at the hearing to support Southland's application.

All offset operators have been notified of this request to dually complete the subject well by certified mail.

Sincerely,

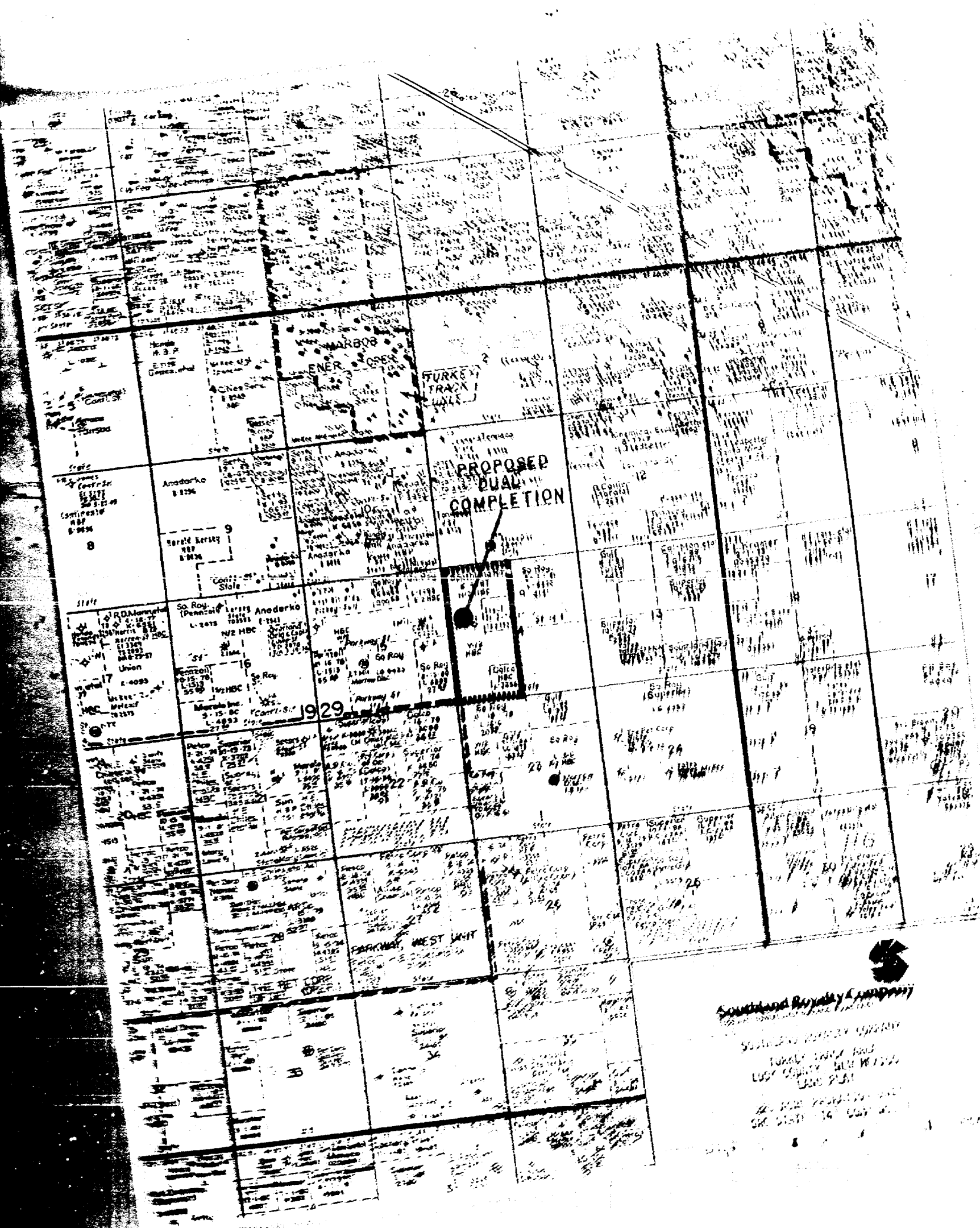
Donald R. Craig

Donald R. Craig
District Operations Engineer

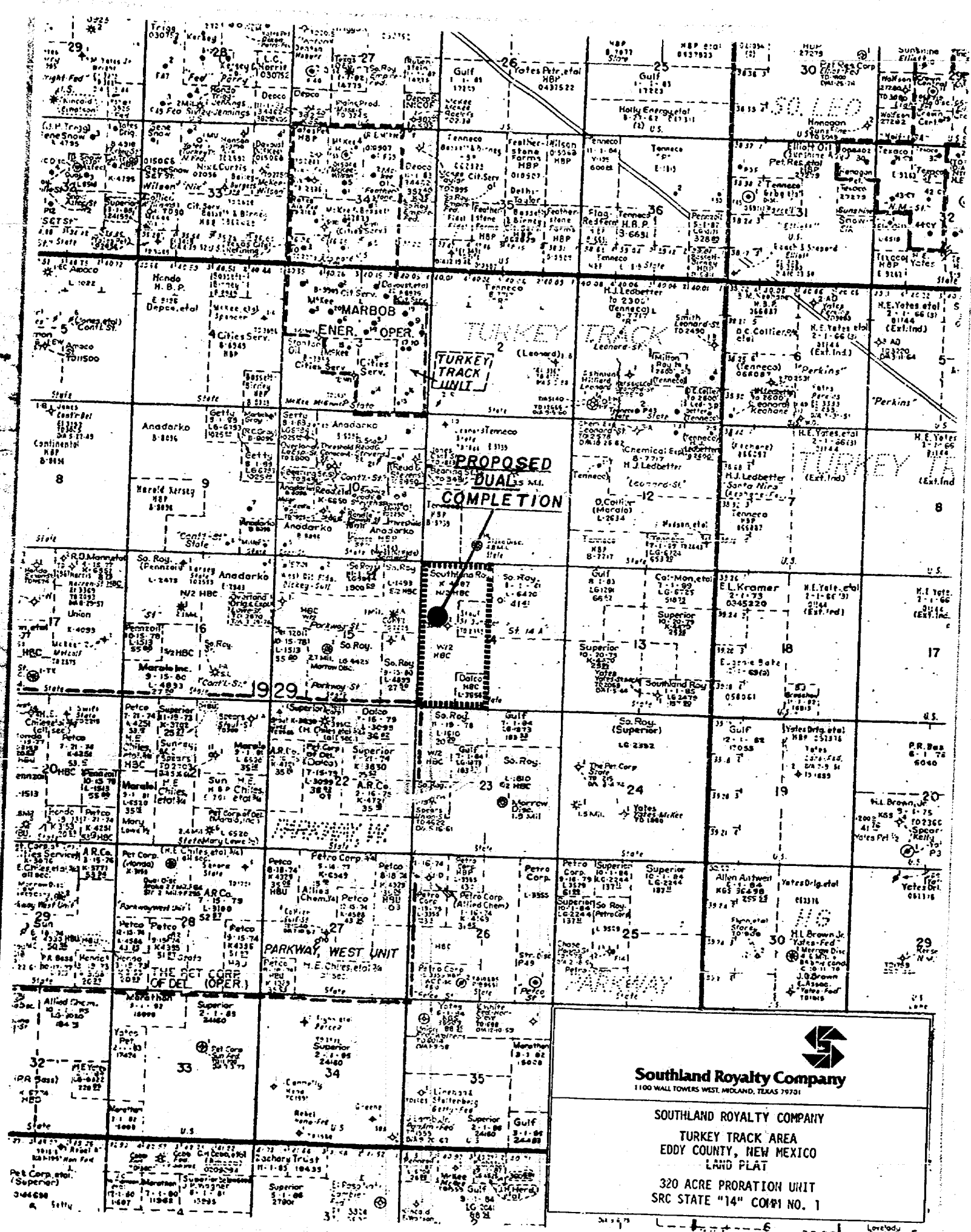



EU/cr

Attachments



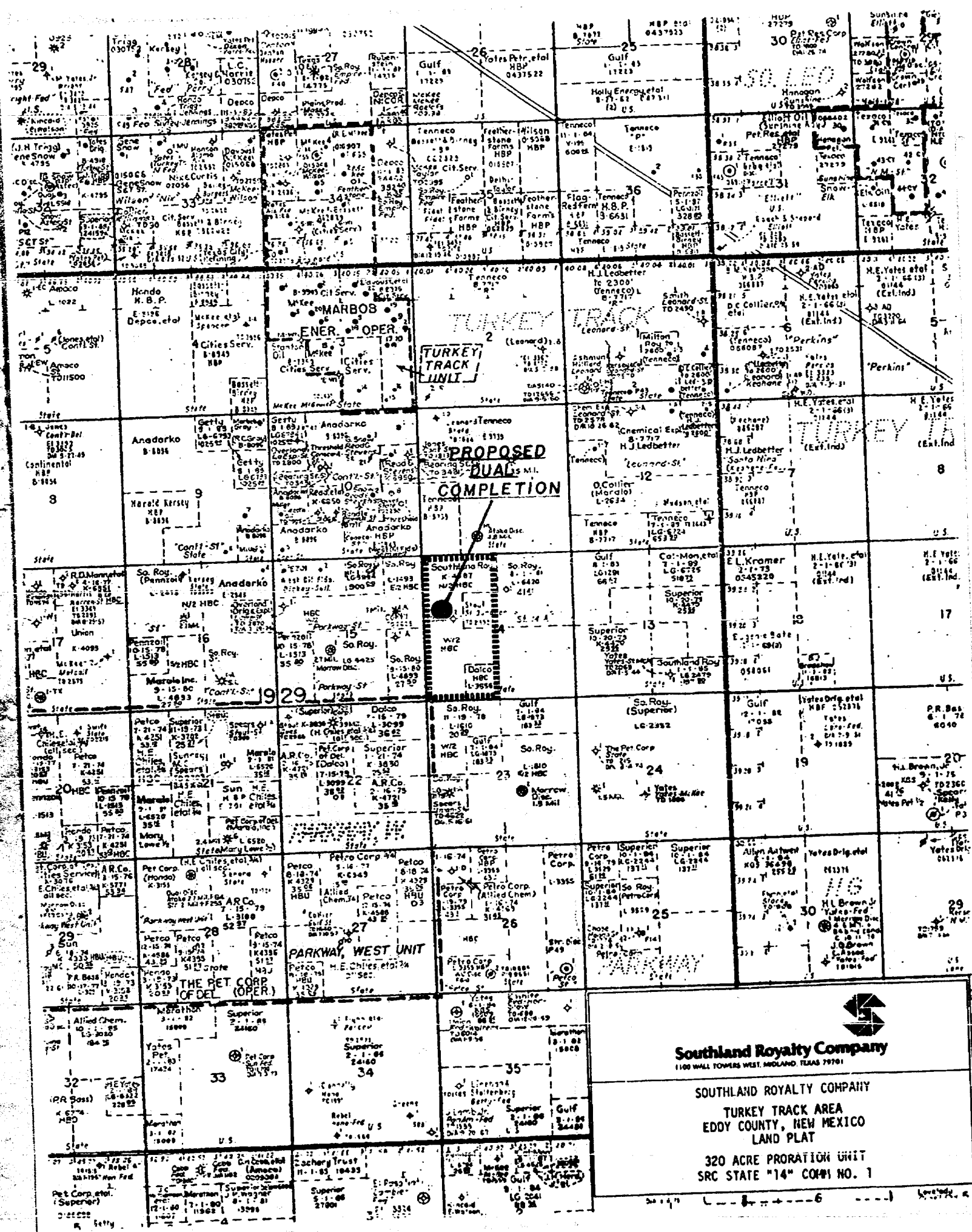
Southern Railway Company
SOUTHERN RAILWAY COMPANY
TURKEY
LOS ANGELES, CALIF. U.S.A.
NEW YORK, N.Y. U.S.A.
SAN FRANCISCO, CALIF. U.S.A.





Southland Royalty Company
1100 WALL TOWERS WEST, MIDLAND, TEXAS 79701

SOUTHLAND ROYALTY COMPANY
TURKEY TRACK AREA
EDDY COUNTY, NEW MEXICO
LAND PLAT
320 ACRE PRORATION UNIT
SRC STATE "14" COM 1 NO. 1



Southland Royalty Company
1100 WALL TOWERS WEST, HOUSTON, TEXAS 77001

SOUTHLAND ROYALTY COMPANY
TURKEY TRACK AREA
EDDY COUNTY, NEW MEXICO
LAND PLAT

320 ACRE PRORATION UNIT
SRC STATE "14" COMB. NO. 1

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

Form C-107
5-1-61

Case 6912

Operator <u>Southland Royalty Company</u>		County <u>Eddy</u>		Date
Address <u>1100 Wall Towers West Midland, Texas 79701</u>		Lease <u>State "14" Comm.</u>		Well No. <u>1</u>
Location of Well <u>E</u>	Unit <u>14</u>	Section <u>14</u>	Township <u>19S</u>	Range <u>29E</u>

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one rule of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____; Operator Lease, and Well No.: _____

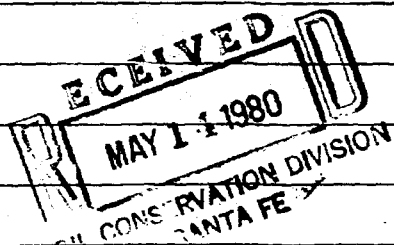
3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<u>Atoka</u>		<u>Morrow</u>
b. Top and Bottom of Pay Section (Perforations)	<u>10,686'-10,768'</u>		<u>11,214'-11,312'</u>
c. Type of production (Oil or Gas)	<u>Gas</u>		<u>Gas</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>		<u>Flowing</u>

4. The following are attached. (Please check YES or NO)

- | | | |
|-------------------------------------|--------------------------|---|
| Yes | No | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.* |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See List.



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification May 9, 1980.

CERTIFICATE: I, the undersigned, state that I am the District Operations Engineer of the Southland Royalty Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Donald R. Craig
Signature

*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

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

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

Form C-107
5-1-61

Operator <u>Southland Royalty Company</u>		County <u>Eddy</u>		Date
Address <u>1100 Wall Towers West Midland, Texas 79701</u>		Lease <u>State "14" Comm.</u>		Well No. <u>1</u>
Location of Well <u>E</u>	Unit <u>14</u>	Section <u>19S</u>	Township <u>29E</u>	Range

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____ ; Operator Lease, and Well No.: _____

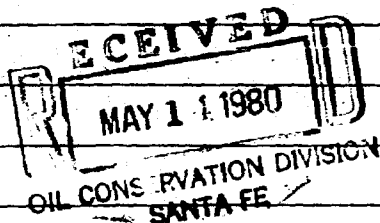
3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<u>Atoka</u>		<u>Morrow</u>
b. Top and Bottom of Pay Section (Perforations)	<u>10,686'-10,768'</u>		<u>11,214'-11,312'</u>
c. Type of production (Oil or Gas)	<u>Gas</u>		<u>Gas</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>		<u>Flowing</u>

4. The following are attached. (Please check YES or NO)

- | | | |
|-------------------------------------|--------------------------|---|
| Yes | No | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.* |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See List.



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification May 9, 1980.

CERTIFICATE: I, the undersigned, state that I am the District Operations Engineer of the Southland Royalty Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Donald R. Craig
Signature

*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

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

Form C-107
5-1-61

Operator Southland Royalty Company		County Eddy	Date
Address 1100 Wall Towers West Midland, Texas 79701		Lease State "14" Comm.	Well No. 1
Location of Well E	Unit 14	Township 19S	Range 29E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____; Operator Lease, and Well No.: _____

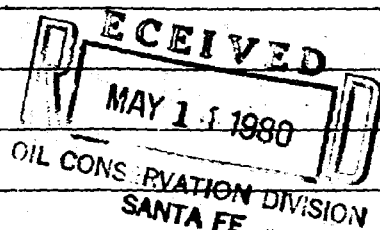
3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Atoka		Morrow
b. Top and Bottom of Pay Section (Perforations)	10,686' - 10,768'		11,214' - 11,312'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

4. The following are attached. (Please check YES or NO)

- | | | |
|-------------------------------------|--------------------------|---|
| Yes | No | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See List.



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification May 9, 1980.

CERTIFICATE: I, the undersigned, state that I am the District Operations Engineer the Southland Royalty Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Donald R. Craig
Signature

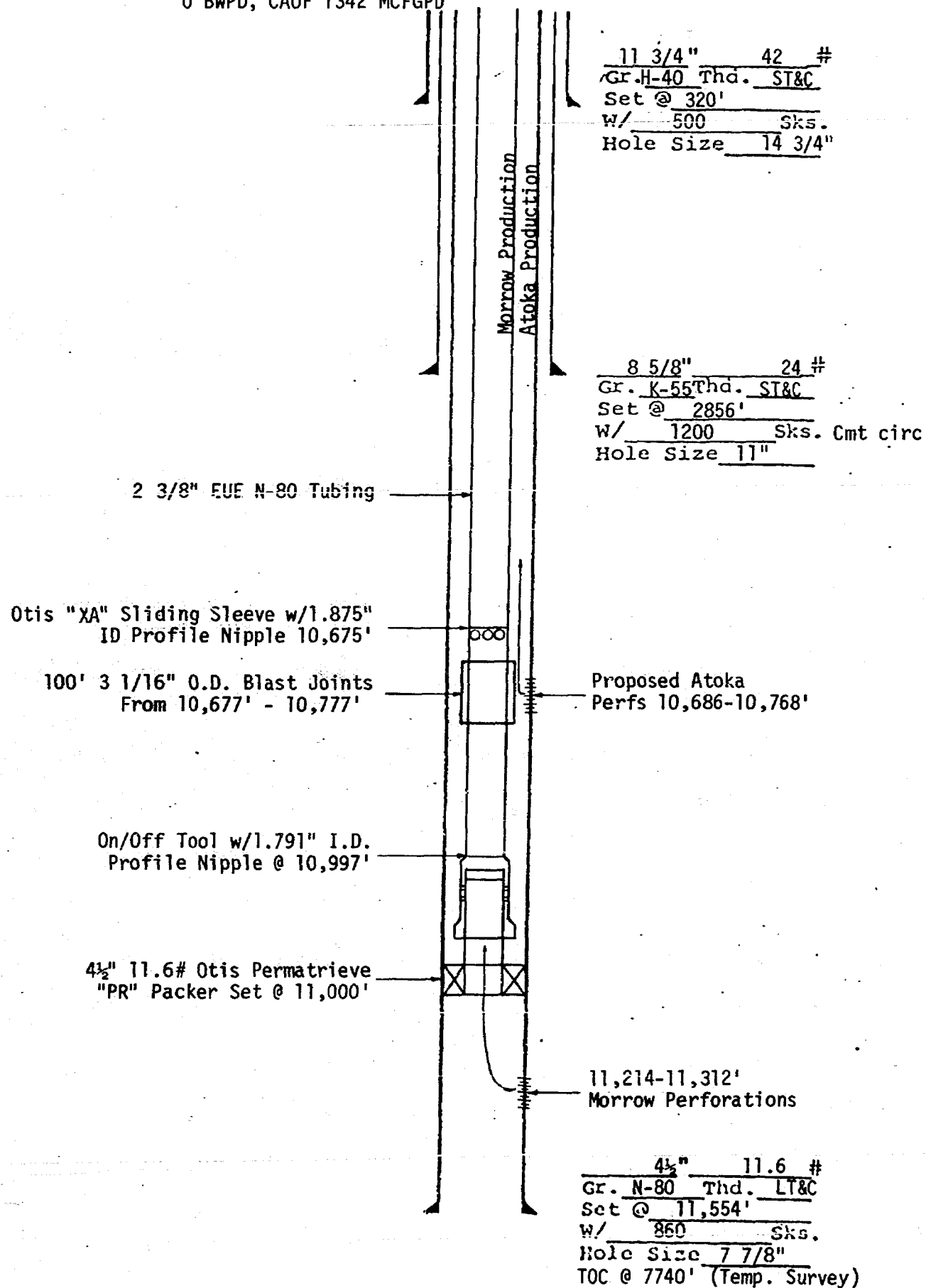
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PROPOSED DOWNHOLE MECHANICAL INSTALLATION

WELL DATA SHEET

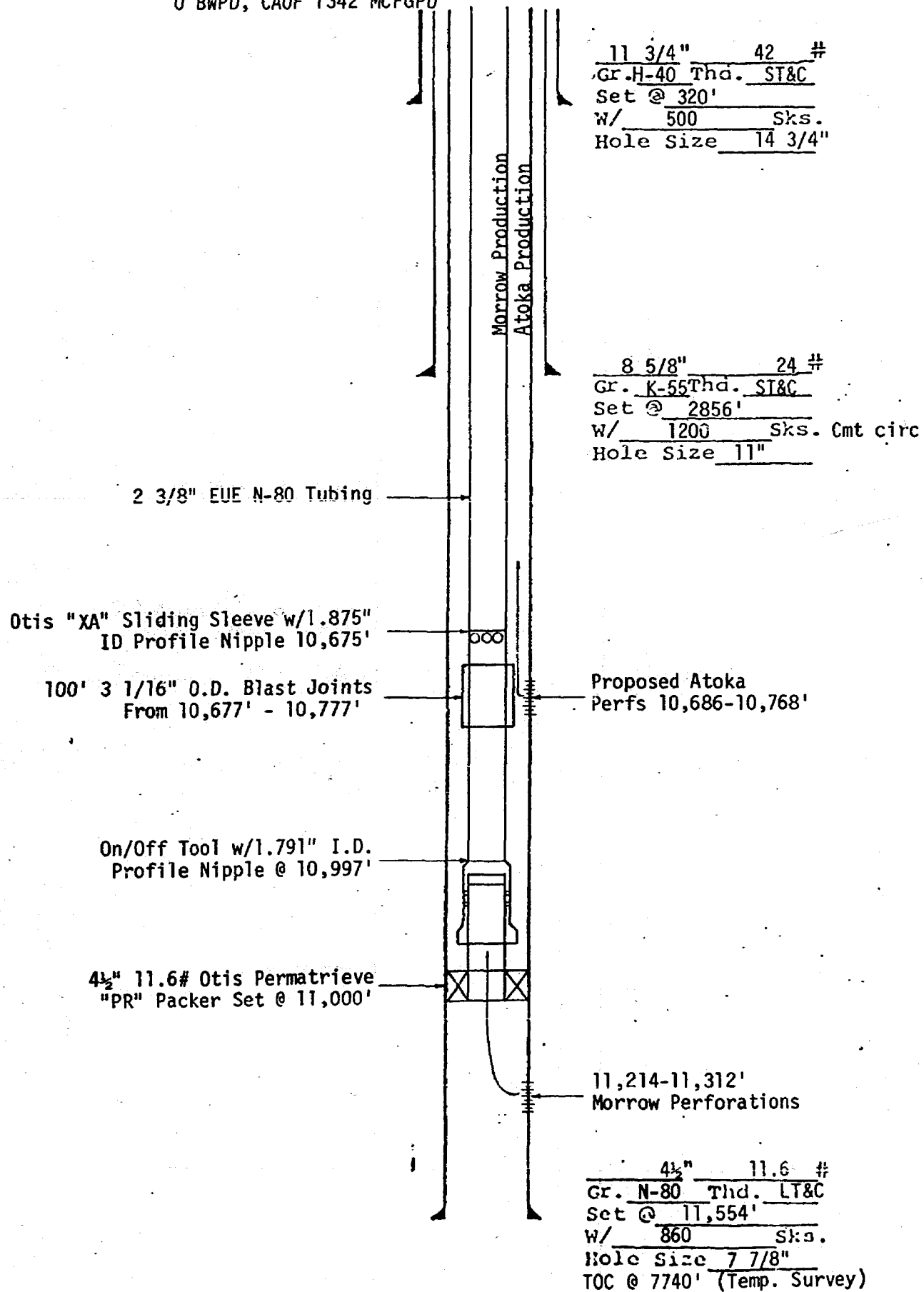
Lease SRC State "14" Comm. Well No. 1
 Location 1980' FNL, 660' FWL, Sec 14, T19S, R29E County Eddy State New Mexico
 Elevation 3319.2' GR Formation Morrow
 Date Completed 3/14/79 & Field Turkey Track
 Initial Potential F 897 MCEGPD, 12 BOPD,
0 BWPD, CAOF 1342 MCEGPD



PROPOSED DOWNHOLE MECHANICAL INSTALLATION

WELL DATA SHEET

Lease SRC State "14" Comm. Well No. 1
 Location 1980' FNL, 660' FWL, Sec 14, T19S, R29E County Eddy State New Mexico
 Elevation 3319.2' GR Formation Morrow
 Date Completed 3/14/79 Field Turkey Track
 Initial Potential F 897 MCEGPD, 12 BOPD,
0 BWPD, CAOF 1342 MCFGPD

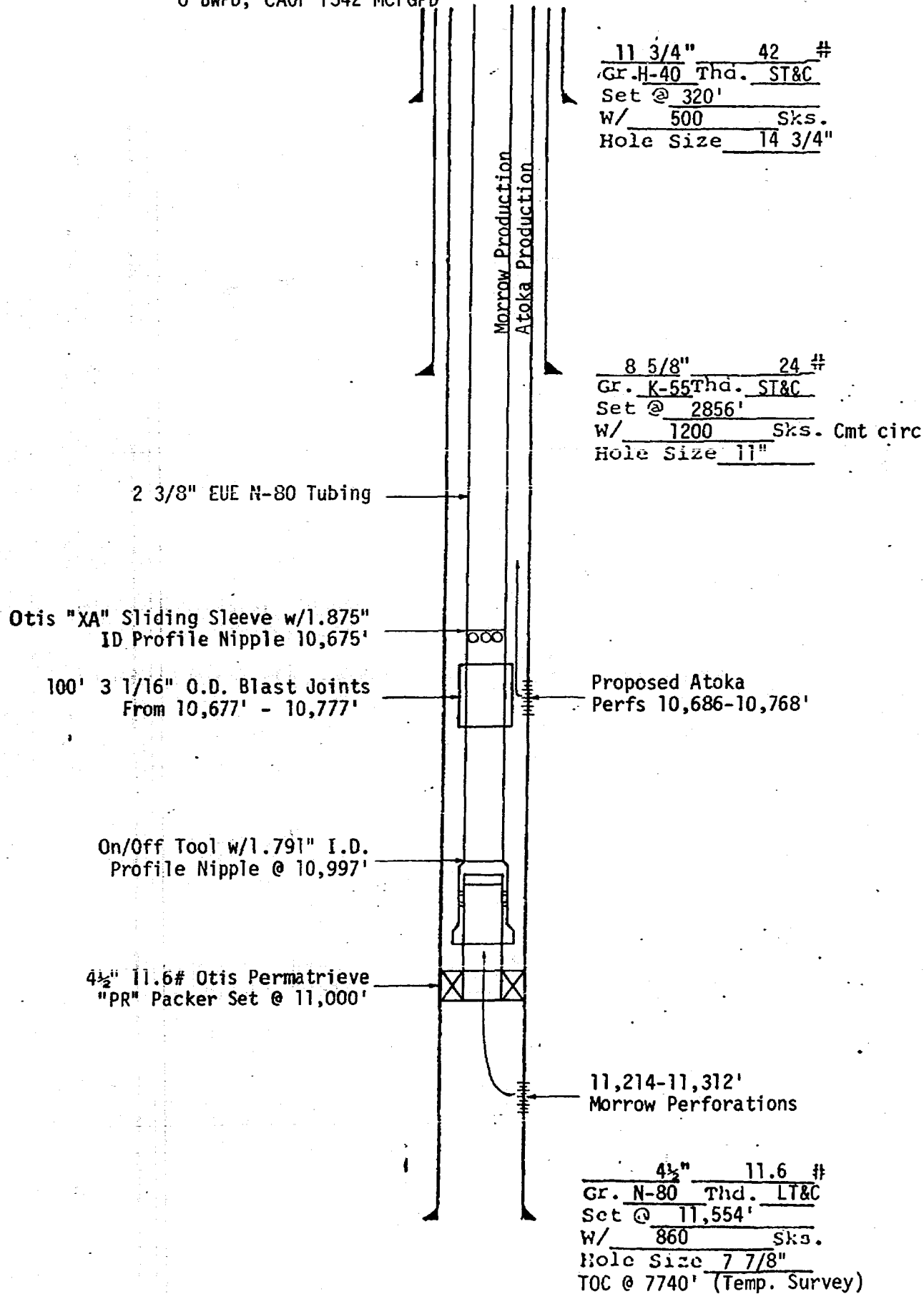


T.D. 11,566' PBTD 11,355'

PROPOSED DOWNHOLE MECHANICAL INSTALLATION

WELL DATA SHEET

Lease SRC State "14" Comm. Well No. 1
 Location 1980' FNL, 660' FWL, Sec 14, T19S, R29E County Eddy State New Mexico
 Elevation 3319.2' GR Formation Morrow
 &
 Date Completed 3/14/79 Field Turkey Track
 Initial Potential F 897 MCF/GPD, 12 BOPD,
0 BWPD, CAOF 1342 MCF/GPD



ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6912

Order No. R- 6378

APPLICATION OF SOUTHLAND ROYALTY COMPANY
FOR A DUAL COMPLETION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on
June 4, 1980, at Santa Fe, New Mexico, before
Examiner Daniel S. Nutter.

NOW, on this day of June, 1980, the
Division Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Southland Royalty Company,
seeks authority to complete its State "14" Comm.

Well No. i, located in Unit E of Section 14, Town-
ship 19 South, Range 29 East, NMPM, Eddy
County, New Mexico, as a dual completion (conventional) to
(combination)
(tubingless)

produce gas from the Morrow and Atoka formations through tubing

and the casing-tubing annulus respectively. and gas from

the Morrow formation through 2 3/8" tubing, with
separation of the zones to be achieved by means of
a packer set at approximately 11,000 feet.

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

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southland Royalty Company, is hereby authorized to complete its State "14" Comm. Well No. 1, located in Unit E of Section 14, Township 19 South, Range Turkey Track Field, 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) (~~combination~~) (~~tubingless~~)

~~X811X~~
to produce gas from the ~~Marron and~~ Atoka formations through ~~tubing and~~ the casing-tubing annulus ~~respectively~~, and gas from the Marron formation through 2 3/8 inch tubing, with a packer set at approximately 11,000 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual gas well Shut-In Pressure Test Period for the Marron zone. Pool.

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

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