

*Entered January 24, 1966
JLR*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 3341
Order No. R-3031

APPLICATION OF TENNECO OIL COMPANY
FOR AN ADMINISTRATIVE PROCEDURE,
SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
November 23, 1965, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this 24th day of January, 1966, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Tenneco Oil Company, seeks estab-
lishment of an administrative procedure authorizing the Secretary-
Director of the Commission to approve the intentional deviation of
wells previously drilled to the Blanco-Mesaverde Pool in San Juan
or Rio Arriba County, New Mexico, when the operator of the well
proposes to set a whipstock above the Mesaverde producing interval
and re-drill to the Blanco-Mesaverde Pool or the Blanco-Mesaverde
Pool and the Basin-Dakota Gas Pool.

(3) That the applicant proposes that the administrative
procedure should require deviation tests or directional surveys

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to assure that no well will be bottomed nearer than 200 feet to the outer boundary of its proration unit.

(4) That conventional completion methods are impracticable in numerous wells previously drilled to the Blanco-Mesaverde Pool in San Juan and Rio Arriba Counties, New Mexico, due to the completion methods originally utilized in drilling said wells.

(5) That in many instances the proposed method of completion will prevent the drilling of unnecessary wells and result in more efficient completions.

(6) That in order to facilitate administration of the laws of the State of New Mexico concerning the prevention of waste and protection of correlative rights, the proposed administrative procedure should be established.

IT IS THEREFORE ORDERED:

(1) That the Secretary-Director of the Commission is hereby authorized to approve the intentional deviation of wells previously drilled to the Blanco-Mesaverde Pool in San Juan or Rio Arriba County, New Mexico, in accordance with the following-described administrative procedure:

(a) The operator shall file an application, in triplicate, requesting authority to set a whipstock above the Mesaverde producing interval, intentionally deviate and re-drill to the Blanco-Mesaverde Pool or to the Blanco-Mesaverde Pool and the Basin-Dakota Pool, and stipulating that the well shall be so drilled and such tests conducted as may be necessary to ensure that the well is bottomed no nearer than 200 feet to the outer boundary of its proration unit.

The application shall be accompanied by a plat showing the proration unit upon which the well is located and also all offsetting proration units, and shall identify the owner of each such offsetting proration unit.

(b) The Secretary-Director may approve the application if:

1. Waivers of objection have been received from all offset operators or if no offset operator has objected within 20 days after the Secretary-Director has received the application.

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2. The well was originally completed in the Blanco-Mesaverde Pool prior to the effective date of this order.
3. The Secretary-Director determines that approval of the application will prevent waste and protect correlative rights.

(c) No allowable shall be assigned to any well intentionally deviated in accordance with the above unless:

1. The operator of the well has conducted deviation tests at at least 500-foot intervals while re-drilling the well, and has filed a tabulation of all such tests together with a tabulation of all deviation tests taken on the well during the original drilling down to the whipstock point; and
2. The total cumulative horizontal drift of the well as determined from said deviation tests and taken toward the nearest boundary of the proration unit does not place the bottom of the well nearer than 200 feet to said boundary.
3. In lieu of paragraphs 1. and 2. above, the operator may establish that the bottom of the well is no nearer than 200 feet to the nearest boundary of the proration unit by conducting a continuous multi-shot directional survey of the entire well bore with shots not more than 100 feet apart and by filing the report of said survey with the Commission.

IT IS FURTHER ORDERED:

(1) That any well which has been intentionally deviated, but which does not satisfy the Secretary-Director of the Commission or any offset operator with respect to its bottom-hole location, shall become the subject of a hearing to consider the assignment of an allowable, including possible adjustment thereof, to said well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

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