



AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pDD00000072002

DD - 7

SAGE ENERGY CO



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

June 21, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Sage Energy Company
P. O. Drawer 3068
Midland, Texas 79702

Attention: Frances Holzgraf

ADMINISTRATIVE ORDER DD-7 (SNSL)

Gentlemen:

Under the provisions of Rule 111 (C) and (D), Sage Energy Company made application to the New Mexico Oil Conservation Division on February 4, 1985, for permission to directionally drill and complete for production the Cities Services State Well No. 2.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

(3) The applicant, Sage Energy Company, is the owner and operator of the Cities Service State Well No. 2, the unorthodox surface location of which is 460 feet from the South line and 1980 feet from the East line of Section 2, Township 17 South, Range 34 East, North Vacuum Abo, Pool, Lea County, New Mexico.

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 1940 feet and drilling in such a manner as to penetrate the Abo formation within 50 feet of a point 460 feet from the South line and 1680 feet from the East line of Section 2.

(5) The S/2 SE/4 of Section 2 should be dedicated to the well.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Sage Energy Corporation, is hereby authorized to directionally drill its Cities Services State Well No. 2 from an unorthodox surface location 460 feet from the South line and 1980 feet from the East line of Section 2, Township 17 South, Range 34 East, North Vacuum Abo Pool, by kicking off from the vertical at a depth of approximately 1940 feet, and drilling in such a manner as to penetrate the Abo formation within 50 feet of a point 460 feet from the South line and 1680 feet from the East line of Section 2.

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The S/2 SE/4 of said Section 2 shall be dedicated to the subject well.

(4) 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



R. L. STAMETS,
Director

S E A L

By SPQ



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Date MARCH 5, 1985

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Operator SAGE ENERGY COMPANY
P.O. DRAWER 3068
Midland, Texas 79702

Rec'd
6-20-85
dw

Attention: FRANCES HOLZGRAF

ADMINISTRATIVE ORDER DD- 7 (SNSL)

Gentlemen:

Under the provisions of Rule 111 (C) and (D), SAGE ENERGY COMPANY made application to the New Mexico Oil Conservation Division on FEBRUARY 4, 1985, for permission to directionally drill and complete for PRODUCTION the CITIES SERVICES STATE No. 2.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

(3) The applicant, SAGE ENERGY COMPANY, is the owner and operator of the CITIES SERVICES STATE No. 2, the UNORTHODOX surface location of which is 460 feet from the SOUTH line and 1980 feet from the EAST line of Section 2, Township 17 SOUTH, Range 34 EAST, NORTH VACUUM A80 Pool, LEA County, New Mexico.

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 1940 feet and drilling in such a manner as to penetrate the A80 formation within 50 feet of a point 460 feet from the SOUTH line and 1680 feet from the EAST line of Section 2.

(5) The 1/2 SE/4 of Section 2 should be dedicated to the well.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, SAGE ENERGY CORPORATION, is hereby authorized to directionally drill its CITIES SERVICES STATE No. 2 from an UNORTHODOX surface location 460 feet from the SOUTH line and 1980 feet from the EAST line of Section 2, Township 17 SOUTH, Range 34 EAST, NORTH VACUUM ABO Pool, by kicking off from the vertical at a depth of approximately 1940 feet, and drilling in such a manner as to penetrate the ABO formation within 50 feet of a point 460 feet from the SOUTH line and 1680 feet from the EAST line of Section 2.

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and the operator shall notify the Division's HOBBS District Office of the date and time said survey is to be commenced.

(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The S/2 NE/4 of said Section 2 shall be dedicated to the subject well.

(4) 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

R. L. STAMETS,
Acting Director

S E A L

Memo

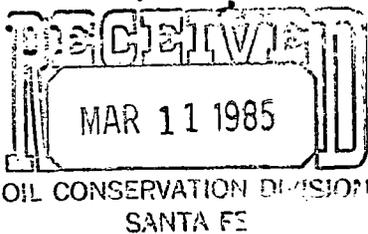
To Gilbert

From

Melba Carpenter
Oil Conservation Staff
Specialist

The attached were sent to us by your (S.F.) office.

I believe it should have stayed there.



W A I V E R



Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Sage Energy Company
Cities Service State No. 2A, North Vacuum (Abo) Field
Unit P, 460' FSL and 1980' FEL of Section 2, T-17-S, R-34-E, Lea County,
New Mexico.

Dear Sir:

We have been duly notified of the intent to Sage Energy Company to re-drill the captioned well. We have no objection to this well's location as set forth in the New Mexico Oil Conservation Commission Form C-103 dated Jan. 25, 1985.


Mobil Producing Texas and New Mexico, Inc.
P. O. Box 633
Midland, Texas 79702

RECEIVED ENVIRONMENTAL & REGULATORY		
JAN 29 '85		
RJS	ADB	ENV. SEC.
JDC	LSH	REG. STENO 1
JAM	LBC	REG. STENO 2
WBS	WHE	ENV. FILE
HFW	KKD	REG. FILE

* To AR ALAMEDDINE Date 1-29-85
Name & Location

For your information.

Please review and return with your comments and recommendations by FEB 8, 1985

B. O. Holman Location 2626B
Signed: B. O. Holman Phone 5350

* Ray, PLS ROUTE TO PROPER PERSON.



Sage Energy Company

January 24, 1985

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Re: Sage Energy Company - Cities Service State No. 2A, Lea County, New Mexico

Sage Energy company respectfully requests administrative approval to re-drill the referenced well. We propose to kickoff from 1940' and drill to a bottom hole location 300' east of the original location.

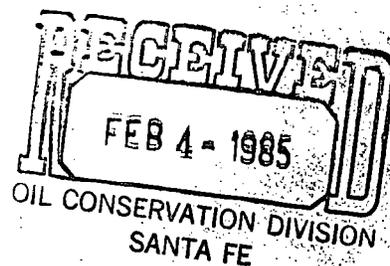
The required plat is attached and all offset operators have been furnished with a copy of this application by mail.

If additional information is required, please advise.

SAGE ENERGY COMPANY

Frances Holzgraf

Frances Holzgraf
Production Clerk





Sage Energy Company

January 25, 1985

Mobil Production
P. O. Box 633
Midland, Texas 79702

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Grace Petroleum Corporation
P. O. Box 2348
Midland, Texas 79702

Yates Drilling Company
207 South 4th
Artesia, New Mexico 88210

Re: Sage Energy Company - Cities Service State No. 2-A, North Vacuum Abo Field,
Lea County, New Mexico

Dear Sir:

The casing has parted and collapsed in the referenced well. It is our intent to re-drill this well pursuant to the enclosed Form C-103.

Sage Energy respectfully request that you execute two copies of the enclosed waiver, forward one to the New Mexico Oil Conservation Commission and return one copy to this office in the stamped envelope enclosed.

Should you have any questions, please contact us at the earliest possible time.

Very truly yours,

Frances Holzgraf
Production Clerk

Encls.

MIDLAND DISTRICT
RECEIVED

JAN 25 1985

W A I V E R

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Sage Energy Company
Cities Service State No. 2A, North Vacuum (Abo) Field
Unit P, 460' FSL and 1980' FEL of Section 2, T-17-S, R-34-E, Lea County,
New Mexico.

Dear Sir:

We have been duly notified of the intent to Sage Energy Company to re-drill the captioned well. We have no objection to this well's location as set forth in the New Mexico Oil Conservation Commission Form C-103 dated Jan. 25, 1985.



Grace Petroleum Corporation
P. O. Drawer 2358
Midland, Texas 79702

Attn: Buddy J. Knight, District Manager

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

MIDLAND DISTRICT
RECEIVED

NEW MEXICO OIL CONSERVATION COMMISSION
JAN 25 1985

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State Fee
5. State Oil & Gas Lease No.
E 754

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT - A" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name NA
2. Name of Operator Sage Energy Company	8. Farm or Lease Name Cities Service State
3. Address of Operator P. O. Drawer 3068, Midland, Texas 79702	9. Well No. 2 A
4. Location of Well UNIT LETTER <u>P</u> <u>460</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>East</u> LINE, SECTION <u>2</u> TOWNSHIP <u>17S</u> RANGE <u>34E</u> NMPM.	10. Field and Pool, or Wildcat North Vacuum Abo
15. Elevation (Show whether DF, RT, CR, etc.) 4048.3 GL	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <u>Re-drill around parted casing</u> <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The casing in the original well (Cities State #2) parted and collapsed at 4710'. It is our intent to whipstock at 1940' and drill a new well to a bottom hole location of 300' to the east

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

SIGNED _____ TITLE Production Clerk DATE Jan. 24, 1985

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-102K
Effective 10/67

All distances must be from the outer boundaries of the Section

MIDLAND DISTRICT

K. K. Amini

Lessee

Cities Service State

RECEIVED

2

0

2

17 South

34 East

Lea

JAN 25 1985

460

feet from the

South

line and

1980

feet from the

East

line

4048.3

Producing Formations

ABO

Producing Formations

North Vacuum ABO

Producing Formations

80

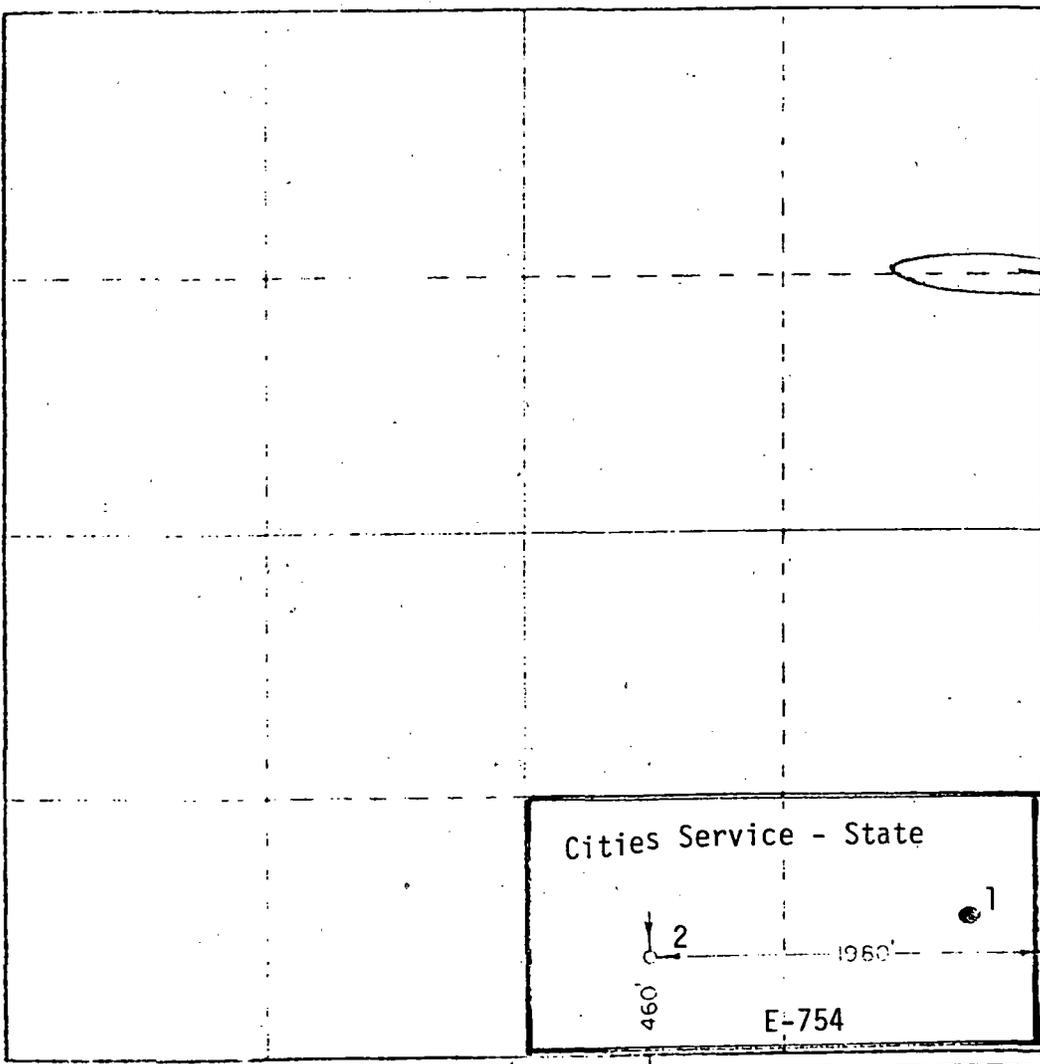
Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary) _____

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



CERTIFICATION

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

Name

Comptroller

Count by

K. K. Amini

Date

August 25, 1975

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

Date Surveyed

August 21, 1975

Registered Professional Engineer and Professional Surveyor

John W. West
Certificate No. 676