

Immediate

OIL CONSERVATION DIVISION
P. O. Box 2088
SANTA FE, NEW MEXICO
87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER
NFL 6

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE PURSUANT TO SECTION 271.305(b) OF THE
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION
ORDER NO. R-6013

I.

Operator Gretz Oil Company Well Name and No. State "7C" Well No 2
Location: Unit E Sec. 5 Twp. 19S Rng. 37E Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, ~~and must grant a waiver of existing well-spacing requirements.~~

(2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the Eumora & Gros Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 166-acre proration unit comprising the NW 1/4 of Sec. 5, Twp. 19S, Rng. 37E, is currently dedicated to the Gretz State "7C" Well No 1 located in Unit F of said section.

(5) That this proration unit is () standard () nonstandard; if nonstandard, said unit was previously approved by Order No. NSP-237.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 306,000 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved ~~as an exception to the standard well-spacing requirements for the pool.~~

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is ~~an exception to applicable well-spacing requirements~~ and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(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 this _____ day of _____, 19_____.

DIVISION DIRECTOR _____ EXAMINER _____

OIL CONSERVATION DIVISION

P. O. Box 2088
SANTA FE, NEW MEXICO
87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER
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INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE PURSUANT TO SECTION 271.305(b) OF THE
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION
ORDER NO. R-6013

I.

Operator Getty Oil Company Well Name and No. State "AC" Well No. 2
Location: Unit E Sec. 5 Twp. 19S Rng. 37E Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, ~~and must grant a waiver of existing well-spacing requirements.~~

(2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the Eumont Gas Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 166-acre proration unit comprising the NW/4 of Sec. 5, Twp. 19S, Rng. 37E, is currently dedicated to the Getty State "AC" Well No. 1 located in Unit F of said section.

(5) That this proration unit is () standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. NSP-237.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 306,000 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

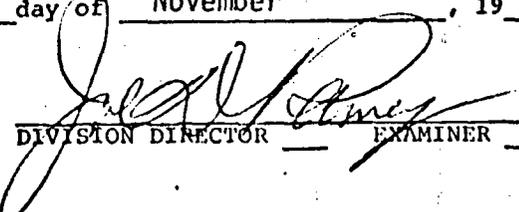
(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as ~~an exception to the standard well-spacing requirements for the pool.~~

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is ~~an exception to applicable well-spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.~~

(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 this 2nd day of November, 19 79.


DIVISION DIRECTOR EXAMINER



Getty Oil Company

Central Exploration and Production Division
P. O. Box 730
Hobbs, New Mexico 88240

November 1, 1979

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

Attention: Mr. R. L. Stamets

Subject: Application for Administrative Approval
Infill Well - Special Rules
Natural Gas Policy Act
State "AC" No. 2
Section 5, T-19S, R-37E

Gentlemen:

As stated in our correspondence of June 5, 1979, and June 27, 1979, all offset operators have been notified of the subject application. This letter is to advise you that this notification was made by certified mail. Attached are copies of the return receipts.

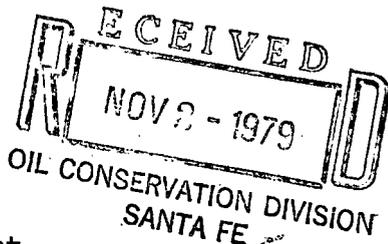
We apologize for the oversight in not advising you of the method of notification in our previous correspondence. We greatly appreciate your patience and guidance in completing this application.

Yours very truly,

GETTY OIL COMPANY


Dale R. Crockett
Area Superintendent


HWI/de



Attachment

PS Form 3811, Apr. 1977
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered. *45¢*
 Show to whom, date, and address of delivery. *—*
 RESTRICTED DELIVERY
 Show to whom and date delivered. *—*
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ *—*
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Cities Service Oil
Box 1919
Midland, Tex. 79701

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *2883136* CERTIFIED NO. *—* INSURED NO. *—*
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
Michael E. [Signature]

4. DATE OF DELIVERY *1979* POSTMARK *JUL 3 1979*

5. ADDRESS (Complete only if requested):

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆ GPO : 1977-O-234-337

St. AC #2

PS Form 3811, Apr. 1977
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

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 Show to whom, date, and address of delivery. *—*
 RESTRICTED DELIVERY
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 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ *—*
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Yates Petro
27 South 4a
Artisia, NM 88210

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *2883141* CERTIFIED NO. *—* INSURED NO. *—*
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
Shari Yates [Signature]

4. DATE OF DELIVERY *7-3-79* POSTMARK *JUL 3 1979*

5. ADDRESS (Complete only if requested):

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS *[Signature]*

☆ GPO : 1977-O-234-337

St. AC #2

PS Form 3811, Apr. 1977
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
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 Show to whom, date, and address of delivery. *—*
 RESTRICTED DELIVERY
 Show to whom and date delivered. *—*
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ *—*
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Gulf
Box 670
Hobbs NM

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *2883138* CERTIFIED NO. *—* INSURED NO. *—*
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
John W. [Signature]

4. DATE OF DELIVERY POSTMARK *NOV 2 1977*

5. ADDRESS (Complete only if requested):

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS *[Signature]*

☆ GPO : 1977-O-234-337

St. AC #2

PS Form 3811, Apr. 1977
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

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 Show to whom, date, and address of delivery. *—*
 RESTRICTED DELIVERY
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 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ *—*
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Coroco
Box 460
Hobbs NM 88240

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *2883137* CERTIFIED NO. *—* INSURED NO. *—*
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
[Signature]

4. DATE OF DELIVERY POSTMARK *NOV 2 1977*

5. ADDRESS (Complete only if requested):

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS *[Signature]*

☆ GPO : 1977-O-234-337

St. AC #2

PS Form 3811, Apr. 1977
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered. \$5
 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Inaco
 Box 728
 Hobbs, NM 88240

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 2883135 | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
Small Band

4. DATE OF DELIVERY: _____ POSTMARK: _____

5. ADDRESS (Complete only if requested): _____

6. UNABLE TO DELIVER BECAUSE: _____

CLERK'S INITIALS: _____

St. AC #2 ☆ GPO : 1977-O-234-337

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered. \$5
 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Amerada Hess Corp
 Box 840
 Severely, Tex. 79360

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 2883134 | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
Roy L. White

4. DATE OF DELIVERY: 7-3-79 POSTMARK: _____

5. ADDRESS (Complete only if requested): _____

6. UNABLE TO DELIVER BECAUSE: _____

CLERK'S INITIALS: _____

State AC #2 ☆ GPO : 1977-O-234-337

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered. \$5
 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Kennedy Oil
 Box 191
 Artesia, NM 88210

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 2883140 | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
High Sam

4. DATE OF DELIVERY: 7-3-79 POSTMARK: _____

5. ADDRESS (Complete only if requested): _____

6. UNABLE TO DELIVER BECAUSE: _____

CLERK'S INITIALS: _____

St. AC #2 ☆ GPO : 1977-O-234-337

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
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 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Shell
 Box 1509
 Midland

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 2883139 | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
57 Hendon

4. DATE OF DELIVERY: 7-3-79 POSTMARK: _____

5. ADDRESS (Complete only if requested): _____

6. UNABLE TO DELIVER BECAUSE: _____

CLERK'S INITIALS: _____

St. AC #2 ☆ GPO : 1977-O-234-337

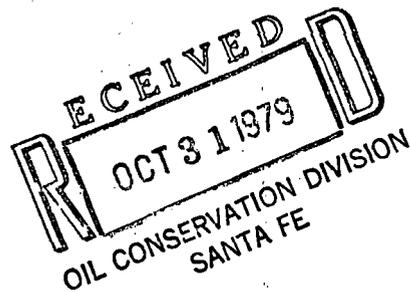


Getty Oil Company

Central Exploration and Production Division
P. O. Box 730
Hobbs, New Mexico 88240

October 31, 1979

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



Attention: Mr. R. L. Stamets

Subject: Application for Administrative Approval
Infill Well - Special Rules
Natural Gas Policy Act
State "AC" No. 2
Section 5, T-19S, R-37E

Gentlemen:

In response to your request for further information concerning the subject application and because of the necessity to correct information previously submitted, Getty Oil Company wishes to submit the following information in support of this application:

- (1) A completion will be attempted in the Eumont Gas Pool for which the standard spacing unit size is 640 acres rather than 40 acres as was stated in our correspondence of June 27, 1979.
- (2) The proration unit is not a standard unit as was stated in our correspondence of June 5, 1979. Attached is a copy of Administrative Order NSP-237 which authorized a non-standard gas proration unit of 166 acres.
- (3) Also attached is a structure map contoured on top of the Penrose formation which shows the location of the proposed well.

As was previously stated in our original application for the subject well, it is estimated that the proposed well will recover 350,000 MCFG which cannot be recovered by the No. 1 well. This estimate is based upon the attached volumetric calculation which was made using parameters extrapolated from the No. 1 well. A very conservative drainage area of 40

Page 2
October 31, 1979

acres was used in this calculation. Based upon the producing characteristics of the State "AC" Well No. 1, volumetric calculations for this well, and other geological data which is available, it is evident that the No. 1 well has not drained the entire 166 acre proration unit. All efforts to restore the No. 1 well to production have been unsuccessful. This well is depleted and is not capable of recovering additional reserves from the proration unit. Geological data indicates that porosity and permeability greatly improve to the west of Well No. 1 and hence it is anticipated a well located in the southwest portion of the proration unit will encounter much better reservoir characteristics and be capable of recovering the estimated 350,000 MCFG remaining reserves.

It is respectfully requested that administrative approval be granted for the drilling of State "AC" Well No. 2, an infill well.

Yours very truly,

GETTY OIL COMPANY



Dale R. Crockett
Area Superintendent

HWT/de

Attachment

GAS RESERVES

FOR NEW WELLS OR OLD WELLS IN NEW RESERVOIRS

Estimate No.: One, Date Estimated: 6-3-79
 Reason for New Estimate: Infill Well (Pework Estimate)

Lease: State "AC"
 Title No.: 4487-08
 Well No.: 2
 Field: Eumont
 Operator: Getty Oil Company
 State: New Mexico
 County: Lea
 Date Completed: _____

DEVELOPED UNDEVELOPED
 Productive Horizon and Type Pay: Penrose, Queen (Gas)

Total Depth 3950
 Elevation 3711
 Top of Pay 3540
 Base of Pay 3950
 Gross Pay Thickness 200 (est.)
 (1) Porosity*166
 (2) Interstitial Water* 31
 (3) Initial Hydrocarbon Saturation... 69

Gas-Oil Contact _____
 Oil-Water Contact _____
 Gas-Water Contact _____
 Permeability (By Core Analysis), md.* _____
 Permeability (Calculated), md.* _____
 (4) Reservoir Temperature, °R. 109° 569°R
 (5) State Pressure Base, psia 15.025

Reservoir Pressure, psia _____
 Yield, B/MMCF _____
 Gas Gravity - Separator _____
 - Full Stream _____
 Condensate Gravity _____
 Pc _____
 Tc _____
 Pr _____
 Tr _____
 Z _____

INITIAL CONDITIONS		ABANDONMENT CONDITIONS	
(6)	400	(16)	120
(7)		(17)	
(8)	.7	(18)	
(9)		(19)	
(10)		(20)	
(11)	668	(21)	671
(12)	385	(22)	385
(13)	.60	(23)	.18
(14)	1.48	(24)	1.56
(15)	.95	(25)	.98

Reserves (MCF @ State Pressure Base and 60°F., Corrected for Z)

Cu. Ft. Reservoir Space per Ac. Ft.: 43,560 x (1) x (3)
 (26) 43,560 x .166 x 69 5,019

Gas Content: Cu. Ft. Gas per Cu. Ft. Reservoir Space:

INITIAL CONDITIONS
 (6)/(5) x 520/(4) x 1.00/(15)
 (27) 26.6 x .914 x 1.05 25.61

ABANDONMENT CONDITIONS
 (16)/(5) x 520/(4) x 1.00/(25)
 (28) 7.98 x .914 x 1.02 7.45

(29) (27) - (28) 18.16
 (30) Recoverable Gas in Place, MCF/Ac. Ft.; (26) x (29) or (26) x (27) x 0. * 91.1

1,000 1,000

(31) Acreage _____
 (32) Avg. Net Thickness _____
 (33) Acre-Feet of Net Pay _____
 (34) Gas Recovery Factor Due to Liquid Production _____
 (35) Gross Recoverable Gas Reserves, MMCF: (30) x (33) x (34) _____
 (36) Estimated Avg. Yield (During life of well), Bbls/MMCF _____
 (37) Gross Recoverable Liquid Reserves _____
 (38) Tidewater Net Interest (After Royalty) 100% W.I.
 (39) Net Recoverable Gas Reserves (35) x (38) _____
 (40) Net Recoverable Liquid Reserves: (37) x (38) _____

RESERVE BASIS		
	DRAINAGE AREA	PRODUCTIVE AREA
(31)	40	
(32)	96	
(33)	3840	
(34)	-	
(35)	350	
(36)	-	
(37)	0.	0.
(38)	875	
(39)	306,000 MCF	

Initial Test: _____ MCF/GPD, _____ BW/MMCF, _____ BC/MMCF, _____ °API, _____ /64" Ck., _____ TP, _____ CP,
 _____ SITP, _____ SICP, _____ BHFP, _____ BHSIP, _____ Est. MCFPD Open Flow, _____ Date.

Method and Depth Completed: _____
 Source and Date of Ac. Ft. (Attach 8½x11 copy of map used): _____

Submitted by: _____
 Date: _____

FIGURES APPROVED BY RESERVE COMMITTEE

Approved by: _____
 Date: _____ Dist. Engr.
 Date: _____ Dist. Geol.

	DATE:	
	GROSS	NET
GAS	MMCF	MMCF
LIQUID	M-BBLS.	BBLS.

(*Put details on back of page)

New Mexico
OIL CONSERVATION COMMISSION

LAND COMMISSIONER E. S. WALKER
MEMBER

STATE GEOLOGIST W. B. MACEY
SECRETARY - DIRECTOR



P. O. Box 871
SANTA FE, NEW MEXICO

March 15, 1956

Tide Water Associated Oil Company
P. O. Box 1404
Houston 1, Texas

Attention: Mr. J. B. Holloway

Administrative Order NSP-237

Gentlemen:

Reference is made to your application for approval of a 166-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

Township 19 South, Range 37 East
NE/4 of Section 5

It is understood that this unit is to be ascribed to your State "AC" Well No. 1, located 2079 feet from the North line and 1974 feet from the West line and in the SE/4 NE/4 of Section 5, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 166 acres.

Very truly yours,

W B Macey
W. B. MACEY
Secretary-Director

WBM:nc

cc: OCC, Hobbs
NM Oil & Gas Engr. Comm., Hobbs
NM State Land Office
El Paso Nat. Gas, Jal
El Paso Nat. Gas, El Paso



Getty Oil Company

Central Exploration and Production Division

P. O. Box 730

Hobbs, New Mexico 88240

October 31, 1979

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

Attention: Mr. R. L. Stamets

Subject: Application for Administrative Approval
Infill Well - Special Rules
Natural Gas Policy Act
State "AC" No. 2
Section 5, T-19S, R-37E

Gentlemen:

In response to your request for further information concerning the subject application and because of the necessity to correct information previously submitted, Getty Oil Company wishes to submit the following information in support of this application:

- (1) A completion will be attempted in the Eumont Gas Pool for which the standard spacing unit size is 640 acres rather than 40 acres as was stated in our correspondence of June 27, 1979.
- (2) The proration unit is not a standard unit as was stated in our correspondence of June 5, 1979. Attached is a copy of Administrative Order NSP-237 which authorized a non-standard gas proration unit of 166 acres.
- (3) Also attached is a structure map contoured on top of the Penrose formation which shows the location of the proposed well.

As was previously stated in our original application for the subject well, it is estimated that the proposed well will recover 350,000 MCFG which cannot be recovered by the No. 1 well. This estimate is based upon the attached volumetric calculation which was made using parameters extrapolated from the No. 1 well. A very conservative drainage area of 40

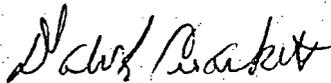
Page 2
October 31, 1979

acres was used in this calculation. Based upon the producing characteristics of the State "AC" Well No. 1, volumetric calculations for this well, and other geological data which is available, it is evident that the No. 1 well has not drained the entire 166 acre proration unit. All efforts to restore the No. 1 well to production have been unsuccessful. This well is depleted and is not capable of recovering additional reserves from the proration unit. Geological data indicates that porosity and permeability greatly improve to the west of Well No. 1 and hence it is anticipated a well located in the southwest portion of the proration unit will encounter much better reservoir characteristics and be capable of recovering the estimated 350,000 MCFG remaining reserves.

It is respectfully requested that administrative approval be granted for the drilling of State "AC" Well No. 2, an infill well.

Yours very truly,

GETTY OIL COMPANY



Dale R. Crockett
Area Superintendent

HWT/de

Attachment

New Mexico
OIL CONSERVATION COMMISSION

LAND COMMISSIONER E. S. WALKER
MEMBER

STATE GEOLOGIST W. B. MACEY
SECRETARY - DIRECTOR



P. O. Box 871
SANTA FE, NEW MEXICO

March 15, 1956

Tide Water Associated Oil Company
P. O. Box 1404
Houston 1, Texas

Attention: Mr. J. B. Holloway

Administrative Order NSP-237

Gentlemen:

Reference is made to your application for approval of a 166-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

Township 19 South, Range 37 East
N $\frac{3}{4}$ of Section 5

It is understood that this unit is to be ascribed to your State "AC" Well No. 1, located 2079 feet from the North line and 1974 feet from the West line and in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 166 acres.

Very truly yours,

W B Macey
W. B. MACEY
Secretary-Director

WBM:nc

cc: OCC, Hobbs
NM Oil & Gas Engr. Comm., Hobbs
NM State Land Office
El Paso Nat. Gas, Jal
El Paso Nat. Gas, El Paso



Getty Oil Company

397 3571

Central Exploration and Production Division

P. O. Box 730
Hobbs, NM 88240

June 27, 1979

New Mexico Oil Conservation Commission
P.O. Box 2088
Sante Fe, New Mexico 87501

Attn: Mr. Joe Ramey

Subject: Submittance to Application for Administrative Approval
Infill Well Special Rules
Natural Gas Policy Act
State "AC" No. 2
Sec. 5, T-19-S, R-37-E
Lea County, New Mexico

Gentlemen:

In reference to the June 14, 1979 letter we received, the following information has been submitted in order that the administrative approval of Getty Oil Company's infill drilling application of June 5, 1979 may be processed:

- (1) The standard spacing unit size for the pool is forty acres.
- (2) The proposed infill well, State "AC" No. 2, has not been spudded.
- (3) The name of the formation top used in preparation of the contour map is the Penrose.
- (4) One factor considered in calculating additional recovery resulting from the infill drilling was the geologic structural map. The structural map and log correlations indicate that an additional ten feet of pay, which is not present at State "AC" Well No. 1, will be picked up in the Penrose formation by drilling State "AC" No. 2. Attached is a geologic structural map of the well location area.

*Obtain geologic
porosity
pressure*

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JUL 02 1979

OIL CONSERVATION DIVISION
SANTA FE

All offset operators have been notified of the application. A list of offset operators is attached.

doesn't say certificate

Page 2
New Mexico Oil Conservation Commission
June 27, 1979

Getty Oil Company respectfully requests Administrative Approval for the drilling of State "AC" No. 2, an infill well. If any questions arise, please contact the undersigned.

Sincerely,



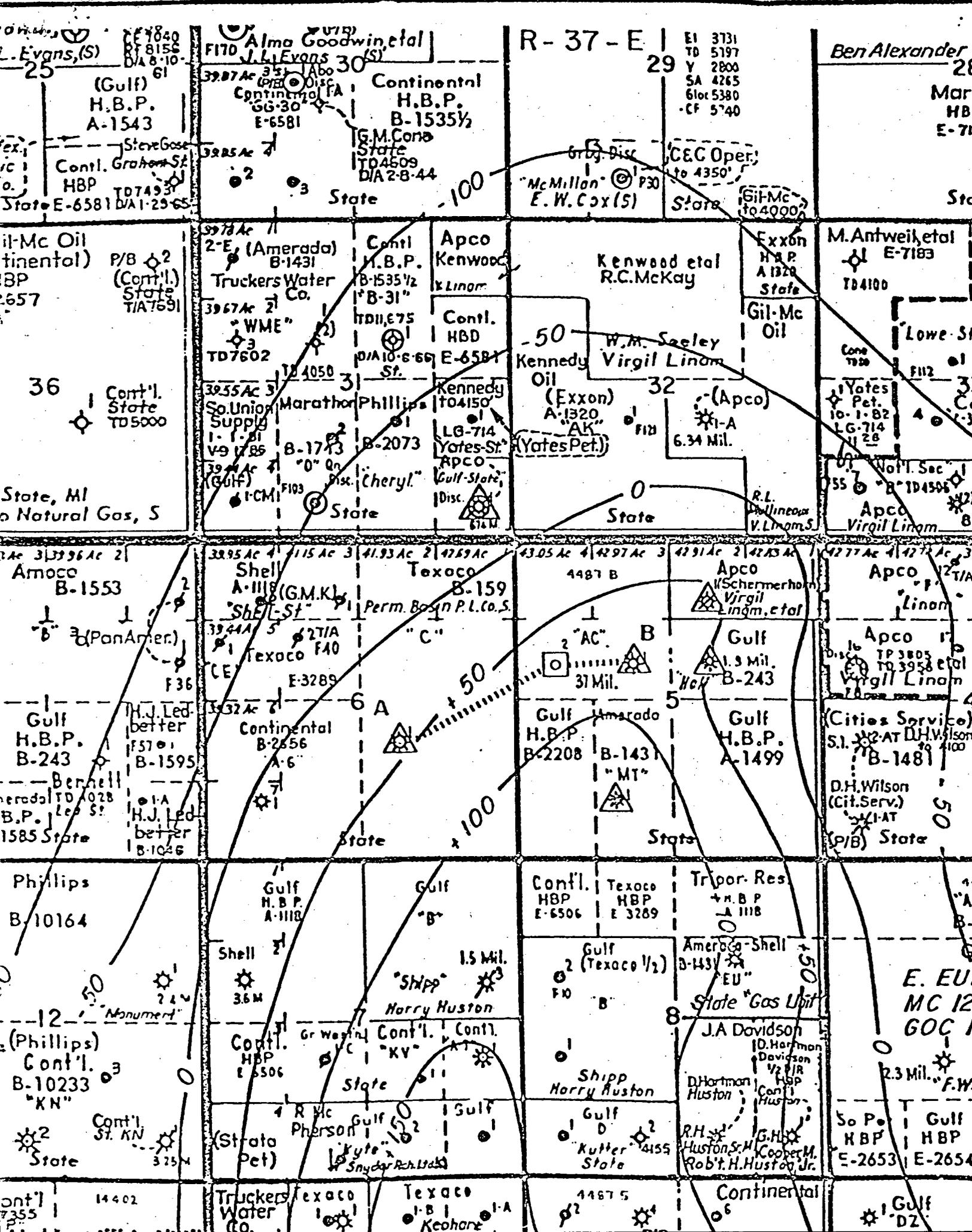
Dale R. Crockett
Area Superintendent

mm
JDM/JCC/de

cc Offset Operators (List Attached)
Mr. A. B. Cary - Midland



Figure 1



5-14-76

Ben Alexander & S.G. Cobb
28

Maralo
HBP
E-7183

State

State

M. Antweil et al
E-7183
TD 4100

Maralo
HBP
E-7183
El. 3708
TD 4525
Y 2920
DIA 120-50

Gulf HBP
A-1543
Cont'l HBP
B-1533

M. Shearn
9-1-82
LG-603
1111
50169

M. Shearn
9-1-8
LG-603
1111

"Lowe State"

Continental
B-1533 1/2

Aztec
E-33-A
B-1651
"AH"

Aztec
HBP
E-8568
S1

Apco
Virgil Linam
B-1481

Texaco
13
2088
F180
"Saunders-Fed"

So. Roy
Aztec
E-9122

Apco
TP 3805
TD 3958
Virgil Linam

Atlantic
"A"
"Fed"

Aztec
E-3
E-9122
E-3A
E-6424

Cities Service
S.I. AT D.H. Wilson
B-1481

Texaco
3
22
F221

Texaco
23 "A"
F252

D.H. Wilson
(Cit. Serv.)
"K-I-AT"
"PIB" State

McMillan
E.W. Cox (S)

Z.A. McMillan
25
E.W. Cox (S)

"AD"
B-2330

So. Roy.
29
30

E. EUMONT UNIT
MC 12538
GOC 14. 47239

2.3 Mil. "F.W. Kutter"

So. Roy.
HBP
E-2653

Gulf
HBP
E-2654 State

Exxon
H.B.P.
B-2209

Gulf
DZ
E-2654

So. Roy.
HBP
E-5889

Cont'l
"KL"
57
B-?

LEGEND

	Proposed	Drilling	Completed
Getty Well	◻	◻	◯
Getty Injection Well	◻	◻	◯
Other Wells of Interest	◻	◻	◻
Contribution Well	◻	◻	◯

GETTY LEASES

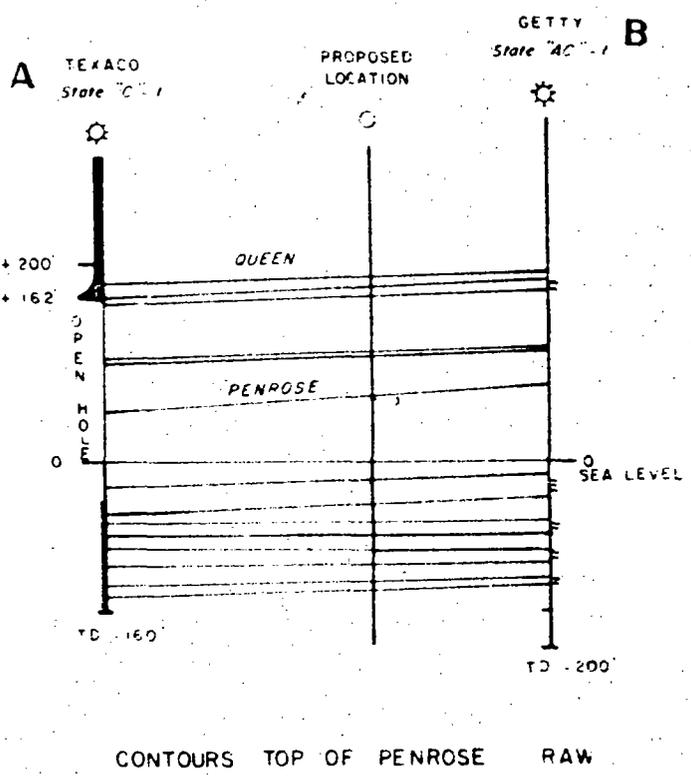
Full Interest	Partial Interest	Min. or Roy. Int.
---------------	------------------	-------------------

OBJECTIVE ZONES

Pay	Color Legend	Depth	Average Thickness
QUEEN		3570'	20'
PENROSE		3750'	50'

WELL NO.
STATE "AC"-2

ITEM NO.
797



GETTY OIL COMPANY

PLAT OF
PORTION OF EUMONT FIELD
LEA COUNTY, NEW MEXICO
MIDLAND DISTRICT

SCALE 1" = 2000' DATE FEBRUARY, 1979

State "AC" Well No. 2
Offset Operators

Yates Petroleum Corp.
207 S. 4 th
Artesia, NM 88210

Kennedy Oil Co.
Box 151
Artesia, NM 88210

Shell Oil Company
Box 1509
Midland, TX 79702

Texaco, Inc.
Box 728
Hobbs, NM 88240

Gulf Energy & Minerals Co.-U.S.A.
P.O. Box 670
Hobbs, NM 88240

Continental Oil Co.
Box 460
Hobbs, NM 88240

Cities Service Oil Co.
Box 1919
Midland, TX 79701

Amerada Hess Corp.
Box 840
Seminole, TX 79360





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

June 14, 1979

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

*Set up NFL
Hold file*

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Dale R. Crockett

Dear Mr. Crockett:

Getty Oil Company's application of June 5, 1979, for administrative approval of infill drilling has been received. The following items or deficiencies must be completed before we may process the application:

- (1) State the standard spacing unit size for the pool.
- (2) State whether or not the proposed infill well has been spudded; if so give the date.
- (3) Show the name of the formation top or marker used in preparation of the contour map.
- (4) Describe the factors and process used in determining the increased calculated additional recovery resulting from the infill drilling.
- (5) A statement must be included that all offset operators have been notified of the application by certified or registered mail.

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/dr



Getty Oil Company

Central Exploration and Production Division
P. O. Box 730
Hobbs, NM 88240

June 5, 1979

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

Attn: Mr. Joe Ramey

Subject: Application for Administrative Approval
Infill Well Special Rules
Natural Gas Policy Act
State "AC" No. 2
Sec. 5, T-19-S, R-37-E
Lea County, New Mexico

Gentlemen:

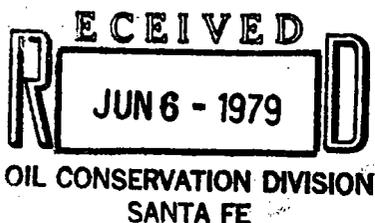
Getty Oil Company respectfully requests Administrative Approval for the drilling of State "AC" Well No. 2, an infill well, as shown on attached NMOCC Form C-101 and C-102.

State "AC" Well No. 1 located in Sec. 5, T-19-S, R-37-E, was drilled and completed as a Eumont gas well in January, 1956. It was sand frac'd twice with 10,000 gallons of crude oil and 10,000# 20/40 sand. The initial test was 2,280 MCFPD with an AOF of 37,000 MCFPD. The well produced a cumulative of 1,884,483 MCFG until September, 1978. In October and November, 1978, after the production had ceased, well was cleaned out and unsuccessful attempts were made to swab the well. The well is presently dead and will be plugged and abandoned once a new well is drilled.

Geological and reservoir studies have shown (structure map Fig. 1) that a new well west of the present location will aid in recovering additional reserves of 350,000 MCFG which would otherwise be lost.

The following is true:

1. The proration unit is a standard unit.
2. The new well (Well No. 2) has been staked, but it has not been spudded.
3. Presently, there is only one well on the subject proration unit, namely State "AC" Well No. 1. This well will be plugged and abandoned.

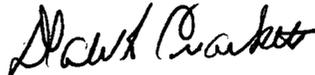


Page 2
New Mexico Oil Conservation Commission
June 5, 1979

The offset operators (list attached) are being furnished with copies of this letter with attachments.

Getty Oil Company sincerely hopes that an Administrative Approval will be granted. If you have any questions, please contact the undersigned.

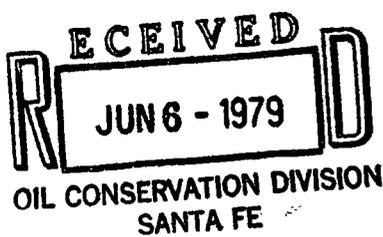
Sincerely,



Dale R. Crockett
Area Superintendent

✓ MYM/de

cc Offset Operators (List attached)



STATE "AC" WELL NO. 2
OFFSET OPERATORS

Yates Petroleum Corp.
207 S. 4th
Artesia, NM 88210

Kennedy Oil Co.
Box 151
Artesia, NM 88210

Shell Oil Company
Box 1509
Midland, Texas 79702

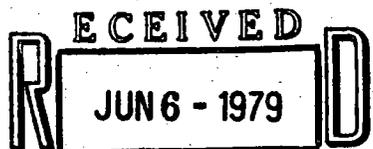
Texaco, Inc.
Box 728
Hobbs, NM 88240

Gulf Energy & Minerals Co.-U.S.A.
P. O. Box 670
Hobbs, NM 88240

Continental Oil Co.
Box 460
Hobbs, NM 88240

Cities Service Oil Co.
Box 1919
Midland, Tex. 79701

Amerada Hess Corp.
Box 840
Seminole, Tex. 79360



OIL CONSERVATION DIVISION
SANTA FE

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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5-NMOCC-HOBBS
1-R. J. STARRAK-TULSA
1-A. B. CARY-MIDLAND
1-MYM, ENGR.
1-FILE

OFFSET OPERATORS (8)

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

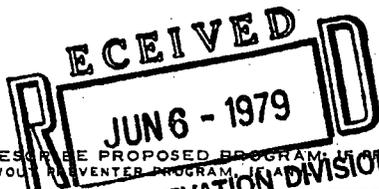
1a. Type of Work	7. Unit Agreement Name		
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Farm or Lease Name State AC		
2. Name of Operator Getty Oil Company	9. Well No. 2		
3. Address of Operator P. O. Box 730, Hobbs, NM 88240	10. Field and Pool, or Wildcat Eumont		
4. Location of Well UNIT LETTER <u>E</u> LOCATED <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>5</u> TWP. <u>19S</u> RGE. <u>37E</u> NMPM	12. County Lea		
19. Proposed Depth 3950	19A. Formation Queen, Penrose	20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.) 3711	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor To be determined	22. Approx. Date Work will start

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11	8 5/8	24#	500'	(500)	Surface
6 1/4	4 1/2	9.5#	3950'	(800)	Surface

- Well to be drilled with brackish water to TD.
- BOP sketch is attached.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM.

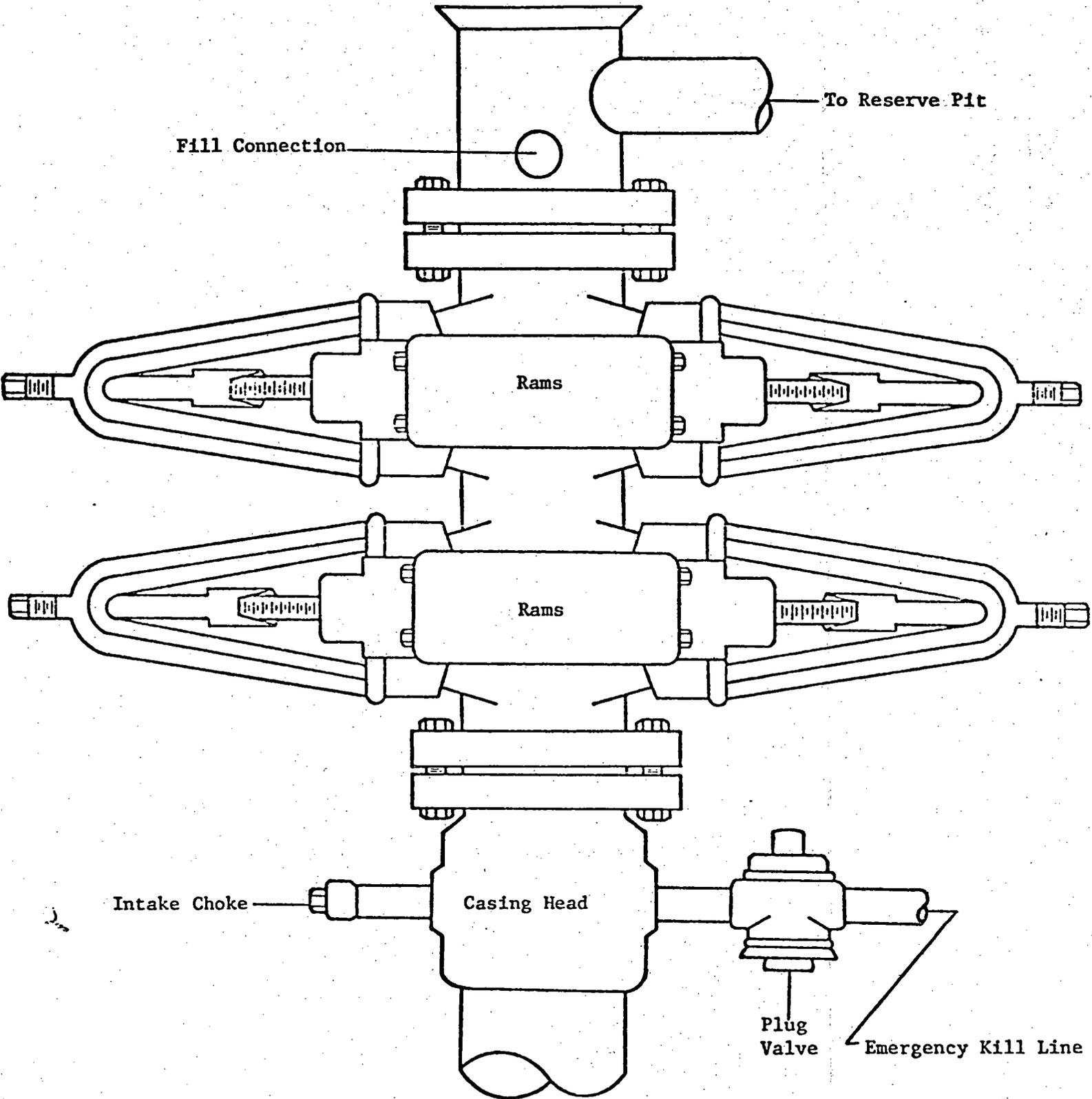
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Dale R. Crockett Title Area Superintendent Date June 5, 1979
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

5000 PSI WORKING PRESSURE
DRILLING CONTROL HOOK-UP



STATE "AC" WELL NO. 2
BOP HOOK UP

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

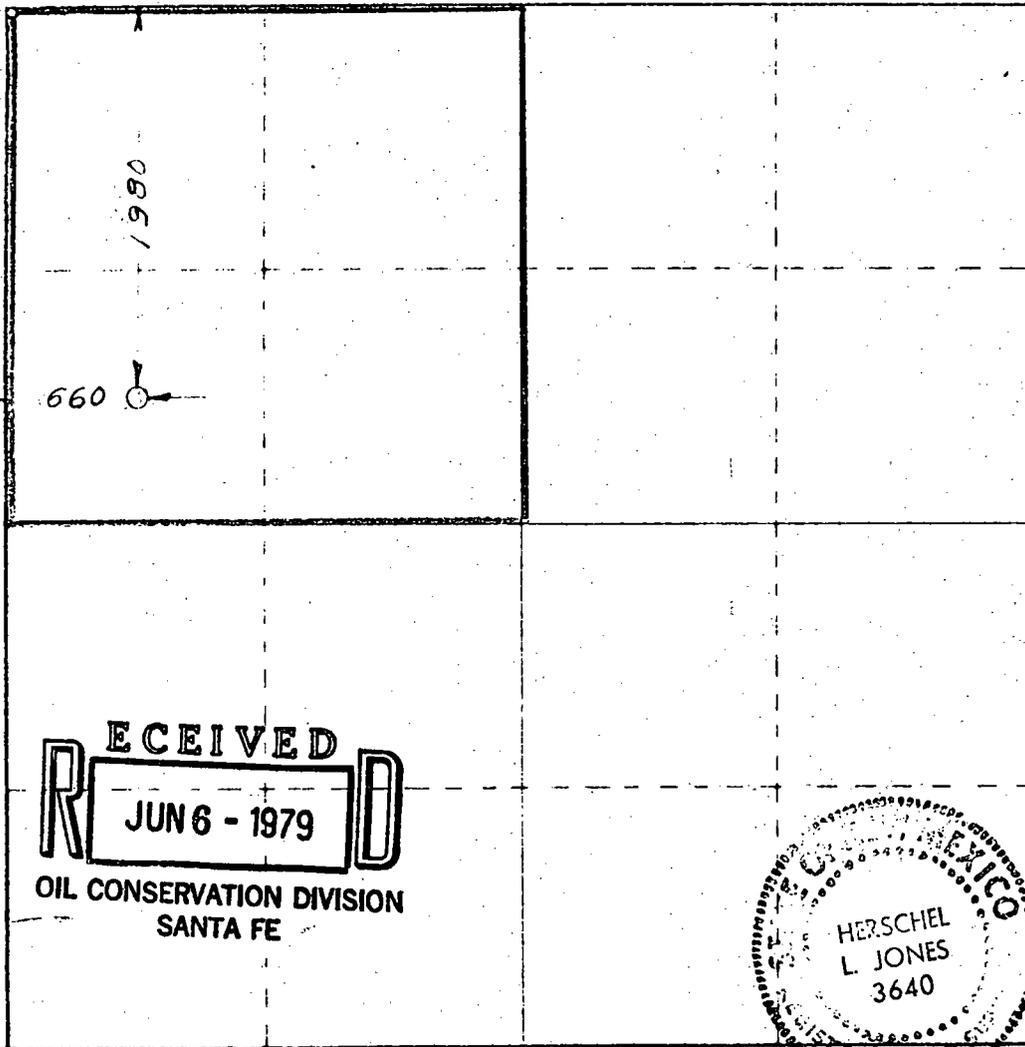
GETTY OIL COMPANY		Lease		State A C		Well No. 2	
"E"	Section 5	Township 19 South	Range 37 East	County Lea			
Date of Location of Well: 1980							
feet from the North		line and		660		feet from the West	
Well Elev. 3711	Producing Formation		Pool		Depth of Acreage		Area

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

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

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

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



CERTIFICATION

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

Youssef Y. Merchant
Name

Youssef Y. Merchant
Position

Petroleum Engineer
Company

Getty Oil Company
Date

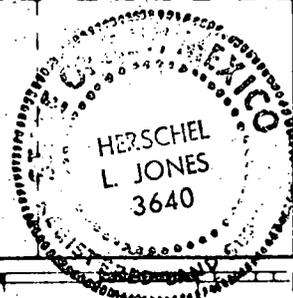
June 5, 1979

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: April 30, 1979

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No. 3640



Getty

Getty Oil Company

Central Exploration and Production Division

P. O. Box 730
Hobbs, NM 88240

June 5, 1979

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

Attn: Mr. Joe Ramey

Subject: Application for Administrative Approval
Infill Well Special Rules
Natural Gas Policy Act
State "AC" No. 2
Sec. 5, T-19-S, R-37-E
Lea County, New Mexico

Gentlemen:

Getty Oil Company respectfully requests Administrative Approval for the drilling of State "AC" Well No. 2, an infill well, as shown on attached NMOCC Form C-101 and C-102.

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Geological and reservoir studies have shown (structure map Fig. 1) that a new well west of the present location will aid in recovering additional reserves of 350,000 MCFG which would otherwise be lost.

The following is true:

1. The proration unit is a standard unit.
2. The new well (Well No. 2) has been staked, but it has not been spudded.
3. Presently, there is only one well on the subject proration unit, namely State "AC" Well No. 1. This well will be plugged and abandoned.

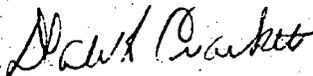


Page 2
New Mexico Oil Conservation Commission
June 5, 1979

The offset operators (list attached) are being furnished with copies of this letter with attachments.

Getty Oil Company sincerely hopes that an Administrative Approval will be granted. If you have any questions, please contact the undersigned.

Sincerely,



Dale R. Crockett
Area Superintendent

✓ MYM/de

cc Offset Operators (List attached)



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OFFSET OPERATORS

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Artesia, NM 88210

Kennedy Oil Co.
Box 151
Artesia, NM 88210

Shell Oil Company
Box 1509
Midland, Texas 79702

Texaco, Inc.
Box 728
Hobbs, NM 88240

Gulf Energy & Minerals Co.-U.S.A.
P. O. Box 670
Hobbs, NM 88240

Continental Oil Co.
Box 460
Hobbs, NM 88240

Cities Service Oil Co.
Box 1919
Midland, Tex. 79701

Amerada Hess Corp.
Box 840
Seminole, Tex. 79360

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SANTA FE

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5-NMOCC-HOBBS
1-R. J. STARRAK-TULSA
1-A. B. CARY-MIDLAND
1-MYM, ENGR.
1-FILE

OFFSET OPERATORS (8)

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7. Unit Agreement Name
8. Farm or Lease Name State AC
9. Well No. 2
10. Field and Pool, or Wildcat Eumont
12. County Lea
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19A. Formation Queen, Penrose
20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 3711
21A. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor To be determined
22. Approx. Date Work will start

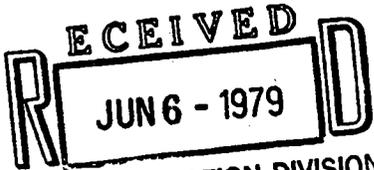
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>
2. Name of Operator Getty Oil Company
3. Address of Operator P. O. Box 730, Hobbs, NM 88240
4. Location of Well UNIT LETTER <u>E</u> LOCATED <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>5</u> TWP. <u>19S</u> RGE. <u>37E</u> NMPM
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- Well to be drilled with brackish water to TD.
- BOP sketch is attached.

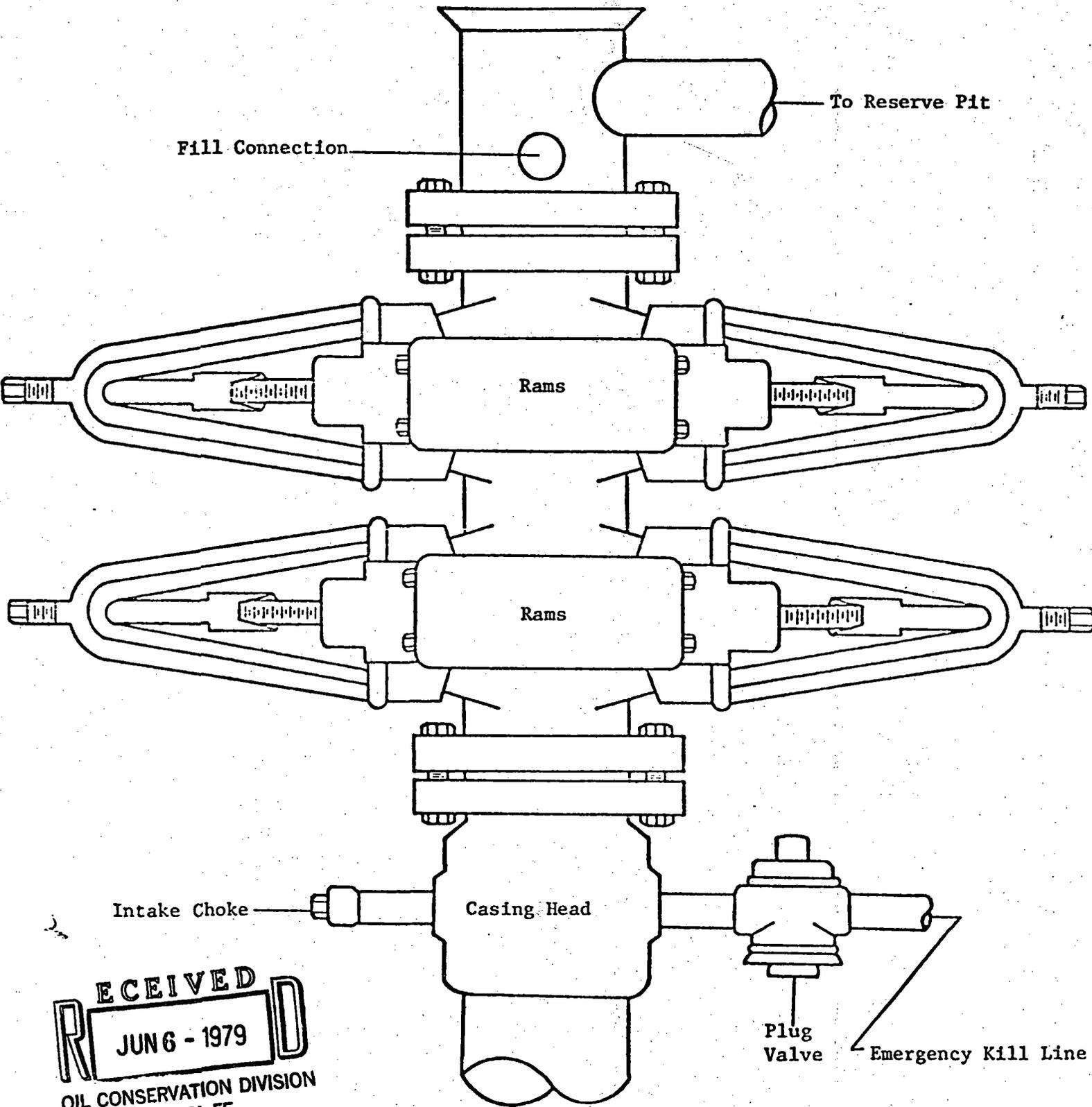


IN OIL CONSERVATION DIVISION
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Dale R. Crockett Title Area Superintendent Date June 5, 1979
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

5000 PSI WORKING PRESSURE
DRILLING CONTROL HOOK-UP



RECEIVED
JUN 6 - 1979
OIL CONSERVATION DIVISION
SANTA FE

STATE "AC" WELL NO. 2
BOP HOOK UP

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

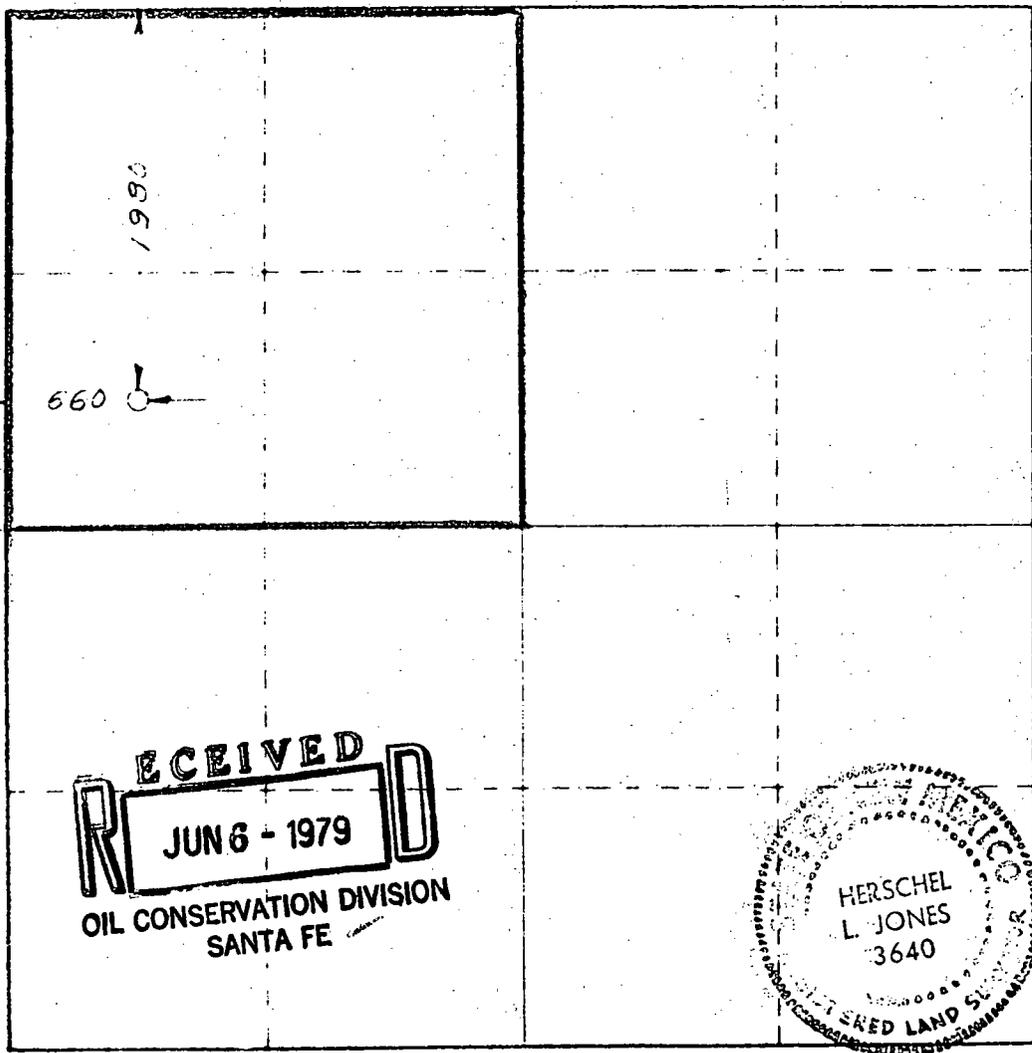
GETTY OIL COMPANY		Lease		State A C		Well No. 2	
"E"	5	Township 19 South		Range 37 East		County Lea	
1980		feet from the North line and		660		feet from the West line	
3711		Producing Formation		Pool		Dedicated Acreage	
Acres							

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

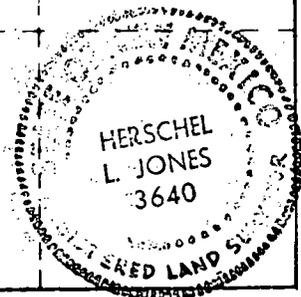
Yes No If answer is "yes:" type of consolidation _____

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

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



RECEIVED
JUN 6 - 1979
OIL CONSERVATION DIVISION
SANTA FE



CERTIFICATION

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

Mohammed Y. Merchant
Name

Mohammed Y. Merchant
Position

Petroleum Engineer
Company

Getty Oil Company
Date

June 5, 1979

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
April 30, 1979

Registered Professional Engineer and Registered Surveyor
Herschel L. Jones
Certificate No. 3640