

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER
NFL 16

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 Metex Supply Company Well Name and No. Wallace State Well No. 9
Location: Unit F Sec. 3 Twp. 21S Rng. 36E Cty. Lea

II.

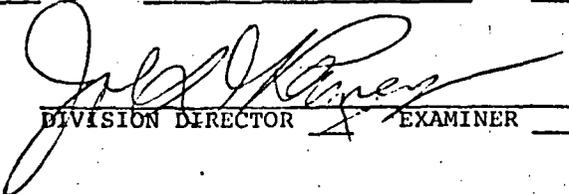
THE DIVISION FINDS:

- (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 240-acre proration unit comprising ~~the~~ Lots 5, 6, 11, 12, 13 & 14 of Sec. 3, Twp. 21S, Rng. 36E, is currently dedicated to the Wallace State Well No. 3 located in Unit N of said section.
- (5) That this proration unit is () standard () nonstandard; if nonstandard, said unit was previously approved by Order No. R-3159.
- (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 46 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 21st day of March, 1980.


DIVISION DIRECTOR EXAMINER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. Box 2088
SANTA FE, NEW MEXICO
87501

ADMINISTRATIVE ORDER

NFL 16INFILL 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 Metex Supply Co Well Name and No. Wallace State Well No 9
Location: Unit F Sec. 03 Twp. 21S Rng. 36E 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 Cement Gas Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 240 acre proration unit comprising the lots 5, 6, 11, 12, 13, and 14 of Sec. 3, Twp. 21S, Rng. 36E, is currently dedicated to the Wallace State Well No 3 located in Unit N of said section.

(5) That this proration unit is () standard () nonstandard; if nonstandard, said unit was previously approved by Order No. 83159.

(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 46 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 21st day of March, 19 80.

DIVISION DIRECTOR _____ EXAMINER _____

Memo

From

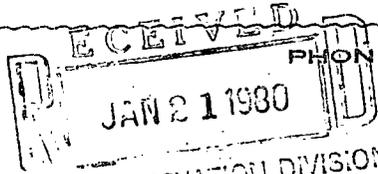
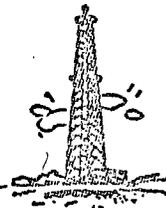
R. L. STAMETS
Technical
Support Chief

To

Put this note in the
NFL Order file for
Wallace State No 9.

See NFL file for Wallace
State Well No 8 for
Supplemental information,
NFL No 15

ME-TEX
AND ASSOCIATED COMPANIES



PHONES: 393-8013 - 393-5633

P. O. Box 2070
Hobbs, NM 88240
January 18, 1980

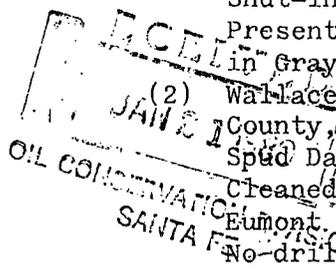
Mr. Joe Ramey
New Mexico Dept. of Energy & Minerals
P. O. Box 2088
Santa Fe, NM 87501

Re: Application for Administrative
Approval - Natural Gas Policy Act
Infill Finding - Wallace State #9
Eumont Gas Pool - 1980' FNL and
1980' FWL, Sec. 3, T-21S, R-36E,
Lea County, New Mexico

Dear Mr. Ramey:

Me-Tex Supply Company respectfully requests your finding that there is a need for an additional well on the previously approved 240-acre proration unit to effectively and efficiently drain Eumont Gas Pool reserves. In accordance with special rules and regulations set forth under Order No. R-6013, the following information is submitted in support of our proposal:

1. Copies of Forms C-101 and C-102.
2. A completion attempt will be made in the Eumont Gas Pool which has a standard proration unit of 640 acres.
3. The 240-acre proration unit on which the Wallace State #9 will be located was established under Order No. R-3159.
4. The Wallace State #9 has not been spudded. The proposed location is 1980' FNL and 1980' FWL of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico, a standard location for a 240-acre proration unit.
5. Two wells have been drilled in the proration unit.
 - (1) Wallace State #2, Unit L, 4620' FSL and 660' FWL, Sec. 3, T-21S, R-36E, Lea County, New Mexico.
Spud Date - 3/29/1936
Completion date - 4/29/1936 Grayburg formation, open hole 3685-3866'.
Re-completion 12/31/1953 Braden Head Gas in Eumont Pool, top pay 2840' (7 5/7" & 5 1/2" csg.) squeeze off 3245, 3060 & 2846 w/ 300 sx 10/9/66.
Shut-in after test. No drilling or completion problems encountered.
Present Status: Shut in December, 1971, holding for possible secondary recovery in Grayburg-San Andres (Eunice-Monument Pool) 3685 - 3866'.
 - (2) Wallace State #3, unit N, 330' FSL and 1980' FWL, Sec. 3, T-21S, R-36E, Lea County, New Mexico.
Spud Date - 9/12/1936 T.D. 3875'
Cleaned out and recompleted 2/4/1947.
Eumont Gas Pool from perforations 2940 - 3590'
No drilling or completion problems encountered.
Present Status: Producing from 2940 - 3590' in the Eumont Gas Pool. Current rate average August thru December, 1979 is 9,194 MCFGP month, 302 MCFGPD. Cumulative to 11/1/79 - 8,269,329 MCF.
6. A structure map on the top of the Queen formation is attached. The proposed location is shown by an arrow.
7. The Eumont Gas Pool produces from the Yates, Seven Rivers and Queen sections which is in the Guadalupian series of the Permian system. The lithology of this area's main pay section, the Queen formation, consists of fine grained gray sands interbedded with fine to medium crystalline gray dolomites and fine silty gray shales. This section covers a vast area located on the Central Basin platform. By history, the average well in this area has recovered gas in the 3-8,000 MMCF range. The initial bottom hole pressure for this reservoir was 1450 psi. The latest average of the Eumont Pool bottom hole pressure is



716 psi, data taken from the 1978 New Mexico Oil and Gas Engineering Committee annual report. With recently developed completion technology, selective perforating and improved formation fracturing employing CO₂, the tighter, dirtier low pressure sections can now be effectively tested and drained. It is estimated and additional 3,000 MMCF gas will be recovered by the drilling of the proposed well.

8. Attached is a map showing offset Eumont Gas Pool wells with the proposed location indicated by an arrow. There are nine offset operators as listed below. Each has been notified of this application by certified mail.

Amoco Production Company
Gulf Energy & Minerals Company - U.S.
Amerada Hess Corporation
Shell Oil Company
Exxon Company, U.S.A.
Arco Oil & Gas Company
Conoco, Inc.
Sun Oil Company
Cities Service Company

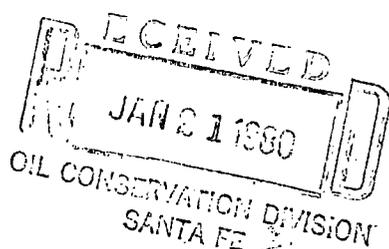
Yours very truly,

ME-TEX SUPPLY COMPANY



Dwight Teed
Vice President

BV/JJ



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

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
A-1375

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Me-Tex Supply Company

3. Address of Operator
P. O. Box 2070, Hobbs, NM 88240

4. Location of Well
UNIT LETTER E LOCATED 1980 FEET FROM THE North LINE
AND 1980 FEET FROM THE West LINE OF SEC. 3 TWP. 21S RGE. 36E NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Wallace State

9. Well No.
9

10. Field and Pool, or Wildcat
Eumont Gas

12. County
Lea

19. Proposed Depth
3700'

19A. Formation
Queen

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, RT, etc.)
Not available

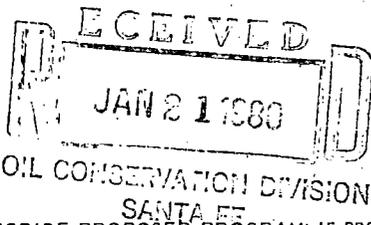
21A. Kind & Status Plug. Bond
Blanket-current

21B. Drilling Contractor
unkown

22. Approx. Date Work will start
when approved

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	23#	400'	250	circ
7 7/8"	5 1/2"	14#	3700'	700	circ



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

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

Signed Burton Petts Title Agent Date January 18, 1980

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section.

Operator Me-Tex Supply Company		Lease Wallace State		Well No. 9
Unit Letter F	Section 3	Township 21S	Range 36E	County Lea

Actual Footage Location of Well:
1980 feet from the **North** line and **1980** feet from the **West** line

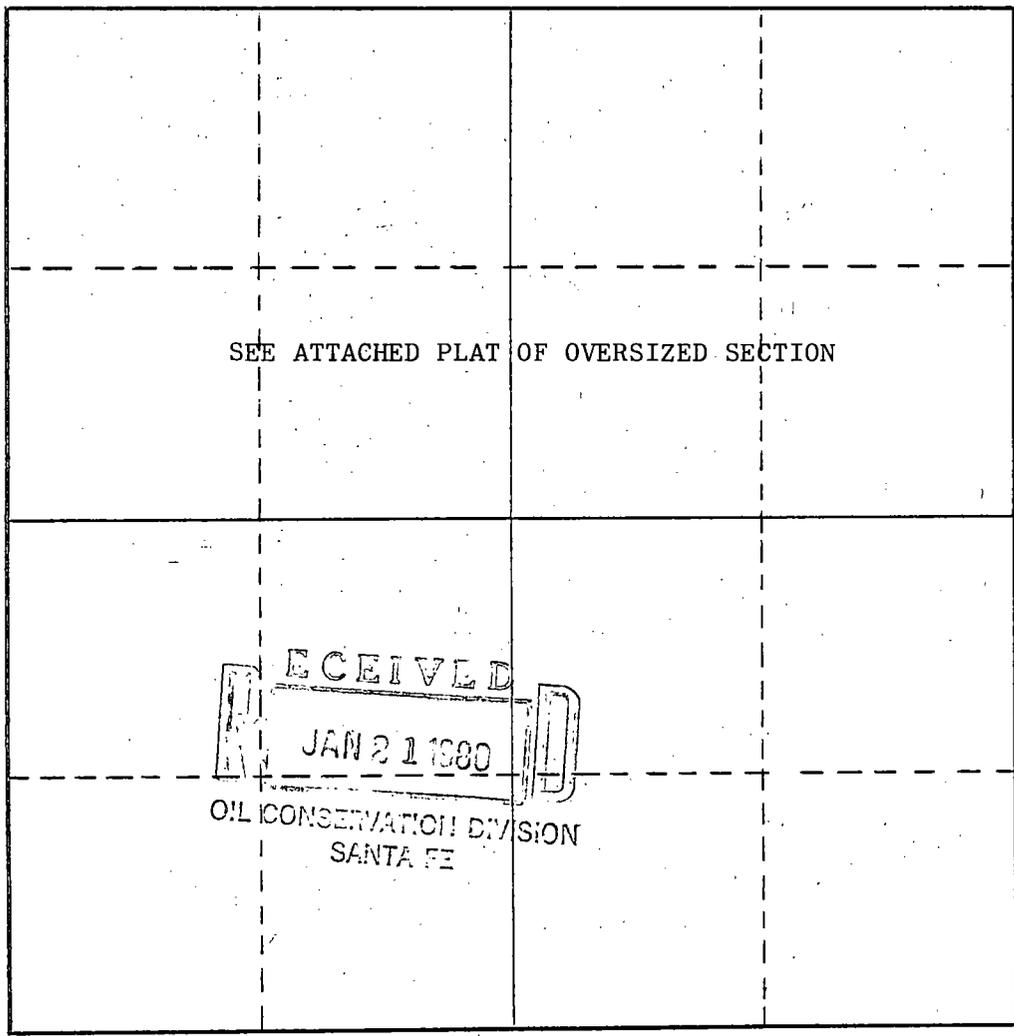
Ground Level Elev: Not Available	Producing Formation Queen	Pool Eumont Gas	Dedicated Acreage: 240 (infill) Acres
--	-------------------------------------	---------------------------	---

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

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

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

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



CERTIFICATION

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

[Signature]
 Name

Agent
 Position
Me-Tex Supply Company
 Company

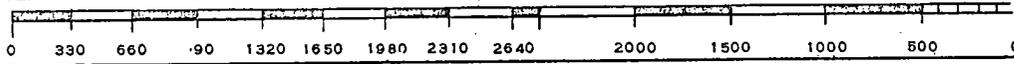
January 18, 1980
 Date

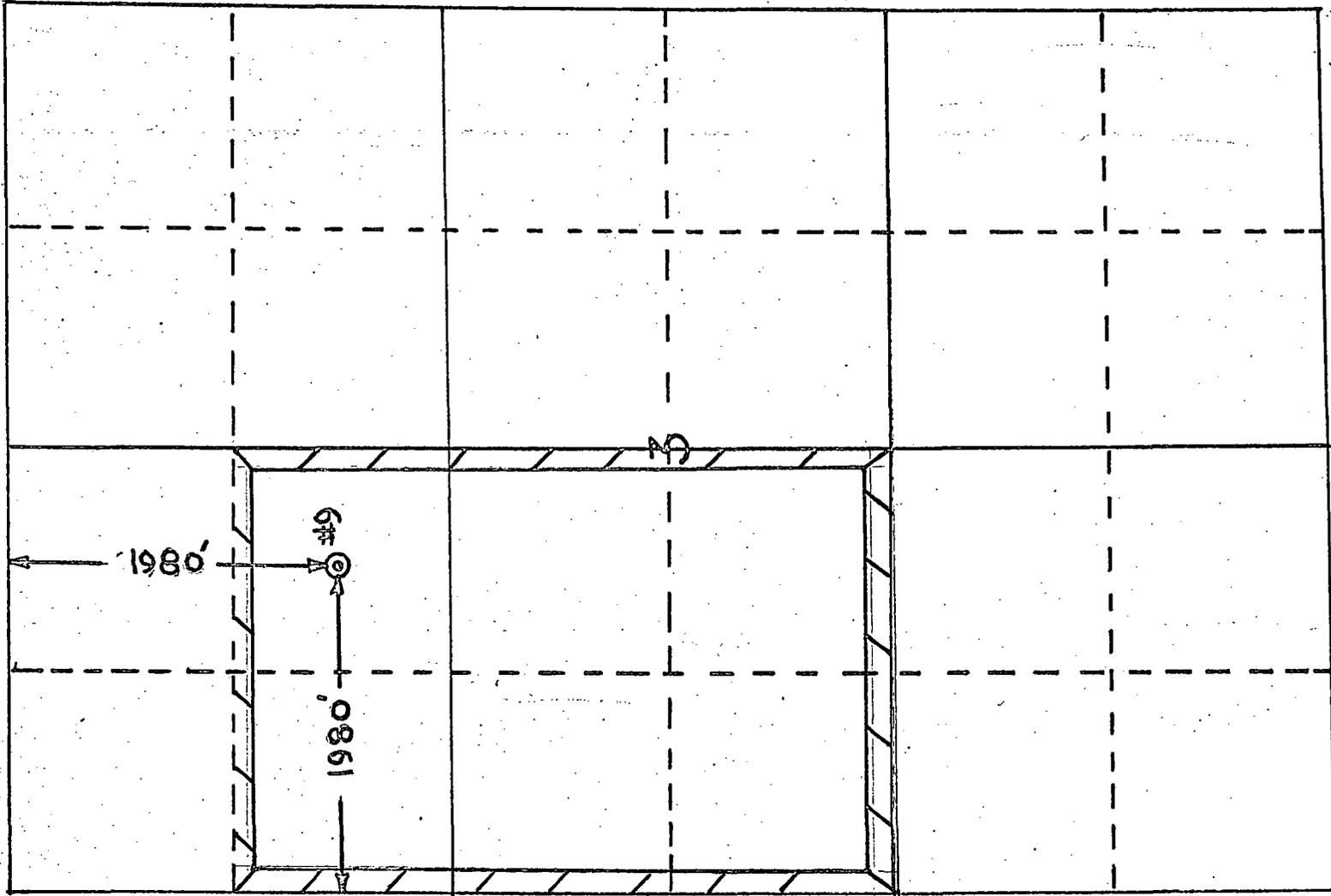
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

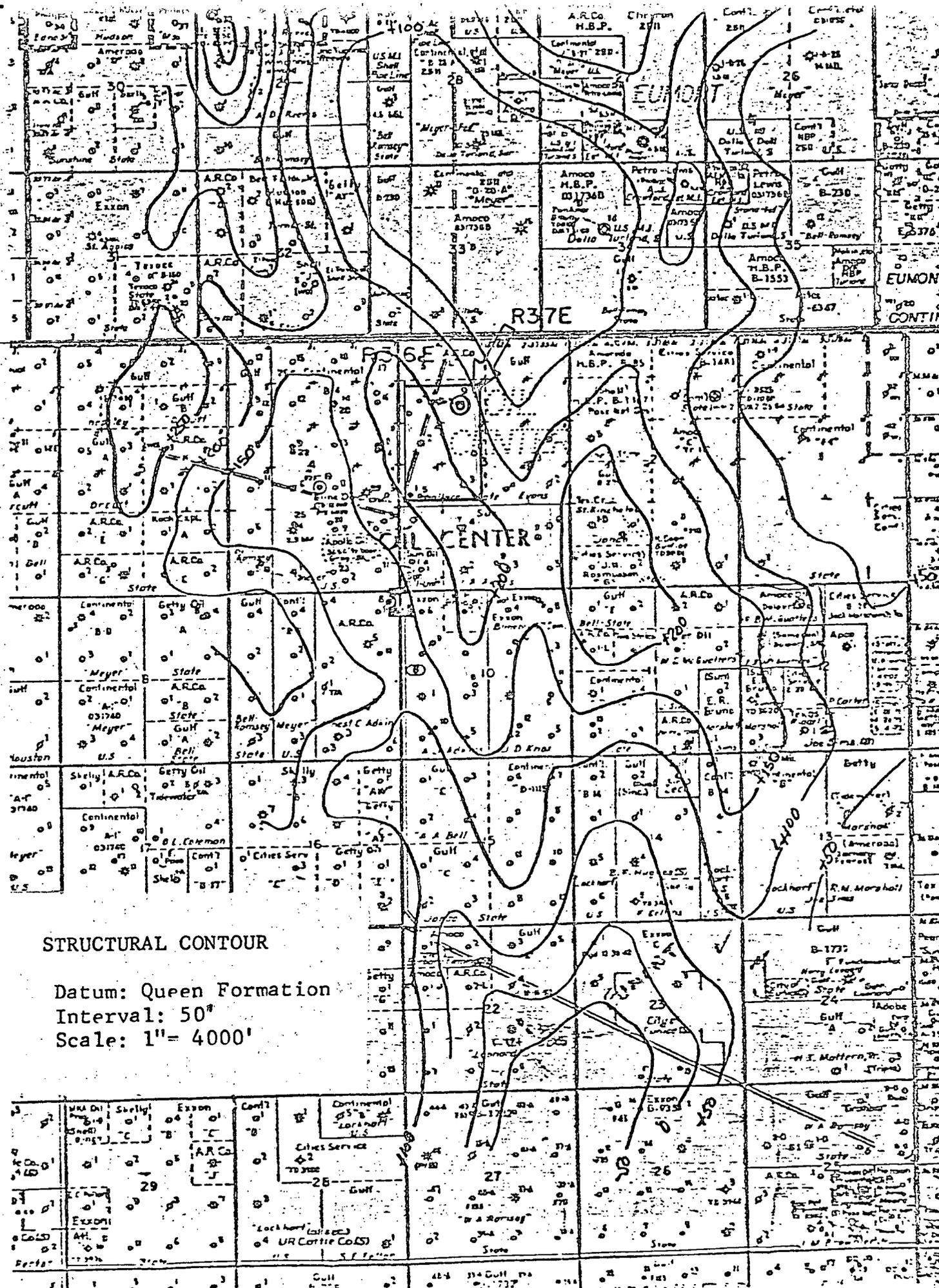
Registered Professional Engineer and/or Land Surveyor

Certificate No.



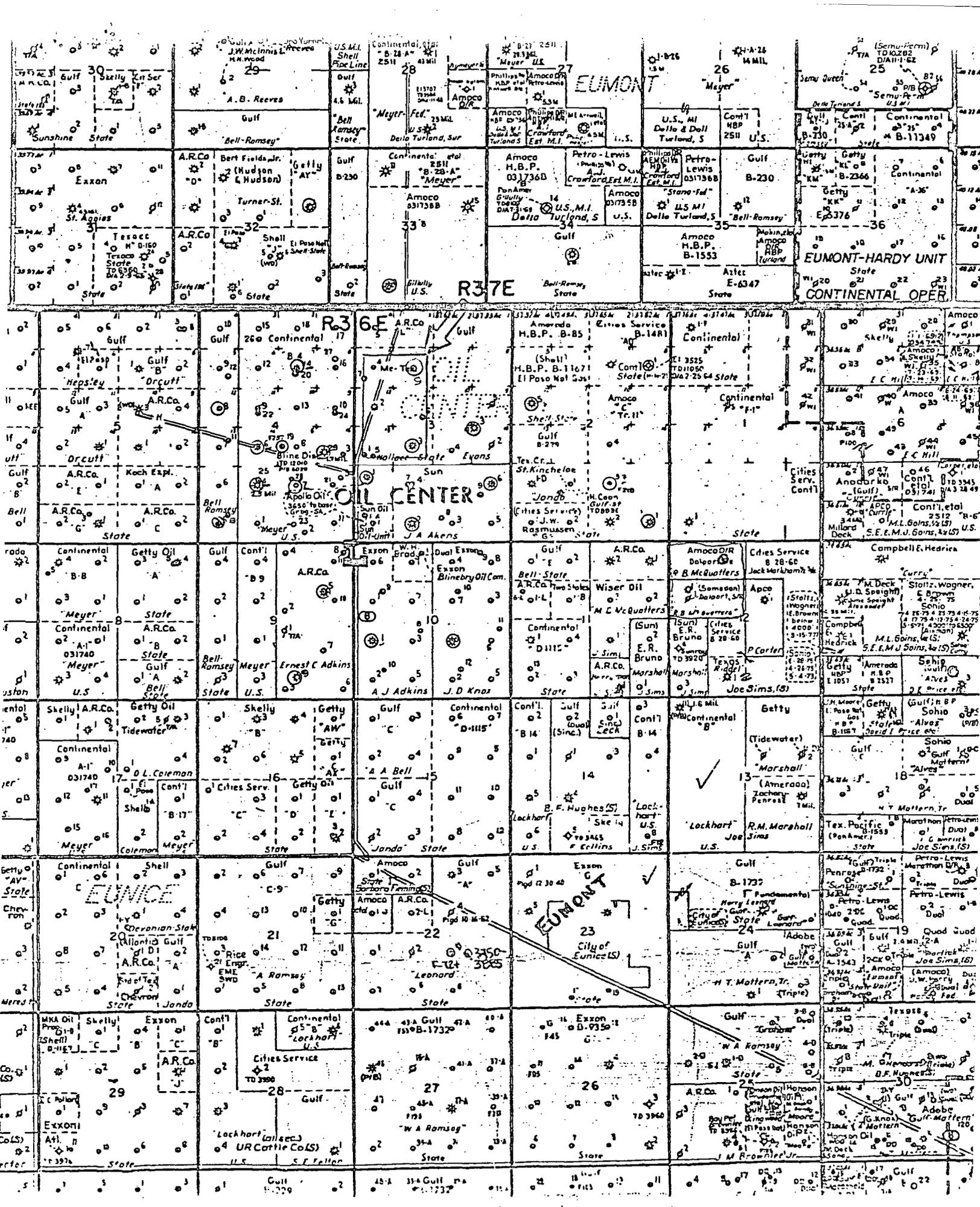


SCALE: 1 INCH = 1000'



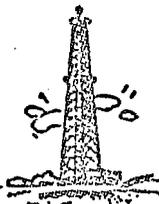
STRUCTURAL CONTOUR

Datum: Queen Formation
 Interval: 50'
 Scale: 1" = 4000'



OFFSET EUNICE GAS POOL WELLS

ME-TEX
AND ASSOCIATED COMPANIES



PHONES: 393-8013 - 393-5633

P. O. Box 2070
Hobbs, NM 88240
January 18, 1980

Mr. Joe Ramey
New Mexico Dept. of Energy & Minerals
P. O. Box 2088
Santa Fe, NM 87501

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Approval - Natural Gas Policy Act
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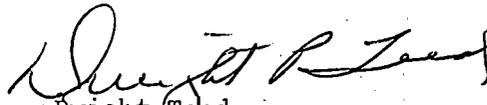
716 psi, data taken from the 1978 New Mexico Oil and Gas Engineering Committee annual report. With recently developed completion technology, selective perforating and improved formation fracturing employing CO₂, the tighter, dirtier low pressure sections can now be effectively tested and drained. It is estimated and additional 3,000 MMCF gas will be recovered by the drilling of the proposed well.

8. Attached is a map showing offset Eumont Gas Pool wells with the proposed location indicated by an arrow. There are nine offset operators as listed below. Each has been notified of this application by certified mail.

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Gulf Energy & Minerals Company - U.S.
Amerada Hess Corporation
Shell Oil Company
Exxon Company, U.S.A.
Arco Oil & Gas Company
Conoco, Inc.
Sun Oil Company
Cities Service Company

Yours very truly,

ME-TEX SUPPLY COMPANY


Dwight Teed
Vice President

BV/JJ

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
A-1375

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"/>		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name Wallace State	
2. Name of Operator Me-Tex Supply Company		9. Well No. 9	
3. Address of Operator P. O. Box 2070, Hobbs, NM 88240		10. Field and Pool, or Wildcat Eumont Gas	
4. Location of Well UNIT LETTER <u>F</u> LOCATED <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>1980</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>3</u> TWP. <u>21S</u> RGE. <u>36E</u> NMPM		12. County Lea	
		19. Proposed Depth 3700'	19A. Formation Queen
		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.) Not available	21A. Kind & Status Plug. Bond Blanket-current	21B. Drilling Contractor unkown	22. Approx. Date Work will start when approved

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	23#	400'	250	circ
7 7/8"	5 1/2"	14#	3700'	700	circ

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

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

Signed Burt Peterson Title Agent Date January 18, 1980

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Me-Tex Supply Company		Lease Wallace State		Well No. 9
Unit Letter F	Section 3	Township 21S	Range 36E	County Lea
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the West line				
Ground Level Elev. Not Available	Producing Formation Queen	Pool Eumont Gas	Dedicated Acreage: 240 (infill) Acres	

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

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

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

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



CERTIFICATION

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

Bertie DeLo
Name

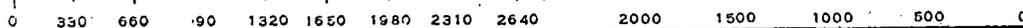
Agent
Position
Me-Tex Supply Company
Company

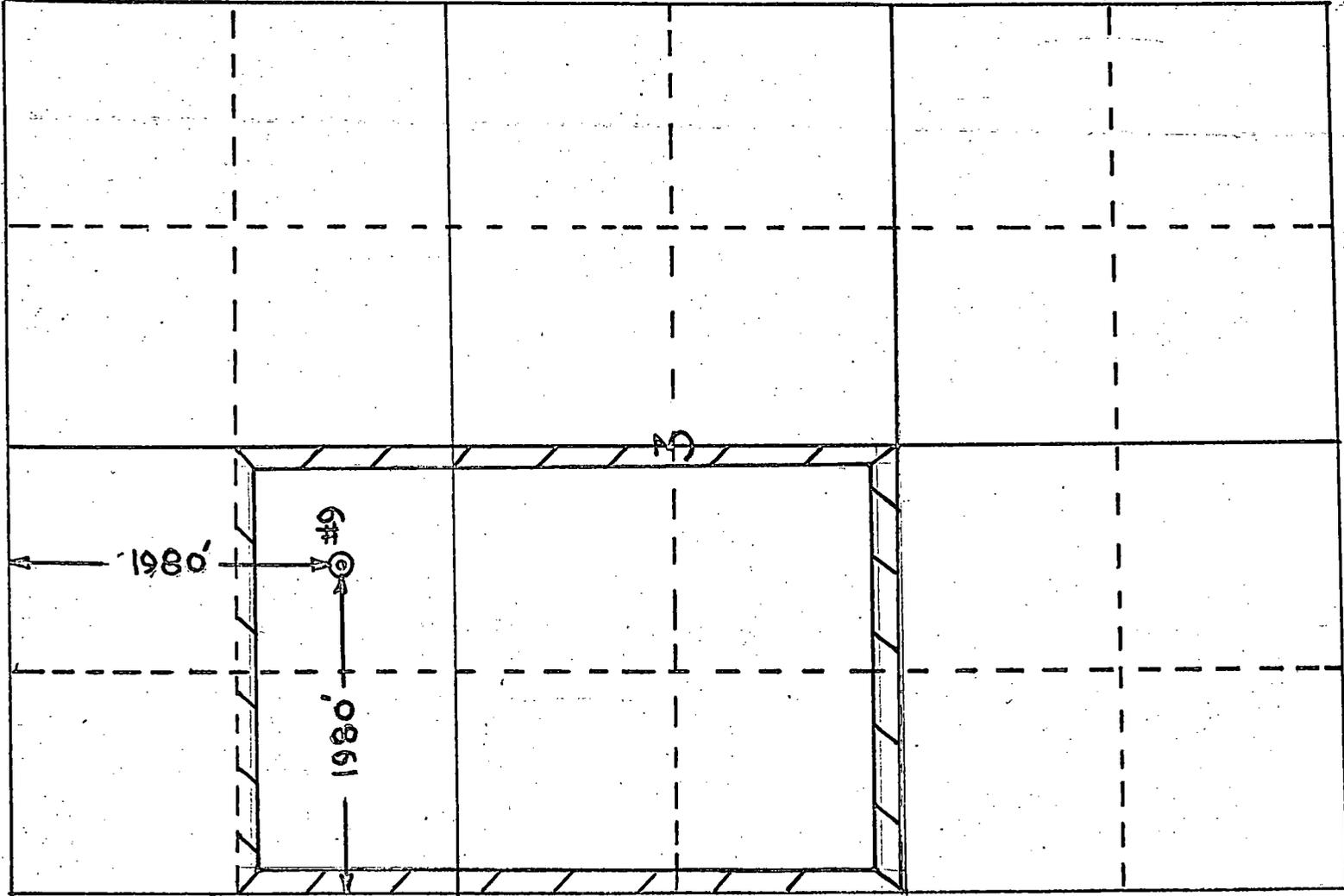
January 18, 1980
Date

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

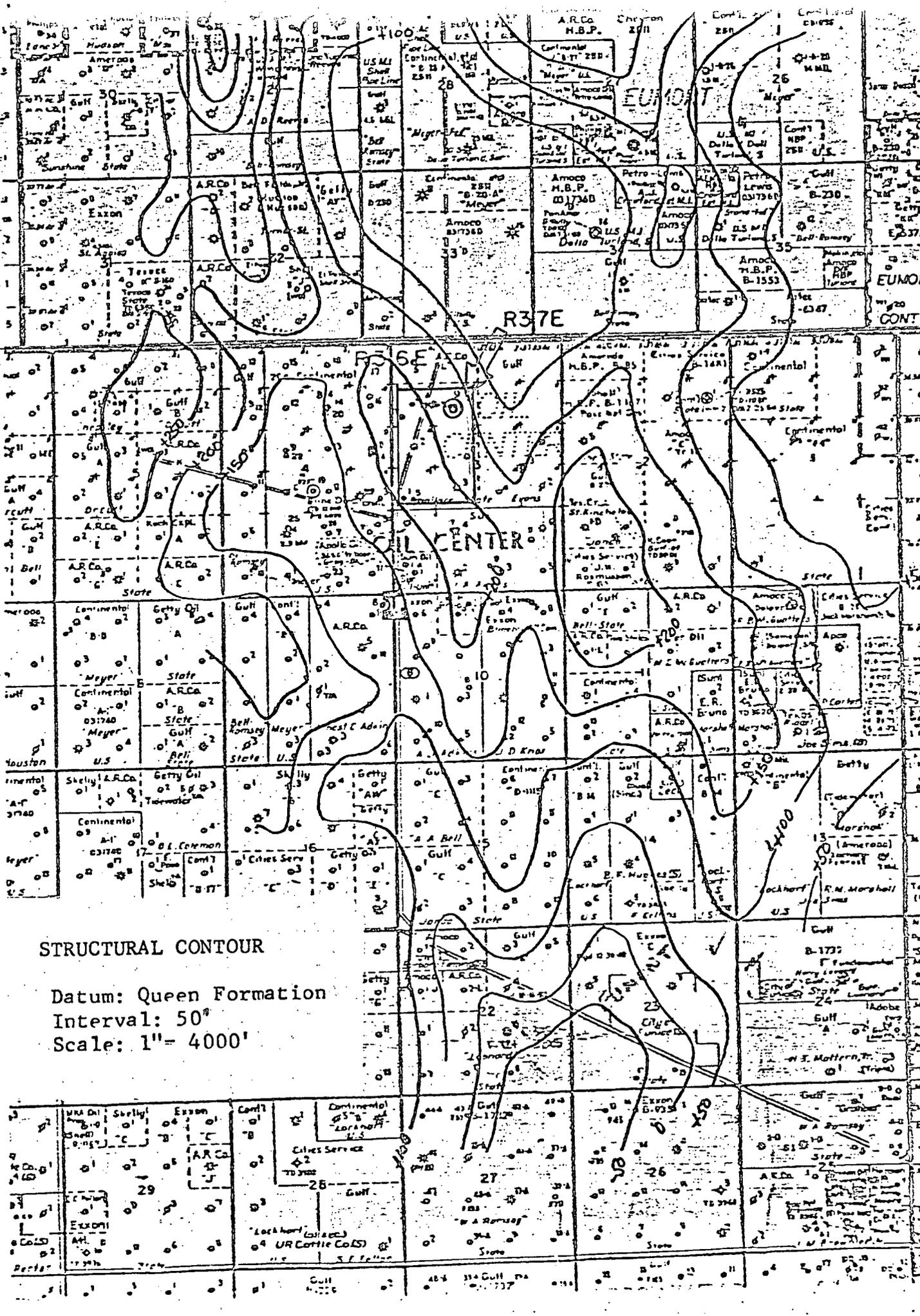
Date Surveyed _____
Registered Professional Engineer
and/or Land Surveyor

Certificate No. _____





SCALE: 1 INCH = 1000'



STRUCTURAL CONTOUR

Datum: Queen Formation
 Interval: 50'
 Scale: 1" = 4000'



OFFSET EUNICE GAS POOL WELLS