

Case Number

4762

Application

Transcripts

Small Exhibits

ETC.

dearnley, meier & mc cormick

200 SIMMS BLDG. • P.O. BOX 1082 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
July 12, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil
Company for an unorthodox
location and simultaneous
dedication, Lea County,
New Mexico.

Case No. 4762

BEFORE: Richard L. Stamets,
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & mc cornick

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1 MR. STAMETS: Case 4762.
2 MR. HATCH: Case 4762: Application of Shell Oil
3 Company for an unorthodox location and simultaneous
4 dedication, Lea County, New Mexico.
5 MR. BUELL: Sumner Buell of Montgomery, Federici,
6 Andrews, Hannahs and Morris of Santa Fe, appearing on behalf
7 of Shell Oil Company. We have one witness that we ask be
8 sworn in Case 4762.
9 JAMES E. SULLIVAN,
10 was called as a witness, and after being duly sworn,
11 testified as follows:
12 DIRECT EXAMINATION
13 BY MR. BUELL:
14 Q Would you state your name, please?
15 A James E. Sullivan, 2814 Marriana, Midland, Texas.
16 Q By whom are you employed and in what capacity?
17 A I am employed by the Shell Oil Company as a senior
18 engineering assistant.
19 Q Have you previously testified before this Commission?
20 A No, I haven't.
21 Q Would you please give the Commissioner some background
22 as to your education and work?
23 A I have a bachelor of arts' degree from Kilroy College,
24 and twenty-six additional hours of business administration
25 from Odessa College, and I have been employed with

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1 the Shell Oil Company as a senior engineering assistant
2 for approximately eleven years. My experience
3 includes four years as a field engineer dealing with
4 drilling and evaluation. Then for the last five
5 years, I have been in charge of proration in the states
6 of Texas, New Mexico, and Oklahoma.

7 Q Do your duties with Shell include work in the Antelope
8 Ridge Unit?

9 A Yes.

10 Q What do you do there?

11 A Developing wells that we have already drilled and
12 drilling additional wells.

13 MR. BUELL: Are the witness' qualifications
14 acceptable?

15 MR. STAMETS: Yes, they appear to be.

16 Q (By Mr. Buell) Are you familiar with what Shell seeks
17 in this application?

18 A Yes, I am.

19 Q Would you briefly tell the Examiner what is sought?

20 A Shell Oil Company seeks authority to deepen its
21 Antelope Ridge Well Number Four to the Antelope Ridge-
22 Morrow Gas Pool at an unorthodox location 990 feet from
23 the north line and 2,310 feet from the east line of
24 Section Four, Township 24 South, Range 34 East, Lea
25 County, New Mexico. This location is approximately

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1 800 feet from its Antelope Ridge Well Number Two,
2 located 660 feet from the north line and 1650 feet
3 from the east line of the same pool, township, and range.
4 Shell seeks to simultaneously dedicate the north half
5 or Section Four to the two wells.

6 Q Referring you to what has been marked as Applicant's
7 Exhibit One, would you briefly explain what that shows?

8 A Exhibit One shows the outline of the Devonian and
9 Morrow participating areas. The Devonian is the heavy
10 black line and the Morrow is the small dash line. It
11 also shows the subject well circled in red. The
12 plat also shows the well in the east half of the section,
13 which is presently a dual Morrow-Devonian producer.
14 Because of downhole mechanical problems, we are
15 presently producing from the Devonian and Morrow
16 comingled downhole. This was permitted by way of
17 Order R-289 in Case 4690.

18 In our Number Two Well, we are experiencing
19 severe production decline from the Morrow and we plan
20 to abandon the Morrow Zone and produce the Number Two
21 Well from a single zone as a Devonian producer.

22 The only other Morrow producer is in Section Twenty-
23 Seven, and we need an effective drainage point for the
24 Morrow in the south end of the pool, or Section Number
25 Four.

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1 Q Do you have any information on the Number Four Well
2 and your re-entry into that well?

3 A Well Number Four is presently shut in, and this well
4 has been shut in since September, 1968, due to high
5 water production. The total depth of the well is 12,375
6 feet with casing set at 5,167 feet. There is five and
7 a half inch casing set at 12,500 feet, and we have
8 a four-inch pump from 11,923 to 12,375 feet, the
9 total depth of the well. The liner is not cemented in,
10 and the liner is shown at 12,341, and that is where
11 the Atoka is producing from.

12 We plan to re-enter the Number Four Well at 11,635
13 feet and expect to recover the four-inch liner. Now,
14 if we are unable to recover the liner, we plan to
15 drill a four and three-quarter inch hole to 13,320 feet
16 for a total of 945 feet of new hole.

17 MR. STAMETS: 13,320?

18 THE WITNESS: Yes, sir, 13,320 will be the total
19 depth of the new hole.

20 A (Continuing) Then we plan to run cementing from a three
21 and a half inch flush joint liner and complete it from
22 there. I would like to point out that we do have
23 purchasers for the gas, and it is possible, and we hope
24 that this well will act as an additional pressure
25 relief for Well Number Two. We are not certain that

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1 it will, but it is possible.

2 Q Referring to what has been marked as Exhibit Two, would
3 you please explain that?

4 A Exhibit Two is the drilling cost versus the deepening
5 cost of the Shell Enclave Ridge Well Number Four.
6 The comparison of the cost between the actual deepening
7 of Well Number Four as we propose as opposed to the
8 drilling of a new well in an orthodox location, those
9 figures on the left show the cost of deepening Well
10 Number Four, and they show that it will cost a total
11 of \$120,000, which we feel is a reasonable figure.

12 In the \$120,000, if we are able to recover the four-
13 inch liner, we could save an additional \$10,000. This
14 is opposed to the \$507,000 it would cost to drill a
15 new hole. And also there is no value attributed to
16 the risk factor of drilling a new hole in this figure
17 either.

18 Q Were Exhibits One and Two prepared by you or under
19 your supervision?

20 A Yes.

21 Q Is it your opinion that the granting of this application
22 would prevent waste and protect correlative rights?

23 A Yes, sir. It would prevent waste since it could
24 effectively drain the 320 acres and correlative rights
25 will not be affected since Shell is the only operator

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1 in the area.

2 MR. BUELL: At this time, I would like to move
3 for the introduction of Exhibits One and Two.

4 MR. STAMETS: Are there any objections to the
5 introduction of these exhibits?

6 (No response)

7 MR. STAMETS: They will be so introduced.

8 (Whereupon Applicant's Exhibits 1 and 2 were
9 admitted in evidence.)

10 MR. BUELL: I have nothing further.

11 * * * *

12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q Mr. Sullivan, if I understood you correctly, you said
15 that the Morrow Zone in the Number Two Well will be
16 squeezed off when the high pressure problem is overcome?

17 A Yes, it will, and we will make a single Devonian Well
18 at that time.

19 Q And the Number Four Well is being shut in because of
20 the high water content, and you have essentially a
21 dry hole there at this time?

22 A Yes, this has been this way since September, 1968.

23 Q I don't believe that you gave me the top and bottom
24 of the three and a half inch liner, and whether that
25 was to be cemented in the hole.

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1 A Our tentative plans are to hang the liner 11,920 and
2 we do plan to cement the liner.

3 MR. STAMETS: Are there any other questions of
4 this witness?

5 MR. HATCH: Is the north hall presently dedicated
6 to the Number Two Well?

7 THE WITNESS: Yes.

8 MR. STAMETS: Any further questions?

9 (No response)

10 MR. STAMETS: If not, the witness may be excused.

11 (Witness excused.)

12 MR. STAMETS: Do you have any additional testimony?

13 MR. BUELL: No, sir.

14 MR. STAMETS: Are there any other appearances or
15 comments or correspondence in this case?

16 (No response)

17 MR. STAMETS: Case 4762 will be taken under
18 advisement.

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1 STATE OF NEW MEXICO)
 2) SS
 3 COUNTY OF BERNALILLO)

4 I, RICHARD E. McCORMICK, a Certified Shorthand Reporter,
 5 in and for the County of Bernalillo, State of New Mexico
 6 do hereby certify that the foregoing and attached Transcript
 7 of Hearing before the New Mexico Oil Conservation Commission
 8 was reported by me; and that the same is a true and correct
 9 record of the said proceedings to the best of my knowledge,
 10 skill and ability.

11 *Richard E. McCormick*
 12 CERTIFIED SHORTHAND REPORTER

23 I do hereby certify that the foregoing is
 24 a complete record of the proceedings in
 25 the Bernalillo Hearing of Case No. 4762,
 heard by me on *July 17*, 19*27*.
Richard E. McCormick
 New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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I N D E X

WITNESS

PAGE

JAMES E. SULLIVAN

Direct Examination by Mr. Buell

3

Cross Examination by Mr. Stamets

8

E X H I B I T S

APPLICANT'S

ADMITTED

OFFERED

Exhibit 1

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Exhibit 2

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2068 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

July 25, 1972

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hanna & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 4762

Order No. R-4350

Applicant:

Shell Oil Company

Dear Sir:

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

Very truly yours,

A. L. Porter

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

Other _____

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. 4762
Order No. R-4350

APPLICATION OF SHELL OIL COMPANY
FOR AN UNORTHODOX LOCATION AND
SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 12, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of July, 1972, 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, Shell Oil Company, is the owner and operator of the Antelope Ridge Unit Well No. 4 in Unit B, 990 feet from the North line and 2310 feet from the East line of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico.

(3) That the applicant is also the owner and operator of the Antelope Ridge Well No. 2, also located in Unit B of said Section 4 at a point 660 feet from the North line and 1650 feet from the East line of the section; that Order No. R-4289 authorized the applicant to commingle gas production from the Antelope Ridge-Morrow and Antelope Ridge-Devonian Gas Pools in the well-bore of said well No. 2 for a period of one year or until the well is repaired, whichever occurs first.

(4) That said Well No. 4 formerly produced gas from the Antelope Ridge-Atoka Pool and is now shut-in due to excessive water production from the Atoka formation.

(5) That the applicant seeks authority to deepen said Well No. 4, at its unorthodox location, and to complete the well as a gas producer in the Antelope Ridge-Morrow Pool. Applicant further seeks to simultaneously dedicate the north half of Section 4, Township 24 South, Range 34 East, Lea County, for

-2-

CASE NO. 4762
Order No. R-4350

Morrow gas production from said Well No. 4 and its above-described Antelope Ridge Unit Well No. 2.

(6) That the production of Antelope Ridge Unit Well No. 4 and Well No. 2 in the same unit will facilitate a pressure decline in said Well No. 2 thus permitting the repair of a down hole communication problem in Well No. 2.

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

IT IS THEREFORE ORDERED:

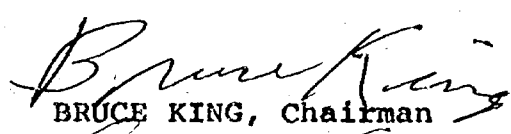
(1) That the applicant, Shell Oil Company, is hereby authorized to deepen its Antelope Ridge Unit Well No. 4 at an unorthodox location 990 feet from the North line and 2310 feet from the East line of Section 4, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, to complete said well as a Morrow gas producer in the Antelope Ridge-Morrow Pool.

(2) That the applicant is further authorized to simultaneously dedicate for Morrow production the north half of said Section 4 to said Well No. 4 and its Antelope Ridge Unit Well No. 2, located 660 feet from the North line and 1650 feet from the East line of said Section 4.


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

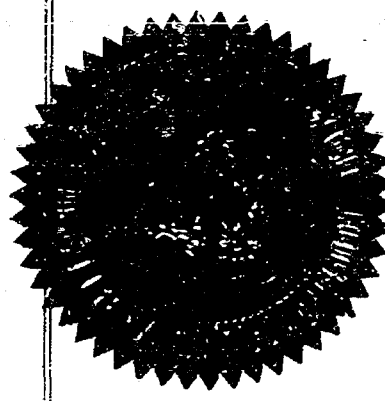
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARREJO, Member


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


S E A L

dr/

CASE 4759: Application of Atlantic Richfield Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil in the Justis Tubb-Drinkard Pool, Lea County, New Mexico.

CASE 4732: (Continued from the June 7, 1972, Examiner Hearing)
Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Skaggs-Glorieta, East Weir-Blinbry, and Skaggs-Drinkard Pools in the wellbore of its Skaggs "B" Well No. 5 located 990 feet from the North line and 1700 feet from the West line of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 4760: Application of Anadarko Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to institute a waterflood project by the injection of water into the Penrose-Skelly Pool by the injection of water through its R. E. Cole Well No. 3 located in the SW/4 SW/4 of Section 16 and its E. W. Walden Well No. 6 located in the SE/4 SW/4 of Section 15, Township 22 South, Range 37 East, Lea County, New Mexico.

Applicant further seeks establishment of a procedure whereby the conversion of additional wells to injection may be approved administratively.

CASE 4761: Application of Shell Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 33, Township 23 South, Range 34 East, Antelope Ridge-Devonian Gas Pool, Lea County, New Mexico.

CASE 4762: Application of Shell Oil Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to deepen its Antelope Ridge Well No. 4 to the Antelope Ridge-Morrow Gas Pool at an unorthodox location 990 feet from the North line and 2310 feet from the East line of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico, which location is approximately 800 feet from its Antelope Ridge Well No. 2 located 660 feet from the North line and 1650 feet from the East line, same pool, township and range. Applicant proposes to simultaneously dedicate the N/2 of said Section 4 to the two wells.

CASE 4763: Application of Black River Corporation for compulsory pooling and non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 3, Township 26 South, Range 24 East, adjacent to the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, comprising, approximately, a 409.22-acre non-standard proration unit. Said acreage to be dedicated to its Cities "3" Federal Well No. 2 located 2212 feet from the North line and 1998 feet from the East line of said Section 3.

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. 4690
Order No. R-4289

APPLICATION OF SHELL OIL COMPANY
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of April, 1972, 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, Shell Oil Company, is the owner and operator of the Antelope Ridge Well No. 2, a dual completion, located in Unit B of Section 4, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That pursuant to authority granted by Order No. R-2787 the subject well was completed as a dual completion (conventional) to produce gas from the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian Gas Pools.

(4) That communication between the two zones developed in the Fall of 1971.

(5) That the applicant has made diligent efforts to repair the well.

(6) That during the efforts to repair the well a new high pressure zone in the Morrow formation was opened to the well-bore which makes workover attempts extremely hazardous.

(7) That the new high pressure Morrow zone is believed to be of limited extent.

(8) That the applicant should be allowed to produce the well, commingling in the well-bore the production from the Devonian and Morrow zones, for one year or until such time as gas pressures have decreased to such an extent that the well can be safely repaired, whichever occurs first.

(9) That the applicant proposes to allocate production to each of the commingled zones upon the basis of the H_2S content of the commingled stream as compared to the H_2S content of the Devonian gas from its Antelope Ridge Well No. 3 located in Unit K of Section 34, Township 23 South, Range 34 East.

(10) That the reservoir characteristics of the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian zones in the subject well are such that underground waste would not be caused by the proposed commingling in the well-bore.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to produce its Antelope Ridge Well No. 2, located in Unit B of Section 4, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, in such a manner as to produce gas from the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian Gas Pools, commingling in the well-bore the production from said zones.

PROVIDED HOWEVER, that the operator shall so produce the subject well for a period of one year or until such time as gas pressures have decreased to such an extent that the well can be safely repaired, whichever occurs first.

(2) That the commingled production shall be allocated to the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian zones upon the basis of the H_2S content of the commingled stream as compared to the H_2S content of the Devonian gas from its Antelope Ridge Well No. 3 located in Unit K of Section 34, Township 23 South, Range 34 East, NMPM, as determined by gas analyses conducted at least once each month.

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

-3-

CASE NO. 4690
Order No. R-4289

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

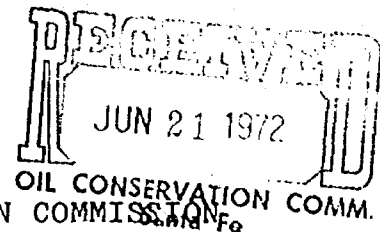
A. L. PORTER, Jr., Member & Secretary

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DRILLING COST-V-DEEPENING COST
SHELL ANTELOPE RIDGE NO. 4
MORROW TEST

DRILLING SITE	<u>\$ 2,000</u>	<u>\$ 4,000</u>
DRILLING COST		
Install and Remove Rig	<u>\$ 10,000</u>	<u>\$ 20,000</u>
Rig Cost Drilling	<u>47,000</u>	<u>224,000</u>
Mud	<u>9,000</u>	<u>40,000</u>
Surface & Protective Casing & Cementing		<u>136,000</u>
Miscellaneous Drilling Cost (Rental Equipment)	<u>20,000</u>	<u>5,000</u>
TOTAL DRILLING COST	<u>\$ 86,000</u>	<u>\$425,000</u>
EVALUATION COST		
Logging	<u>9,100</u>	<u>12,000</u>
Testing		
Coring		
Rig Cost - Evaluation	<u>2,400</u>	<u>12,500</u>
Miscellaneous Evaluation Cost	<u>500</u>	<u>2,500</u>
TOTAL EVALUATION COST	<u>\$ 12,000</u>	<u>\$ 27,000</u>
COMPLETION COST		
Production Casing and Cementing	<u>9,000</u>	<u>10,000</u>
Well Stimulation and Testing	<u>2,000</u>	<u>2,000</u>
Rig Cost - Completion	<u>6,000</u>	<u>6,000</u>
Miscellaneous Completion Costs	<u>1,000</u>	<u>5,000</u>
TOTAL COMPLETION COST	<u>\$ 18,000</u>	<u>\$ 23,000</u>
TOTAL DRILLING WELL COSTS (Lines 1, 7, 13, 18)	<u>\$118,000</u>	<u>\$479,000</u>
PRODUCTION EQUIPMENT TO COMPLETE WELL		
Tubing, Other Subsurface and		
Wellhead Equipment	<u>\$ 2,000</u>	<u>\$ 28,000</u>
TOTAL DRILLING & COMPLETION COSTS (Lines 19-21)	<u>\$120,000</u>	<u>\$507,000</u>



BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SHELL OIL COMPANY TO DEEPEN
ITS ANTELOPE RIDGE UNIT NO. 4
LOCATED IN SECTION 4, TOWNSHIP
24 SOUTH, RANGE 34 EAST, LEA
COUNTY, NEW MEXICO, TO PRODUCE
ANTELOPE RIDGE-MORROW GAS POOL.

CASE NO. 4762

A P P L I C A T I O N

Comes now the applicant, Shell Oil Company, and in support of its application herein states:

1. Shell Oil Company is the operator of the Antelope Ridge Unit comprising Sections 27, 28, 33 and 34, Township 23 South, Range 34 East, and Section 3 and 4 of Township 24 South, Range 34 East, Lea County, New Mexico.

2. Shell Oil Company has drilled its Antelope Ridge No. 4 to a total depth of 12,375 feet to the Antelope Ridge-Atoka Gas Pool as created by Order No. R-3050. Said well is located 990 feet from the north line and 2,310 feet from the east line of Section 4, Township 24 South, Range 34 East.

3. Applicant proposes to deepen its Antelope Ridge No. 4 to approximately 13,320 feet in order to produce from the Antelope Ridge-Morrow Gas Pool as created by Order No. R-3050.

4. Applicant is presently producing from the Morrow Zone through its Antelope Ridge No. 2, pursuant to Order No. R-4289, which well is located 660 feet from the north line and 1,650 feet from the east line of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico. However, irreparable permeability damage has been done to the Morrow Zone in this well due to recent downhole communication problems.

DOCKET MARKED

Date 6-30-72


5. The Antelope Ridge Unit No. 2 and Antelope Ridge Unit No. 4 wells are located approximately 300 feet from each other.

6. The granting of this application will prevent waste by allowing the recovery of otherwise unrecoverable gas reserves in the Morrow Zone and will prevent the drilling of unnecessary wells.

7. The granting of this application will prevent waste and protect correlative rights.

Respectfully submitted,

MONTGOMERY, FEDERICI, ANDREWS,
HANNAH & MORRIS

By 
P. O. Box 2307
Santa Fe, New Mexico 87501
Attorneys for Applicant
Shell Oil Company

DRAFT

RLS/dr

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. 4762

Order No. R- 4350

APPLICATION OF SHELL OIL COMPANY
FOR AN UNORTHODOX LOCATION AND
SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 12, 1972,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of July, 1972, 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, Shell Oil Company, is the owner
and operator of the Antelope Ridge Unit Well No. 4 in Unit B,
990 feet from the North line and 2310 feet from the East line of
Section 4, Township 24 South, Range 34 East, Lea County, New
Mexico.

(3) That the applicant is also the owner and operator
of the Antelope Ridge well No. 2, ^{also} located in unit
B of said Section 4, ^{at a point 660 feet from the North line and 1650 feet from the East line of the section;} that Order No. R- 4289
authorized the applicant to commingle gas
production from the Antelope Ridge Marathon
Penetration and Antelope Ridge - Devonian Gas
Pools in the well-bore of said well No. 2 for
a period of one year or until the well is
repaired, whichever occurs first.

⁴
(3) That said Well No. 4 formerly produced gas from the Antelope Ridge-Atoka Pool and is now shut-in due to excessive water production from the Atoka formation.

⁵
(4) That the applicant seeks authority to deepen said Well No. 4, at ^{its} an unorthodox location, and to complete the well as a gas producer in the Antelope Ridge-Morrow Pool. Applicant further seeks to simultaneously dedicate the north half of Section 4, Township 24 South, Range 34 East, Lea County, for Morrow gas production from said Well No. 4 and its ^{above-described} Antelope Ridge Unit Well No. 2, ~~also located in Unit B of said section 4.~~

⁶
(5) That the production of Antelope Ridge Unit Well No. 4 and Well No. 2 in the same unit will facilitate a pressure decline in said Well No. 2 thus permitting the repair of a down hole communication problem in Well No. 2, ~~by the plugging off of the Morrow formation in said well, being the subject of Commission Case No. 4690 and Order No. R-4289.~~

⁷
(6) That approval of the application will protect correlative rights and prevent waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to deepen its Antelope Ridge Unit Well No. 4 at an unorthodox location 990 feet from the North line and 2310 feet from the East line of Section 4, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, to complete said well as a Morrow gas producer in the Antelope Ridge-Morrow Pool.

^{for Morrow production}
(2) That the applicant is further authorized to simultaneously dedicate the north half of said Section 4 to said Well No. 4 and its Antelope Ridge Unit Well No. 2, located 660 feet from the North line and 1650 feet from the East line ^{of said Section 4.} ~~in same pool, Township and Range.~~

-3-
CASE NO. 4762
Order No. R-

(3) 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.

North half dedicated

190
160

#2 Mor - Des Quad w/ leak

1650
PBTD 14990
Perf 1498-13153, Dev 14667-14798

2310

#4

Atoka

TD 12375

TP AT 12135

4

CASE 47051. APPLICATION OF BLACK
RIVER CORPORATION FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.