

CASE No.

4970

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

May 23, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Robert G. Cox
for directional drilling,
Eddy County, New Mexico.

Case No. 4970

BEFORE: Elvis A. Utz,
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: The hearing will come to order, please.
2 We will next call Case 4970.

3 MR. CARR: Case 4970: Application of Robert G.
4 Cox for directional drilling, Eddy County, New Mexico.

5 MR. KELLAHIN: Tom Kellahin, of Kellahin and Fox,
6 Santa Fe, New Mexico, appearing on behalf of the Applicant,
7 Robert G. Cox. I have two witnesses to be sworn.

8 MR. UTZ: Will there be other appearances?

9 MR. CURRENS: Dan Currens, of Amoco Production
10 Company. I would like to make a statement at the end of the
11 case.

12 MR. TWEED: Jerry Tweed, of Atlantic-Richfield,
13 and we would like to make a statement.

14 MR. UTZ: Any other appearances?

15 (No response)

16 MR. UTZ: You may proceed, Mr. Kellahin.

17 * * * *

18 ROBERT G. COX,
19 was called as a witness, and after being duly sworn according
20 to law, testified as follows:

21 DIRECT EXAMINATION

22 BY MR. KELLAHIN:

23 Q Will you please state your name, address, and occupation?

24 A Robert G. Cox, Dallas, Texas, I'm operator of this
25 lease.

1 Q Have you previously testified before the Commission or
2 one of its hearing examiners and had your qualifications
3 made a matter of record?

4 A No, sir.

5 Q What is your educational background?

6 A I have a master of science degree in geology. I worked
7 for six years as an exploration geologist. In 1962,
8 I went into business for myself as a consulting
9 geologist specializing in developing oil and gas
10 drilling programs, evaluations, and lease management.
11 I am a member of A.A.P.G., and a certified petroleum
12 geologist.

13 Q Have you worked in, and are you familiar with the area
14 of the Empire-Abo Pool in Eddy County, New Mexico?

15 A I have been familiar with it for the last four years.

16 MR. KELLAHIN: Mr. Examiner, are the witness'
17 qualifications acceptable?

18 MR. UTZ: Yes, they are.

19 Q (By Mr. Kellahin) Mr. Cox, will you please state briefly
20 what is sought by this application?

21 A We are petitioning the Commission to sidetrack our
22 Number One Hole in order to restore it as close to
23 vertical as we possibly can to test the Abo section at
24 6,616 to 6,680 in a virgin hole.

25 Q Please refer to Exhibit Number One, and identify it

1 for us, please.

2 A Exhibit One is a location plat for the old Aztec Number
3 One "E" Well, which was part of a 160-acre lease which
4 the applicant and myself purchased from the original
5 leaseholder.

6 Q Your rights extend to what depths?

7 A We have rights to 6,150 feet, and from 6,250 feet down.

8 Q I note that the location plat was prepared in January,
9 1969. What additional information would you supply
10 that would bring this up to date?

11 A We have offset the Number One Well approximately 135
12 feet to the east. We drilled a well here last year
13 in an attempt to test the Abo, and found it deviated
14 very sharply to the west, and that was the reason for
15 the dryhole.

16 Q Please refer to Exhibit Number Two, and identify that.

17 A This is a well location and acreage dedication plat
18 for the Number One Federal "E" Well.

19 Q Please refer to Exhibit Number Three, and identify that
20 for us.

21 A This is a gamma ray neutron log run on the Robert G.
22 Cox Federal Well, which was a re-entry of the Aztec
23 Well.

24 Q Mr. Cox, will you describe briefly for us the past
25 history of this Federal "EA" Well Number One prior to

1 the time you became operator?

2 A Aztec drilled a well to 6,210 feet into the Abo
3 Formation, and failed to run openhole logs. They set
4 five and a half inch casing to the total depth, and
5 during completion, a gamma ray neutron depth control
6 log was run to 6,172 feet. They perforated the well
7 from 6,128 to 6,150, and acidized with 1,000 gallons
8 of acid.

9 The potential in June of 1959 was 120 barrels of
10 oil per day with 450 pounds of flowing tubing pressure
11 on a 10/64th inch choke.

12 Q Were perforations located on the log's original
13 perforations?

14 A Yes, sir. This initial potential was similar to some
15 of the other wells surrounding the lease, but it
16 gradually declined to less than 10 barrels of oil per
17 day.

18 In the first month of 1961, the operator deepened
19 the well to 6,250 feet, and tested the openhole section
20 from 6,210 to 6,250 getting oil and water on the test.

21 They plugged it back to 6,193 feet, and re-perforated
22 from 6,128 to 6,138, and from 6,154 to 6,164. It was
23 stimulated with acid, and on re-potential, the well
24 pumped approximately ten barrels of oil per day, and
25 the water dropped to about 4 to 5 barrels per day

1 after a month or two. It was subsequently plugged
2 in 1962.

3 Q After you became operator, what efforts did you make
4 to obtain production out of the existing wellbore?

5 A We at first had thought of going in and attempting
6 to sidetrack the original hole to get a virgin hole,
7 and after evaluating the company's figures, I decided
8 to go in and get on to the existing five and a half
9 inch casing which is in the neighborhood of 4,000
10 feet, wash it down and run an evaluation log and see
11 if the Abo section was present as it is in the well to
12 the west which is the Pan American Number One "J" Well.

13 Q That is an Abo well?

14 A Yes, sir.

15 Q What were the results of that test?

16 A The log analysis was that we had the very same section
17 that was present in the Pan American "J" Well located
18 at 6,162 to around 6,168. We went in and squeezed the
19 old perforations in the hole that Aztec had perforated,
20 and perforated the zone from 6,162 to 6,180. We ran
21 a packer and tubing, and acidized it. Our initial
22 shut-in was 750 pounds, and it bled to zero in ten
23 minutes.

24 The casing went on vacuum, and we attempted to
25 reset the packer at various intervals up the hole, and

1 finally got it to hold at 6,070. That time we started
2 to get oil and water, and it flowed after the fourth
3 pull.

4 For the first three hours, it was flowing at a
5 rate of 8 to 10 barrels a day, mostly oil. When we
6 put it on pump and pumped it the first day, it was in
7 the neighborhood of 100 barrels a day. It was the
8 opinion of the stimulation specialists and the
9 engineers that fracking back or acidizing back into
10 the old perforation would be the best thing to do.

11 So we went through very many procedures of trying
12 to acidize, and all results were the same, initially
13 we would get a good recovery, and then it would drop
14 off fast.

15 Recently we had a deviation survey done, and found--

16 Q Let me show you that deviation survey marked as
17 Applicant's Exhibit Four.

18 A In an effort to unravel the mystery, we ran a deviation
19 survey in February, 1973, and found that the bottom
20 of the hole was approximately 172 feet west and 22
21 feet south of the surface location.

22 Q How many feet south?

23 A Twenty-two point six feet south of the surface location.

24 Q What do you seek now in terms of this application, Mr.
25 Cox?

1 A We are petitioning the Commission to be allowed to
2 retrieve the casing down to a depth of approximately
3 4,200 feet, and set a plug, and sidetrack the hole
4 by means of a motor drill, because the angle is so
5 slight, a whipstock would be impossible to attempt that
6 with, and to try and restore the hole as near to
7 vertical as is mechanically possible, and to test the
8 Abo Formation in a virgin hole.

9 Q From a geological standpoint, will all the acreage
10 under this location be reasonably productive from the
11 well if the application is granted?

12 A Probably not. The south part, according to a field
13 situation study, this study credited this with less
14 than fourteen productive acres out of 2,911 gross acre
15 feet of pay with 342 net feet of pay.

16 Q What effect, if any, does the Pan American Well to the
17 west have upon your location?

18 A I don't believe it is having any effect at the present
19 time, but in the life of the field, it will drain our
20 lease.

21 Q Were Exhibits One through Four prepared by you or under
22 your supervision?

23 A They were.

24 MR. KELLAHIN: We offer Exhibits One through Four.

25 MR. UTZ: Without objection, Applicant's Exhibits

1 One through Four will be entered into the record of this case.

2 (Whereupon Applicant's Exhibits One through Four
3 were entered in evidence.)

4 MR. KELLAHIN: That concludes our direct examination
5 of this witness, Mr. Utz.

6 * * * *

7 CROSS EXAMINATION

8 BY MR. UTZ:

9 Q Mr. Cox, did you say that communitization studies
10 showed fourteen productive acres?

11 A That's true, sir. On the Pan American "J" Well to the
12 west, they credit twenty-four productive acres to it.

13 Q Are you going to have as your next witness an engineer?

14 MR. KELLAHIN: Yes.

15 MR. UTZ: Are there any other questions of the
16 witness?

17 (No response)

18 MR. UTZ: The witness may be excused.

19 (Witness excused.)

20 MR. UTZ: You may call your next witness, Mr.
21 Kellahin.

22 * * * *

23 D. I. ALSPAW,

24 was called as a witness, and after being duly sworn according
25 to law, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you please state your name, by whom you are employed, and in what capacity?

A D. I. Alspaw, I'm employed by Mr. Cox, and I'm a consulting petroleum engineer from Dallas, Texas.

Q Will you spell your last name?

A A-l-s-p-a-w.

Q Mr. Alspaw, have you previously testified before the Commission or one of its hearing examiners?

A No, I have not.

Q For the benefit of the Commissioner, will you please state your educational background?

A I obtained a bachelor of science degree in petroleum engineering from the University of Texas in June, 1955.

Q And what has been your employment background?

A I first went to work for Standard of Texas. I then served for two and a half years in the Air Force, and returned to Standard of Texas. I then went to work for Standard in the West Texas area, and subsequent to that was with a consulting company out of Denver, Colorado.

Q What experience have you had in petroleum engineering in Eddy County, New Mexico?

A In the late Fifties, I supervised the drilling of some

dearnley, meier & associates reporting services inc.

209 SIMMS BLDG., P.O. BOX 1092, PHONE 248-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87102

1 wells for Standard of Texas in that area. Then most
2 recently, I was engaged by Mr. Cox during the last
3 three months there.

4 Q Are you familiar with the facts surrounding this
5 application?

6 A Yes.

7 Q What experience, if any, have you had with directional
8 drilling?

9 A Primarily with whipstock and primarily as a result of
10 junk in the hole. I have done this in West Texas and
11 Nevada.

12 MR. KELLAHIN: Mr. Examiner, are the qualifications
13 of the witness acceptable?

14 MR. UTZ: I consider them so.

15 Q (By Mr. Kellahin) Will you please look at Exhibit Four,
16 which is the deviation survey, and indicate for the
17 Examiner's benefit how you anticipate directional
18 drilling of this well?

19 A As Mr. Cox has previously stated, after looking at the
20 circumstances surrounding this well and the conditions
21 of the prior completion attempt, it appears that the
22 most feasible approach to this particular well would
23 be to dislodge the casing at the point where it was
24 originally set at approximately 4,200 feet. Once this
25 is accomplished, then a cement plugging of approximately

1 300 feet could be set at the top of the old five and
2 a half inch casing at 4,200 feet.

3 After dressing off this block of cement, we
4 would then go in with a downhole motor drill and kick
5 this well off approaching approximately six degrees
6 to assure that we remove ourselves from the old
7 borehole.

8 At this juncture then, as soon as we have
9 established that we are away and safely away from the
10 old borehole, then we would attempt to turn the drill
11 into a vertical position and bottom the well out at
12 the objective depth specified by Mr. Cox.

13 Q What is the present bottomhole location?

14 A Approximately 172 feet west and 22.6 feet south of
15 the surface location.

16 Q What tolerance factor would you propose to the
17 Commission in your directional drilling whereby you
18 would be allowed a tolerance without penalty?

19 A In that if this well had been productive at the
20 present bottomhole location, as I understand the rules
21 and regulations governing this field, it would have
22 been entirely acceptable. Under those ground rules,
23 I would anticipate that surely we would be allowed
24 a tolerance within the radius of the bottomhole
25 location and surface hole location as they now stand.

1 Q You would anticipate a tolerance factor whereby you
2 would go no closer than what point to the west line
3 of the section?

4 A Approximately 160 feet. In other words, I would expect
5 that surely we could be allowed say 171 feet from the
6 surface location of this well.

7 Q And what tolerance factor would you use for the north
8 line of the section?

9 A This could be easily the same as the west, approximately
10 160 feet.

11 Q Now, assuming that to be the upper limit of the
12 tolerance factor, what, in your capacity as a petroleum
13 engineer, would you anticipate the actual variance
14 from the vertical to be?

15 A In that phase of directional drilling, the actual
16 bottom of the well could be placed almost anywhere,
17 but this, of course, involves economics. The needle
18 can be threaded at almost any point if you are
19 prepared to spend the money and take the risk involved.

20 Our objection here was, of course, to kick the
21 well off by controlling the weight on the bit return,
22 and return it to the vertical and bottom the well out
23 in a location within close proximity of the Number (20)
24 that we see here on the deviation survey. I believe
25 that's about 4,000 to 4,200 feet.

1 We don't anticipate any problems once we have
2 kicked the well off, and we are attempting to return
3 to the vertical. We didn't want to be so restricted
4 in our tolerances that this became astronomically
5 expensive.

6 Q You told me that the economics will play a factor in
7 how closely you are able to supervise the directional
8 drilling?

9 A That's correct.

10 Q Under your proposal, what additional means do you
11 anticipate taking to insure that you complete the
12 undersurface location as reasonably as can be expected?

13 A We plan to run deviation surveys over intervals not
14 exceeding 200 feet. Of course, if at any time we had
15 any indication at less than 200 feet that the thing
16 was deviating rapidly, we would run additional surveys.

17 Q May I gather from your testimony, Mr. Alspaw, that
18 the intent of this drilling is not to impair the
19 correlative rights of others, but rather to allow you
20 to recover your reasonable share of hydrocarbons
21 under this particular acreage?

22 A Yes. Really, the intent here is to obtain the virgin
23 borehole. As previously stated, the bottom of the
24 hole can be placed anywhere, and we don't intend to
25 cross anyone's lease lines or anything of that nature.

1 All we are trying to do is to establish a new
2 bottomhole, and hopefully a successful completion can
3 be made in light of the conditions that exist in the
4 bottom of the hole.

5 Now obviously, mechanical problems are such that
6 successful completions cannot be made at this time.

7 Q Do you have anything further to add?

8 A No, sir.

9 MR. KELLAHIN: That concludes our direct testimony,
10 Mr. Examiner.

11 * * * *

12 CROSS EXAMINATION

13 BY MR. UTZ:

14 Q Mr. Alspaw, can you tell me how many feet per hundred
15 a one degree deviation is?

16 A A one degree deviation?

17 Q Yes.

18 A Not offhand, I can't. I don't have any figures.

19 Q I hoped you would have some.

20 A I have some literature here that I can provide you with.
21 Did you say per hundred feet?

22 Q Yes. Or per thousand, whatever unit you have-- or
23 per foot.

24 A I have lost my horizontal scale.

25 MR. UTZ: Is there an engineer in the room who

1 knows?

2 A VOICE: One point seven five feet per degree
3 per hundred feet.

4 MR. UTZ: Thank you.

5 Q (By Mr. Utz) But you are saying here that you will not
6 be any closer after you whipstock-- not whipstock, but
7 deviate, you will not be any closer to the lease line
8 than 160 feet at the bottom of the hole?

9 A That's correct-- Well, within those limits.

10 MR. UTZ: Are there any other questions?

11 MR. HINKLE: Clarence Hinkle, of Hinkle, Bondurant,
12 Cox and Eaton, and I would like to ask the witness a couple
13 of questions.

14 MR. UTZ: Proceed.

15 * * * *

16 CROSS EXAMINATION

17 BY MR. HINKLE:

18 Q Is the hole vertical down to the depth of about 4,200
19 feet where you are going to set the whipstock?

20 A No, sir.

21 Q How far is it off there?

22 A At that juncture, it is approximately ninety-five feet
23 west of the surface location, and approximately eight
24 feet south.

25 Q Now, in what direction are you going to set your

1 whipstock at 4,200 feet?

2 A We are going to try to set it in a northeasterly
3 direction.

4 Q And that would be toward the leases of Amoco and
5 Atlantic-Richfield?

6 A Do they offset this well to the north?

7 Q Yes.

8 A Yes.

9 MR. HINKLE: That's all I have.

10 MR. UTZ: If there are no further questions, the
11 witness may be excused.

12 (Witness excused.)

13 MR. UTZ: Are there any statements in this case?

14 MR. CURRENS: Mr. Examiner, my name is Dan Currens,
15 representing Amoco Production Company, Houston, Texas.

16 Amoco certainly has no objection to the application
17 as advertised here today for Cox to directionally drill
18 starting at about 4,200 feet in order to return this hole
19 to the vertical to make a third attempt to establish
20 production in the wellbore on this 40-acre tract. It would
21 seem important to us though, of course, to know where the
22 well winds up.

23 A directional survey should be run upon completion
24 of the operations. It seems reasonable that the amount
25 of target area has been restricted to approximately that

1 same amount as occurs between 4,200 feet and the bottomhole
2 location in this existing well which is about 80 feet in
3 rough numbers.

4 That's all I have. Thank you.

5 MR. UTZ: Mr. Hinkle?

6 MR. HINKLE: I would like to make a brief statement
7 on behalf of Atlantic-Richfield.

8 Atlantic-Richfield owns a half interest in the
9 Amoco acreage which is to the north and northeast of the
10 Cox acreage. We would like to join with Amoco in their
11 request that the order, if the Commission approves this,
12 provide that Mr. Cox submit a directional well survey
13 showing the true horizontal direction of the wellbore, so
14 that correction may be made if the hole deviates past the
15 vertical--

16 MR. ALSPAW: Mr. Hinkle, that's almost impossible.

17 MR. HINKLE: That was the question I was going
18 to ask you, Mr. Alspaw, as to how often you were going to
19 run directional surveys.

20 MR. ALSPAW: Within each 200-foot interval.

21 MR. HINKLE: Would that be directional or
22 deviations?

23 MR. ALSPAW: Directional. In other words, for
24 any given 200-foot interval from the point where we kicked
25 off, we would have horizontal and vertical locations of

1 the wellbore.

2 MR. HINKLE: And you are willing to drill the well
3 with the provision in the order that you will not crowd
4 the lease line any closer than 160 feet?

5 MR. ALSPAW: That's correct.

6 MR. HINKLE: That's all I have.

7 MR. UTZ: Any other statements?

8 (No response)

9 MR. UTZ: Case 4970 will be taken under advisement.

10 * * * *

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

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

3
4 I, RICHARD E. McCORMICK, a Certified Shorthand
5 Reporter, in and for the County of Bernalillo, State of
6 New Mexico, do hereby certify that the foregoing and attached
7 Transcript of Hearing before the New Mexico Oil Conservation
8 Commission was reported by me; and that the same is a true
9 and correct record of the said proceedings to the best of
10 my knowledge, skill and ability.

11 *Richard E. McCormick*
12 CERTIFIED SHORTHAND REPORTER
13
14
15
16
17
18
19
20
21

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 4976,
25 heard by me on May 22, 1973.
John D. [Signature] Examiner
New Mexico Oil Conservation Commission

I N D E XWITNESSPAGE

ROBERT. G. COX

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Utz

10

D. I. ALSPAW

Direct Examination by Mr. Kellahin

11

Cross Examination by Mr. Utz

16

Cross Examination by Mr. Hinkle

17

E X H I B I T SEXHIBITADMITTEDOFFERED

Applicant's #1

Location plat

10

5

Applicant's #2

Well location and
acreage dedication plat

10

5

Applicant's #3

Gamma ray neutron log

10

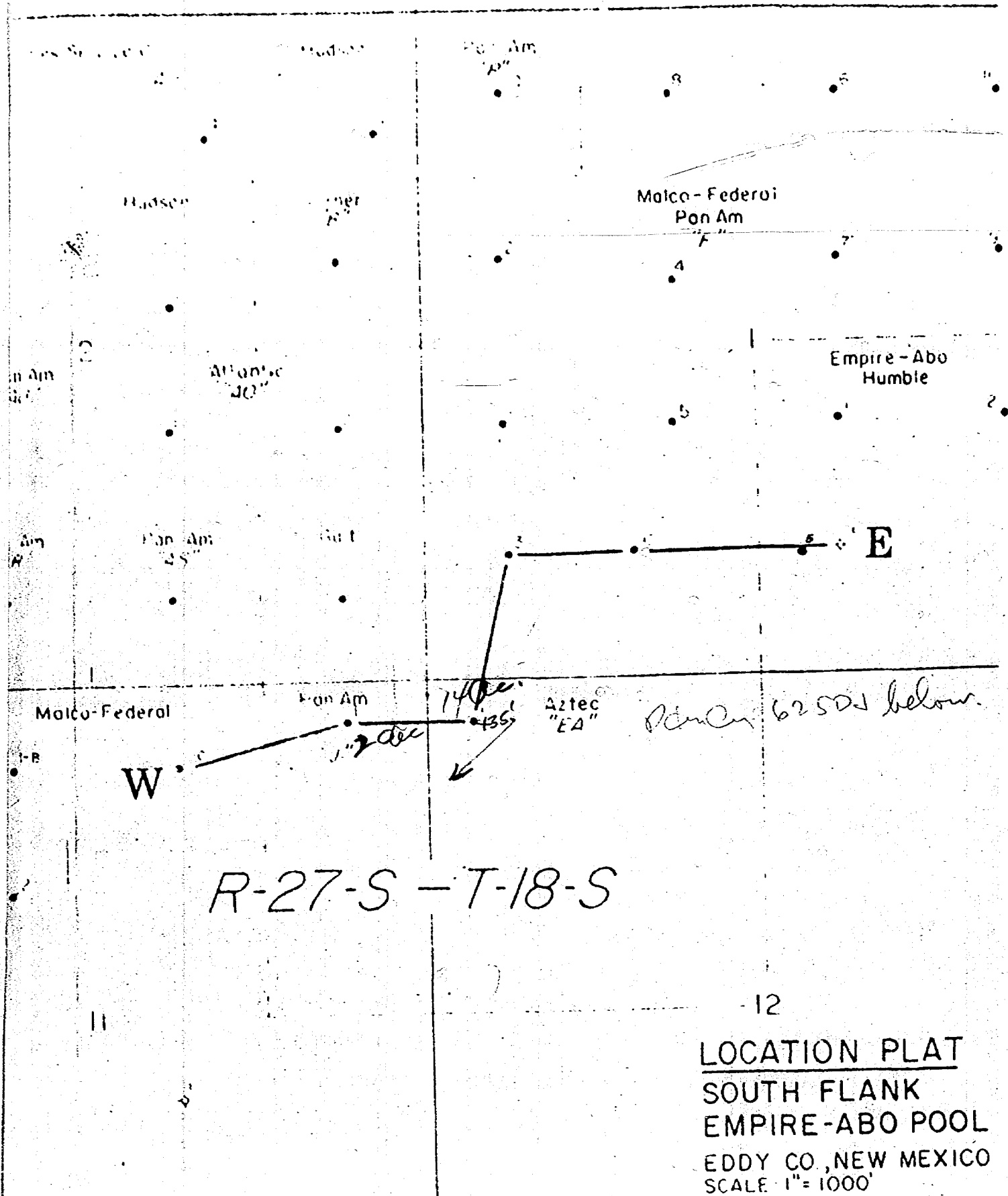
5

Applicant's #4

Deviation survey

10

8



R-27-S - T-18-S

LOCATION PLAT
SOUTH FLANK
EMPIRE-ABO POOL
EDDY CO, NEW MEXICO
SCALE 1" = 1000'

-SEA LEVEL -2500'

BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION	
Cox	EXHIBIT NO. 1
CASE NO. 4970	
Submitted by Robert Cox	
Hearing Date 23 May 73	

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-103
Supersedes C-128
Effective 1-1-65

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

Operator Robert C. Cox		Lease Nº 6452		Well No. 1
Unit Letter	Section 12	Township 18 South	Range 27 East	County Eddy
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the West line				
Ground Level Elev: 3609	Producing Formation Alto Reef		Pool Empire Alto	Dedicated Acreage: 40 Acres

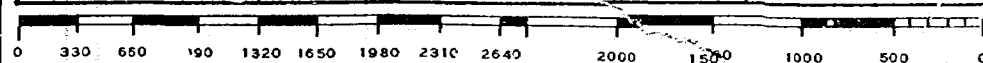
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is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

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

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

No 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.

<p>BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION</p> <p>Cox EXHIBIT NO. 2</p> <p>4970</p> <p>Robert Cox</p> <p>Hearing Date 23 May 73</p>	
--	--



CERTIFICATION

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

Name **Robert C. Cox**
 Position **Geologist**
 Company **R. C. Cox**
 Date **August 16, 1968**

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.

(See Reverse Side)

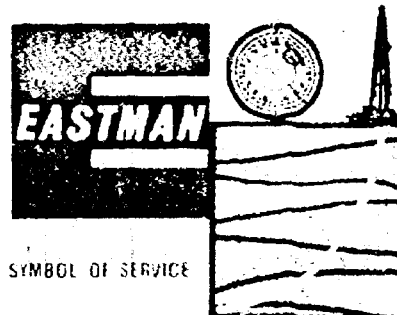
Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor

Certificate No. _____

For Well Location

See Well Location and Acreage Dedication Plat filed by Aztec Oil
and Gas Company as Aztec #1 Federal "1A", filed in 1959.



REPORT
of
SUB-SURFACE
DIRECTIONAL
SURVEY

Robert G. Cox
COMPANY

Federal E.A. # 1
WELL NAME

Eddy County, New Mexico
LOCATION

JOB NUMBER
WT 1173 G-4

TYPE OF SURVEY
Gyroscopic Survey

DATE
February 27, 1973

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

Cox EXHIBIT NO. 4

CASE NO. 4970

SURVEY BY
Robert Burk

Submitted by Robert Cox
Hearing Date 23 May 73

OFFICE
Odessa, Texas



RECORD OF SURVEY

JOB NO. WT 1173 G-4 DATE February 27, 1973 CHECKED BY _____

STATION	MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	VERTICAL SECTION	COURSE DEVIATION	DRIFT DIRECTION	RECTANGULAR COORDINATES			
							NORTH	SOUTH	EAST	WEST
1	200	15'				N 46 W	60			62
2	400	15'				SOUTH		28		62
3	600	45'				S 76 W		92		3 16
4	800	1°				S 85 W		1 22		6 64
5	1000	1° 45'	999 84			WEST		1 22		12 74
6	1200	1° 30'				N 80 W		32		17 90
7	1400	1° 15'				N 67 W	1 38			21 92
8	1600	1°				N 68 W	2 68			25 16
9	1800	1°				N 70 W	3 88			28 44
10	2000	1°	1999 62			N 82 W	4 36			30 90
11	2200	45'				N 85 W	4 58			33 50
12	2400	1° 15'				N 75 W	5 70			37 72
13	2600	1° 15'				N 72 W	7 04			41 86
14	2800	1° 30'				S 88 W	6 86			47 10
15	3000	2°	2999 34			S 80 W	5 64			53 98
16	3200	2°				S 80 W	4 42			60 86
17	3400	2°				S 78 W	2 96			67 68
18	3600	2°				S 77 W	1 38			74 48
19	3800	2°				S 73 W		66		81 16
20	4000	2° 15'	3998 70			S 67 W		3 72		88 38



RECORD OF SURVEY

JOB NO. WT 1173 G-4

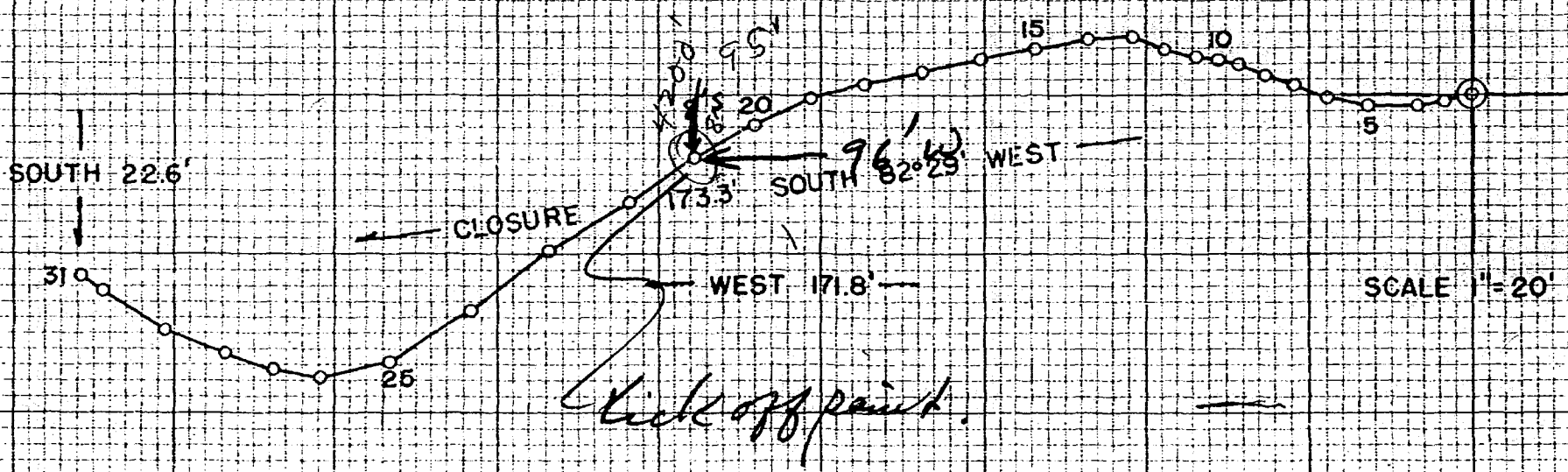
DATE February 27, 1973

CHECKED BY _____

STATION	MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	VERTICAL SECTION	COURSE DEVIATION	DRIFT DIRECTION	RECTANGULAR COORDINATES			
							NORTH	SOUTH	EAST	WEST
21	4200	2° 30'				S 60 W		7 98		95 94
22	4400	2° 45'				S 56 W		13 34		103 90
23	4600	3° 15'				S 55 W		19 84		113 18
24	4800	3° 30'				S 54 W		27 02		123 06
25	5000	3° 30'	4997 18			S 57 W		33 68		133 30
26	5200	2° 30'				S 79 W		35 34		141 86
27	5400	1° 45'				N 79 W		34 18		147 86
28	5600	1° 45'				N 74 W		32 50		153 74
29	5800	2° 15'				N 68 W		29 56		161 02
30	6000	2° 45'				N 58 W		24 48		169 16
31	6050	3°	6046 27			N 56 W		22 65		171 87
Closure: 173.35 South 82° 29' West										

Don

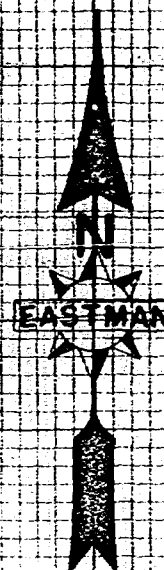
ROBERT G. COX
FEDERAL E.A. NO. 1
EDDY CO. NEW MEXICO



100 80 60 40 20

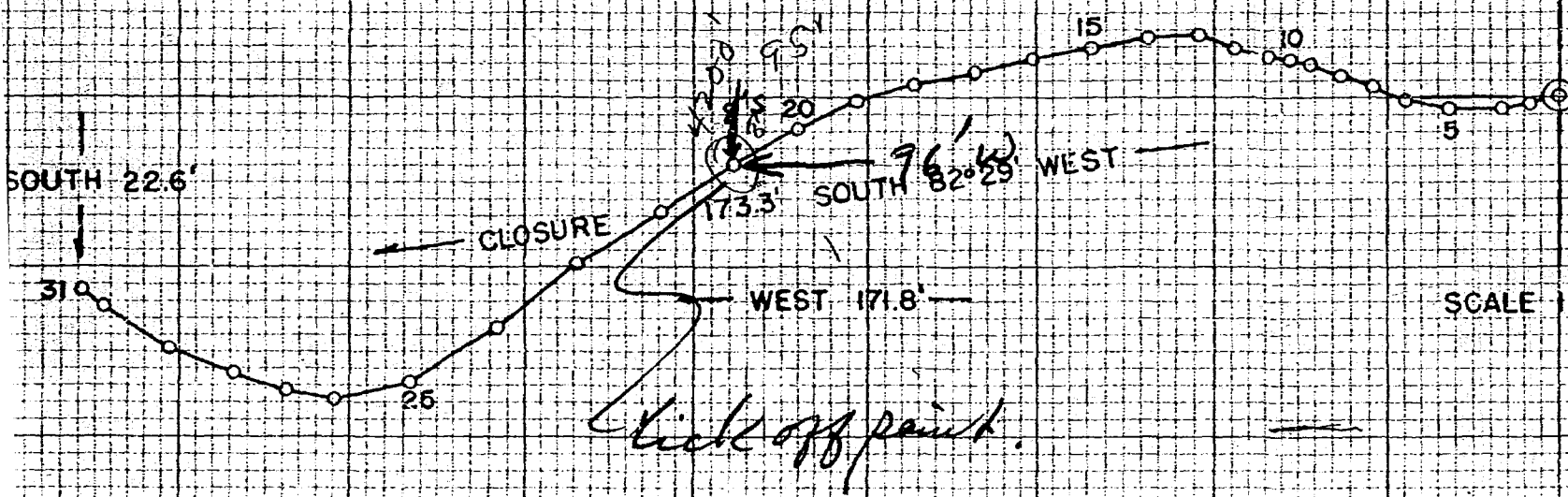
Port

ROBERT G. COX
FEDERAL E.A. NO. 1
EDDY CO. NEW MEXICO



SURFACE
LOCATION

SCALE 1" = 20'



100 80 60 40 20



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

June 25, 1973

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4970
Order No. R-4561
Applicant:
Robert G. Cox

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, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other Mr. Clarence Hinkle, Mr. Don Currens

Anderson - Richard Oil Corp. v. Corporation Commission
241 P.2d 363

Oklahoma - S. Ct. - 10/2/51

n's - 1, 2, 3*, 7, 8, 15

Case would support one decision - CHALLENGE TO
FACTS. ACREAGE FACTOR

drilled in Chickasha Gas Field
in extreme NE corner of quarter section
Corporation Commission entered order - w/ acreage
allocation factor in production
formula - allowed 57 productive
acres as opposed to 140 -

- (1) Corp. Comm. had authority to enter the order
- (2)-(3) right vested in an estate when O or L
discovered does not frustrate the Comm's
power to take steps to prevent waste and
protect c/r

- acreage factor means "productive acres"

- (7) - may rely on scientific data (expert witnesses)
to determine extent of productive
acreage.

- (8) - "acreage factor" - denotes maximum the
of acres that a well can
produce.

342 U.S. 938 -

dismissed for want of substantial federal Q.

Anderson - Richard Oil Corporation v. Sup. Comm.

252 P.2d 450

1/10/53

Involves a challenge to a proration formula
- Ct. upheld Commission
allowables based on the "natural flow" of
wells as compared to other wells
in the field —

Commission may determine "natural
flow" of well by looking
at # of factors:
porosity
seepage
thickness of formation.

Cases with similar facts —
go other way but deal with
specific statutes governing
"exception wells" — and provide
for some allowance for such wells.

STARK V. HARRIS — Mississippi S. Ct.

38 O+GR 1 (1970)

Commission has the power to set allowances
on "exception wells"

Harris contended it could not —
based on specific statutory
language.

CHEVRON V. O+G Commission — Montana S. Ct.

27 O+GR 635 (1967)

trial Ct. held — Commission could not limit
production absent a showing that c/r
and waste problems existed:

REVERSED — Commission must protect
adjoining land owners etc

MASONITE V O+G Board — Mississippi S. Ct.

36 O+GR 606 (1970)

Board may give an exception well a
full allowance — upheld.

SOHIO V. PARKER et al

8 O+GR 625 (1957)

Board may give an exception well a full
allowance — ~~reflect~~ facts as in Cof/VOCC

DRAFT

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. 4970

APPLICATION OF ROBERT G. COX FOR
DIRECTIONAL DRILLING, EDDY
COUNTY, NEW MEXICO.

Order No. R-4561

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 23, 1973
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of June, 1973, 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, Robert G. Cox, is the owner and
operator of the Federal "EA" Well No. 1, a crooked hole, the
surface location of which is 330 feet from the North line and
330 feet from the West line of Section 12, Township 18 South,
Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.

(3) That the subject well has deviated 23 feet to the South and 172 feet to the West of the surface location at a measured depth of 6050 feet (true vertical depth 6046 feet) in the Empire-Abo Pool.

(4) That because of mechanical difficulties applicant has been unable to complete said well to produce from the Empire-Abo Pool at the aforesaid bottom-hole location.

(5) That the applicant proposes to set a whipstock at approximately 4,200 feet and to directionally drill in such a manner as to return the hole to the vertical, and to bottom said well at a depth of 6,200 feet, approximately beneath the surface location in the Empire Abo Pool.

(6) That the applicant ^{should be required} ~~proposes~~ to determine the subsurface ^{bottom of the hole} ~~location of the whipstock point~~ by means of a continuous multi-shot directional survey conducted ^{subsequent} ~~prior~~ to said directional drilling, ^{if said well is to be completed as a producing well,}

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Roent G. Cox, is hereby authorized to reenter his Federal "EA" Well No. 1, the surface location of which is 330 feet from the North line and 330 feet from the West line of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, and to set a whipstock at approximately 4200 feet and to directionally drill said well to a depth of approximately 6200 ^{feet} bottoming the well in the Empire-Abo Pool at a point within 100 feet of the surface location.

~~surveying company to forward a copy of the survey report directly to the Santa Fe Office of the Commission, Box 2088, Santa Fe, New Mexico; and that the operator shall notify the Commission's Hobbs District Office of the date and time survey is to be commenced.~~

PROVIDED HOWEVER,

(1) ~~That subsequent to the above-described directional drilling,~~ *should that said well be a producer,* a continuous multi-shot directional survey shall be made of the well bore from total depth to the whipstock point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe Office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall *Retain* notify the Commission's ~~Hobbs~~ District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Commission Rule 1108 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(4) ~~That cement shall be circulated on the well's production casing to a point at least _____ feet into the _____ inch casing set at _____ feet.~~

(3) That the NW/4 NW/4 of said Section 12 shall be dedicated to the subject well.

(5) 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.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 23, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 4683: (Reopened) (Continued from the April 11, 1973 Examiner Hearing)

In the matter of Case 4683 being reopened pursuant to the provisions of Order No. R-4286, which order established special rules and regulations for the West Tres Papalotes-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 160-acre proration units. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre units.

CASE 4946: (Continued from the May 9, 1973 Examiner Hearing)

Application of Union Texas Petroleum for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Crosby-Fusselman Pool, Lea County, New Mexico, including a provision for classification of oil wells and gas wells, 320-acre spacing for all wells, and a limiting gas-oil ratio of 5000 to one.

CASE 4966: (Continued from the May 9, 1973 Examiner Hearing)

Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 200 percent charge for risk involved in drilling said well.

CASE 4969: Application of Amoco Production Company for a special depth bracket allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a special depth bracket allowable of 764 barrels of oil per day for the Tocito Dome Pennsylvanian "D" Oil Pool, San Juan County, New Mexico, to replace the current regular depth bracket allowable for said pool of 382 barrels per day.

CASE 4970: Application of Robert G. Cox for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter his Federal "EA" Well No. 1, a crooked hole the surface location of which is 330 feet from the North and West lines of

(Case 4970 continued from page 1)

Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, to set a whipstock at a depth of 4,200 feet and to drill in such a manner as to return the hole to the vertical, and to bottom said well at a depth of 6,200 feet approximately beneath the surface location.

- CASE 4971: Application of Tesoro Petroleum Corporation for a secondary recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by injection of water and/or gas into the Hospah sand in its Santa Fe RR "A" Well No. 84 to be located five feet from the South line and 2,950 feet from the East line of Section 1, Township 17 North, Range 9 West, South Hospah-Lower Sand Oil Pool, McKinley County, New Mexico.
- CASE 4972: Application of Skelly Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Forty-Niner Ridge Unit Area comprising 7,679 acres, more or less, of State, Federal, and Fee lands in Township 23 South, Range 30 East, Eddy County, New Mexico.
- CASE 4973: Application of Clayton W. Williams, Jr. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Badger Unit Area comprising 10,158 acres, more or less, of State and Federal lands in Township 22 South, Range 31 East, Eddy County, New Mexico.
- CASE 4974: Application of Atlantic Richfield Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a non-standard 160-acre unit comprising the W/2 NE/4 and E/2 NW/4 of Section 12, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Cooper Wells Nos. 1, 2, and 3 located in Units G, F, and B, respectively, of said Section 12.
- CASE 4975: Application of Atlantic Richfield Company for a non-standard proration unit, simultaneous dedication, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 320-acre gas proration unit comprising the NW/4, N/2 SW/4, and W/2 NE/4 of Section 11, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its W. P. Byrd Wells Nos. 5, a non-standard location 1650 feet from the North line and 330 feet from the West line, and No. 7, located 990 feet from the North line and 1980 feet from the West line of said Section 11.

CASE 4951: (Continued from the April 25, 1973 Examiner Hearing)

Application of Atlantic Richfield Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 15, Township 21 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled by the applicant at a standard location to test the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator and the risk involved in drilling said well.

CASE 4976: Application of The Petroleum Corporation for a dual completion, creation of two gas pools and special rules therefor, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Parkway West Unit Well No. 1 located in Unit C of Section 28, Township 19 South, Range 29 East, Eddy County, New Mexico, to produce gas and associated liquid hydrocarbons from the Strawn and Atoka formations through parallel strings of tubing. Applicant further seeks the designation of a Strawn pool and an Atoka pool for said well and the promulgation of special pool rules for each, including classification of oil wells and gas wells and special gas-oil ratio limitations.

CASE 4977: Application of Michael P. Grace II for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 12, Township 22 South, Range 26 East, South Carlsbad Gas Field, Eddy County, New Mexico, to be dedicated to a well to be drilled to the Morrow formation at an unorthodox location 1440 feet from the North line and 1880 feet from the East line of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well, and the establishment of a 200 percent risk factor for the well.

CASE 4978: Application of Adobe Oil Company for a dual completion and non-standard gas well location, Eddy County, New Mexico. Applicant in the above-styled cause, seeks authority to dually complete its Smith Federal Well No. 2 in such a manner as to produce gas from an undesignated Atoka gas pool and from the Rock Tank-Upper Morrow gas pool through parallel strings of tubing. Applicant further seeks approval for the non-standard location of said well for the Atoka formation at a point 660 feet from the South line and 330 feet from the East line of Section 11, Township 23 South, Range 24 East, Rock Tank Gas Field, Eddy County, New Mexico, said location having previously been approved for the Upper Morrow formation by Order No. R-4456.

CASE 4979: Application of Michael P. Crace II for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to set a whip-stock in his Airport Grace Well No. 1, the surface location of which is 1980 feet from the South line and 2164 feet from the West line of Section 36, Township 22 South, Range 26 East, South Carlsbad Gas Field, Eddy County, New Mexico, and to directionally drill said well in such a manner as to bottom the well in the Morrow formation at a point approximately 500 feet Northeast of the surface location.

CASE 4980: Application of Pubco Petroleum Corporation for pool creation, an oil discovery allowable, and surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Humble City-Wolfcamp Pool and the assignment of approximately 47,970 barrels of oil discovery allowable to the discovery well for said pool, applicant's Shipp Well No. 4 located in Unit L of Section 11, Township 17 South, Range 37 East, Lea County, New Mexico. Applicant further seeks authority to commingle production from said pool with production from the Humble City-Strawn Pool underlying applicant's Shipp lease after separately metering the Wolfcamp production.

CASE 4981: Southeastern nomenclature case calling for an order for the creation and extension of certain pools in Eddy, Lea, and Chaves Counties, New Mexico:

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the West Atoka-Cisco Gas Pool. The discovery well is the Coquina Oil Corporation Five Mile No. 1 located in Unit H of Section 14, Township 18 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 14: E/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Cabin Lake-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company James A Com No. 1 located in Unit O of Section 2, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 2: S/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the West Sand Dunes-Morrow Gas Pool. The discovery well is the El Paso Natural Gas Company Mobil Federal No. 1 located in Unit J of Section 29, Township 23 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 29: E/2

(d) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Shoe Bar-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation Skelly State No. 1 located in Unit I of Section 14, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 14: SE/4

(e) Extend the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 18: S/2

(f) Extend the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: N/2

(g) Extend the East Brunson-McKee Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 24: SW/4

(h) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 11: E/2

(i) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 2: Lots 1 through 8
Section 3: Lots 1 through 8

(j) Extend the East Caprock-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 10: SE/4

(k) Extend the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 30: All

(l) Extend the Cedar Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 10: All

(m) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 5: NE/4

(n) Extend the East EK-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 21: S/2 SE/4

(o) Extend the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 5: Lots 1, 2, 7, 8, 9, 10,
15 and 16

(p) Extend the Grayburg-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 28: N/2

(q) Extend the Justis-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 13: SE/4

(r) Extend the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 23: SW/4 SE/4

Examiner Hearing - Wednesday - May 23, 1973
-7-

Docket No. 14-73

(s) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 22: SE/4
Section 23: E/2 SW/4

(t) Extend the West Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 29: NW/4

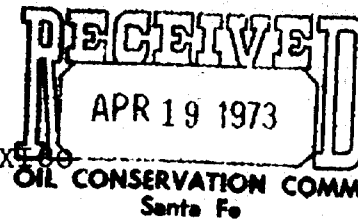
(u) Extend the Twin Lakes-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM
Section 1: SE/4 NW/4 and NE/4 SW/4

CASE 4943: (Continued from the May 9, 1973 Examiner Hearing)

Application of M. W. Staples for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce oil from his Vanderventer Well No. 2 located 1310 feet from the North line and 1330 feet from the East line of Section 20, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico. Said well was drilled as an injection well at said location pursuant to authority granted by Order No. R-3341.

Case 4970



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF ROBERT G. COX FOR PERMISSION
TO DEVIATE A WELL, EDDY COUNTY,
NEW MEXICO.

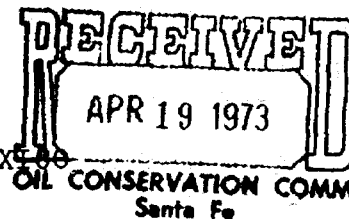
A P P L I C A T I O N

COMES NOW Robert G. Cox and applies to the Oil Conservation Commission of New Mexico for authority to intentionally deviate a well located 330 feet from the North line and 330 feet from the West line of Section 12, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the oil and gas minerals in the area involved in this application.
2. There presently exists a well located 330 feet from the North Line and 330 feet from the West line of Section 12, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Said well has deviated 172 feet to the West and 33 feet to the South of the surface location and has been drilled to a depth of 6,200 feet into the Empire-Abo Pool.
3. Because of mechanical difficulties, applicant was unable to complete well at this present location and therefore proposes to set a whip stock or motor drill at a depth of 4,200 feet and to drill so as to return the well hole to approximately vertical and bottom the well at a depth of 6,200 feet in the Empire-Abo pool, Eddy County, New Mexico.

EXHIBIT I

Case 4970



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF ROBERT G. COX FOR PERMISSION
TO DEVIATE A WELL, EDDY COUNTY,
NEW MEXICO.

A P P L I C A T I O N

COMES NOW Robert G. Cox and applies to the Oil Conservation Commission of New Mexico for authority to intentionally deviate a well located 330 feet from the North line and 330 feet from the West line of Section 12, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the oil and gas minerals in the area involved in this application.
2. There presently exists a well located 330 feet from the North Line and 330 feet from the West line of Section 12, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Said well has deviated 172 feet to the West and 33 feet to the South of the surface location and has been drilled to a depth of 6,200 feet into the Empire-Abo Pool.
3. Because of mechanical difficulties, applicant was unable to complete well at this present location and therefore proposes to set a whip stock or motor drill at a depth of 4,200 feet and to drill so as to return the well hole to approximately vertical and bottom the well at a depth of 6,200 feet in the Empire-Abo pool, Eddy County, New Mexico.

EXHIBIT I

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the intentional deviation of subject well as described above.

Respectfully submitted,

ROBERT G. COX

BY



KELLAHIN & FOX

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT