

CASE 7413: GULF OIL CORPORATION FOR
DIRECTIONAL DRILLING, LEE COUNTY, NEW
MEXICO

DOCKET MAILED

Date 11/6/81

CASE NO.

7413

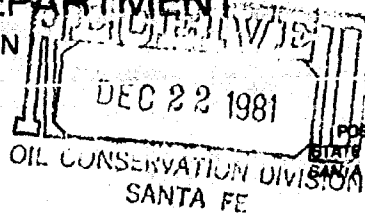
APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



December 17, 1981

Mr. F. R. Matthews
Area Drilling Superintendent
Gulf Oil Exploration and Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

*Call
File
Case 7413*

Dear Mr. Matthews:

The directional survey submitted by your letter of December 11, 1981, does not appear to satisfy the requirements of Division Order R-6847.

That order anticipates the submittal of a copy of all multishot data points and calculated bottom hole location and plat thereof prepared by the surveying company.

If there are questions on this matter please do not hesitate to call upon me.

Sincerely,

R. L. Stamets

R. L. STAMETS
Technical Support Chief

RLS/og

cc: Case File 7413

Dear Mr. Stamets:

The item submitted to you December 11, 1981 was not actually a directional survey but rather a plat showing the kick-off point of the subject well. A directional survey will be submitted as soon as possible after the well is actually begun.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

December 17, 1981

Case
7413

Mr. F. R. Matthews
Area Drilling Superintendent
Gulf Oil Exploration and Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

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Technical Support Chief

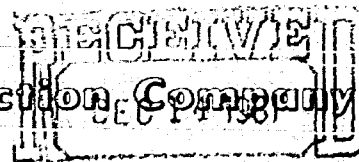
RLS/og

cc: Case File 7413

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

December 11, 1981



OIL CONSERVATION DIVISION
SANTA FE P. O. Box 670
Hobbs, NM 88240

*Case 7413
Stamets*

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

Gentlemen:

Enclosed please find directional survey of the well-bore of our proposed Arnott-Ransay (NCT-B) #12 per Order R-6847.

If anything further is needed prior to drilling this well, please advise.

Yours very truly,

F. R. Matthews
Area Drilling Superintendent

Jr

Enclosure



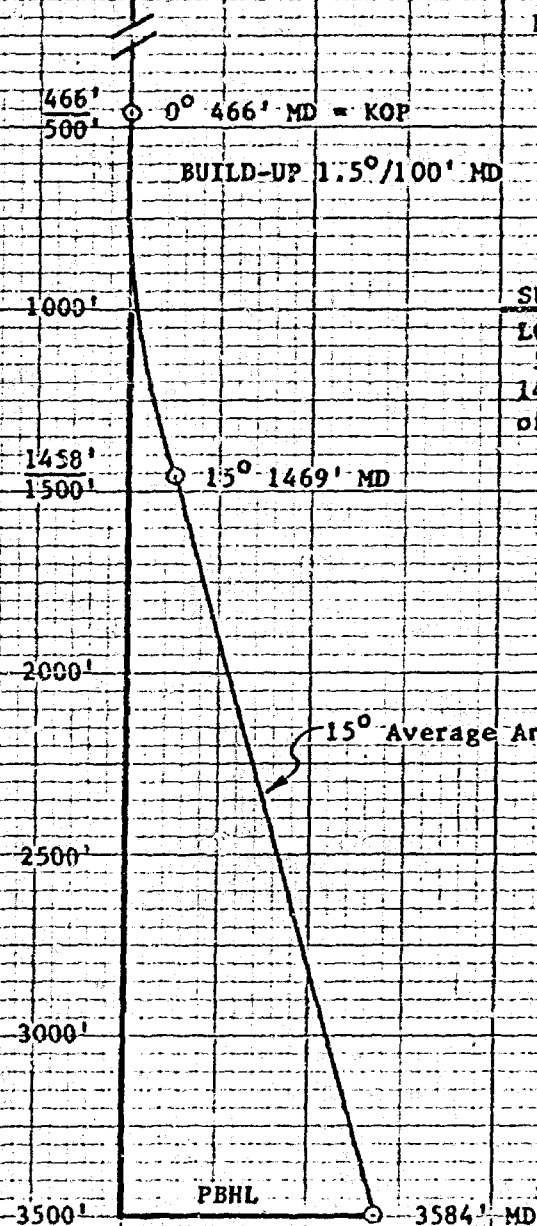
A DIVISION OF GULF OIL CORPORATION

46 0780

K&S 10 X 10 TO THE INCH 7 X 10 IN. RES
KEUFFEL & ESSER CO. MADE IN U.S.A.

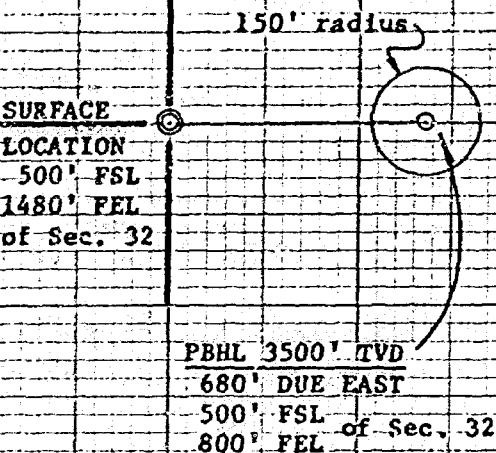
VERTICAL SECTION

Scale: 1" = 500'



HORIZONTAL PROJECTION

Scale: 1" = 500'



GULF OIL EXPLORATION & PRODUCTION COMPANY

ARNOTT RAMSAY(NCT-B), WELL NO. 12

SECTION 32 - T. 25 S. - R. 37 E.

LEA COUNTY, NEW MEXICO

December 8, 1981



206 Ronald Road
P.O. Drawer C
Youngsville, Louisiana 70582
(519) 837-5603

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
19 November 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation
for directional drilling, Lea
County, New Mexico.

CASE
7413

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

William V. Kastler, Esq.
THE GULF COMPANIES
P. O. Box 3725
Houston, Texas

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I N D E X

CHARLES F. KALTEYER

Direct Examination by Mr. Kastler 3

Cross Examination by Mr. Stamets 8

E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Drilling Plan 6

1
2 MR. STAMETS: We will call next Case 7413.

3 MR. PEARCE: Application of Gulf Oil
4 Corporation for directional drilling, Lea County, New Mexico.

5 MR. KASTLER: My name is Bill Kastler
6 from Houston, New Mexico, appearing on behalf of Gulf.

7 MR. STAMETS: Houston, New Mexico.

8 MR. KASTLER: Houston, Texas, I mean.
9 Well, anyway, our witness is Charles Kalteyer.

10 MR. STAMETS: Let the record show that
11 the -- Mr. Kalteyer has previously been sworn and qualified
12 and is so sworn and qualified in this case.

13 MR. KASTLER: Thank you.

14
15 CHARLES F. KALTEYER
16 being called as a witness and being previously sworn upon his
17 oath, testified as follows, to-wit:

18
19 DIRECT EXAMINATION

20 BY MR. KASTLER:

21 Q Mr. Kalteyer, would you like to correct
22 a statement in the call of the docket for this case?

23 A Yes, sir. The original call of the
24 docket included the surface location at some 1400 feet from
25 the east line of Section 32, Township 25, 37.

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Q. That 1400 feet should be corrected?

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A.

And it should be corrected to 1480 feet, because when they prepared the location they found that there was a Texas-New Mexico pipeline at that point, and this shifted the surface location some 80 feet to the west.

MR. KASTLER: Mr. Examiner, I would pray

that you would not require this case to be readvertised because of a misstatement of 80 feet.

MR. STAMETS: I presume you've got an

exhibit which shows the surface obstruction?

A.

We have only -- no, we have not indicated the pipeline. There's a pipeline in the way but we have -- this is a directional well and the purpose of the application is in order to bottom this hole at a standard location we must sidetrack under the Texas-New Mexico pipeline station.

MR. STAMETS: Well, let's proceed with

this and I think we can probably amend the location if it does appear that that's --

A.

Yeah, since it's just the surface location that's moving. The bottom hole location proposed has not been changed.

Q.

Well, I believe you've just stated what Gulf is seeking in this application.

A.

Well, I'll go through it to make it com-

plete.

Q Thank you.

A Gulf is seeking to directionally drill its Arnott Ramsey Well No. 12 from a surface location 500 feet from the south line and 1490 feet from the east line in Unit O, Section 32, Township 25 South, Range 37 East, to a bottom hole location within a 150-foot radius of a point 500 feet from the south line and 800 feet from the east line in Unit P, Section 32, Township 25 South, Range 37 East, the Langlie Mattix Pool, Lea County, New Mexico.

Q Do you have a plat depicting the surface location and the bottom?

A Yes, sir, Gulf Exhibit One is a plat showing the surface location circled in red and bottom hole target area colored in yellow.

Q Why is it necessary to directionally drill the Arnott Ramsey NCTB No. 12?

A Directional drilling is necessary due to the presence of the Texas-New Mexico pipeline station which is situated at a standard location and is indicated on our Exhibit Number One by a green hachured -- or green highlighted line.

Q What is the drilling plan for the well?

A Well --

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2 MR. STAMETS: While we're looking at that
3 exhibit, this line that's located at 1400 feet, now I presume
4 that is a line that's either an inlet or an outlet to the pipe-
5 line station?

6 A. Yes, sir.

7 MR. STAMETS: Do you know what direction
8 that's running? Is it a north/south line --

9 A. No, sir.

10 MR. STAMETS: -- or east/west line?

11 A. No, sir, I would have to get some measure-
12 ments on it, if that was pertinent to the case, but since it's
13 a surface location I assumed it had no real bearing on the
14 approval of the bottom hole location, other than it was ne-
15 cessary to avoid drilling in the yard of the Texas-New Mexico
16 Pipeline station.

17 Q What is Gulf's drilling plan for the
18 well?

19 A. Gulf's plan is to drill a 12-1/2 inch
20 hole to 350 feet with fresh water mud; set 8-5/8ths inch
21 OD 24-pound K-55 casing and cement with approximately 400
22 sacks of Class C cement with 2 percent calcium chloride.

23 Q Are you referring to what you would like
24 to introduce as Exhibit Two?

25 A. Yes, sir.

1

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Q For this testimony?

3

A Yes, sir, Exhibit Two.--

4

Q Proceed.

5

A -- is the drilling plan. We'll drill out

6

with brine. We propose to drill out from the 8-5/8ths with

7

brine with a 7-7/8ths hole to 500 feet, set whipstock and

8

drill to 3500 feet with a 13 degree angle to TD of 3500.

9

We plan to set 5-1/2 inch OD 14-pound

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K-55 casing and cement in two stages with DV tool at approxi-

11

mately 2600.

12

We plan to perforate selectively in the

13

Lower Seven Rivers and Queen from approximately 3260 to 3500;

14

acidize and fracture; place on production flowing and put the

15

pump, if necessary.

16

Q What is the estimated cost to drill and

17

complete this well?

18

A Approximately \$250,000.

19

Q How much of this will go into direction-

20

al drilling costs?

21

A Approximately \$25,000, will be the extra

22

cost to directionally control this well.

23

Q Is this request in the interest of pre-

24

venting waste and protecting correlative rights?

25

A Yes, sir.

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2 Q Were the exhibits prepared by you or at
3 your direction?

4 A Yes, sir, they were.

5 MR. KASTLER: This concludes our direct
6 examination and I would like at this time to move Exhibits
7 One and Two be admitted.

8 MR. STAMETS: These exhibits will be ad-
9 mitted.

10
11 CROSS EXAMINATION

12 BY MR. STAMETS:

13 Q Mr. Kalteyer, who is the owner of the
14 acreage immediately to the south of the proposed bottom hole
15 location?

16 A El Paso Natural Gas.

17 Q Okay.

18 A It appears to be their Shepherd B lease.

19 Q All right, in view of the fact that the
20 proposed amendment does not affect the ultimate producing
21 horizon of this well, we will amend the location to -- or the
22 application to provide for the 1480-foot location at the
23 surface instead of 1400 feet.

24 MR. KASTLER: Thank you.

25 MR. STAMETS: Are there any other ques-

1
2 tions of the witness?

3 MR. KASTLER: May I ask one more question?

4 MR. STAMETS: You certainly may.

5 MR. KASTLER: Mr. Kalteyer, is that map
6 you referred to to answer the last question, does that show
7 that this Arnott Ramsey lease is a State of New Mexico oil and
8 gas lease?

9 A. Yes, sir, it does.

10 MR. KASTLER: Thank you.

11 MR. STAMETS: Any other questions of
12 this witness? He may be excused.

13 Anything further in this case?

14 The case will be taken under advisement.

15
16 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

C E R T I F I C A T E

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Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a true and correct copy of the transcript in
the case of 11-19 No. 7413
Hearing held on 81
Richard L. Hunt Examiner
Oil Conservation Division



STATE OF NEW MEXICO

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

Mr. William Kastler, Attorney Re:
Gulf Oil Corporation
Box 2100
Houston, Texas 77001

CASE NO. 7413
ORDER NO. R-6847

Gulf Oil Corporation

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

JOE D. RAMEY
Director

Hobbs OCD	<u>X</u>
Artesia OCD	<u>X</u>
Aztec OCD	<u> </u>

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7413
Order No. R-6847

APPLICATION OF GULF OIL CORPORATION
FOR DIRECTIONAL DRILLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 19, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of December, 1981, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, seeks authority to directionally drill its Arnott Ramsey (NCT-B) Well No. 12, the surface location of which was originally proposed to be 500 feet from the South line and 1400 feet from the East line of Section 32, Township 25 South, Range 37 East, to a bottomhole location within 150 feet of a point 500 feet from the South line and 800 feet from the East line of Section 32, Township 25 South, Range 37 East, Langlie Mattix Pool, NMPM, Lea County, New Mexico.

(3) That at the hearing the applicant sought and received approval to amend the surface location of said well to a point 500 feet from the South line and 1480 feet from the East line of said Section 32.

(4) That the directional drilling is necessary to permit the applicant to drill and develop acreage under a pipeline station.

-2-

Case No. 7413
Order No. R-6847

(5) That the SE/4 SE/4 of said Section 32 is to be dedicated to the well.

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

IT IS THEREFORE ORDER:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to directionally drill its Arnett Ramsey (NCT-B) Well No. 12, the surface location of which is to be 500 feet from the South line and 1480 feet from the East line of Section 32, Township 25 South, Range 37 East, to a bottomhole location within 150 feet of a point 500 feet from the South line and 800 feet from the East line of Section 32, Township 25 South, Range 37 East, NMPM, Langlie Mattix Pool, Lea County, New Mexico.

PROVIDED HOWEVER, that prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

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

(2) That the SE/4 SE/4 of said Section 32 shall be dedicated to the well.

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

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

-2-

Case No. 7413
Order No. R-6847

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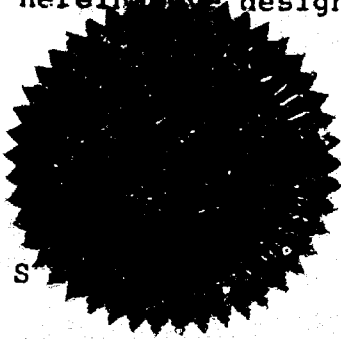
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 7413

Order No. R-6847

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramby
JOE D. RAMBY,
Director

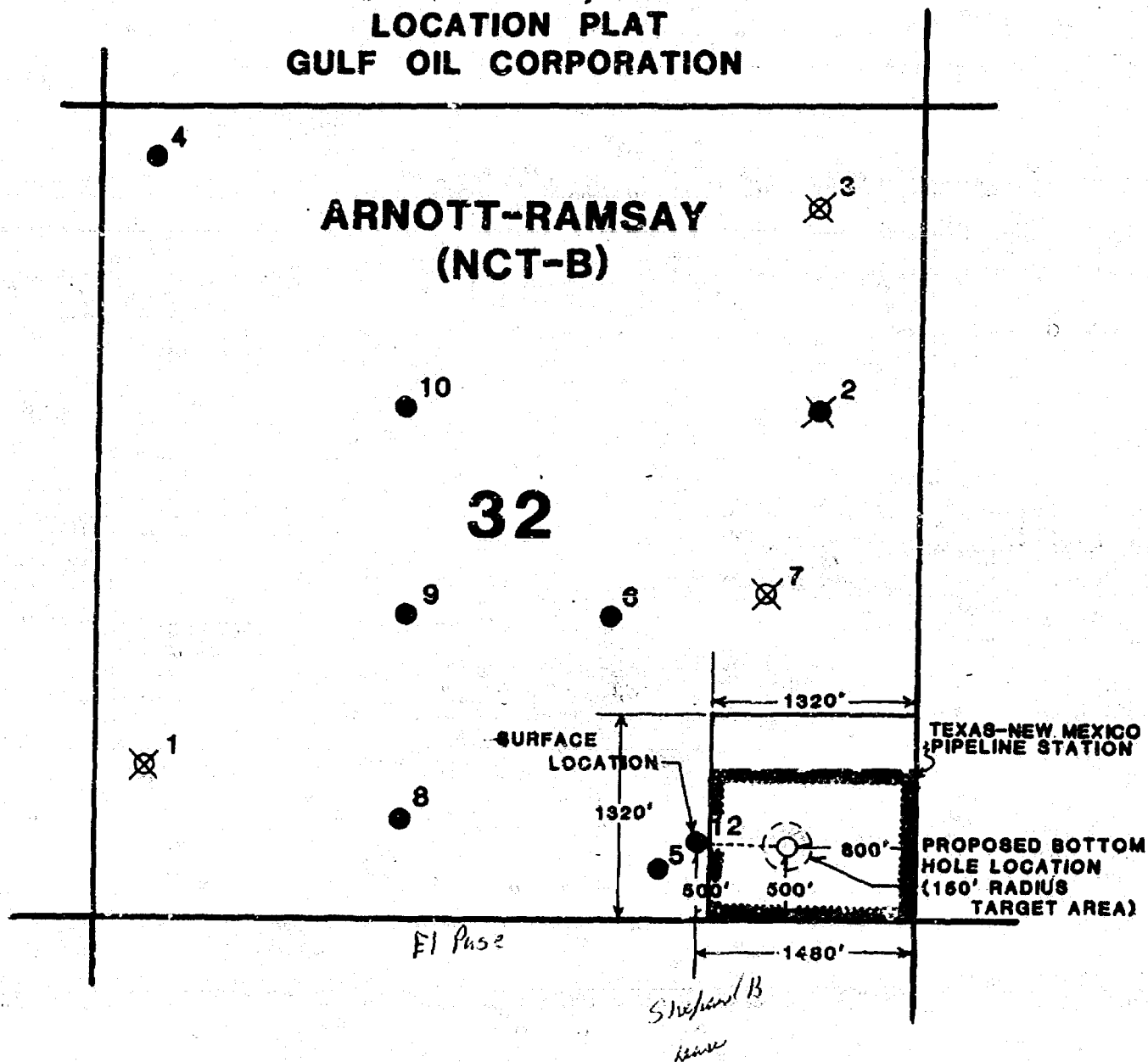
CASE NO.

Submitted by:

Hearing Date

**ARNOTT-RAMSAY
(NCT-B)**

32



DIRECTIONAL DRILL
ARNOTT-RAMSAY NO. 12
LANGLIE-MATTIX POOL
T-25-S, R-37-E
LEA COUNTY, NEW MEXICO
Scale: 1" = 1000'

Exhibit 2
Case 7413
19 November 1981

Drilling Plan
Arnott-Pamsay (NCT-B) Well No. 12
Section 32, T-25-S, R-37-E
Lea County, New Mexico

Surface Location: 500' FSL & 1480' FEL Unit O
Bottomhole Location: Within 150' Radius of a Point
500' FSL & 800' FEL Unit P

Drill 12 1/4" hole to 350' with fresh water mud.

Set 8 5/8" OD 24# K-55 8Rd ST&C Casing and cement with approximately
400 SX Class C with 2% CaCl_2 .

Drill out with brine with 7 7/8" hole to 500' and set whipstock and
drill to 3500' with 13° angle to 3500' TD.

Set 5 1/2" OD 14# K-55 8 Rd ST&C casing and cement in 2 stages with
DV tool at approximately 2600'.

Perforate selectively in lower Seven Rivers and Queen from approxi-
mately 3260' to 3500'.

Acidize and fracture.

Place on production flowing.

Equip to pump if necessary.

1/2" 25' per

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION
EXHIBIT NO. <u>2</u>
CASE NO. <u>7413</u>
Submitted by <u>GULF</u>
Hearing Date <u>11/19/81</u>

Dockets Nos. 38-81 and 39-81 are tentatively set for December 2, and December 15, 1981. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 19, 1981

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for December, 1981, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for December, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7410: Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7356: (Continued from October 21, 1981, Examiner Hearing)

Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the W/2 SW/4 of Section 12, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, to be dedicated to a well to be drilled at a standard location thereon. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7411: Application of Viking Petroleum, Inc., for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the North and East lines of Section 12, Township 11 South, Range 27 East, the NE/4 of said Section 12 to be dedicated to the well. (This case will be dismissed).

CASE 7412: Application of Gulf Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Yates, Queen, San Andres and Delaware formations in the open hole interval from 4375 feet to 7452 feet in its Lea "2D" State Well No. 1 located in Unit M of Section 30, Township 13 South, Range 35 East, Air-Strip Field.

CASE 7413: Application of Gulf Oil Corporation for Directional Drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Arnott Ramsey Well No. 12, the surface location of which is 500 feet from the South line and 1400 feet from the East line of Section 32, Township 25 South, Range 37 East, to a bottomhole location within 150 feet of a point 500 feet from the South line and 800 feet from the East line of Section 32, Township 25 South, Range 37 East, Langlie Mattix Pool, the SE/4 SE/4 of said Section 32 to be dedicated to the well.

CASE 7414: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Wantz-Granite Wash production in the wellbore of its Hugh Well No. 10, located in Unit C of Section 11, Township 22 South, Range 37 East.

Examiner Hearing - Thursday - November 19, 1981

- CASE 7415:** Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Tubb and Drinkard production in the wellbore of its T. R. Andrews Well No. 3, located in Unit J of Section 32, Township 22 South, Range 38 East.
- CASE 7379:** (Continued from October 21, 1981, Examiner Hearing)
- Application of JEM Resources, Inc., for vertical pool extension and special GOR limit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the vertical extension of the Cave-Grayburg Pool to include the San Andres Formation, and the establishment of a special gas-oil ratio limit for said pool to 6000 to one or, in the alternative, the abolishment of the gas-oil ratio limit in said pool, all to be effective October 1, 1981.
- CASE 7407:** (Continued from November 4, 1981, Examiner Hearing)
- Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NE/4 of Section 23, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7416:** Application of El Paso Natural Gas Company for pool creation and redelineation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to contract the horizontal limits of the Jalmat Gas Pool by deleting therefrom all lands in Township 26 South, Range 37 East. Applicant also proposes to contract the horizontal limits of the Rhodes Yates - Seven Rivers Oil Pool by deleting therefrom all of the gas productive lands in the North end thereof and to create the Rhodes Yates-Seven Rivers Gas Pool comprising all such deleted lands. Applicant further proposes the deletion of certain oil productive lands from said Rhodes oil pool and the extension of the Scarborough Pool to include said lands. Applicant further proposes to contract the horizontal boundaries of the Rhodes Gas Storage Unit to delete certain lands and wells not participating in the Rhodes Gas Storage Project and to withdraw without restriction all gas remaining in the newly created Rhodes Gas Pool.
- CASE 7417:** (This case will be dismissed.)
- Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.
- CASE 7418:** Application of Morris R. Antweil for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Nadine-Drinkard Pool including a special gas-oil ratio of 6,000 to one.
- CASE 7419:** Application of Morris R. Antweil for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Nadine-Blinberry pool including a special gas-oil ratio of 4,000 to one.
- CASE 7420:** Application of Southland Royalty Company for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of two previously drilled wells, the first being 760 feet from the South line and 660 feet from the East line of Section 5 the other being 660 feet from the North and West lines of Section 9, both in Township 19 South, Range 35 East, both to be plugged back to the Scharb-Bone Springs Pool, the S/2 SE/4 of Section 5 and the N/2 NW/4 of Section 9, respectively, to be dedicated to the wells.
- CASE 7421:** Application of Doyle Hartman for compulsory pooling, unorthodox well location and non-standard spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying a 120-acre non-standard spacing unit consisting of the S/2 SW/4 and the NW/4 SW/4 of Section 3, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 2,310 feet from the South line and 330 feet from the West line of Section 3. 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Page 3

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- CASE 7422:** Application of Conoco, Inc. for dual completion and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Southeast Monument Unit Well No. 121, to produce oil from the Skaggs Grayburg and an undesignated Paddock pool through parallel strings of tubing. Applicant further seeks approval of the unorthodox location of said well 1310 feet from the North line and 1330 feet from the West line of Section 19, Township 20 South, Range 38 East, the NE/4 NW/4 of said Section 19 to be dedicated to the well.
- CASE 7423:** Application of Conoco, Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for three companies to institute a cooperative waterflood project in the Blinsbry oil and gas pool by the injection of water into the Blinsbry formation through 13 injection wells located on leases operated by Conoco, Shell Oil Company, and Southland Royalty Company, in Sections 33 and 34, Township 20 South, Range 38 East, and Sections 2 and 3, Township 21 South, Range 37 East.
- CASE 7424:** Application of Rice Engineering and Operating, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres formation in the perforated interval from 4300 feet to 4852 feet in its Eunice-Monument Eumont SWD "G" Well No. 8, located in Unit G of Section 8, Township 20 South, Range 37 East.
- CASE 7425:** Application of H. L. Brown, Jr. for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the San Andres formation to the base of the Pennsylvanian formation underlying the S/2 of Section 36, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 554 feet from the South and West lines of said Section 26, provided that in the event the subject well encounters production in the Casey-Strawn Pool and/or the West Knowies-Drinkard Pool, the lands pooled would be the W/2 SW/4 of said Section 26. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7426:** Application of Phillips Petroleum Company for Amendment of Division Order No. R-5897 and certification of a tertiary recovery project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-5897, to include the injection of carbon dioxide in the previously authorized pressure maintenance project in the East Vacuum Grayburg-San Andres Unit, for conversion of existing injectors to water/carbon dioxide injection, and for certification to the Secretary of the IRS that the East Vacuum Grayburg-San Andres Unit Project is a qualified tertiary oil recovery project.
- CASE 7427:** Application of Belco Petroleum Corporation for a special allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an adjustment to the manner in which allowables are calculated for wells in the South Carlsbad-Morrow Gas Pool in order to grant relief to the over-produced status of its Douglas Com. Well No. 1 located in Unit H of Section 7, Township 22 South, Range 27 East, said well being subject to shut-in being more than six times its allowable over-produced. In the alternative, applicant seeks to make up the over-production at a rate less than complete shut-in by curtailing production from the well to 80 percent of its top allowable until it is back in balance.
- CASE 7428:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating; and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Antelope Ridge-Wolfcamp Gas Pool. The discovery well is J. C. Williamson Triple A Federal Well No. 1 located in Unit F of Section 10, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 10: N/2 and N/2 SW/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Diamondtail-Wolfcamp Pool. The discovery well is the Superior Oil Company Triste Draw Federal Well No. 1 located in Unit J of Section 14, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the North Grama Ridge-Bone Spring Pool. The discovery well is the Hunt Oil Company State 4 Well No. 1 located in Unit T of Section 4, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 4: SW/4

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Grassland-Wolfcamp Pool. The discovery well is C. F. Qualia State 23 Well No. 1 located in Unit K of Section 23, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 23: SW/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the North Lusk-Bone Spring Pool. The discovery well is Petroleum Development Corporation Shelly Federal Com. Well No. 1 located in Unit H of Section 5, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 5: NE/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the McMillan-Atoka Gas Pool. The discovery well is Southland Royalty Company Pecos River 21 Federal Com Well No. 1 located in Unit K of Section 21, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Springs-Morrow Gas Pool. The discovery well is Jake L. Hamon State 33 Com Well No. 1 located in Unit I of Section 33, Township 20 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 32: E/2
Section 33: All

(h) EXTEND the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 11: All
Section 15: N/2

(i) EXTEND the Baldrige Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 14: N/2

(j) EXTEND the Bear Draw-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 28: N/2 SE/4

(k) EXTEND the Bluit-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 10: SE/4

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

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 4: All

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- (m) EXTEND the Bunker Hill-Fenrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 13: SE/4 SW/4

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 35: W/2

- (o) EXTEND the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 27: N/2

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 1: All

- (p) EXTEND the Golden Lane-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 8: S/2

- (q) EXTEND the Kennedy Farms Upper Pennsylvanian Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 34: N/2
Section 35: N/2

- (r) EXTEND the North Mason-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
Section 8: S/2 S/2

- (s) EXTEND the West Osado-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 35: N/2

- (t) EXTEND the West Parkway-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 29: W/2

- (u) EXTEND the Peterson-Mississippian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 29: NE/4

- (v) EXTEND the POW-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 4: S/2

- (w) EXTEND the Saunders-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 32: NE/4

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- (x) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 8: NE/4

- (y) EXTEND the East Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP SOUTH, RANGE 31 EAST, NMPM
Section 10: NE/4

- (z) EXTEND the Teague-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 27: NW/4

- (aa) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 28: SE/4

- (bb) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 21: All

- (cc) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 9: NE/4

Gulf Oil Exploration and Production Company

J. M. Thacker
GENERAL MANAGER PRODUCTION
SOUTHWEST DISTRICT



P. O. Drawer 1150
Midland, TX 79702

October 26, 1981

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

Case 7412

Attention: Mr. Joe D. Ramey

Re: Examiner Hearing
November 19, 1981

Gentlemen:

This letter will confirm our request to schedule the following on your Examiner Hearing Docket of November 19, 1981.

1. Downhole commingling of Tubb-Drinkard production in the wellbore of No. 3 T.R. Andrews well located in Unit J, 1980' FS&EL Sec. 32, T-22-S, R-38-E, Lea County, New Mexico.
2. Downhole commingling of Drinkard-Wantz Granite Wash production in the wellbore of Hugh Well No. 10, located in Unit C, 950' FNL and 2290' FWL, Sec. 14, T-22-S, R-37-E, Lea County, New Mexico.
3. Directionally drilling of Arnott Ramsay (NCT-R) Well No. 12, the surface location being 500' FSL and 1400' FEL in Unit O, Sec. 32, T-25-S, R-37-E, and a bottomhole location to be within a 150' radius of a point 500' FSL and 800' FEL in Unit P, Sec. 32, T-25-S, R-37-E, Langlie Mattix Pool, Lea County, New Mexico.
4. Disposal of produced saltwater in the approximate open hole interval 4375' - 7452' of the lower Yates, all of the Queen, San Andres and Delaware formations in Lea "ZD" State No. 1 located 990' FSL and 380' FWL, Sec. 30, T-18-S, R-35-E, Lea County, New Mexico.

Very truly yours,

F.H. Martin
Technical Manager

CFK/js

cc: New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240



Called in by Chuck Kallinger 10/26

Gulf

downhole comm. TB & Dr
T.R. Andrews #3 T 32-225-38E Lea

downhole comm. Dr - Wentz Mr Wark
Hugh #10 C-14-225-37E Lea

directional drill

Arnot Ramsey #12 (NCT-B)

surf loc 500' FSL 1400' FEL
"O" 32-255-R37E

bottom hole within 150' of a point
500' FSL 800' FEL

"P" 32-255-37E

Rangie Mattie Lea County

disp. of prod. salt water

open hole int 4375 - 7452

Lower Yates, Q, SA, & Delaware
Lea ZD State No. 1

~~loc 990' FSL 380' FWC~~

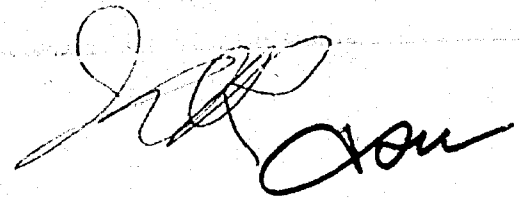
Unit M Sec 30-T185-R35E Lea
Air Strip Bone Spring fld

R-6657
May 20,
#67021+
Gulf
Box 1150

*Shirley
Orders*

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



*AMP
RLL*

CASE NO. 7413

Order No. R-6847

APPLICATION OF GULF OIL CORPORATION
FOR DIRECTIONAL DRILLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 19, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of November, 1981, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, seeks authority to directionally drill its Arnott Ramsey^(NCT-0) Well No. 12, the surface location of which ~~is~~ ^{was originally proposed to be} 500 feet from the South line and 1400 feet from the East line of Section 32, Township 25 South, Range 37 East, to a bottomhole location within 150 feet of a point 500 feet from the South line and 800 feet from the East line of Section 32, Township 25 South, Range 37 East, Langlie Mattix Pool, NMPM, Lea County, New Mexico.

See under
(3) That at the hearing the applicant sought and received approval to amend the surface location of said well to a point 500 feet from the South line and 1480 feet from the East line of said Section 32.

(4) That the directional drilling is necessary to permit the applicant to drill and develop acreage under a pipeline station.

line and 1480 feet from the East line of Section 32, Township 25 South, Range 37 East, to a bottomhole location within 150 feet of a point 500 feet from the South line and 800 feet from the East line of Section 32, Township 25 South, Range 37 East, Langlie Mattix Pool, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

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

(2) That the SE/4 SE/4 of said Section 32 shall be dedicated to the well.

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

(4) 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 the day and year hereinabove designated.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION