

CASE 2976: Application of MIDLAND  
PRODUCTION CORP. for directional  
drilling, Lea County, New Mexico.

CASE No.

2976

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

DOCKET NO. 4-64

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 5, 1964

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, Alternate Examiner:

- CASE 2976: Application of Midland Production Corporation for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Hill & Meeker Phillips Cryer Well No. 34-2 located 2310 feet from the South and West lines of Section 34, Township 10 South, Range 36 East, to bottom in the Devonian formation 1980 feet from the North and West lines of said Section 34, Lea County, New Mexico.
- CASE 2977: Application of Cities Service Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Brunson C Well No. 4, located in Unit J of Section 3, Township 22 South, Range 37 East, Lea County, New Mexico, to produce oil from the Blinbry and Drinkard Oil Pools through parallel strings of 1 1/2 inch and 2 1/16 inch tubing, respectively.
- CASE 2978: Application of Union Oil Company of California for a waterflood expansion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its South Caprock Queen Unit Waterflood Project, Caprock Queen Pool, Chaves County, New Mexico, by the conversion of nine additional wells located in Sections 28, 29, and 33, Township 14 South, Range 31 East, and Sections 3 and 4, Township 15 South, Range 31 East, to water injection.
- CASE 2979: Application of Pan American Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through its U. S. A. Malco Refineries 'G' Well No. 13, located 2302 feet from the South line and 1650 feet from the West line of Section 10, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.
- CASE 2980: Application of Pioneer Production Corporation for force-pooling and an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 15, Township 29

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North, Range 13 West, and authorizing the drilling of a well for said unit at an unorthodox location 1625 feet from the South line and 1250 feet from the West line of said Section 15, Town of Farmington, San Juan County, New Mexico.

CASE 2981: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northwest Eumont Unit Area comprising 2,760 acres, more or less, of State and fee lands in Township 19 South, Range 36 East, Lea County, New Mexico.

CASE 2982: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Eumont Gas Pool by the injection of water into the Queen formation through 15 wells in Sections 11, 14, 15, 22 and 23, Township 19 South, Range 36 East, Lea County, New Mexico.

CASE 2983: Application of The Pure Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brinninstool Unit Area comprising 17,237 acres, more or less, of Federal and State lands in Townships 23 and 24 South, Ranges 32 and 33 East, Lea County, New Mexico.

CASE 2984: Application of The Pure Oil Company and Continental Carbon Company to utilize natural gas in a carbon black plant, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to utilize approximately 7 MCF of Devonian gas per day in the Continental Carbon Company carbon black plant near Eunice, New Mexico, said gas to be produced from The Pure Oil Company Wilson Deep Unit Well No. 1, located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico.

CASE 2985: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Bootleg Ridge Unit Area comprising 10,818 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Ranges 32 and 33 East, Lea County, New Mexico.

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CASE 2986: Application of Shell Oil Company to establish a GOR limit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special gas-oil ratio limitation of 5,000 cubic feet of gas for each barrel of oil produced in the Mesa-Queen Pool, Lea County, New Mexico.

CASE 2987: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project in the South Bitter Lake-San Andres Pool, by the injection of water into the San Andres formation through three wells at unorthodox locations in Sections 27 and 34, Township 10 South, Range 25 East, Chaves County, New Mexico.

CASE 2480 (Reopened):

In the matter of Case No. 2480 being reopened pursuant to the provisions of Order No. R-2182-A which continued for a period of one year the temporary 80-acre proration units established by Order No. R-2182, Henshaw-Wolfcamp Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2988: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit George E. Willett and all other interested parties to appear and show cause why the SDD Hare Well No. 7, located 600 feet from the South line and 1360 feet from the East line of Section 14, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.



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. 2976  
Order No. R-2656

APPLICATION OF MIDLAND PRODUCTION  
CORPORATION FOR DIRECTIONAL DRILL-  
ING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 5, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of March, 1964, 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, Midland Production Corporation, is the owner of the Hill & Meeker Phillips Cryer Well No. 34-2, which has a surface location 2310 feet from the South line and 2310 feet from the West line of Section 34, Township 10 South, Range 36 East, NMPM, Dickinson-Devonian Pool, Lea County, New Mexico.

(3) That said well was drilled as a straight hole at the above location but encountered salt water in the Devonian formation.

(4) That there is reason to believe that the proposed bottom-hole location in the Devonian formation approximately 1000 feet north would be productive of oil from the Devonian formation.

(5) That applicant seeks permission to set a whipstock in said well at a depth of approximately 8500 feet and drill in a northerly direction to encounter the Devonian formation at a point underlying a standard location in the Dickinson-Devonian Pool approximately 1980 feet from the North line and 1980 feet from the West line of Section 34, Township 10 South, Range 36 East.

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CASE No. 2976  
Order No. R-2656

(6) That the directional drilling of the subject well in the above-described manner will not impair correlative rights and may result in the recovery of oil that would otherwise be unrecoverable, thereby preventing waste.

(7) That the applicant should be permitted to directionally drill, provided an accurate survey is made of the well bore in order to determine the true bottom-hole location of the well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Midland Production Corporation, is hereby authorized to directionally drill its Hill & Meeker Phillips Cryer Well No. 34-2, which has a surface location 2310 feet from the south line and 2310 feet from the West line of Section 34, Township 10 South, Range 36 East, NMPM, Dickinson-Devonian Pool, Lea County, New Mexico, by setting a whipstock in said well at a depth of approximately 8500 feet and drilling to the Devonian formation no more than 200 feet from a point underlying a standard location 1980 feet from the North line and 1980 feet from the West line of said Section 34.

(2) That a continuous multi-shot directional survey should be made of the entire well bore 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 notify the Hobbs District Office of the Commission of the time said survey is to be commenced.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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

esr/



BEFORE THE  
OIL CONSERVATION COMMISSION  
OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF MIDLAND PRODUCTION CORPORATION  
FOR PERMISSION TO DIRECTIONALLY  
DRILL A WELL FROM SURFACE LOCATION  
IN THE SW/4 OF SECTION 34, TOWNSHIP  
10 SOUTH, RANGE 36 EAST, AS AN  
EXCEPTION TO THE PROVISIONS OF  
RULE 111.

NO. 2976

APPLICATION

Comes now Midland Production Corporation, Houston, Texas,  
and applies to the Oil Conservation Commission of New Mexico for  
permission to directionally drill its well, located in the  
SW/4 of Section 34, Township 10 South, Range 36 East, in such  
manner as to bottom said well approximately 1,000 feet due  
north of the surface location, or at approximately 1,980  
feet from the north and west lines of said section 34, for pro-  
duction from the Devonian formation, and in support of said  
application, the applicant would show:

1. That the Hill & Meeker No. 34-2 Phillips Cryer well  
was drilled at a location 2310 feet north of the south line, and  
2310 feet east of the west line of Section 34, Township 10  
South, Range 36 East. The well was drilled to a total depth of  
12,315 feet, and topped the Devonian formation at a sub-sea of  
minus 8294 feet, but was apparently fractured into the water zone  
and completion of the well was impossible.
2. Applicant proposes to directionally drill this well, after  
shooting and recovery of the available 5 1/2 inch casing at approxi-  
mately 8500 feet.
3. Applicant has the right to drill for and develop the acreage  
involved in this application.

WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order granting the relief prayed for.

Respectfully submitted

MIDLAND PRODUCTION CORPORATION

BY: Jason W. Kellahin

KELLAHIN & FOX  
P. O. Box 1713  
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

*Case 2976*

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
54½ EAST SAN FRANCISCO STREET  
POST OFFICE BOX 1713  
SANTA FE, NEW MEXICO  
January 10, 1964

1001 JUN 10 AM 13

Oil Conservation Commission of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Enclosed is the application of Midland Production Company  
for permission to directionally drill the Hill & Meeker  
No. 34-2 Phillips Cryer well, Section 34-10S-36E for  
Devonian production.

It will be appreciated if this application can be set  
for hearing at the February 5th hearing before the Commi-  
ssion's Examiner.

Very truly yours,

*Jason W. Kellahin*  
Jason W. Kellahin

JWK:lr  
encl.

DOCKET MAILED

Date 1-24-64  
*JK*

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 5, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Midland Production Corp.  
for directional drilling, Lea County,  
New Mexico.

Case No. 2976

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-5691

DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-0691

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 5, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Midland Production  
Corporation for directional drilling,  
Lea County, New Mexico.

CASE NO. 2976

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: We will call next Case No. 2976.

MR. DURRETT: Application of Midland Production  
Corporation for directional drilling, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, of Kellahin & Fox, Santa  
Fe, representing the applicant. I have one witness I would like  
to have sworn, please.

(Witness sworn)

LEON V. MANRY, JR.

called as a witness herein, having been first duly sworn on oath,  
was examined and testified as follows:

DIRECT EXAMINATION



BY MR. KELLAHIN:

Q Would you state your name, please?

A Leon V. Manry, Jr.

Q By whom are you employed and in what position, Mr. Manry?

A Midland Production Corporation, as President.

Q And in connection with your duties as President of Midland Production Corporation, are you familiar with the application of that company in Case No. 2976?

A Yes, sir, I am.

Q Have you ever testified before the Oil Conservation Commission of New Mexico?

A No, sir, I have not.

Q For the benefit of the Examiner, would you please briefly outline your education and experience as a Petroleum Engineer?

A Yes, sir. I am a graduate of Rice University in Electrical Engineering, Bachelor of Electrical Engineering, and the University of Houston with a Master of Science in Petroleum Engineering, and studied Geology in Texas A & M in a graduate school. I have worked as a petroleum engineer and petroleum geologist for four years for Frio Petroleum Company, one year as manager of Geo-Tex Oil Company, seven years as manager of exploration for Slick Oil Corporation, and the last three years as a petroleum engineering consultant and President of Midland Production Corporation.



MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir.

Q (By Mr. Kellahin) Mr. Manry, briefly stated, what does Midland Production Corporation propose in this case?

A Midland Production proposes to re-enter the Hill and Meeker No. 2-34 Phillips Cryer Well, Section 34, Township 10 South, Range 36 East, County of Lea, State of New Mexico.

Q All right.

A And to shoot off the 5½ inch casing which now is set in that well to total depth.

Q Before you get into the details of it, would you give us briefly a history of the Hill & Meeker Well, what is the present status?

A Drilled to a total of 12,311, bottomed in the Devonian formation. At that point, it was drillstem tested and oil recovered on the drillstem test was water free. As a result of that drillstem test, 5½ inch casing was set to the top of the Devonian- - let's see, it was set at 12,308, and a completion attempt was made on the well. Oil was circulated in the casing, acid was, less than 40 gallons of acid was pumped in the formation, shut down, well flowed back most of the oil in the casing, died and we swabbed the well, fluid level standing at approximately 2,000 feet, recovering about two percent oil and 98 percent salt water.

Q Now, with that background, what is it that you propose to



do to the well at this time?

A We propose then to shoot off the 5½ inch at approximately 8500 feet, pull the 5½ inch casing, deviate the well, by setting a Whipstock at the top of the 5½ inch "G" stub, approximately 1,000 feet to the north to a location which would be 1980 from the North and West of Section 34, and would be a regular location at the time we topped the Devonian formation.

Q Referring to what has been marked as Exhibit No. 1, does that exhibit show the well location, surface and bottom hole?

A Yes, sir, it does. The surface location being the one that is marked 2-34 in the Southwest Quarter of 34, the bottom hole location being the one in the Northwest Quarter of 34, shown as the proposed location.

Q And as I understand you, the bottom location, bottom of the hole, will be at a standard location in the Dickinson Devonian Pool?

A Yes, sir, it will be.

Q Is there other Devonian production in the area?

A Yes, sir. The Gulf 1-34 well, the discovery well for the pool, is still producing at this time.

Q Is it making any water?

A Yes, sir, it is. It makes currently about 43 barrels of oil per day and 160 barrels of water.

Q Referring again to Exhibit No. 1, does that exhibit show the lease ownership in the area?





A Yes, sir, it does, so far as the offsets are to this location.

Q Is the ownership of the lease, the working interests, common throughout on the shaded area, which I take it is held by Midland Production Corporation?

A The working interests?

Q Yes.

A Yes, sir, it is.

Q Is the royalty interest the same?

A No, sir, it is not.

Q Is the royalty interest the same throughout the North Half of the Section?

A Yes, sir, it is.

Q And that is where the bottom of the hole would be located?

A Yes, sir, that is correct.

Q Have you made any arrangements on the surface and mineral ownership in the South Half of the section in regard to using that location for drilling to the North Half of the section?

A No, sir, we have not, other than the fact that Midland Production does own, and that lease is held by production and Midland does own that lease. We have yet to get permission from the mineral owner, and the surface owner will do so before commencing the well.

Q What other information is shown on Exhibit One that we haven't covered?



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

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A Shows the approximate water-oil contact as we see it, and as we think it is today. It shows that this well, the No. 2-34, originally was drilled by Hill & Meeker in Midland, and was bottomed above the oil-water contact, and, of course, the drillstem test backed this up. It shows that in our opinion we will be structurally higher in the proposed bottom hole location and also that that location, the entire 40 acres, should be productive.

Q Are your contours based on any information other than the logs available to you?

A Yes, sir. We have had access to some shooting in the area, but are not at liberty to show it.

Q But, you do have control other than just the logs?

A Yes, sir.

Q In your opinion, will the acreage you proposed to dedicate to the well be productive?

A Yes, in my opinion it will be.

Q Do you have a log of the well?

A Yes, sir.

Q Referring to what has been marked as Exhibit No. 2, is that a log of the subject well?

A Yes, sir, it is.

Q What information have you marked on the log?

A The top of the Devonian porosity.

Q Do you show where the drillstem tests were made?

A No, sir, I did not mark on there where the drillstem tests



were made.

Q Did you give that information awhile ago?

A No, I did not. Drillstem tested from 12,215 to 12,315, 12,315 being the total depth as shown by the driller at that time. That well, or that drillstem test did recover 620 feet of free oil, 990 feet of heavily oil and gas cut mud.

Q Now, what is the reason that you propose to drill the well in this fashion at this time, Mr. Manry?

A Economically, we can drill the well and test the Devonian in this location for approximately half the cost of a new location.

Q And then, it amounts to a salvage operation on the present well; is that correct?

A Yes, sir, that is correct. The present well is not an economic producer.

Q In your opinion, would that serve to prevent waste?

A Yes, it certainly will.

Q The correlative rights of the various owners of interest in the area be protected?

A Yes, sir.

Q Are you willing to make any directional surveys that may be required by the Commission upon the completion of the well to show its actual bottom location?

A Yes, sir, we are.

Q Were Exhibits One and Two prepared by you or under your



supervision?

A Yes, sir, they were.

MR. KELLAHIN: At this time, I would like to offer in evidence Exhibit One.

MR. NUTTER: Applicant's Exhibit One will be admitted in evidence.

MR. KELLAHIN: That is all the questions I have on direct examination.

\* \* \* \*

MR. NUTTER: Are there any questions of Mr. Manry?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Manry, what depth did you say you shot off the 5½?

A Approximately 8500 feet. The top of the cement by temperature log was approximately 8600 feet.

Q Now, do you expect to encounter the top of the Devonian at a slightly higher level at the new location than at the old location; is that correct?

A Yes, sir, sure do.

Q What depth do you expect it would be encountered?

A I would say about 60 feet higher than when it was encountered in the present well. The present well, let's see, was 12,303, at about 60 feet higher than this, which would be 12,243, considering the elevation is the same.



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Suite 1120 Simms Building

Albuquerque, New Mexico

Phone 243-6691

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Q So, going from 8500 feet to 12,263, or whatever it would be, you would have a deviation then of 1,000 feet. Have you computed what the maximum deviation from the vertical would be?

A Yes, sir. It was computed by Whipstock, Inc., the maximum deviation would be  $17\frac{1}{2}$  degrees for 1,099 feet of kick, so it would be slightly less than  $17\frac{1}{2}$  degrees would be the maximum deviation.

Q Will the deviation in this well render artificial lift impractical if the well is completed?

A No, sir, our understanding is we would be able to artificially lift the well.

MR. NUTTER: Are there any other questions of the witness? You may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That is all I have, thank you.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2976? Take the case under advisement.

\* \* \* \* \*



DEARNLEY, MEIER, WILKINS and CROWNOVER

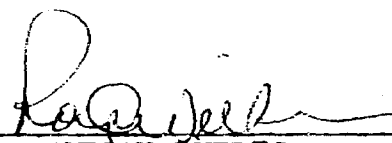
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STATE OF NEW MEXICO {  
COUNTY OF BERNALILLO {

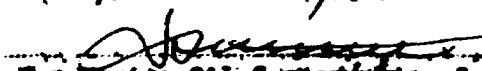
I, ROY D. WILKINS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal of Office, this 10th day of February, 1964.

  
NOTARY PUBLIC

My Commission Expires:  
September 6, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2976 heard by me on 2/5, 1964.

  
Examiner  
New Mexico Oil Conservation Commission



## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE FEBRUARY 5, 1964 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Richard S. Morris	Leith, Montgomery, Felsch & Anderson	Santa Fe
Leon, Manning Jr.	Midland Prod. Corp.	Houston, Tex.
G. J. Mottis	Cities Service Oil Co.	Hobbs, N.M.
Jason Killah	Killam & Co.	Santa Fe
W. L. Porter, Jr.	O. C. C.	" "
C. R. Furrer	Superior Oil Co.	Midland, Tex.
Thomas A. Regan	Pioneer Prod. Corp.	Jarrowington, N.M.
Frank E. Doby	State Engr. Office	Santa Fe
Lee H. Furrer	George H. Furrer	Jarrowington
J. R. Murphy Jr.	Pure	Midland &
W. J. Henry	Pure	Midland
Marshall Smith	Statehouse Reporting	Santa Fe
O. V. Lawrence	Shell	Weswell
MARK ROBINSON	"	"
George Carnahan	"	"
Fowler Hix	Leona, I.	Weswell

## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE FEBRUARY 5, 1964 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
D.D. Stokes	Shell Oil Co.	Roswell, N.M.
Bill Kasten	Gulf Oil Corp.	Roswell N.M.
Vance M. Hendricks	"	"
J. L. Hutchinson	"	"
John D. Russell	Union Carbide & Chem. Co.	"







DRAFT

DSN/esr

February 28, 1964

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. 2976

Order No. R- 2656

APPLICATION OF MIDLAND PRODUCTION  
CORPORATION FOR DIRECTIONAL DRILL-  
ING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 5, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter, ~~Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.~~

NOW, on this        day of March, 1964, the Commission, a quorum being present, having considered the ~~application, the~~ testimony, the record, ~~and the recommendations of the Examiner,~~ 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, Midland Production Corporation, is the owner of the Hill & Meeker Phillips Cryer Well No. 34-2, ~~the~~ *which* surface location ~~of which is~~ 2310 feet from the South line and 2310 feet from the West line of Section 34, Township 10 South, Range 36 East, NMPM, Dickinson-Devonian Pool, Lea County, New Mexico.

(3) That said well was drilled as a straight hole at the above location but encountered salt water in the Devonian formation.

(4) That there is reason to believe that the proposed bottom-hole location in the Devonian formation approximately 1000 feet north would be productive of oil from the Devonian formation.

(5) That applicant seeks permission to set a whipstock *in said well at a depth of* approximately 8500 feet and drill in a northerly direction ~~in such a manner as~~ to encounter the Devonian formation at a point underlying a standard location in the Dickinson-Devonian Pool, *Approximately* 1980 feet from the North line and 1980 feet from the West line of Section 34, Township 10 South, Range 36 East.

(6) That the directional drilling of the subject well in the above-described manner will not impair correlative rights and may result in the recovery of oil that would otherwise be unrecoverable, thereby preventing waste.

(7) That the applicant should be permitted to ~~so~~ directionally drill, provided ~~however, that~~ an accurate survey ~~should~~ *is* be made of the well bore in order to determine the true bottom-hole location of the well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Midland Production Corporation, is hereby authorized to directionally drill its Hill & Meeker Phillips Cryer Well No. 34-2, *which has a* ~~the surface location of which is~~ 2310 feet from the South line and 2310 feet from the West line of Section 34, Township 10 South, Range 36 East, NMPM, Dickinson-Devonian Pool, Lea County, New Mexico, by setting a whipstock ~~at~~ *in said well at a depth of* approximately 8500 feet and drilling ~~in such a manner as~~ to ~~bottom said well in~~ the Devonian formation no more than 200 feet from a point underlying a standard location 1980 feet from the North line and 1980 feet from the West line of said Section 34.

(2) That a continuous multi-shot directional survey should be made of the entire well bore with shot points not more than 100 feet apart; ~~and that the operator shall direct the~~ *operator shall cause the* surveying company ~~to file~~ *to file forward* a copy of the ~~directional~~ survey report ~~with~~ *directly* ~~To~~ the Santa Fe Office of the Commission, Box 2088, Santa Fe, New Mexico; ~~further~~ *and*, that the operator shall notify the Hobbs District Office of the Commission of the time said survey is to be commenced.

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

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