

CASE 6275: DELTA DRILLING COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO Co.

CASE NO.

6275

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
19 July 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Delta Drilling
Company for an unorthodox gas
well location, Eddy County,
New Mexico.

CASE 6275

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87501

For the Applicant:

Conrad E. Coffield, Esq.
HINKLE, COX, EATON, COFFIELD &
HENSLEY
Midland, Texas

SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 888-3404
Santa Fe, New Mexico 87501

SALLY WALTON ROYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

I N D E X

ED HOOPER

Direct Examination by Mr. Coffield

3

E X H I B I T S

Applicant's Exhibit One, Stratigraphic
Cross Section

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Applicant's Exhibit Two, Structure Map

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Applicant's Exhibit Three, Structure Map

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Applicant's Exhibit Four, Plat

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Applicant's Exhibit Five, Waivers

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Applicant's Exhibit Six, Document

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CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

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1 MR. STAMETS: Call next Case 6275.

2 MS. TESCHENDORF: Case 6275. Application of
3 Delta Drilling Company for an unorthodox gas well location,
4 Eddy County, New Mexico.

5 MR. STAMETS: Call for appearances in this
6 case.

7 MR. COFFIELD: Conrad Coffield with the law
8 firm of Hinkle, Cox, Eaton, Coffield and Hensley, Midland,
9 Texas, appearing on behalf of Delta Drilling Company. I
10 have one witness.

11 (Witness sworn.)

12
13 ED HOOPER

14 being called as a witness and having been duly sworn upon
15 his oath, testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. COFFIELD:

19 Q Would you state your name, address, employer,
20 and your position?

21 A Ed Hooper, Exploration Manager, West Texas
22 Division, Delta Drilling Company, currently living in
23 Midland, Texas. The company address is 200 Wall Tower
24 South.

25 Q Mr. Hooper, are you familiar with the appli-

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 888-3404
Santa Fe, New Mexico 87501

1 cation in this case?

2 A. Yes, I am.

3 Q. And are you familiar with the area and the
4 property involved?

5 A. I am.

6 Q. Have you previously testified and have -- as
7 an expert geologist and have your qualifications been
8 accepted by the Division?

9 A. Yes, I have.

10 MR. COFFIELD: Are the witness' qualifications
11 acceptable, Mr. Examiner?

12 MR. STAMETS: Yes, they are.

13 Q. (Mr. Coffield continuing.) Mr. Hooper, would
14 you state what it is Delta Drilling seeks to accomplish
15 in this particular case?

16 A. We are attempting to get the Commission's
17 approval of an unorthodox location for our No. 1-A Donaldson
18 Well, which has already been drilled.

19 Q. All right. Please refer to what has been
20 marked as Exhibit Four, and would you explain what that
21 shows?

22 A. Exhibit Four shows a 320-acre proration unit
23 where the 1-A Donaldson Well is located and also the cur-
24 rent lessees within two miles of the said proration unit.

25 Q. In reference to this particular plat and the

1 well location, Mr. Hooper, would you explain to the and
2 review with the Examiner how it happened that this Donald-
3 son Well was drilled? Just review the situation.

4 A. The Donaldson Well was initially scheduled
5 as a relief well for the Delta Drilling Company No. 1 South
6 Culebra Bluff Unit, which blew out at a total depth of
7 11,769 feet.

8 Q. That well being located on the east --

9 A. It's located in the northeast quarter of
10 Section 23, 23 South, 28 East.

11 The well, the South Culebra Bluff Unit was
12 brought under control and it was then decided to drill the
13 No. 1 Donaldson Well to the objective sought in the first
14 well, which was the Morrow.

15 Q. Okay. Now would you refer to what has been
16 marked as Exhibit One, please, Mr. Hooper, and explain what
17 that shows?

18 A. Exhibit One is a stratigraphic cross-section
19 showing the relationship of the producing horizon in the
20 No. 1 Donaldson Well. Of course we do not have any electric
21 logs in the blowout well because of the problems that we
22 incurred in bringing it under control.

23 We do have mud logging sheets, sample analysis,
24 to show that the producing zone in the No. 1 Donaldson Well
25 is not present in the South Culebra Bluff Unit well. It

1 also shows the relationship of the deeper zones that we
2 drilled, the Morrow and also the currently -- the Amoco
3 No. 1 Pardue Farms Gas Commission to the south of us, rela-
4 tionship of the electric logs on that well.

5 Q Anything else on this exhibit?

6 A No, this is just --

7 Q Then go forward to Exhibit Number Two and
8 explain to the Examiner what Exhibit Number Two represents.

9 A Exhibit Two is a structure map contoured on
10 what we refer to as the base of the Strawn lime or the
11 top of the Atoka. It's also illustrated on that strati-
12 graphic cross-section.

13 To show the relationship of the 1-A Donaldson
14 Well in regard to the Delta No. 1 South Culebra Bluff Unit
15 and also the Amoco No. 1 Pardue Farms Unit, in that the
16 Strawn sand gas zone in the Donaldson Well is not present
17 in the South Culebra Bluff Unit Well in the northeast
18 quarter of Section 23.

19 Q Right here, Mr. Hooper, the question of the
20 location of the well with respect to where it is now and
21 where it otherwise would be if it were in an orthodox loca-
22 tion, would you explain that?

23 A Well, as far as we can geologically, I don't
24 see that the difference in the orthodox versus the current
25 location would make that much difference, and I think the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

1 producing sand that we will attempt to complete from would
2 be present at the orthodox location, also.

3 Q And physically, though, the location of this
4 particular well is closer to the north section line.

5 A Right. We have a directional survey that we
6 can enter into evidence that the bottom hole location at
7 12,174 feet was 58 feet farther south and --- I'm sorry,
8 58 feet farther west and 3 feet farther south than the
9 surface location, so we were moving in toward the orthodox
10 location where we penetrated the producing zone.

11 Q Okay, let's go on to Exhibit Three. Please
12 explain to the Examiner what that reflects.

13 A Exhibit Three is just a structure map prepared
14 on top of the Middle Morrow Unit to show the relationship
15 of Morrow production in the general area to the south and
16 also to the well that -- the No. 1 Donaldson Well. And
17 the Morrow section was illustrated on the cross-section,
18 which was drillstem tested and yielded a maximum flow of
19 400,000 cubic feet of gas per day.

20 Initially we were to attempt completion in
21 this zone but mechanical problems in the well are now to
22 the point where we will have to complete out of the Strawn
23 Sand zone first because of the lack of cement behind the
24 pipe.

25 Q Okay, let's go on now to Exhibit Five.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

1 Would you explain Exhibit Five, please?

2 A. Exhibit Five is the waivers that we obtained
3 from the offset operators to the north, which is Getty Oil
4 Company. The standard location, of course, would have been
5 1980 from the north line. The well was 1930 feet from the
6 north line, so we were 50 feet from a standard direction
7 there. But we did go to Getty Oil Company and obtain a
8 waiver for this unorthodox location.

9 Q Okay, then finally let's go to Exhibit Six.
10 You alluded to this before. Would you explain what this
11 is?

12 A. Exhibit Six is just the -- a copy of the
13 heading showing the actual bottom hole location at 12,174
14 feet in relationship to the surface location.

15 As previously state, we were moving toward the
16 direction of an orthodox location.

17 Q Mr. Hooper, were these exhibits prepared by
18 you or under your direction?

19 A. They were.

20 Q Do you have any additional comments or infor-
21 mation to give to the Examiner in connection with the
22 matters we're submitting to him?

23 A. No.

24 Q In your opinion, is it your opinion that the
25 approval of this unorthodox location would be in the in-

1 terest of conservation, prevention of waste, and protection
2 of correlative rights, and prevent the unnecessary drilling
3 of wells?

4 A. I do.

5 MR. COFFIELD: Mr. Examiner, I move the ad-
6 mission of Exhibits.

7 MR. STAMETS: The exhibits will be admitted.

8 MR. COFFIELD: I have no further questions
9 of this witness.

10 MR. STAMETS: Any questions of the witness?
11 He may be excused.

12 Anything further in this case?

13 MR. COFFIELD: No, sir.

14 MR. STAMETS: The case will be taken under
15 advisement.

16 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road - Phone (505) 888-3404
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

Sally Walton Boyd CSR
Sally Walton Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6275,
heard by me on 3-18, 1978.
Richard L. Ham Examiner
New Mexico Oil Conservation Commission

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. 6275
Order No. R-5774

APPLICATION OF DELTA DRILLING
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19, 1978,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of August, 1978, 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, Delta Drilling Company, seeks
approval of an unorthodox gas well location for its Donaldson
"A" Com. Well No. 1 drilled at a point 1930 feet from the
North line and 2303 feet from the West line of Section 23,
Township 23 South, Range 28 East, NMPM, and completed in the
Pennsylvanian formation, Eddy County, New Mexico.

(3) That the W/2 of said Section 23 is to be dedicated
to the well.

(4) That said unorthodox location was necessitated as a
result of said well being drilled as a relief well in an
attempt to control a blowout.

(5) That no offset operator objected to the proposed
unorthodox location.

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Case No. 6275
Order No. R-5774

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject formation, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for the Delta Drilling Company Donaldson "A" Com. Well No. 1 located at a point 1930 feet from the North line and 2303 feet from the West line of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That the W/2 of said Section 23 shall be dedicated to the above-described well.

(3) 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




JOE D. RAMEY,
Director

dr/

Dockets Nos. 24-78 and 25-78 are tentatively set for hearing on August 2 and 16, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 19, 1978

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 August, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for August, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6274: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Shar-Alan Oil Company, The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6241: (Continued from June 7, 1978, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permo-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 6275: Application of Delta Drilling Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Donaldson "A" Com. Well No. 1 located 1930 feet from the North line and 2303 feet from the West line of Section 23, Township 23 South, Range 28 East, Strawn formation, Eddy County, New Mexico, the W/2 of said Section 23 to be dedicated to the well.

CASE 6276: Application of Jerome P. McHugh for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Chris Well No. 4 to be drilled 1902 feet from the South line and 1650 feet from the East line of Section 9, Township 27 North, Range 3 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, the S/2 of said Section 9 to be dedicated to the well.

Applicant further seeks authority to commingle Blanco Mesaverde and Gavilan-Pictured Cliffs production in the wellbore of said well.

CASE 6277: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gavilan Pictured Cliffs and Blanco Mesaverde production in the wellbores of his Chris Wells Nos. 3 and 3A, located in Units H and I of Section 21, Township 27 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 6253: (Continued and Readvertised)

Application of Merrion & Payless for a non-standard proration unit and unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 366.44-acre non-standard gas proration unit comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 750 feet from the East line of said Section 30.

CASE 6278: Application of Consolidated Oil & Gas, Inc., for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jenney Well No. 1-A located in Unit P of Section 13, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Blanco Mesaverde Pool and the Basin-Dakota Pool and to commingle Greenhorn gas production with the aforesaid Dakota production in said well.

CASE 6279: Application of Hanagan Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 28, Township 21 South, Range 26 East, Avalon Hills-Morrow Pool, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6280: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacra production in the wellbores of its Jicarilla 35 Well No. 6 located in Unit H of Section 1, Township 24 North, Range 5 West, and its Jicarilla 35 Wells Nos. 4 and 5, located in Unit M of Section 35 and Unit J of Section 36, respectively, both in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6281: Application of Southern Union Exploration Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the perforated interval from 4300 feet to 4346 feet in its Susco State Well No. 3 located in Unit N of Section 19, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.

CASE 6282: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing, contracting, extending vertical and horizontal limits, and redesignating certain pools in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

(a) ABOLISH the Ojito-Gallup Oil Pool in Rio Arriba County, New Mexico, described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: SW/4

(b) EXTEND the vertical limits of the Ojito-Dakota Oil Pool in Rio Arriba County, New Mexico, described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: SW/4
Section 18: SE/4
Section 19: NE/4

to include the Gallup formation and redesignate said pool the Ojito Gallup-Dakota Oil Pool and extend said pool to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: NW/4

(c) ABOLISH the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico.

(d) EXTEND the horizontal limits of the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 2: W/2
Section 3: All
Section 10: N/2
Section 11: W/2 and SE/4
Section 14: NE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 5: E/2
Section 7: W/2 and SE/4
Section 8: E/2 and SW/4
Section 16: SW/4
Sections 17 and 18: All
Section 19: NE/4
Section 20: All
Section 21: W/2 and SE/4
Section 22: S/2
Section 26: SW/4
Sections 27 and 28: All
Section 29: N/2
Sections 33, 34 and 35: All

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 1: N/2 and SE/4
Section 2: NE/4
Section 4: NE/4
Section 12: E/2

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 30: SW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 18: W/2
Section 19: N/2
Section 25: SE/4
Section 27: NW/4
Section 30: W/2
Section 34: SE/4
Sections 35 and 36: All

which includes, among other lands, the lands formerly contained in the Nipp-Pictured Cliffs Pool.

(e) CONTRACT the South Gallegos-Fruitland Pool in San Juan County, New Mexico, by deleting:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 8: N/2
Section 9: N/2
Section 10: N/2

(f) EXTEND the Ballard-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 7: S/2
Section 8: SW/4

(g) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 5: SW/4

(h) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 9: SE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 22: NW/4

(i) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM
Section 10: All

(j) EXTEND the Bloomfield-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 9: SW/4

(k) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 3: SE/4

(l) The advertised extension of the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, will be deferred to a later date because of an error in advertising.

(m) EXTEND the Dufers Point Gallup Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 18: W/2

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM
Section 12: W/2
Section 13: NE/4

(n) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 5: SW/4

(o) EXTEND the South Hospah-Lower Sand Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 6: NW/4 SE/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 12: NW/4 NW/4

(p) EXTEND the South Hospah-Upper Sand Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 5: W/2 SW/4
Section 6: S/2 SE/4
Section 7: N/2 NE/4
Section 8: NW/4 NW/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 12: NW/4 NW/4

(q) EXTEND the Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 33: NW/4

(r) EXTEND the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM
Section 2: NE/4
Section 10: NE/4

(s) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 8: NW/4

(t) EXTEND the Papers Wash-Entrada Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
Section 15: SE/4 SW/4
Section 16: NE/4 SE/4
Section 22: NE/4 NW/4

(u) The advertised extension of the Rusty-Chacra Pool in Sandoval County, New Mexico, will be deferred to a later date because of an error in advertising.

(v) EXTEND the Ute Dome-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM
Section 24: S/2

LAW OFFICES

HINKLE, COX, EATON, COFFIELD & HENSLEY

600 HINKLE BUILDING

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

(505) 822-6510

June 27, 1978

LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
JAMES H. BOZARTH

DOUGLAS L. LUNSFORD
PAUL M. BOHANNON
J. DOUGLAS FOSTER
K. DOUGLAS PERRIN
C. RAY ALLEN

OF COUNSEL
CLARENCE E. HINKLE

W. E. BONDURANT, JR. (1914-1973)

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691

C. RAY ALLEN LICENSED
IN TEXAS ONLY

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

Re: Delta Drilling Company

Gentlemen:

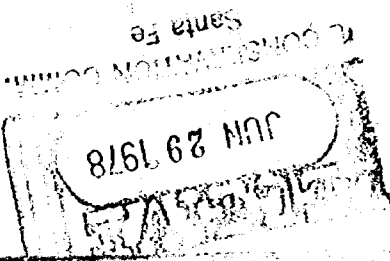
We enclose triplicate copies of the application of Delta Drilling Company for an unorthodox gas well location, Eddy County, New Mexico. Please set the application for your earliest examiner hearing.

Yours very truly,

Paul W. Eaton, Jr.
Paul W. Eaton, Jr.

PWE:dw

cc: R. Dale Keadle



JUN 29 1978

BEFORE THE OIL CONSERVATION DIVISION OF
THE DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF DELTA DRILLING COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case 6275

APPLICATION

Delta Drilling Company hereby makes application for approval of an unorthodox gas well location and states:

1. Applicant has heretofore drilled its Donaldson "A" Com. well No. 1 2,303 feet from the west line and 1,930 feet from the north line of Section 23, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and has completed the well in the Strawn formation.

2. Said well was originally commenced as a relief well for applicant's No. 1 Culebra Bluff Unit well located 1,980 feet from the north line and 1,650 feet from the east line of said section 23, which latter well had blown out. As a consequence of applicant being able to bring the No. 1 Culebra Bluff Unit well under control and complete it into the pipeline, applicant completed the drilling of its Donaldson "A" Com. well No. 1.

3. The west half of Section 23, Township 23 South, Range 28 East, N.M.P.M. will be dedicated to the well.

4. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.

HINKLE, COX, EATON, COFFIELD & HENSLEY

By

Paul L. Eaton, Jr.
P.O. Box 10

Roswell, New Mexico 88201

Attorneys for Delta Drilling Company

BEFORE THE OIL CONSERVATION DIVISION OF
THE DEPARTMENT OF ENERGY AND MINERALS

JUN 29 1978

APPLICATION OF DELTA DRILLING COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case 6275

APPLICATION

Delta Drilling Company hereby makes application for approval of an unorthodox gas well location and states:

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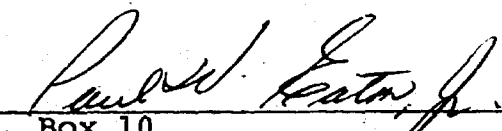
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HINKLE, COX, EATON, COFFIELD & HENSLEY

By


P.O. Box 10

Roswell, New Mexico 88201

Attorneys for Delta Drilling Company

Exhibit III

DELTA DRILLING COMPANY

Box 2012 TELEPHONE 214 595-1011

TYLER, TEXAS 75710

July 13, 1978

REC. W. YEX. PROD.

JUL 14 1978

ADDRESS REPLY TO

R.D. Keadle
Delta Drilling Co.
P.O. Box 2113
Midland, Texas 79702

Getty Oil Company
P.O. Box 1231
Midland, Texas 79702

Re: Request for Waiver
Donaldson "A" Com Well No. 1
W $\frac{1}{2}$ Section 23-T23S-R28E
Eddy County, New Mexico

Gentlemen:

Delta Drilling Company has drilled the captioned well to a total depth of 13,217 feet and will perforate same in the Strawn sand at 11,483 thru 11,486 feet. The well is located at an unorthodox location at 2,303' FWL and 1,930' FNL of Section 23-23S-28E. Getty Oil Company owns a leasehold interest in the SW $\frac{1}{4}$ Section 14-23S-28E immediately north of the well.

In preparation for an examiner's hearing to be held in Santa Fe on July 19, 1978 in the matter of Delta's Application for Approval of an unorthodox gas well location, we are enclosing a copy of our Application along with a copy of the Well Location and Acreage Dedication Plat, and request your Waiver of Objection to this unorthodox location. To signify your waiver of objection, please sign and return the attached copy of this letter.

We would appreciate your early attention inasmuch as the hearing will be held next week and we would like to present your signed waiver in our testimony.

Very truly yours,

R. Dale Keadle
R. Dale Keadle

RDK/mls

We hereby waive any objections to the unorthodox location set out in Delta's application attached hereto: Getty Oil Company

By *Quindra B. Cary*
District Production Manager

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 5

CASE NO. 6275

Submitted by *Delta Drilling*

Hearing Date July 13, 1978

BEFORE THE OIL CONSERVATION DIVISION OF
THE DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF DELTA DRILLING COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

RLC. W. I. A. PROD.

JUN 29 1978

APPLICATION

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3. The west half of Section 23, Township 23 South, Range 28 East, N.M.P.M. will be dedicated to the well.
4. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.

HINKLE, COX, EATON, COFFIELD & HENSLEY

By Paul W. Eaton, Jr.
P.O. Box 10
Roswell, New Mexico 88201
Attorneys for Delta Drilling Company

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-100
Supersedes O-100
Effective 1-1-78

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

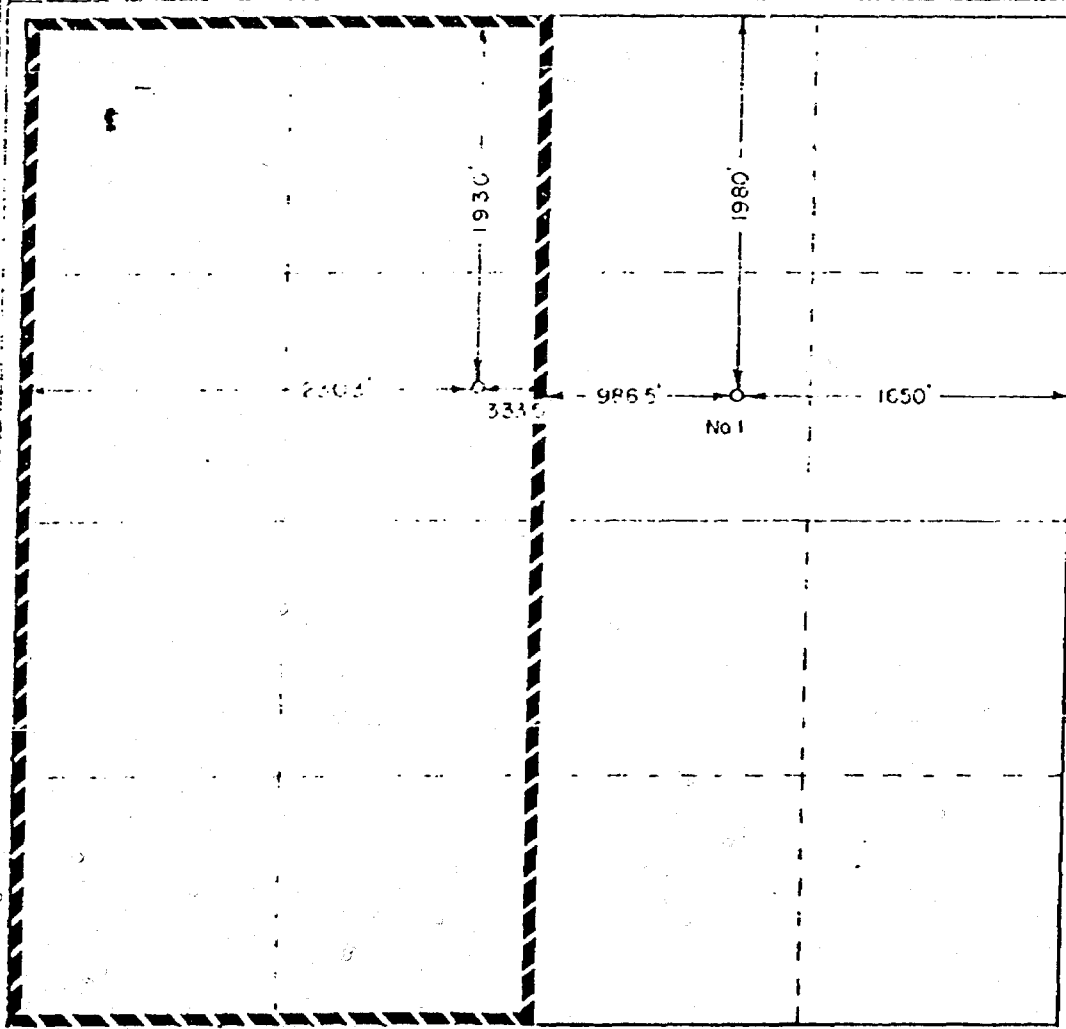
Delta Drilling Co.		Culebra Bluff		1-Y
F	23	23 South	28 East	Eddy
1930	North	2303	West	
3020.4	Morrow	Wildcat	320	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Unitization

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

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



CERTIFICATION

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

Mike Hardin

Mike Hardin

Petroleum Engineer

Delta Drilling Co.

1-17-78

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.

1/9/78

Registered Professional Engineer
and Land Surveyor

John W. West

Certificate No. John W. West

Ronald J. Erdson

Schlumberger **CONTINUOUS DIRECTIONAL**

COUNTY **EDDY** FIELD **WILDCAT MORROW** WELL **DONALDSON "A" #1** COMPANY **DELTA DRILLING CO.**

COMPANY **DELTA DRILLING COMPANY**

WELL **DONALDSON "A" #1**

FIELD **WILDCAT MORROW**

COUNTY **EDDY** STATE **NEW MEXICO**

LOCATION **1930° FNL & 230° FWL**

Sec. **23** Twp. **23-S** Rge. **28-E**

Other Services:
CNL/FDC
DLL/MSFL
BHC, RFT

Permanent Datum: **GL**, Elev. **3020.4**
Log Measured From **KB**, **13** Ft. Above Perm. Datum
Drilling Measured From **KB**

Elev.: K.B. **3033.4**
D.F. **3020.4**
G.L. **3020.4**

Date	4-4-78				
Run No.	FOUR				
Depth—Driller	12195				
Depth—Logger	12175				
Btm. Log Interval	12174				
Top Log Interval	10800				
Casing—Driller	7578 @ 10800	@	@	@	@
Casing—Logger	10800				
Bit Size	6 1/2				
Type Fluid in Hole	BRINE				
Dens. Visc.	12.8 48				
pH Fluid Loss	8.5 19.5ml	ml	ml	ml	ml
Source of Sample	PIT				
R _m @ Meas. Temp.	.063 @ 75 °F	@ °F	@ °F	@ °F	@ °F
R _{at} @ Meas. Temp.	.026 @ 75 °F	@ °F	@ °F	@ °F	@ °F
R _{mc} @ Meas. Temp.	@ °F	@ °F	@ °F	@ °F	@ °F
Source: R _{at} R _{mc}	C				
R _a @ BHT	.026 @ 182 °F	@ °F	@ °F	@ °F	@ °F
Time Since Circ.	20 HRS. & 45 MIN.				
Max. Rec. Temp.	182 °F	°F	°F	°F	°F
Equip. Location	7679 HORBS				
Recorded By	SCHULTZ/DENNIS				
Witnessed By	OLSON				

TANGENTIAL METHOD

BOTTOM HOLE LOCATION

COURSE LENGTH 58.2 FEET

COURSE AZIMUTH 266.4 DEG.

MEASURED DEPTH 12174.0 FEET

TRUE VERTICAL DEPTH 12170.6 FEET

DISTANCE SOUTH 3.7 FEET

DISTANCE WEST 58.1 FEET

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. **6**

CASE NO. **6275**

Submitted by **Delta Drilling**

Hearing Date **July 19, 1978**

REF 2462

DRAFT

dr/

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. 6275

ORDER NO. R- 5774

APPLICATION OF Delta Drilling Company

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19,
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this August day of July, 19 78, 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, Delta Drilling Company
for its Donaldson "A" Com. Well No. 1 located drilled at a point
seeks approval of an unorthodox gas well location / 1930

feet from the North line and 2303 feet from the

West line of Section 23, Township 23 South

Range 28 East, NMPM, and completed in the Pennsylvanian

formation, 1931, Eddy

County, New Mexico.

(3) That the W/2 of said Section 23 is to be
dedicated to the well.

was necessitated as a result of said well being drilled as a relief well in an attempt to control a blowout.
(4) That ~~a well at said unorthodox location will better enable applicant to produce the gas underlying the preroration unit.~~ *resulted*

(5) That no offset operator objected to the proposed unorthodox
location.

-2-

Case No. _____
Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject ^{formation} ~~pool~~, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the ~~Strawn~~ ^{Pennsylvania} ~~the~~ Delta Drilling Company's Donaldson "A" Com. Well No. 1 formation is hereby approved for ~~a well to be~~ located at a point 1930 feet from the North line and 2303 feet from the West line of Section 23, Township 23 South, Range 28 East NMPM, 1901, Eddy County, New Mexico.

(2) That the W/2 of said Section 23 shall be dedicated to the above-described well.

(3) 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.