CASE 6298: OCD ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF RULE 1105 OF THE RULES AND REGULATIONS

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CASE NO.

6298

APPIICATION, Transcripts, Small Exhibits,

ETC.

# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

CASE NO. 6298 Order No. R-7162

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF RULE 1105 OF THE DIVISION RULES AND REGULATIONS.

# ORDER OF THE DIVISION

# BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 30, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of December, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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(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 Case No. 6298 should be dismissed.

IT IS THEREFORE ORDERED:

(1) That Case No. 6298 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-

STATE OF NEW MEXICO CONSERVATION DIVISION ότή AOE D. RAMEY Director

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and the second			
	1	STATE OF NEW MEXICO	
	2	ENERGY AND MINERALS DEPARTMENT	· · · · · · · · · · · · · · · · · · ·
	2	OIL CONSERVATION DIVISION	
	3	State Land Office Building	
· · · ·	· •	Santa Fe, New Mexico	
	4	30 August 1978	
		EXAMINER HEARING	
	5	EARLINER HEARING	
	6		
		IN THE MATTER OF:	
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	·	The hearing called by the Oil Conserva- )	
	8	tion Division on its own motion to )	CASE
		consider the amendment of Rule 1105 of )	6298
	9	the Division Rules and Regulations to >>	·
		require the filing of two copies of all )	
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	12	BEFORE: Daniel S. Nutter	
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	16	APPEARANCES	
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		For the Oil Conservation Lynn Teschendorf, E	sq.
	18	Division: Legal Counsel for t	he Division
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Page INDEX Direct Examination by Ms. Texchendorf JAMES M. HILL ÿ SALLY WALTON BUY CERTIFIED SHORTHAND FEPORYE CERTIFIED SHORTHAND FEPORYE 730 BISHOP'S LODDE ROAD & PHONE (506) 9 730 BISHOP'S LODDE ROAD & PHONE (506) 9 8 Santa Fe, New Mexico 87501 EXHIBITS 3 DIvision Exhibit One, Document 

		Page 3
2	1	MR. NUTTER: The hearing will come to order,
	2	please. The first case this morning will be case Number 6298,
	3	which is the matter of a hearing called by the Oil Conserva-
	4	tion Division on its own motion to consider the amendment
	5	of Rule 1105 of the Division Rules and Regulations to require
	6	the filing of two copies of all well logs instead of one.
	7	I'll call for appearances, please.
n a shina a sa a	8	MS. TESCHENDORF: Lynn Teschendorf appearing
×	9	on behalf of the Division and I have one witness.
	10	(Witness sworn.)
N BOYD D REPORTER Tone (505) 200	11	
ALTON RITHAND R	12	JAMES M. HILL
LV WA	13	being called as a witness and having been duly sworn upon
SALL CERTIFIE Bishop's Lo Sania	14	his oath, testified as follows, to-wit:
<b>%</b>	15	
	16	DIRECT EXAMINATION
	17	BY MS. TESCHENDORF:
n franciska 1990 - Standard Standard 1993 - Standard Standard Standard 1994 - Standard Standard Standard	18	Q. Will you please state your name?
	19	A. James M. Hill.
	20	Q. And by whom are you employed and in what capa-
	21	city?
	22	A. The Bureau of Geology. I'm the Bureau Chief.
) )	23	A Have you testified before the Division before?
	24	A. No, I have not.
	25	Q. Nould you please summarize for the Examiner

your educational background and work experience? 2 I have a Bachlor of Science degree in geology A. 3 from the University of Texas at El Paso. I graduated from the university in 1959. I have approximately fourteen years experience working in various areas of geclogy. The past 5 6 three years I've been working for the State at the Office of the State Geologist, now the Bureau of Geology under re-8 organization. 9 MS. TESCHENDORF: Is the witness considered 10

qualified? MR. NUTTER: Yes, he is. Please proceed. (Ms. Teschendorf continuing.) Are you familiar 0.

with the subject matter of Case 6298?

Yes, I am.

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15 And what is being proposed in this case? Q. 16 Well, the Bureau of Geology has been mandated A. 17 by legislation to conduct geologic studies of known and 18 potential energy-related minerals that may occur within the 19 state. These minerals include oil, gas, uranium, coal, and 20 geothermal energy, with the main aim of determining the 21 reserves and life expectancies of these various minerals. 22 In order for a staff geologist to -- with the 23 Bureau to determine the reserves of newly completed oil or gas wells, it is necessary for the geologist to review or analyze the various well logs.

5 Page At the present time, in order to review these 2 logs, it is necessary for the geologist to travel from Santa 3 Fe to one of the three District OCC offices. Now this 4 travel expense could be eliminated, thus a savings in tax-5 payer dollars, if the rule 1105 was amended to require the 6 filing of two complete sets of logs rather than one. 7 Q. Okay, would you refer to what I've marked as 8 Exhibit Number One and explain what that is? ģ Well, it would be the change that was called А. 10 for in the Rule 1105. SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER Istholy & Lodge Road + Phone (505) 98 Santa Fe, New Maxico 87501 11 Okay. And bacially what is the only change <u>0</u>. 12 that is to be made in that rule? 13 It would change the filing of two copies of A. 14 the electrical and radio activity logs rather than one. 15 So basically just the first paragraph of that Q. 16 rule is being revised? 17: A. Yes. 18 Mas this exhibit prepared by you or under your Q. 19 supervision? 20 Yes, it was. 21 MS. TESCHENDORF: At this time I'll offer Ex-22 hibit One in evidence and I have nothing further. 23 MR. NUTTER: The exhibit will be admitted. 24 Mr. Hill, are there any other changes in the 25 revised Rule 1105 except the change to file two logs instead

		Page 6	`
	1	of one log?	
	2	A. No, sir.	
с. С	3	MR. NUTTER: Are there any questions of Mr. Hill?	
	4	He may be excused.	
	5	Does anyone have anything they wish to offer in	
	6	Case Number 6298?	
na series Na Approximation (1996)	7	We'll take the case under advisement.	
	8	(Hearing concluded.)	
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REPORTER'S CERTIFICATE

Page

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. 9

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SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER 30 Bishop's Lodge Road - Phone (505) 988-340 Santa Fe, New Mexico 87501

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Sally Walton Bayd CSR

Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing 4 a complete record of the proceedings in the Examiner hearing flase No. 6298

Examiner tun Oll Conservation Division

Page 1 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 2 OIL CONSERVATION DIVISION State Land Office Building 3 Santa Fe, New Mexico 30 August 1978 4 EXAMINER HEARING 5 6 IN THE MATTER OF: 2 The hearing called by the Oil Conserva-8 tion Division on its own motion to consider the amendment of Rule 1105 of 9 the Division Rules and Regulations to CASE 6298 require the filing of two copies of all SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER ) BIShOF'S LODOR ROAd - Phone (500) 988-3 Santa Fe, New Mexico 87501 10 logs instead of one. 11 12 BEFORE: Daniel S. Nutter 13 14 TRANSCRIPT OF HEARING ê 15 16 APPEARANCES 17 For the Oil Conservation 18 Division: Lynn Teschendorf, Esq. Legal Counsel for the Division 19 State Land Office Bldg. Santa Fe, New Mexico 87501 20 21 22 23 24 25



MR. NUTTER: The hearing will come to order, please. The first case this morning will be case Number 6298, which is the matter of a hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1105 of the Division Rules and Regulations to require the filing of two copies of all well logs instead of one. I'll call for appearances, please.

Page

MS. TESCHENDORF: Lynn Teschendorf appearing on behalf of the Division and I have one witness.

(Witness sworn.)

SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTED

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JAMES M. HILL

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

# DIRECT EXAMINATION

17 BY MS. TESCHENDORF:

> Ô, Will you please state your name?

> > A James M. Hill.

Q. And by whom are you employed and in what capacity?

A. The Bureau of Geology. I'm the Bureau Chief. Have you testified before the Division before? 0. No, I have not. A.

Would you please summarize for the Examiner Q,

your educational background and work experience?

A. I have a Bachlor of Science degree in geology from the University of Texas at El Paso. I graduated from the university in 1959. I have approximately fourteen years experience working in various areas of geology. The past three years I've been working for the State at the Office of the State Geologist, now the Bureau of Geology under reorganization.

MS. TESCHENDORF: Is the witness considered qualified?

MR. NUTTER: Yes, he is. Please proceed. Q (Ms. Teschendorf continuing.) Are you familiar with the subject matter of Case 6298?

Yes, I am.

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

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SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER

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	8		(Hearing conclud	ed.)	e.		
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Within 20 days following the completion or recompletion of any well, the operator shall file Form C-105 with the Division. It must be filed in QUINTUPLICATE and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, two copies of all electrical and radio-activity logs run on the well must be filed with Form C-105. If the Form C-105 with attached logs and summaries is not received by the Division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with.

In the case of a dry hole, a complete record of the well on Form C-105 with the above attachments shall accompany the notice of intention to plug the well, unless previously filed. The plugging report will not be approved nor the bond released until this rule has been complied with.

Form C-105 and accompanying attachments will not be kept confidential by the Division unless so requested in writing by the owner of the well. Upon such request, the Division will keep these data confidential for 90 days from the date of completion of the well, provided, however, that the report, logs, and other attached data may, when pertinent, be introduced in any public hearing before the Division or its examiners or in any court of law, regardless of the request that they be kept confidential.

BEFORE EXAMINER NUTTER CIL CONSERVATION COMPLETE
CASE NO. 6298

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BEFORE	EXAMINER MUTTER
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OCD	EXHENTING.
CASE NO	6298

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	EXAMINER NUTTER
OIL CONS	ERVATION COMPLETION
	EXHIBIT NO.
CASE NO	. 6298

# PROPOSED RULE 1105. WH

# WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105)

Within 20 days following the completion or recompletion of any well, the operator shall file Form C-105 with the Division. It must be filed in QUINTUPLICATE and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, two copies of all electrical and radio-activity logs run on the well must be filed with Form C-105. If the Form C-105 with attached logs and summaries is not received by the Division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with.

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BEFORE EXAMINED NUT OIL CONSERVATION COMMISSION EXMISIT NO. CASE NO. 629

Docket No. 28-78

Dockets Nos. 29-78 and 30-78 are tentatively set for hearing on September 13 and 27, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUCUST 30, 1973

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

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

CASE 6298: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1105 of the Division Rules and Regulations to require the filing of two copies of all well logs instead of one.

- <u>CASE 6312</u>; In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Order No. R-1670-T, Rule 2(A), Blanco Mesaverde Pool, San Juan and Rio Arriba Counties, New Mexico, to provide that the initial well drilled on a proration unit shall be located not closer than 790 feet to any outer boundary of the guarter section on which the well is located, and not closer than 130 feet to any guarter-guarter section or subdivision inner boundary.
- <u>CASE 6299</u>; Application of Wm. G. Ross for a unit agreement, Lea County, New Mexico. Applicant, in the abovestyled cause seeks approval for its South Lea Unit Area comprising 1,753 acres, more or less, of state land in Township 21 South, Range 34 East, Lea County, New Mexico.
- CASE 6300: Application of The Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Atoka and Morrow production in the wellbore of its Parkway West Unit Well No. 1, located in Unit C of Section 28, Township 19 South, Range 29 East, Parkway West (Atoka) Field, Eddy County, New Mexico.
- <u>CASE 6301:</u> Application of The Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, secks authority to commingle Strawn and Morrow production in the wellbore of its Superior Federal Nell No. 4, located in Unit I of Section 5, Township 20 South, Range 29 East, East Burton Flat Field, Eddy County, New Mexico.
- <u>CASE 6302:</u> Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 25, Township 23 South, Range 28 East, 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.
- <u>CASE 6303:</u> Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Indian Hills State Com. Well No. 2 to be drilled 660 feet from the South line and 660 feet from the East line of Section 36, Township 20 South, Range 24 East, Eddy County, New Mexico, to test the Morrow formation, the S/2 of said Section 36 to be dedicated to the well.
- <u>CASE 6304:</u> Application of Doyle Hartman for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the S/2 NE/4 of Section 26, Township 24 South, Range 36 East, Lea County, New Mexico, to form an 80-acre non-standard proration unit 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 6305: Application of Flag-Redfern OII Company for two unorthodox locations and two non-standard oil proration units, Roosevelt County, New Mexico. Applicant, in the above-styled cauce, seeks approval of a 61.14-acre non-standard unit comprising Unit K and Lot 3 of Section 16, Township 8 South, Range 38 East, Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled 2130 feet from the South line and 2873 feet from the West line of said Section 16; also a 60.43-acre unit comprising Unit N and Lot 4 of said Section 16 to be dedicated to a well to be drilled 810 feet from the South line and 2850 feet from the West line of the section.

CASE 63061

Application of Texaco Inc. for an unorthodox location, permission to inject water, and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Central Vacuum Unit Well No. 139 to be located 85 feet from the South line and 958 feet from the East line of Section 36, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and directionally drilled to a 100' square bottom hole target location with the center of the target being 60 feet from the South line and 1310 feet from the East line of said Section 36, and approval to inject water into the San Andres formation in said well.

In the matter of the hearing called by the QD on its own motion to consider the amendation of Pule 105 of the Division rules and regulations to require the filing of two copies of all were logs instead of one.

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. 6298

Order No. R-\_\_\_\_\_\_ IN THE MATTER OF THE HEARING CALLED BY THE CIL CONSERVATION DIVISION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF RULE 1105 OF THE DIVISION RULES AND REGULATIONS.

ORDER OF THE DIVISION

BY THE DIVISION:

ROUGH

This cause came on for hearing at 9 a.m. on August 30 19 78, at Santa Fe, New Mexico, before Examiner Domici S Nuller NOW, on this \_\_\_\_\_day of \_\_\_\_\_, 19\_\_\_\_, the Division Director, having considered the testimony, the record, and the recomendations 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 Case No. 6298 should be disinsed. IT IS THEREFORE ORDERED :

(1) That Case No. 6278 there is hereby deamined DONE al Santa de