

CASE 6306: TEXACO INC. FOR AN UNORTHO-
DOX LOCATION, PERMISSION TO INJECT WATER
DIRECTIONAL DRILLING, LEA COUNTY, N. M.

CASE NO.

6306

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
SANTA FE, NEW MEXICO
30 August 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc. for an
unorthodox location, permission to
inject water, and directional drilling,
Lea County, New Mexico.

CASE
6306

BEFORE: Daniel S. Nutter

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 Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Booker Kelly, Esq.
WHITE, KOCH, KELLY &
McCARTHY
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WES HAYWORTH

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MR. NUTTER: Call Case Number 6306.

MS. TESCHENDORF: Case 6306. Application of Texaco, Inc., for an unorthodox location, permission to inject water, and directional drilling, Lea County, New Mexico.

MR. KELLY: Booker Kelly of White, Koch, Kelly, and McCarthy, on behalf of the Applicant. I have one witness and ask that he be sworn.

(Witness sworn.)

WES HAYWORTH

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

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name and by whom employed and in what capacity?

A. Wes Hayworth, with Texaco, Incorporated. I'm a petroleum engineer in the Hobbs District.

Q Have you previously qualified as an expert in the field of petroleum engineering before this Commission?

A. Yes.

Q Referring to Exhibit One, the plat, would you explain what Texaco seeks by this application?

1 A. Exhibit One is a plat showing our Texaco oper-
2 ated Central Vacuum Unit. It's located within the dashed
3 line in the center of the plat.

4 We seek approval of our Central Vacuum Unit No.
5 139 at an unorthodox location. We ask approval to inject
6 water into this well and we ask approval for directional
7 drilling of this well.

8 Q. Now, was -- was this unit set up by a prior
9 order?

10 A. Yes. The pressure maintenance project for the
11 Central Vacuum Unit was approved by Order R-5530, September
12 20th of 1977. That order was amended by Order R-5530-A,
13 July 26th of 1978.

14 Q. What was the purpose of the amendment?

15 A. The amendment approved nine cooperative lease
16 line injection wells between the Central Vacuum Unit and
17 the Vacuum-Grayburg-San Andres Unit.

18 Now these wells were approved to complete our
19 injection pattern between these two units. We further got
20 an amendment to the order allowing administrative approval
21 of any future unorthodox injection wells and permission to
22 inject into these injection wells.

23 Q. All right. Now, at that time this particular
24 proposed location, as I recall, was -- was advertised, was
25 it not?

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1 A. Yeah, No. 139 was advertised with the original
2 case or the amendment case; however, it was dropped because
3 we -- when we surveyed the location in, we determined we'd
4 have to directionally drill it for the desired bottom hole
5 location.

6 Q. Well, then, the only thing that requires a
7 hearing, other than administrative approval in this case, is
8 the directional drilling aspect of that?

9 A. That is correct.

10 MR. NUTTER: There was an obstacle in the way
11 of the original location?

12 A. Yes. The Texaco Buckeye Gasoline Plant is
13 located vertically over the proposed bottom hole location.

14 MR. NUTTER: And you couldn't drill there?

15 A. Pardon?

16 MR. NUTTER: You couldn't drill there?

17 A. No.

18 MR. KELLY: We have an exhibit that shows that.

19 A. Yeah, we have an exhibit explaining that.

20 MR. NUTTER: Your gasoline plant department
21 frowned on that.

22 A. Right.

23 MR. NUTTER: Okay.

24 Q. (Mr. Kelly continuing.) Now, referring to your
25 diagrammatic sketch, Exhibit Number Two, would you explain

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1 that?

2 A. This is a sketch of the proposed injection well,
3 showing the casing sizes, setting depths, cementing informa-
4 tion, as well as the tubing and packer setting depths.

5 Q. I take it this is a similar installation to all
6 of your other injection wells in this unit?

7 A. That is correct.

8 Q. And you have some kind of an inhibited fluid
9 in your annulus --

10 A. Yes.

11 Q. -- with a pressure gauge?

12 A. Yes, we intend to operate this well, if approved,
13 in accordance with the provisions of the two orders in the
14 case.

15 Q. What will be the source of your water?

16 A. Fresh water and produced water from within the
17 unit.

18 Q. How about pressures?

19 A. We anticipate that to operate the well in ac-
20 cordance with the pressure limitations set out in the original
21 order.

22 Q. Have you had any problem with your other in-
23 jection wells as far as them taking water or corrosion?

24 A. No, we have not.

25 Q. Do you feel that the installation you've provided

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1 in Exhibit Two will protect fresh water and prevent migration
2 of fluids?

3 A. Yes.

4 Q. Okay, Exhibit Number Three is a log of an in-
5 jection well?

6 A. Yeah, this is an example log which defines the
7 unitized interval in the San Andres pay interval. This well
8 is located on the plat, Exhibit One. It would be diagonally
9 northwest of the proposed No. 139.

10 Q. Okay. And this exhibit was -- a similar exhibit
11 was presented at the last hearing, is that --

12 A. Correct.

13 MR. NUTTER: Well, what number would it be on
14 this exhibit, Mr. Hayworth?

15 A. It's not a San Andres well. It's Number Twenty-
16 three.

17 MR. NUTTER: Number Twenty-three?

18 A. Yes.

19 MR. NUTTER: Thank you.

20 Q. (Mr. Kelly continuing.) Now, are there any
21 offset operators or does Texaco have all the surrounding --

22 A. Texaco is the offset operator in the San Andres
23 formation on all proration units offsetting this well.

24 Q. Okay, now referring to what has been marked
25 Exhibit Four, would you explain that for the Examiner?

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1 A. Exhibit Number Four is a detail plat showing
2 the -- both surface and bottom hole location, target locations,
3 of the proposed injection well. It also shows the gasoline
4 plant, the general area of the gasoline plant. Over on the
5 lefthand side is a cross section of the directional traverse.

6 Q. And what is the -- what are you attempting to
7 avoid by the directional drilling?

8 A. Well, the reason for the directional drilling
9 is for safety reasons and --

10 Q. You've got a plant in the way.

11 A. Yes, the gasoline plant.

12 Q. Okay. And as I understand it, the previous
13 order also would have authorized administrative approval of
14 your unorthodox location?

15 A. Correct.

16 Q. All right. Now, has anything occurred in this
17 unit as far as additional wells being drilled or anything
18 that should be brought to the attention of the Examiner
19 since the last hearing?

20 A. No, the exhibits presented at the last hearing
21 brought us up to date to the present time.

22 Q. Okay, were Exhibits One through Four prepared
23 by you or under your supervision?

24 A. Yes, with the exception of Exhibit Four, which
25 was prepared by the directional investment guidance company,

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1 who designed this directional drilling project.

2 Q All right. In your opinion will the granting of

3 this application allow Texaco to efficiently produce hydro-

4 carbons from this field and thereby prevent waste?

5 A Yes.

6 MR. KELLY: I have nothing further.

7 MR. NUTTER: Mr. Hayworth --

8 MR. KELLY: I'd move the introduction of our

9 exhibits.

10 MR. NUTTER: Texaco Exhibits One through Four

11 will be admitted in evidence.

12

13 CROSS EXAMINATION

14 BY MR. NUTTER:

15 Q Mr. Hayworth, do you have those previous order

16 numbers that authorized --

17 A Yes.

18 Q -- the unorthodox locations, and so forth?

19 A Yes. 5530, R-5530 and R-5530-A.

20 MR. KELLY: That last one just came out in July,

21 I think about July 26th.

22 MR. NUTTER: Okay, I don't believe I have any

23 further questions.

24 Does anyone have any further questions for Mr.

25 Hayworth?

1 He may be excused.

2 Do you have anything further, Mr. Kelly?

3 MR. KELLY: No, Mr. Examiner.

4 MR. NUTTER: Does anyone have anything they wish
5 to offer in Case Number 6306?

6 We'll take the case under advisement.

7 (Hearing concluded.)

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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.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6306
heard by me on 8/30 1978.

[Signature] Examiner
Oil Conservation Division

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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. 6306
Order No. R-5530-B

APPLICATION OF TEXACO INC. FOR
AN UNORTHODOX LOCATION, PERMISSION
TO INJECT WATER AND DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

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 7th day of September, 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, Texaco Inc., seeks approval for the unorthodox location of its Central Vacuum Unit Well No. 139 to be vertically drilled from a surface location 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, to a depth of approximately 3100 feet, and then directionally drilled in such a manner as to be bottomed in the San Andres formation in 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; that the applicant further seeks approval to inject water into the San Andres formation in said well.

(3) That an injection well at said unorthodox bottomhole location will better enable applicant to complete an efficient waterflood injection pattern in its Central Vacuum Unit Area.

-2-

Case No. 6306

Order No. R-5530-B

(4) That the directional drilling of said well to the aforesaid bottomhole location is occasioned by the location of a surface obstruction immediately over the bottomhole location, namely a gasoline plant.

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

(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 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.

(7) That the injection of water into the subject well shall be subject to all of the provisions of previous orders of the Division relating to the Central Vacuum Unit waterflood Project, including Orders Nos. R-5530 and R-5530-A.

IT IS THEREFORE ORDERED:

(1) That an unorthodox location is hereby approved for the Texaco Inc., Central Vacuum Unit Well No. 139 to be vertically drilled from a surface location 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, to a depth of approximately 3100 feet, and directionally drilled to a true vertical depth of 4800 feet in the San Andres formation, bottoming it within a 100' square bottomhole target, with the center of the target being 60 feet from the South line and 1310 feet from the East line of said Section 36.

(2) That the applicant is hereby authorized to utilize said well for the injection of water into the San Andres formation, injection to be through tubing set in a packer located approximately 50 feet above the uppermost perforation.

(3) That operation of and injection into the subject well shall be subject to all of the provisions applicable to other injection wells in the Central Vacuum Unit Area Waterflood Project, as promulgated by Division Orders Nos. R-5530 and R-5530-A.

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

--3--

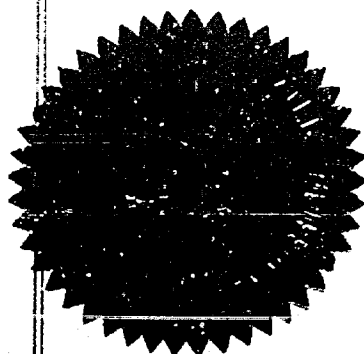
Case No. 6306

Order No. R-5530-B

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director



td/

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 - AUGUST 30, 1978

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.
- CASE 6312: 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 quarter section on which the well is located, and not closer than 130 feet to any quarter-quarter section or subdivision inner boundary.
- CASE 6299: Application of Wm. G. Ross for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled 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.
- CASE 6301: Application of The Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Strawn and Morrow production in the wellbore of its Superior Federal Well No. 4, located in Unit I of Section 5, Township 20 South, Range 29 East, East Burton Flat Field, Eddy County, New Mexico.
- CASE 6302: 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.
- CASE 6303: 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.
- CASE 6304: 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 Oil Company for two unorthodox locations and two non-standard oil proration units, Roosevelt County, New Mexico. Applicant, in the above-styled cause, 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, Bluit-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 6306: 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.

- CASE 6307: Application of Exxon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Alto production in the wellbore of its P. F. Hardison B Well No. 10, located in Unit A of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 6308: Application of Petroleum Corporation of Texas for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 8, Township 8 South, Range 37 East, Roosevelt 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 6309: Application of Southland Royalty Company for an exception to Rule 2(A) of Order No. R-1670, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(A) of Order No. R-1670, as amended, for the Blanco Mesaverde Pool to approve the unorthodox locations of its Jicarilla 468 Well No. 1, located in the NW/4 of Section 32, Township 28 North, Range 3 West and its Jicarilla 446 Well No. 1, located in the SE/4 of Section 8, Township 27 North, Range 3 West, Rio Arriba County, New Mexico, as off-pattern wells in said pool.
- CASE 6310: Application of Southland Royalty Company for an exception to Rule 2(A) of Order No. R-1670, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(A) of Order No. R-1670, as amended, for the Blanco Mesaverde Pool to approve the unorthodox location of its Jicarilla 101 Well No. 7, to be located in the SE/4 SE/4 of Section 12, Township 27 North, Range 4 West, Rio Arriba County, New Mexico, as an off-pattern well in said pool.
- CASE 6311: 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 Rio Arriba, Sandoval, and San Juan Counties, New Mexico:
- (a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Nacimiento production and designated as the Arch-Nacimiento Pool. The discovery well is El Paso Natural Gas Company San Juan 32-9 Unit Well No. 84 located in Unit N of Section 14, Township 31 North, Range 10 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 14: SW/4

- (b) 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: SE/4

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

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 35: SE/4
Section 36: S/2

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 32: NE/4 and S/2

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 30: N/2

TOWNSHIP 32 NORTH, RANGE 12 WEST, NMPM
Section 24: E/2
Section 25: S/2
Section 26: SE/4
Section 36: N/2

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

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 3: SW/4
Section 4: S/2
Section 10: N/2
Section 11: NW/4

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 2: SE/4
Section 11: NE/4

- (e) EXTEND the Cha Cha-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 25: W/2 NW/4

- (f) EXTEND the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM
Section 2: W/2

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 4: NE/4
Section 27: W/2
Section 28: E/2
Section 34: NW/4 and SE/4
Section 35: SW/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 29: SW/4
Section 30: S/2 (partial)
Section 31: NW/4 (partial)
Section 32: E/2
Section 33: W/2 and SE/4

- (g) EXTEND the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 15: N/2 and SW/4
Section 22: W/2

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

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM
Section 12: E/2

- (i) EXTEND the South Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 14: NE/4

- (j) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 1: N/2

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 30: SE/4
Section 32: SW/4

- (k) EXTEND the Mount Nebo-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 28: S/2
Section 33: NW/4

- (l) EXTEND the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 18: N/2

(m) EXTEND the Rusty-Chacra Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 24: SE/4
Section 27: NE/4

(n) EXTEND the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 2: NW/4

(o) EXTEND the Tocito Dome-Pennsylvanian D Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM
Section 14: SW/4
Section 23: W/2

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

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 2: NE/4
Section 4: All
Section 5: SE/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 27: SW/4

Docket No. 27-78

DOCKET: COMMISSION HEARING - WEDNESDAY - AUGUST 23, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6289: (Continued from August 9, 1978, Commission Hearing)

Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

CASE 6222: (Rehearing) (Continued from August 9, 1978, Commission Hearing)

Application of Paul Hamilton for salt water disposal well shut-in, Lea County, New Mexico. Upon application of Paul Hamilton there will be a rehearing of Case No. 6222, Order No. R-5753. This case involves the application of Paul Hamilton for an order shutting down salt water disposal operations in the Texaco, Inc., New Mexico State "BO" SWD Well No. 3, located in Unit D of Section 24, Township 11 South, Range 32 East, Moore-Devonian Pool, Lea County, New Mexico. Pursuant to Commission Order No. R-5753-A, evidence at said rehearing shall be limited to evidence relating to data regarding water quality and water level obtained from an observation well completed next to the aforesaid SWD Well No. 3, and to other new evidence unavailable at the time of the original hearing of this case on May 31, 1978.

*will operate
this well in
accordance
with the
minors
orders.
R-5530
R-5530-A*

BEFORE EXAMINER NUTTER	
OIL CONSERVATION	SECTION
Texaco	NO. 2
CASE NO.	6306

SAN ANDRES

TYPICAL INJECTION WELL COMPLETION

TEXACO Inc.
PROPOSED
CENTRAL VACUUM UNIT No. 139
VACUUM GRAYBURG SAN ANDRES FIELD
LEA COUNTY, NEW MEXICO

13-3/8" csg. set @ 350'
Cement to circulate

9-5/8" csg. set @ 1550'
Cement to circulate

2-3/8" Int. plastic coated
tubing set in packer @
approx. 4250' (T.V.)

Packer set approx. 50'
above top perf.

4844' of 4-1/2" csg. set
@ 4800' (T.V.) Cement to
circulate

TD 4800' (T.V.)

*inhibited
fluids*

TEXACO Inc.
NEW MEXICO "C" ST. HGT-1 #23
(TWIN WELL TO #10)
VACUUM G-SA POOL

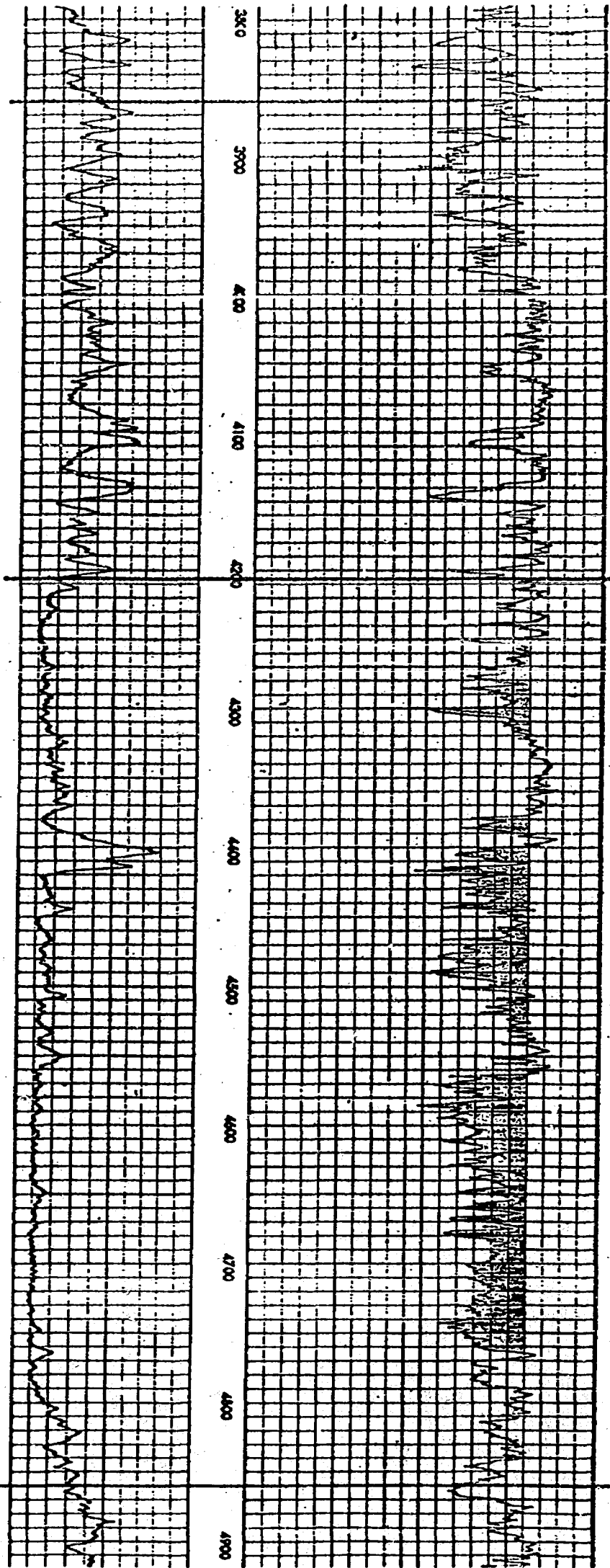
#23

BEFORE EXAMINATION
OIL COMPANY
Texaco
CASE NO. 6306
DIVISION 3

TOP OF SAN ANDRES
PAY

BASE OF PAY

UNITIZED INTERVAL



GAMMA RAY

ACOUSTIC



PETROLEUM PRODUCTS

AUG - 8 1978

August 1, 1978

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

Case 6306

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

RE: REQUEST FOR EXAMINER HEARING
Application for: Unorthodox Location,
Permission to Inject Water, and Direc-
tional Drilling of Central Vacuum Unit
No. 139, Vacuum Grayburg-San Andres
Pool, Lea County, New Mexico.

ATTENTION: MR. JOE D. RAMEY
SECRETARY-DIRECTOR

Gentlemen:

It is requested that an examiner hearing be scheduled to consider Texaco's application for an unorthodox location, for permission to inject water, and for the directional drilling of Central Vacuum Unit Well No. 139. Proposed Central Vacuum Unit Well No. 139 will be drilled from a surface location 85' FSL and 958' FEL of Section 36, T-17-S, R-34-E, to a 100' square bottom hole target location with the center of the target being 60' FSL and 1310' FEL of Section 36, T-17-S, R-34-E. A plat showing the surface and bottom hole locations of Well No. 139 is attached. Additional exhibits will be presented at the hearing.

Yours very truly,

Sealed under injection information

J. V. Gannon
J. V. Gannon
District Superintendent

WRH:las

Attachment

393-7191

This is recycled paper

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. 6306

Order No. R- 5530-13

APPLICATION OF TEXACO INC. FOR
AN UNORTHODOX LOCATION, PERMISSION
TO INJECT WATER AND DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

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 _____ day of September, 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, Texaco Inc., seeks approval for the unorthodox location of its Central Vacuum Unit Well No. 139 to be *vertically drilled from a surface location* ~~be located~~ 85 feet from the South line and 958 feet from the East line of Section 36, Township 17 South, Range 34 East, *to a depth of approximately 3100 feet, and* Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, *and in such a manner as to be bottomed in the San Andres formation* ~~directionally drilled in a 100' square bottom hole target location~~ *than* with the center of the target being 60 feet from the South line and 1310 feet from the East line of said Section 36; *that the applicant further seeks* and approval

(7) That the injection of water into the subject well shall be subject to all of the provisions of previous orders of the Division relating to the Central Vacuum Unit Waterflood Project, including Orders Nos. R-5530 and R-5530-A

(4) That the directional drilling of said well to the aforesaid bottomhole location is occasioned by the location of a surface obstruction immediately over the bottomhole location, namely a gasoline plant. to inject water into the San Andres formation in said well.

(3) That the ~~_____~~ of said Section 36 is to be dedicated to the well.

(3) That an ^{injection} well at said unorthodox ^{bottomhole} location will better enable applicant to ~~produce the gas underlying the perforation unit~~ ^{complete an efficient waterflood injection} pattern in its Central Vacuum Unit Area.

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

(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 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.

(7)

IT IS THEREFORE ORDERED:

(1) That an unorthodox ~~gas well~~ location/for the Texaco Inc. Central Vacuum Unit Well No. 139 to be ^{is hereby approved for} ~~located~~ ^{vertically drilled from a surface location} 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, ^{to a depth of approximately 3100 feet, and} ~~and approval is also given to then~~ ^{said well to a true vertical depth of 4800 feet} ~~directionally drill the above-described well to a 100' square~~ ^{the San Andres formation, bottoming at} 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 ~~to inject water into the San Andres formation in said well.~~

(2) That the ~~_____~~ of said section 36 shall be dedicated to the above-described well.

(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.

(2) That the applicant is hereby authorized to utilize said well for the injection of water into the San Andres formation, injection to be through tubing set in a packer located ~~at approximately~~ ^{approximately} 50 feet above the uppermost perforation.

(3) That operation of and injection into the subject well shall be subject to all of the provisions applicable to other injection wells in the Central Vacuum Unit Area Waterflood Project, as promulgated by Division Orders Nos. R-5530 and R-5530-A.