CASE 7010: AMOCO PRODUCTION COMPANY FOR A DUAL COMPLETION, UNORTHODOX WELL LOCATION, AND SIMULTANEOUS DEDICATION, LEA

CASE NO.

7010

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

September 12, 1980

Mr. Clyde Mote, Attorney
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Re: CASE NO. 7010
ORDER NO. R-6462

Applicant:

~~Amoco Production Company~~

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7010
Order No. R-6462

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR A DUAL COMPLETION,
UNORTHODOX WELL LOCATION, AND
SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 20, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 1980, 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, Amoco Production Company, seeks authority to complete its Myers "B" Federal Well No. 28 at an unorthodox location 330 feet from the South line and 420 feet from the West line of Section 9, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce gas from the Jalmat Gas Pool and oil from the Langlie Mattix Pool, through the casing-tubing annulus and through tubing, respectively.

(3) That the applicant further seeks to simultaneously dedicate a previously approved 160-acre non-standard Jalmat gas proration unit consisting of the SW/4 of said Section 9 to the above-described well and to its Myers B Federal Well No. 13 located in Unit L of said Section 9.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(6) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(7) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to complete its Myers "B" Federal Well No. 28 at an unorthodox location 330 feet from the South line and 420 feet from the West line of Section 9, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce gas from the Jalmat Gas Pool through the casing-tubing annulus and oil from the Langlie Mattix Pool through tubing with separation of the zones to be accomplished by means of a packer set at approximately 3200 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Langlie Mattix Pool.

(2) That the SW/4 of said Section 9 shall be simultaneously dedicated to the above-described well and to applicant's Myers "B" Federal Well No. 13 located in Unit L of said Section 9.

(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

S E A L

/d/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 August 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company for a dual completion, unorthodox well location, and simultaneous dedication, Lea County, New Mexico.

CASE 7010

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Clyde A. Mote, Esq.
Amoco Production Company
500 Jefferson Bldg.
Houston, Texas 77001

I N D E X

E X H I B I T S

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

MR. STAMETS: We'll call next Case 7010.

MR. PADILLA: Application of Amoco Production Company for a dual completion, unorthodox well location, and simultaneous dedication, Lea County, New Mexico.

MR. MOTE: Mr. Examiner, Clyde Mote, Amoco Production Company, an attorney representing Amoco Production Company in association with Atwood and Malone, and we have one witness, who was sworn previously in the previous case.

MR. STAMETS: Let the record reflect that the witness has been sworn and qualified and is still in this case.

H. MIKE BROWN

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

DIRECT EXAMINATION

BY MR. MOTE:

Q. Please state your name, by whom employed, and in what capacity.

A. My name is H. Michael Brown, employed by Amoco Production Company in their Houston Regional Office as a Staff Petroleum Engineer, Senior Grade.

Q. And you are the same Mike Brown that pre-

viously testified in Case Number 7009?

A. Yes.

Q. I'll ask you whether or not the exhibits which you will introduce in this case have either been prepared by you or under your supervision and direction?

A. Yes, they have.

Q. All right, if you would, take out your Exhibit Number One, which I believe is a plat of the area, and explain what you have on this exhibit.

A. Exhibit Number One is a map showing our Myers "B" Federal lease and all offset quarter sections and all wells currently completed therein.

And our well in question, the Myers "B" Federal No. 28 is denoted by the red arrow.

Q. All right, exactly what are you requesting authority to do from the Commission at this time?

A. We're asking for authority to dually complete No. 28 in the Langlie-Mattix-Seven Rivers-Queen Pool and the Jalmat-Tansill-Yates-Seven Rivers Pool, with the Yates being simultaneously dedicated with a previously approved nonstandard proration unit, comprising the southwest quarter of Section 9. At present that is the same proration unit assigned to Well No. 13.

Q. Has this well been both perforated and tested in both the Queen and the Yates?

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

A. Yes, it has.

Q. And is this an orthodox location as to the Queen sand?

A. In the Queen, yes, sir.

Q. But it's an unorthodox location as to the Yates?

A. Yes.

Q. Is that correct?

A. Correct.

Q. All right, what are the pressure and producing rates of wells offsetting the subject well?

Q. The Getty New Mexico "G" No. 1, located in the northwest quarter of Section 16, as of April of this year was producing 145 Mcf a day and had a bottom hole pressure in January, 1980, of 116 pounds.

The Conoco Jack "B" 17 No. 3 in April was producing 560 Mcf a day with a January bottom hole pressure of 147 pounds.

The Amerada Hess Hodges No. 1 had a July allocation of 30 Mcf a day and the January bottom hole pressure was 136 pounds.

Our Well No. 13 in April was making 15 Mcf a day with a bottom hole pressure in January of 135 pounds, and that's the production and bottom hole pressure history of the wells immediately offsetting which produce Yates.

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Phone (505) 455-7409

Q. Were all of these offsets given notice of your desire for the dual completion of this well?

A. Yes, they were.

Q. And did any of them complain or make any objection?

A. Not to my knowledge.

Q. In your opinion as an expert, can the gas producable from Well 28 be recovered from the No. 13 Well?

A. No, sir, not in the Yates.

Q. Would -- would the Yates gas in the Well No. 28, would it be recovered from any of the offsetting wells?

A. Probably not.

Q. All right, if you would, are you finished with your testimony concerning this exhibit?

A. Yes.

Q. Would you please turn to Exhibit Number Two, which I believe is a downhole schematic arrangement, and explain to the Examiner how you intend to perform the dual completion?

A. We propose to install a packer between the two sets of perforations and run 2-3/8ths inch tubing. We would then produce the Queen through the tubing and produce the Yates up the annulus. Both zones are gas zones with very little liquid production.

SALLY W. BOYD, C.S.R.
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Santa Fe, New Mexico 87501
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Q. What is the pressure differential between the Yates and the Queen?

A. Approximately 70 pounds.

Q. All right, turn to your Exhibit Number Three. I believe this is a log of the well in question, and point out what you would like to point out in connection with this log to the Examiner.

A. Yes. Exhibit Three is a compensated neutron formation density log on the Myers "B" Federal No. 28.

Shown on the log are the formations tops of the Yates, Seven Rivers, the Queen, and the Penrose. Also shown with the standard perforating symbol and highlighted in red coloring are the perforated intervals in both the Yates and the Queen.

We've further indicated the test data that has been -- we have received so far on both the Queen and the Yates.

MR. MOTE: Mr. Examiner, at this time we offer Exhibits One through Three into evidence, and this concludes our case.

MR. STAMETS: These exhibits will be admitted.

CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Brown, do you know the number -- non-standard proration unit number that authorized the southwest quarter of Section 9 as the proration unit in this case?

A. No, sir, I was unable to find it in our records.

Q. Okay. We can perhaps dig that out.

The two wells which will be simultaneously dedicated, then, would be your Well No. 13 and Well No. 28.

A. That's correct.

Q. Now, you indicated that the Yates was expected to produce very little in the way of liquids. What is very little liquid?

A. At present it's producing no liquids.

Q. Do you have any indication that it will be producing any?

A. No, sir.

The other Yates wells, it's almost all dry gas.

Q. Okay, what about your No. 13, does it produce any liquids?

A. No, sir.

Q. The Langlie-Mattix zone is an oil zone, is that correct?

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

A. In this area they would be gas, also gas.

Q. Okay.

A. It tested 562 Mcf of gas a day with -- and we didn't recover any liquids on that test.

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

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

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

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7010, heard by me on 8-20 19 80.

Richard L. Stamets, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 August 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company for a dual completion, unorthodox well location, and simultaneous dedication, Lea County, New Mexico.

CASE 7010

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Clyde A. Mote, Esq.
Amoco Production Company
500 Jefferson Bldg.
Houston, Texas 77001

I N D E X

E X H I B I T S

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MR. PADILLA: Application of Amoco Production Company for a dual completion, unorthodox well location, and simultaneous dedication, Lea County, New Mexico.

MR. MOTE: Mr. Examiner, Clyde Mote, Amoco Production Company, an attorney representing Amoco Production Company in association with Atwood and Malone, and we have one witness, who was sworn previously in the previous case.

MR. STAMETS: Let the record reflect that the witness has been sworn and qualified and is still in this case.

H. MIKE BROWN

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

DIRECT EXAMINATION

BY MR. MOTE:

Q. Please state your name, by whom employed, and in what capacity.

A. My name is H. Michael Brown, employed by Amoco Production Company in their Houston Regional Office as a Staff Petroleum Engineer, Senior Grade.

Q. And you are the same Mike Brown that pre-

viously testified in Case Number 7009?

A. Yes.

Q. I'll ask you whether or not the exhibits which you will introduce in this case have either been prepared by you or under your supervision and direction?

A. Yes, they have.

Q. All right, if you would, take out your Exhibit Number One, which I believe is a plat of the area, and explain what you have on this exhibit.

A. Exhibit Number One is a map showing our Myers "B" Federal lease and all offset quarter sections and all wells currently completed therein.

And our well in question, the Myers "B" Federal No. 28 is denoted by the red arrow.

Q. All right, exactly what are you requesting authority to do from the Commission at this time?

A. We're asking for authority to dually complete No. 28 in the Langlie-Mattix-Seven Rivers-Queen Pool and the Jalmat-Tansill-Yates-Seven Rivers Pool, with the Yates being simultaneously dedicated with a previously approved nonstandard proration unit, comprising the southwest quarter of Section 9. At present that is the same proration unit assigned to Well No. 13.

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A. Yes, it has.

Q. And is this an orthodox location as to the Queen sand?

A. In the Queen, yes, sir.

Q. But it's an unorthodox location as to the Yates?

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Q. Is that correct?

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A. It tested 562 Mcf of gas a day with -- and we didn't recover any liquids on that test.

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

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The case will be taken under advisement.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

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

_____

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SHEET NO. OF

FILE

APPN

DATE 5/19/80

BY HMB

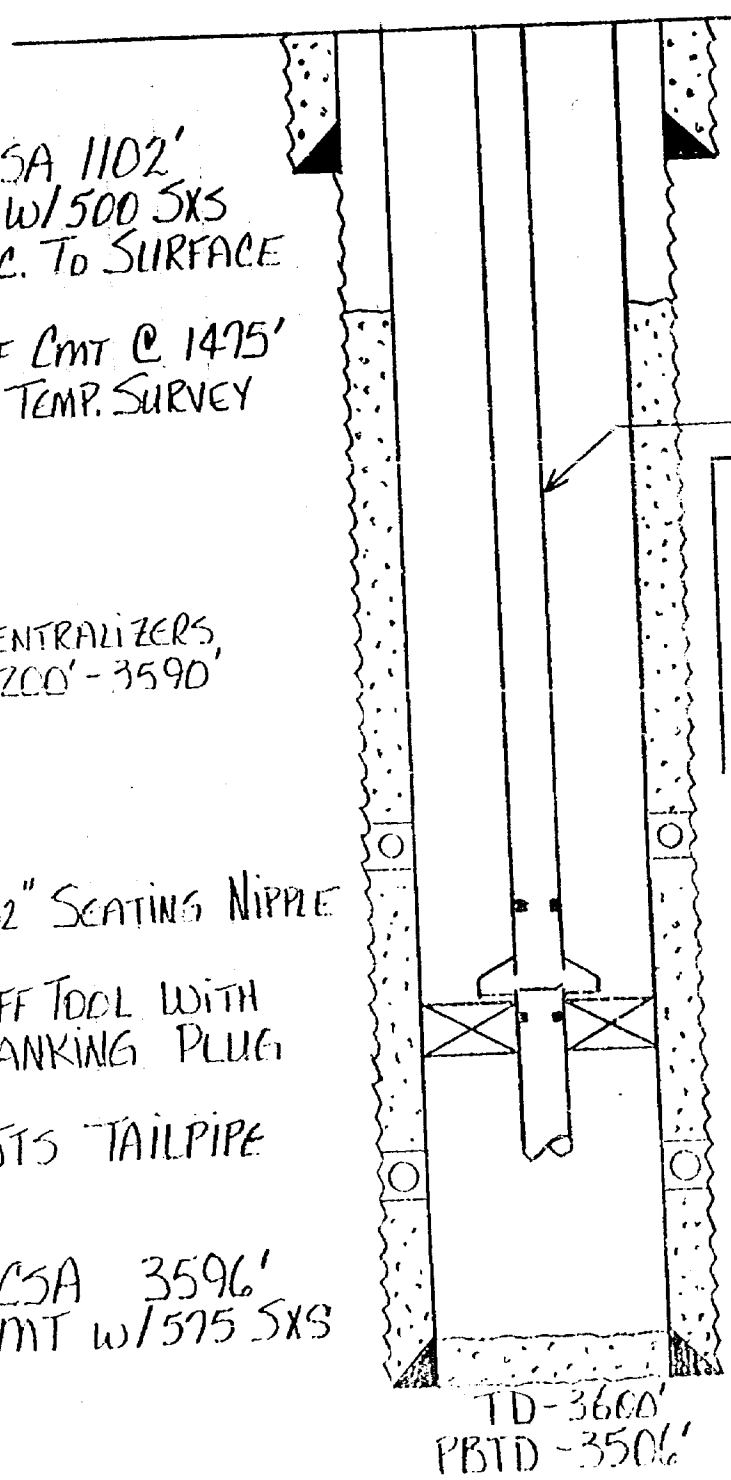
Amoco Production Company

ENGINEERING CHART

SUBJECT MYERS "B" FEDERAL R/A "A"
WELL No. 28

LOCATION: 330' FSL & 420' FWL, SEC. 9, T-24-S, R-37-E
LEA COUNTY, NEW MEXICO

GL: 3257'
RDB: 3263'



9 5/8" CSA 1102'
CMT w/500 SXS
CIRC. TO SURFACE

TOP OF CMT @ 1475'
PER TEMP. SURVEY

2 3/8" TUBING

4 CENTRALIZERS,
3200'-3590'

1 25/32" SEATING NIPPLE

ON-OFF TOOL WITH
BLANKING PLUG

3 JTS TAILPIPE

7" CSA 3596'
CMT w/575 SXS

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 2
CASE NO. 7010
Submitted by Amoco
Hearing Date 8-20-80

YATES PERFS: 2776'-2942'

GUIBERSON UNI VI
PACKER

QUEEN PERFS: 3292'-3586'

Amoco Production Company

ENGINEERING CHART

SHEET NO. OF

FILE

APPN

DATE 5/19/80

BY HMB

SUBJECT MYERS "B" FEDERAL R/A "A"
WELL NO. 28

LOCATION: 330' FSL & 420' FWL, SEC. 9, T-24-S, R-37-E
LEA COUNTY, NEW MEXICO

GL: 3257'
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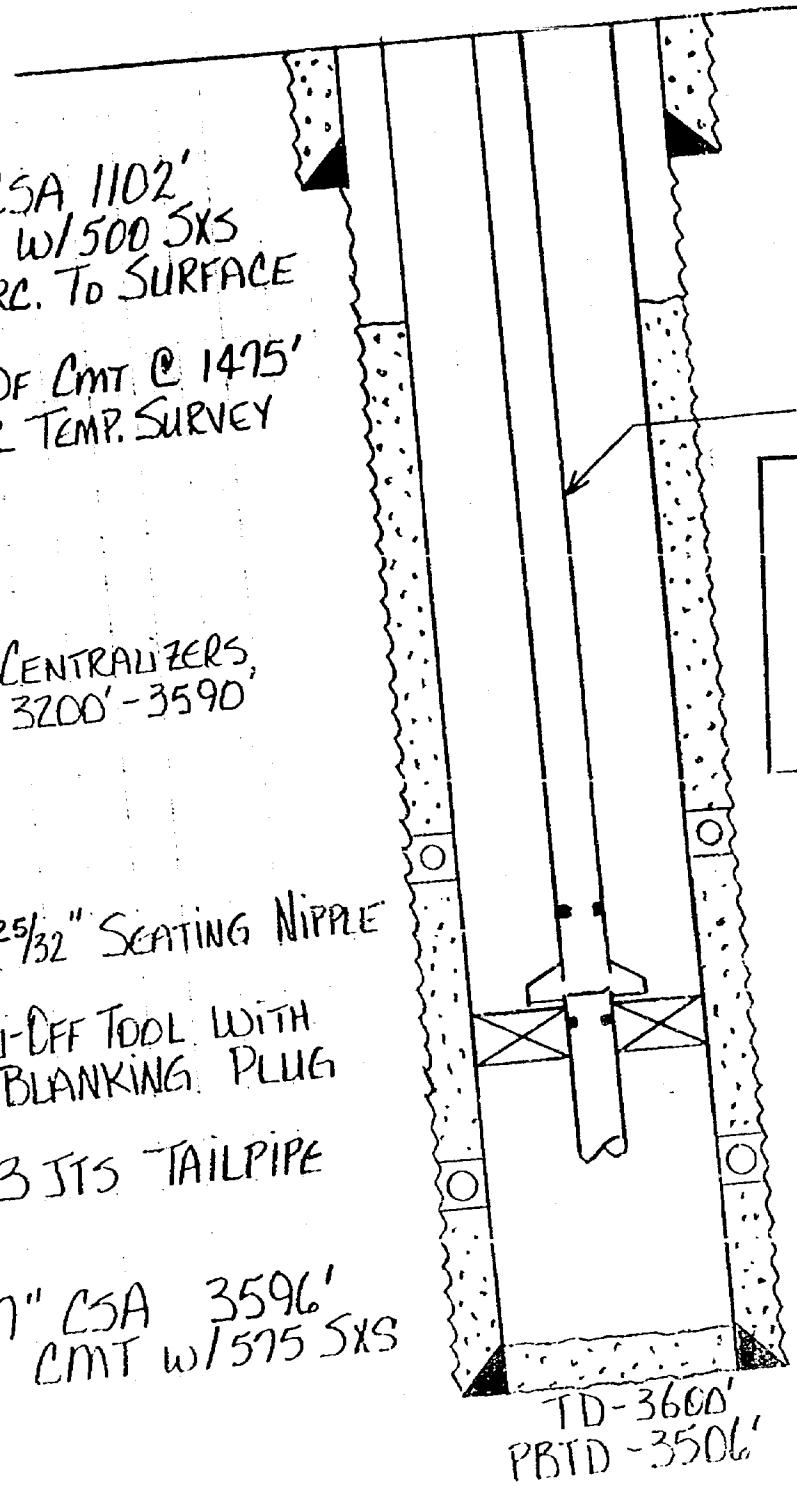


BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 2
CASE NO. 7010
Submitted by Amoco
Hearing Date 8-20-80

YATES PERFS: 2776'-2942

GUIBERSON UNI VI
PACKER

QUEEN PERFS: 3292'-3386

Amoco Production Company

ENGINEERING CHART

SHEET NO. 01

FILE

APPN

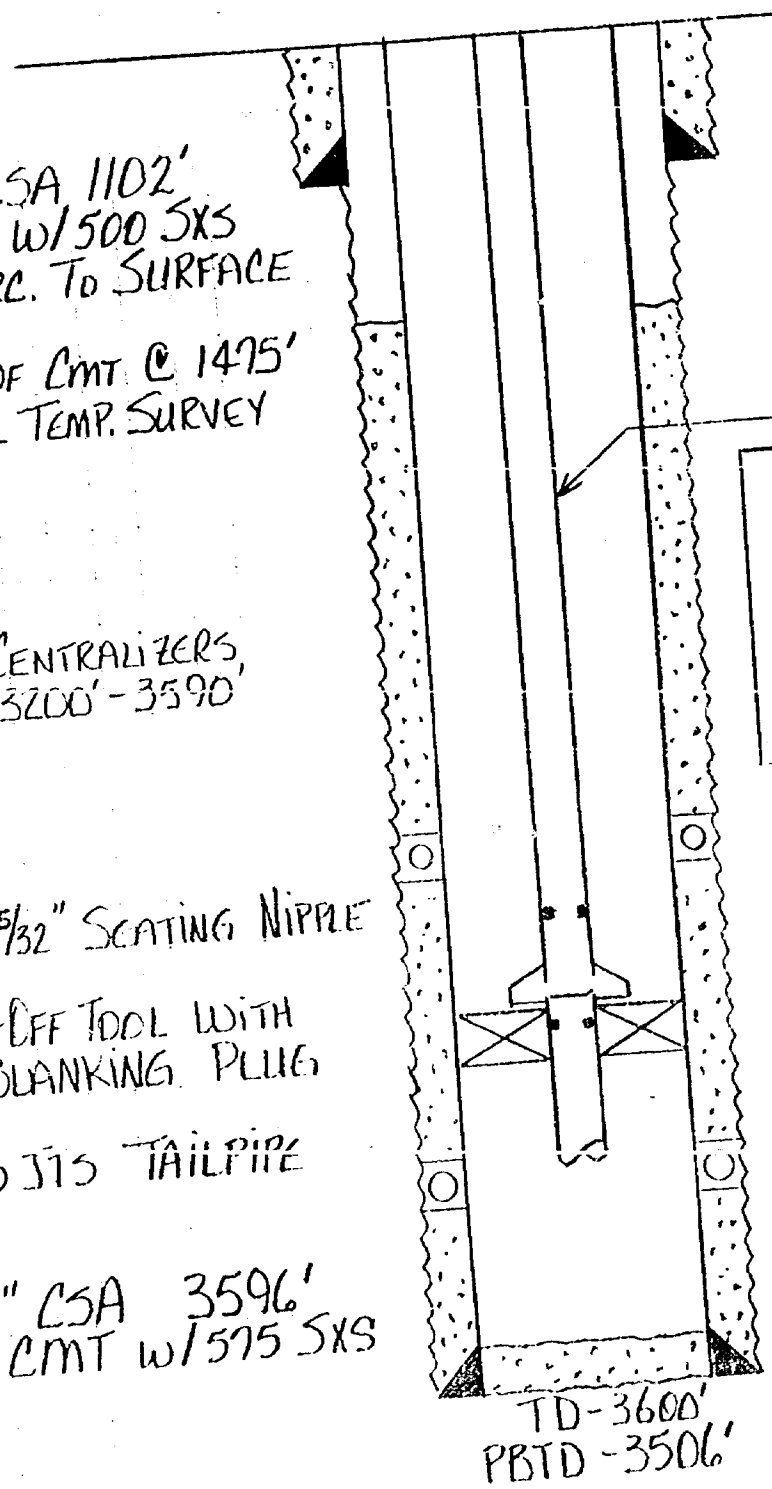
DATE 5/19/80

BY HMB

SUBJECT MYERS "B" FEDERAL K/A "A"
WELL No. 28

LOCATION: 330' FSL & 420' FWL, SEC. 9, T-24-S, R-37-E
LEA COUNTY, NEW MEXICO

GL: 3257'
RDB: 3263'



BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 2
CASE NO. 7010
Submitted by AMOCO
Hearing Date 8-20-80

YATES PERFS: 2776'-2942

GUIBERSON UNI VI
PACKER

QUEEN PERFS: 3292'-3386

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF AMOCO PRODUCTION COMPANY FOR A DUAL COMPLETION, UNORTHODOX WELL LOCATION, AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.	)	NO. 7010

ENTRY OF APPEARANCE

The undersigned hereby enter their appearance on behalf of Amoco Production Company with C. A. Mote of Houston, Texas.

ATWOOD, MALONE, MANN & COOTER, P.A.

By _____

P. O. Drawer 700
Roswell, New Mexico 88201

Dockets Nos. 27-80 and 28-80 are tentatively set for September 3 and 17, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 20, 1980

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 September, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for September, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6998: Application of Monsanto Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Back Basin Unit Area, comprising 1,920 acres, more or less, of State and Federal lands in Township 23 South, Range 34 East.

CASE 6999: Application of Gulf Oil Corporation for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard proration unit comprising the N/2 of Section 36, Township 21 South, Range 36 East, Eumont Gas Pool, to its Harry Leonard NCT-C Well No. 9 located in Unit B, and its No. 8, at an unorthodox location 1980 feet from the North line and 660 feet from the East line of Section 36.

CASE 7000: Application of Cavalcade Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McClay Well No. 11 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, the NE/4 SW/4 of said Section 33 to be dedicated to the well.

CASE 7001: Application of McClellan Oil Corporation for three unorthodox oil well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for three following unorthodox locations for wells to be drilled in Section 24, Township 14 South, Range 29 East, Double L Queen Associated Pool: 1155 feet from the North line and 2145 feet from the East line; 1155 feet from the North and East lines; and 1650 feet from the North line and 1155 feet from the East line; the respective 40-acre tract would be dedicated to each well.

CASE 7002: Application of Orville Slaughter for the amendment of Order No. R-5947, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5947 to provide for the commingling of Oswell-Farmington production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from Wells Nos. 2 and 2S, all in Section 34, Township 30 North, Range 11 West.

CASE 7003: Application of El Paso Natural Gas Company for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 590 feet from the South line and 2400 feet from the East line of Section 1, Township 29 North, Range 13 West, in such a manner as to bottom it within 175 feet of a point 990 feet from the South line and 1650 feet from the West line of said Section 1.

CASE 7004: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Morrow formations underlying the N/2 of Section 12, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6938: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the W/2 of said Section 20 to be dedicated to the well.

CASE 6939: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6940: (Continued from July 23, 1980, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6961: (Continued from July 23, 1980, Examiner Hearing) (This case will be continued to September 17.)

Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 990 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and -Ellenburger Pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well.

CASE 7005: Application of Sol West III for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.

CASE 7006: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Northwest Gladiola Unit Area, comprising 1,280 acres, more or less, of State and fee lands in Townships 11 and 12 South, Range 37 East.

CASE 7007: Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Morrow and Atoka production in the wellbore of its North Travis 12 Deep Well No. 1 located in Unit O of Section 12, Township 16 South, Range 28 East.

CASE 7008: Application of Coronado Exploration Corp. for eight compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying eight 40-acre proration units, being the NE/4 NE/4 of Section 4 and the NW/4 NE/4 of Section 5, both in Township 12 South, Range 28 East, and the NW/4 SE/4 of Section 6, the NE/4 NW/4 of Section 23, the NE/4 SE/4 of Section 28, the SE/4 SE/4 of Section 29, the NE/4 NW/4 of Section 32, and the SE/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6994: (Continued from August 6, 1980, Examiner Hearing)

Application of Enserch Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Siluro-Devonian formations underlying the N/2 of Section 14, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6996: (Continued from August 6, 1980, Examiner Hearing)

Application of John E. Schalk for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Mesaverde Pool underlying the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7009: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 8330 feet to 9000 feet in its State "E" Tract 18 Well No. 22 in Unit G of Section 2, Township 17 South, Range 36 East, Lovington-Abo Pool.

CASE 7010: Application of Amoco Production Company for a dual completion, unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Myers "B" Federal Well No. 28 at an unorthodox location 330 feet from the South line and 420 feet from the West line of Section 9, Township 24 South, Range 37 East, to produce gas from the Jalmat Gas Pool and oil from the Langlie Mattix Pool, to be simultaneously dedicated in the gas zone with its No. 13 located in Unit L of Section 9.

CASE 7011: (This case will be continued to the September 17, 1980, hearing.)

Application of Amoco Production Company for downhole comaingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole comaingling of Fruitland and Blanco-Pictured Cliffs production in the wellbores of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; "D" No. 7, SW/4 of Section 11; and "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West.

CASE 6981: (Continued from July 23, 1980, Examiner Hearing)

Application of Bass Enterprises Production Company for a special gas-oil ratio limitation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 8000 to one for the Palmillo-Bone Springs Pool.

CASE 7012: Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka formation for its Pardue Farms Gas Com Well No. 1 in Unit G of Section 26, Township 23 South, Range 28 East.

CASE 7013: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting vertical limits, and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates production and designated as the Byers-Yates Gas Pool. The discovery well is Exxon Corporation Bowers A Federal Well No. 37 located in Unit P of Section 30, Township 18 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 30: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Jal-Atoka Gas Pool. The discovery well is Getty Oil Company West Jal B Deep Well No. 1 located in Unit H of Section 17, Township 25 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 17: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Saunders-Morrow Gas Pool with special vertical limits defined as being from the top of the Morrow formation at 12,150 feet to the top of the Mississippian at 12,445 feet, as found on the log of the discovery well, the Adobe Oil and Gas Corporation Gray 35 Well No. 1 located in Unit N of Section 35, Township 14 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 35: All

(d) ABOLISH the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 13: SE/4
Section 23: SE/4
Section 24: S/2 and NE/4
Section 25: N/2 and SE/4
Section 26: N/2

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 18: S/2
Section 19: N/2 and SE/4
Section 20: All

(o) EXTEND the Custer-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 36: S/2

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: E/2

(p) EXTEND the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 19: NE/4

(q) EXTEND the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 12: NW/4

(r) EXTEND the Hardy-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 12: NW/4

(s) EXTEND the Hobbs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 3: SW/4

(t) EXTEND the South Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 22: SE/4
Section 27: NE/4

(u) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 32: N/2
Section 33: W/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 4: W/2

(v) EXTEND the Querecho Plains-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 35: NW/4

(w) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 6: Lots 9, 10, 15, 16, and SE/4

(x) EXTEND the Northwest Todd-San Andres Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Section 7: NE/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 32: SE/4 SW/4

(z) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 35: NW/4

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

July 25, 1980

File: JCA-986.51NM-3062

Case 7010

Re: DUAL COMPLETION
MYERS "B" FEDERAL NO. 28
LEA COUNTY, NEW MEXICO

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

Attention: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company requests a hearing for obtaining approval of the dual completion of our Myers "B" Federal No. 28 in the Jalmat Tansill Yates Seven Rivers Gas Pool and the Langlie Mattix Seven Rivers Queen Oil Pool. The Myers "B" Federal No. 28 is located 330' FSL and 420' FWL of Sec. 9, T-24-S, R-37-E, Lea County, New Mexico. This is an unorthodox location in the Jalmat Yates Seven Rivers Gas Pool.

The SW/4, SW/4 of Sec. 9 will be dedicated to the oil zone in this well. The entire SW/4 of Sec. 9 will be dedicated to the gas zone, thus we will also be requesting approval for the simultaneous dedication of this non-standard proration unit with our Myers "B" Federal No. 13 located in Unit ~~G~~ L of Sec. 9.

Please place this item on the Examiner's Hearing Docket of August 20, 1980. A map of the area and a list of offset operators are attached. Please direct any questions to Mr. Mike Brown (713/652-7238).

Yours very truly,

J. R. Barnett
HMB

HMB/rw
Attachment
cc: Offset Operators (See Attached List)

MYERS "B" FEDERAL LEASE

OFFSET OPERATORS

AMERADA HESS CORP.
P. O. BOX 2040
TULSA, OK 74102

CONOCO INC.
P. O. BOX 460
1001 N. TURNER ST.
HOBBS, NM 88240

EXXON CO., U.S.A.
P. O. BOX 1600
MIDLAND, TX 79701

GETTY OIL COMPANY
P. O. BOX 730
HOBBS, NM 88240

GULF OIL CORP.
P. O. BOX 1150
MIDLAND, TX 79702

TEXAS PACIFIC OIL CO.
P. O. BOX 4067
MIDLAND, TX 79701

JOHN YURONKA
102 PETROLEUM BLDG.
MIDLAND, TX 79701

RECEIVED
JUL 29 1980
OIL CONSERVATION DIVISION
SANTA FE

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

July 25, 1980

Case 7010

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The SW/4, SW/4 of Sec. 9 will be dedicated to the oil zone in this well. The entire SW/4 of Sec. 9 will be dedicated to the gas zone, thus we will also be requesting approval for the simultaneous dedication of this non-standard proration unit with our Myers "B" Federal No. 13 located in Unit 6 of Sec. 9.

Please place this item on the Examiner's Hearing Docket of August 20, 1980. A map of the area and a list of offset operators are attached. Please direct any questions to Mr. Mike Brown (713/652-7238).

Yours very truly,

J. R. Barnett
HMB

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cc: Offset Operators (See Attached List)

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MIDLAND, TX 79702

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JOHN YURONKA
102 PETROLEUM BLDG.
MIDLAND, TX 79701

Amoco Production Company
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

RECEIVED
JUL 29 1980
OIL CONSERVATION DIVISION
SANTA FE

J. R. Barnett
Regional Engineering
Manager

July 25, 1980

Case 7010

File: JCA-986.51NM-3062

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State of New Mexico
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Oil Conservation Division
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Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

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The SW/4, SW/4 of Sec. 9 will be dedicated to the oil zone in this well. The entire SW/4 of Sec. 9 will be dedicated to the gas zone, thus we will also be requesting approval for the simultaneous dedication of this non-standard proration unit with our Myers "B" Federal No. 13 located in Unit ~~G~~ L of Sec. 9.

Please place this item on the Examiner's Hearing Docket of August 20, 1980. A map of the area and a list of offset operators are attached. Please direct any questions to Mr. Mike Brown (713/652-7238).

Yours very truly,

J. R. Barnett
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Attachment
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P. O. BOX 4067
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JOHN YURONKA
102 PETROLEUM BLDG.
MIDLAND, TX 79701

ROUGH

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:

k CASE NO. 7010

Order No. R- 6462

APPLICATION OF AMOCO PRODUCTION COMPANY FOR A DUAL COMPLETION, UNORTHODOX WELL LOCATION, AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on August 20, 19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of August, 19 80, 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, Amoco Production Company, seeks authority to complete its Myers "B" Federal Well No. 28 / at an unorthodox location 330 feet from the South line and 420 feet from the West line of Section 9, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) ~~(combination)~~ ~~(tubingless)~~ to produce ~~oil~~ gas from the Jalmat Gas Pool and oil from the Langlie Mattix Pool, ~~to be simultaneously dedicated in the gas zone with its No. 13 located in Unit L of Section 9.~~ through the casing-tubing annulus and through tubing, respectively

160-acre Jalmat gas

(3) That the applicant further seeks to simultaneously dedicate a previously approved non standard proration unit consisting of the SW/4 of said Section 9 to the above-described well and to its Myers B Federal Well No 13 located in Unit L of said Section 9.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(6) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(7) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company,

is hereby authorized to complete its Myers "B" Federal Well No. 28 /, ~~located in Unit~~ ~~of Section~~, at an unorthodox location 330 feet from the South line and 420 feet from the West line of Section 9, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) ~~(combination)~~ ~~(tubingless)~~

to produce gas from the Jalmat Gas Pool ~~and oil from the~~ through the casing-tubing annulus and oil from the Langlie Mattix Pool, ~~to be simultaneously dedicated in the~~ through tubing with separation of the gas zones to be accomplished by means of a packer set at approximately 3200 feet. ~~zone with its Myers "B" Federal Well No. 13 located in Unit L of Section 9.~~

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Langlie Mattix Pool.

(2) That the SW/4 of said Section 9 shall be simultaneously dedicated to the above-described well and to applicant's Myers "B" Federal Well No. 13 located in Unit L of said Section 9.

(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.