

CASE 7018: SHELL OIL COMPANY FOR AN
EXCEPTION TO DIVISION ORDER NO. 202(B),
SAN JUAN COUNTY, NEW MEXICO

CASE NO.

7018

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for
an exception to Division Rule No.
202(B), San Juan County, New Mexico.

CASE
7018

BEFORE: Daniel S. Nutter

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:

Owen Lopez, Esq.
MONTGOMERY AND ANDREWS
Paseo de Peralta
Santa Fe, New Mexico 87501

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I N D E X

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FRANKLIN T. BETHEL

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Direct Examination by Mr. Lopez 3

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Cross Examination by Mr. Nutter 12

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Cross Examination by Mr. Padilla 15

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E X H I B I T S

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Applicant Exhibit One, Plat 6

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Applicant Exhibit Two, Listing 6

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Applicant Exhibit Three, Listing 7

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Applicant Exhibit Four, Listing 8

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Applicant Exhibit Five, Summary 8

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Applicant Exhibit Six, Curve 9

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Applicant Exhibit Seven, Recap 11

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1 MR. NUTTER: We'll call Case Number 7018.

2 MR. PADILLA: Application of Shell Oil
3 Company for an exception to Division Rule No. 202(B), San
4 Juan County, New Mexico.

5 MR. LOPEZ: If the Examiner please, my
6 name is Owen Lopez of the law firm of Montgomery and Andrews
7 in Santa Fe, New Mexico, appearing on behalf of the applicant,
8 and I have one witness to be sworn.

9
10 (Witness sworn.)

11
12 FRANKLIN T. BETHEL
13 being called as a witness and having been duly sworn upon his
14 oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. LOPEZ:

18 Q Would you please state your name, by whom
19 you're employed, and in what capacity?

20 A I am Franklin T. Bethel. I am a staff
21 engineer for Shell Oil Company in Houston, Texas, presently
22 in Production Administration for the Rocky Mountain Division,
23 with responsibilities for regulatory matters, joint venture
24 matters, and unitizations.

25 MR. NUTTER: How do you spell your last

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1 name, please?

2 A. B-E-T-H-E-L.

3 MR. NUTTER: Thank you.

4 Q Mr. Bethel, have you previously testified
5 before this Commission and had your qualifications accepted
6 as a matter of record?

7 A. No, I have not.

8 Q Would you then briefly describe your edu-
9 cational background and employment experience?

10 A. Yes. I received a Bachelor of Mining
11 Engineering degree from Ohio State, 1948; Master of Science
12 in Petroleum Engineering from Penn State in 1952.

13 I've been employed by Shell Oil Company
14 approximately twenty-eight years, most of that time in reser-
15 voir engineering, economics; about the last twelve years
16 working in general regulatory matters, joint ventures, uniti-
17 zation, that type of activity.

18 Q Are you familiar with Shell's application
19 in this case, NO. 7018?

20 A. Yes, I am.

21 Q And what is it that Shell seeks by this
22 application?

23 A. We're asking for an exception to Division
24 Rule 202(B) for our properties in the Carson Unit Bisti Pool
25 of San Juan County, New Mexico.

1 MR. LOPEZ: Are the witness' qualifications
2 acceptable?

3 MR. NUTTER: Yes, they are.

4 Q Perhaps you could describe a brief histor-
5 ical background of the Carson Unit in the Bisti Pool and what
6 is being sought of the Commission today and where we stand.

7 A Certainly. The original order granting
8 exception to Rule 202(B) for wells in the Carson Unit was
9 heard in Case Number 6125 on January 18, 1978.

10 To summarize that case, we had an unsuc-
11 cessful waterflood, some wells still capable of producing
12 oil, and wanted to attempt to recover the ultimate quantity
13 of oil from those wells, even though they were marginal and
14 it was basically a salvage operation.

15 Order Number R-5655 was issued at that
16 time, granting the exception for 42 wells in the Carson Unit.
17 That order also included a provision that the exceptions
18 could be extended for one year administratively upon a showing
19 of reasonable progress in the intervening period.

20 A 1-year extension was requested by Shell
21 on February 14, 1979, and granted administratively on February
22 19, 1979.

23 Q Now, I'd refer you to what has been
24 marked as Exhibit Number One and ask you to identify it.

25 A Exhibit Number One is a plat showing

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1 current well status as of August 1st, 1980.

2 There are a total on the plat of 24 wells
3 considered to be currently active wells. There are 16 active
4 oil producers shown in red; 3 active gas producers shown in
5 yellow; 1 active water disposal well, the large black dot; and
6 4 inactive wells capable of production except they have
7 mechanical problems. A total of 24.

8 There are an additional 6 wells currently
9 T.A.'d but for which the engineering work has been done and
10 the recommendation has been made and approved for additional
11 work. Two shown in the brown dot have been approved for P&A;
12 4 in the blue or purple dot have been approved for return to
13 production, as soon as a rig and a program can be outlined
14 for that rig in the field.

15 The two P&A wells are part of a 5-well
16 package including 3 wells lying outside of the Carson Unit
17 for which we are currently taking bids for an abandonment
18 program.

19 Q Now I'd refer you to Exhibit Number Two
20 and ask you to describe that.

21 A Our Exhibit Two is merely an individual
22 well listing of most of the information that you saw on Ex-
23 hibit One. It shows each well and its current status.

24 Q Okay, Exhibit Number Three, would you
25 describe it, please?

1 A Exhibit Three is a similar listing of the
2 current status of each well in the field as of January 1, 1979,
3 when the administrative extension to the exception to 202(B)
4 was granted.

5 On Exhibit Two we have asterisked those
6 wells for which there has been a change in status from January
7 1, '79 listing to August 1, 1980 listing.

8 You'll note that there are two wells on
9 the list that have been newly drilled as Pictured Cliffs gas
10 producers; 12 wells that were T.A.'d on January 1, 1979, have
11 changed in status; 5 are currently producing; 4 have been ap-
12 proved for return to production, are awaiting the field oper-
13 ation; 2, as I mentioned, have been approved for plug and
14 abandonment; 1 was returned to production but currently needs
15 remedial work and is shut-in.

16 In addition, there were 3 wells on January
17 1, '79 that had mechanical problems. These problems have
18 been alleviated and those wells were returned to production.

19 One producing well in January of '79 now
20 is shut-in with mechanical problems, part of the normal oil
21 field remedial maintenance activity.

22 MR. NUTTER: But none of the wells on
23 the list of January 1, '79 have actually been plugged and
24 abandoned.

25 A. No, sir, they have not.

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1 MR. NUTTER: Although a couple have been
2 approved for P&A.

3 A That's true.

4 Q Now referring to Exhibit Three, would you
5 describe that?

6 A As I mentioned, Exhibit Three is the
7 listing of the status of the well as of January 1, '79.

8 Q Okay, now Exhibit Four.

9 A Exhibit Four is a listing of the status
10 as of April 1, 1980, an interim period, and probably the
11 significance of that exhibit will be more apparent on Exhibit
12 Five, which is a summary of these three listings of well
13 status.

14 Q Why don't you describe Exhibit Five, then?

15 A Exhibit Five is merely a summary of our
16 listing. As you can see, the active oil producers have in-
17 creased from 9 in January 1, '79 to 16 on August 1, '80.

18 Pictured Cliffs gas producers have stayed
19 the same at 3. There is still one active water disposal well

20 The combination of inactive oil producers
21 with problems and inactive Dakota gas producers, these repre-
22 sent the normal wear and tear remedial type problems you see
23 in a field. There were a total of 5 those, January 1, '79.
24 There are a total of 4 currently in August 1st, 1980, and
25 really, the April 1, '80 status shows, too, or merely reveals

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1 that this status is a fluctuating thing from time to time,
2 and that as those wells leave this particular inactive status
3 that they become producing -- active producing wells.

4 The T.A.'d wells have stayed essentially
5 the same and the category of former injectors and water dis-
6 posal wells, a Pictured Cliffs gas dry hole is T.A.'d.

7 Of the former oil producers there were
8 26 in January 1, '79; currently there are 20 of which 6 have
9 had the engineering work done and are awaiting the actual
10 field operations.

11 In addition, we show the two recently
12 drilled wells.

13 Q Now I would refer you to Exhibit Number
14 Six and ask you to identify it.

15 A Exhibit Six is a field production curve
16 for the Carson Unit dating back to 1970. You can see the
17 green curve, lower curve, is the average barrel per day oil
18 production. The blue curve is the average water production.

19 In 1976 production was down around 35
20 barrels per day. The unsuccessful -- the water injection was
21 ceased in the waterflood at that time, and much of this reme-
22 dial program, or attempting to squeeze out the last few drops
23 of oil from each of the wells in the field, was undertaken.

24 We see a rather dramatic, on the graph,
25 anyhow, increase to about 85 barrels per day in early 1977,

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1 and we can see that the general trend of this curve has changed
2 considerably since 1976.

3 Currently we're producing about 50 barrels
4 of oil per day from the field. The average well produces
5 about 1.6 barrels per day. The best well, 4.9 barrels per
6 day and the poorest well 0.8 barrels per day.

7 The added reserve, that is the difference
8 between the actual curve for 1977 through our 1980 to date,
9 between that and the dashed curve, which is a decline curve
10 of the waterflood performance, field performance absent this
11 salvage operation, shows an increased reserve of about 45,000
12 barrels of oil which would not have been recovered if we had
13 not proceeded to attempt this salvage operation.

14 Q Now, it's my understanding, Mr. Bethel,
15 that we're seeking today for another order granting an extension
16 of an exception to Rule 201(B) for one year with an additional
17 one year extension to be administratively approved for good
18 cause shown, is that correct?

19 A That is correct.

20 Q Is it your opinion that the granting of
21 this application will be in the interest of the prevention
22 of waste and protection of correlative rights?

23 A It certainly will.

24 Q In that connection I would refer you to
25 what has been marked as Exhibit Seven and ask you to identify

1 it.

2 A Exhibit Seven is a recap of Exhibit Two,
3 which is the August 1st, 1980 list of the status of various
4 wells, and herein we list those wells that are currently
5 temporarily abandoned as exceptions to Rule 202(B) and for
6 which we are requesting the further extension of that exception.

7 There are 32 wells on the list.

8 Q Is it Shell's intention to diligently
9 pursue the remedial salvage operation with regard to this
10 unit?

11 A Yes, it is. As I said, we have the en-
12 gineering work done on a number of the wells. We're awaiting
13 field operations; because of the nature of the beast, why,
14 it's not something that can be done very quickly, overnight,
15 but we think that we have shown a reasonable additional re-
16 covery which would not have been recovered absent this pro-
17 gram.

18 And I might also mention that our people
19 have been in the field within the last three weeks for a field
20 review. Talking with field personnel, they have picked out
21 about another dozen wells that they think have potential for
22 either return to production or should be abandoned and that
23 engineering work will start shortly, and the program is an
24 on-going thing.

25 Q Were Exhibits One through Seven prepared

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1 by you or under your supervision?

2 A Yes, they were.

3 MR. LOPEZ: I would offer Shell's Exhibits
4 One through Seven.

5 MR. NUTTER: Shell's Exhibits One through
6 Seven will be admitted in evidence.

7

8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q Mr. Bethel, at one time I remember Shell
11 was talking about converting some of these old Gallup wells
12 to Pictured Cliffs producers. Now on your Exhibit Number One
13 I see four Pictured Cliffs producers. I presume they're
14 Pictured Cliffs.

15 A Yes.

16 Q And one of them had just apparently been
17 recently drilled. Have the others just been recently drilled
18 or are some of these Gallup recompletions?

19 A 13-11, 34-11, and 41-14 are, to the best
20 of my knowledge, recompleted Gallup oil producers.

21 202, which is at the upper lefthand cor-
22 ner of the plat, is a recently drilled and completed new
23 Pictured Cliffs gas producer, awaiting a gas line hookup now.

24 In addition --

25 Q Do you know if there are any more pros-

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1 pective recompletions for the Pictured Cliffs among these
2 Gallup wells?

3 A No, sir, I can't tell you that. Unfor-
4 tunately, the gentleman, Mr. Collins, who is handling the
5 detail on this work, had intended to be here with me today
6 to answer these specific questions. About two weeks ago he
7 was admitted to the hospital and has been there since that time
8 and was unable to come.

9 I do not have that specific detail inform-
10 ation. I can tell you one other well that's not clearly
11 marked here in Section 13, Well No. 203?

12 Q Okay.

13 A It's not marked. That's because it has
14 not been completed but has been drilled as a Pictured Cliffs
15 gas producer.

16 Q That's a new Pictured Cliffs gas producer?

17 A Yes, it is still awaiting completion.

18 Q And now, Mr. Bethel, you're seeking an
19 extension from the time when the previous extension expired,
20 which was I believe February 19th of 1980, for one year, and
21 you then seek an administrative provision for further exten-
22 sions. Would that be open-ended or is it a provision for a
23 1-year extension?

24 A Well, I think we would certainly prefer
25 an open-ended one year administrative extension, so long as

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1 we can continue to show from year to year that there has been
2 progress made in the program. I think I said earlier that in
3 this type of an operation I think we have to look at it a
4 little differently than if we had some boomers that we were
5 to bring in. We're not. We're bringing in 3-barrel a day
6 oil wells. You cannot invest the engineering time on them
7 that you'd like to invest on them; if they were 50 or 100
8 barrels a day, that would be different.

9 But we do keep one man working on them.
10 We are making progress, and we think so long as we continue
11 to do so, and so long as our people in the field monitor the
12 wells and assure that there are no problems to the environment
13 from these T.A.'d wells, that it's in the best interests of
14 conservation of a natural resource to proceed and continue with
15 the program.

16 Q Now what's the status of all these wells
17 that are just shown in black on Exhibit One?

18 A The small black with a horizontal bar are
19 the T.A.'d wells.

20 Q They have been P&A'd?

21 A Yes.

22 Q And how about these water injection wells,
23 what's the status of them?

24 A They are also T.A.'d.

25 Q T.A. or P&A'd?

1 A T.A.

2 Q I see.

3 MR. NUTTER: Are there any further ques-
4 tions of Mr. Bethel?

5 MR. PADILLA: I have.

6 CROSS EXAMINATION

7
8 BY MR. PADILLA:

9 Q Mr. Bethel, what's the longest period
10 that some of these wells have been temporarily abandoned?
11 Do you know?

12 A I cannot tell you that, sir.

13 Q Do you have an estimate?

14 A I would think it would be -- date back to
15 1976 when the water injection program was discontinued, at
16 least that far back.

17 Q Would most of the wells on Exhibit Seven
18 fall in that category?

19 A Yes, I would think so.

20 MR. PADILLA: I have no further questions.

21 MR. NUTTER: If there are no further
22 questions of the witness, he may be excused.

23 Do you have anything further, Mr. Lopez?

24 MR. LOPEZ: No, Mr. Examiner.

25 MR. NUTTER: Does anyone have anything

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1 they wish to offer in Case Number 7018?

2 We'll take the case under advisement.

3
4 (Hearing concluded.)

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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 Conserva-
tion 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.

SALLY W. BOYD, C.S.R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7018,
heard by me on 9/3 1980.
[Signature], Examiner
Oil Conservation Division



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 12, 1980

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

Mr. Owen Lopez
Montgomery, Andrews & Hannahs
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: CASE NO. 7018
ORDER NO. R-5655-A

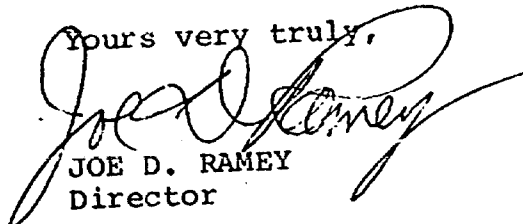
Applicant:

Shell Oil 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 x

Other _____

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I N D E X

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E X H I B I T S

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9 the list that have been newly drilled as Pictured Cliffs gas
10 producers; 12 wells that were T.A.'d on January 1, 1979, have
11 changed in status; 5 are currently producing; 4 have been ap-
12 proved for return to production, are awaiting the field oper-
13 ation; 2, as I mentioned, have been approved for plug and
14 abandonment; 1 was returned to production but currently needs
15 remedial work and is shut-in.

16 In addition, there were 3 wells on January
17 1, '79 that had mechanical problems. These problems have
18 been alleviated and those wells were returned to production.

19 One producing well in January of '79 now
20 is shut-in with mechanical problems, part of the normal oil
21 field remedial maintenance activity.

22 MR. NUTTER: But none of the wells on
23 the list of January 1, '79 have actually been plugged and
24 abandoned.

25 A No, sir, they have not.

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1 MR. NUTTER: Although a couple have been
2 approved for P&A.

3 A That's true.

4 Q Now referring to Exhibit Three, would you
5 describe that?

6 A As I mentioned, Exhibit Three is the
7 listing of the status of the well as of January 1, '79.

8 Q Okay, now Exhibit Four.

9 A Exhibit Four is a listing of the status
10 as of April 1, 1980, an interim period, and probably the
11 significance of that exhibit will be more apparent on Exhibit
12 Five, which is a summary of these three listings of well
13 status.

14 Q Why don't you describe Exhibit Five, then?

15 A Exhibit Five is merely a summary of our
16 listing. As you can see, the active oil producers have in-
17 creased from 9 in January 1, '79 to 16 on August 1, '80.

18 Pictured Cliffs gas producers have stayed
19 the same at 3. There is still one active water disposal well.

20 The combination of inactive oil producers
21 with problems and inactive Dakota gas producers, these repre-
22 sent the normal wear and tear remedial type problems you see
23 in a field. There were a total of 5 those, January 1, '79.

24 There are a total of 4 currently in August 1st, 1980, and
25 really, the April 1, '80 status shows, too, or merely reveals

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1 that this status is a fluctuating thing from time to time,
2 and that as those wells leave this particular inactive status
3 that they become producing -- active producing wells.

4 The T.A.'d wells have stayed essentially
5 the same and the category of former injectors and water dis-
6 posal wells, a Pictured Cliffs gas dry hole is T.A.'d.

7 Of the former oil producers there were
8 26 in January 1, '79: currently there are 20 of which 6 have
9 had the engineering work done and are awaiting the actual
10 field operations.

11 In addition, we show the two recently
12 drilled wells.

13 Q Now I would refer you to Exhibit Number
14 Six and ask you to identify it.

15 A Exhibit Six is a field production curve
16 for the Carson Unit dating back to 1970. You can see the
17 green curve, lower curve, is the average barrel per day oil
18 production. The blue curve is the average water production.

19 In 1976 production was down around 35
20 barrels per day. The unsuccessful -- the water injection was
21 ceased in the waterflood at that time, and much of this rene-
22 dial program, or attempting to squeeze out the last few drops
23 of oil from each of the wells in the field, was undertaken.

24 We see a rather dramatic, on the graph,
25 anyhow, increase to about 35 barrels per day in early 1977,

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1 and we can see that the general trend of this curve has changed
2 considerably since 1976.

3 Currently we're producing about 50 barrels
4 of oil per day from the field. The average well produces
5 about 1.6 barrels per day. The best well, 4.9 barrels per
6 day and the poorest well 0.8 barrels per day.

7 The added reserve, that is the difference
8 between the actual curve for 1977 through our 1980 to date,
9 between that and the dashed curve, which is a decline curve
10 of the waterflood performance, field performance absent this
11 salvage operation, shows an increased reserve of about 45,000
12 barrels of oil which would not have been recovered if we had
13 not proceeded to attempt this salvage operation.

14 Q Now, it's my understanding, Mr. Bethel,
15 that we're seeking today for another order granting an extension
16 of an exception to Rule 201(B) for one year with an additional
17 one year extension to be administratively approved for good
18 cause shown, is that correct?

19 A That is correct.

20 Q Is it your opinion that the granting of
21 this application will be in the interest of the prevention
22 of waste and protection of correlative rights?

23 A It certainly will.

24 Q In that connection I would refer you to
25 what has been marked as Exhibit Seven and ask you to identify

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1 it.

2 A. Exhibit Seven is a recap of Exhibit Two,
3 which is the August 1st, 1980 list of the status of various
4 wells, and herein we list those wells that are currently
5 temporarily abandoned as exceptions to Rule 202(B) and for
6 which we are requesting the further extension of that exception.

7 There are 32 wells on the list.

8 Q Is it Shell's intention to diligently
9 pursue the remedial salvage operation with regard to this
10 unit?

11 A. Yes, it is. As I said, we have the en-
12 gineering work done on a number of the wells. We're awaiting
13 field operations; because of the nature of the beast, why,
14 it's not something that can be done very quickly, overnight,
15 but we think that we have shown a reasonable additional re-
16 covery which would not have been recovered absent this pro-
17 gram.

18 And I might also mention that our people
19 have been in the field within the last three weeks for a field
20 review. Talking with field personnel, they have picked out
21 about another dozen wells that they think have potential for
22 either return to production or should be abandoned and that
23 engineering work will start shortly, and the program is an
24 on-going thing.

25 Q Here Exhibits One through Seven prepared

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1 by you or under your supervision?

2 A. Yes, they were.

3 MR. LOPEZ: I would offer Shell's Exhibits
4 One through Seven.

5 MR. NUTTER: Shell's Exhibits One through
6 Seven will be admitted in evidence.

7
8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q Mr. Bethel, at one time I remember Shell
11 was talking about converting some of these old Gallup wells
12 to Pictured Cliffs producers. Now on your Exhibit Number One
13 I see four Pictured Cliffs producers. I presume they're
14 Pictured Cliffs.

15 A. Yes.

16 Q And one of them had just apparently been
17 recently drilled. Have the others just been recently drilled
18 or are some of these Gallup recompletions?

19 A. 13-11, 34-11, and 41-14 are, to the best
20 of my knowledge, recompleted Gallup oil producers.

21 202, which is at the upper lefthand cor-
22 ner of the plat, is a recently drilled and completed new
23 Pictured Cliffs gas producer, awaiting a gas line hookup now.

24 In addition --

25 Q Do you know if there are any more pros-

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1 pective recompletions for the Pictured Cliffs among these
2 Gallup wells?

3 A No, sir, I can't tell you that. Unfor-
4 tunately, the gentleman, Mr. Collins, who is handling the
5 detail on this work, had intended to be here with me today
6 to answer these specific questions. About two weeks ago he
7 was admitted to the hospital and has been there since that time
8 and was unable to come.

9 I do not have that specific detail inform-
10 ation. I can tell you one other well that's not clearly
11 marked here in Section 13, Well No. 203?

12 Q Okay.

13 A It's not marked. That's because it has
14 not been completed but has been drilled as a Pictured Cliffs
15 gas producer.

16 Q That's a new Pictured Cliffs gas producer?

17 A Yes, it is still awaiting completion.

18 Q And now, Mr. Bethel, you're seeking an
19 extension from the time when the previous extension expired,
20 which was I believe February 19th of 1980, for one year, and
21 you then seek an administrative provision for further exten-
22 sions. Would that be open-ended or is it a provision for a
23 1-year extension?

24 A Well, I think we would certainly prefer
25 an open-ended one year administrative extension, so long as

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1 we can continue to show from year to year that there has been
2 progress made in the program. I think I said earlier that in
3 this type of an operation I think we have to look at it a
4 little differently than if we had some boomers that we were
5 to bring in. We're not. We're bringing in 3-barrel a day
6 oil wells. You cannot invest the engineering time on them
7 that you'd like to invest on them; if they were 50 or 100
8 barrels a day, that would be different.

9 But we do keep one man working on them.
10 We are making progress, and we think so long as we continue
11 to do so, and so long as our people in the field monitor the
12 wells and assure that there are no problems to the environment
13 from these T.A.'d wells, that it's in the best interests of
14 conservation of a natural resource to proceed and continue with
15 the program.

16 Q Now what's the status of all these wells
17 that are just shown in black on Exhibit One?

18 A The small black with a horizontal bar are
19 the T.A.'d wells.

20 Q They have been P&A'd?

21 A Yes.

22 Q And how about these water injection wells,
23 what's the status of them?

24 A They are also T.A.'d.

25 Q T.A. or P&A'd?

1 A T.A.

2 Q I see.

3 MR. NUTTER: Are there any further ques-
4 tions of Mr. Bethel?

5 MR. PADILLA: I have.

6
7 CROSS EXAMINATION

8 BY MR. PADILLA:

9 Q Mr. Bethel, what's the longest period
10 that some of these wells have been temporarily abandoned?
11 Do you know?

12 A I cannot tell you that, sir.

13 Q Do you have an estimate?

14 A I would think it would be -- date back to
15 1976 when the water injection program was discontinued, at
16 least that far back.

17 Q Would most of the wells on Exhibit Seven
18 fall in that category?

19 A Yes, I would think so.

20 MR. PADILLA: I have no further questions.

21 MR. NUTTER: If there are no further
22 questions of the witness, he may be excused.

23 Do you have anything further, Mr. Lopez?

24 MR. LOPEZ: No, Mr. Examiner.

25 MR. NUTTER: Does anyone have anything

1 they wish to offer in Case Number 7018?

2 We'll take the case under advisement.

3

4 (Hearing concluded.)

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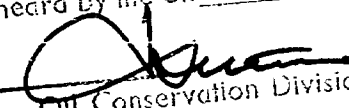
C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7018
heard by me on 9/3 1980.

 Examiner
Oil Conservation Division

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. 7018
Order No. R-5655-A

APPLICATION OF SHELL OIL COMPANY
FOR AN EXCEPTION TO DIVISION RULE
202(B), SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 3, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th 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, Shell Oil Company, seeks a one year extension to the exception to Division Rule 202(B), previously approved by Order No. R-5655, San Juan County, New Mexico, to permit the continued temporary abandonment of certain wells on its Carson Unit Area.
- (3) That of the wells previously approved for extended temporary abandonment status, some have been plugged, some have been returned to producing status, and others have been approved for plugging and abandonment or workover to return to producing status.
- (4) That the remaining wells previously approved for extended temporary abandonment but not included in one of the aforesaid categories are under study to determine the appropriate future action to be taken thereon.

-2-

Case No. 7018
Order No. R-5655-A

(5) That said wells are listed on Exhibit "A" attached to this order.

(6) That the applicant should be granted an exception to Division Rule 202(B) until September 1, 1981, for those Carson Unit Wells shown on Exhibit "A" of this order.

(7) That upon a showing of substantial progress in the evaluation of the future potential of the Carson Unit Wells shown on said Exhibit "A" or upon a showing that substantial numbers of said wells have been returned to production or plugged and abandoned, the Director of the Division should be authorized to grant a one-year extension of said exception to Division Rule 202(B) for said Carson Unit Wells.

(8) That the Director of the Division should be empowered to rescind the exception to Rule 202(B) granted by this order, or any extension thereto, to any well shown on said Exhibit "A" whenever it should appear that such action is necessary to protect correlative rights, to prevent waste, or to prevent the contamination of fresh waters.

(9) That approval of the subject application with provisions for an administrative procedure for extension or rescission as provided above will not cause waste nor violate correlative rights.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby granted a one-year extension to the exception to the provisions of Rule 202(B) of the Division Rules and Regulations, as previously approved by Order No. R-5655, for its Carson Unit Wells in San Juan County, New Mexico, as shown on Exhibit "A" attached hereto and made a part hereof.

PROVIDED HOWEVER, that such exception shall expire one year from the date of this order unless the applicant shall have obtained an extension as hereinafter provided.

(2) That the Director of the Division may administratively grant a one-year extension to the exception herein provided upon a satisfactory showing of substantial progress in evaluation of the potential for return to production of said Carson Unit

-3-

Case No. 7018
Order No. R-5655-A

Wells or that substantial numbers of said wells have been returned to production or plugged and abandoned.

(3) That the Director of the Division may rescind the exception to Rule 202(B) granted any well under the provisions of this order whenever it should appear that such rescission is necessary to protect correlative rights, prevent waste or prevent the contamination of fresh waters.

(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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY
Director

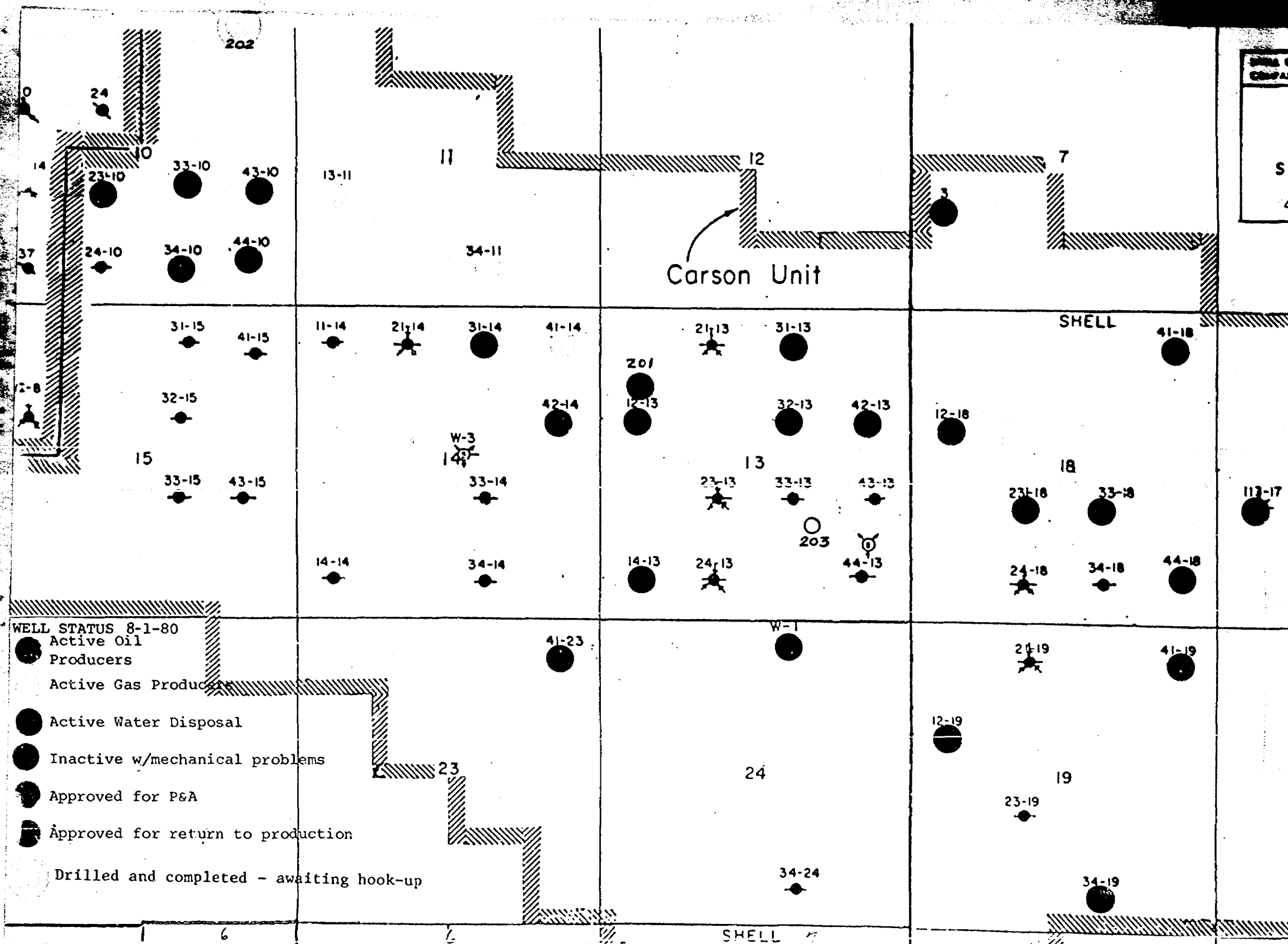
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CARSON UNIT WELLS

<u>Unit Well And No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 13 No. 1	F	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 43	I	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	13	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 15 No. 31	B	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	12W
Carson Unit 15 No. 43	I	15	25N	12W
Carson Unit 17 No. 1	F	17	25N	11W
Carson Unit 17 No. 43	I	17	25N	11W
Carson Unit 18 No. 12	E	18	25N	11W
Carson Unit 18 No. 23	K	18	25N	11W
Carson Unit 18 No. 24	N	18	25N	11W
Carson Unit 18 No. 34	O	18	25N	11W
Carson Unit 19 No. 21	C	19	25N	11W
Carson Unit 19 No. 23	K	19	25N	11W
Carson Unit 19 No. 34	O	19	25N	11W
Carson Unit 19 No. 41	A	19	25N	11W
Carson Unit 24 No. 34	O	24	25N	12W

Order No. R-5655-A
Exhibit "A"



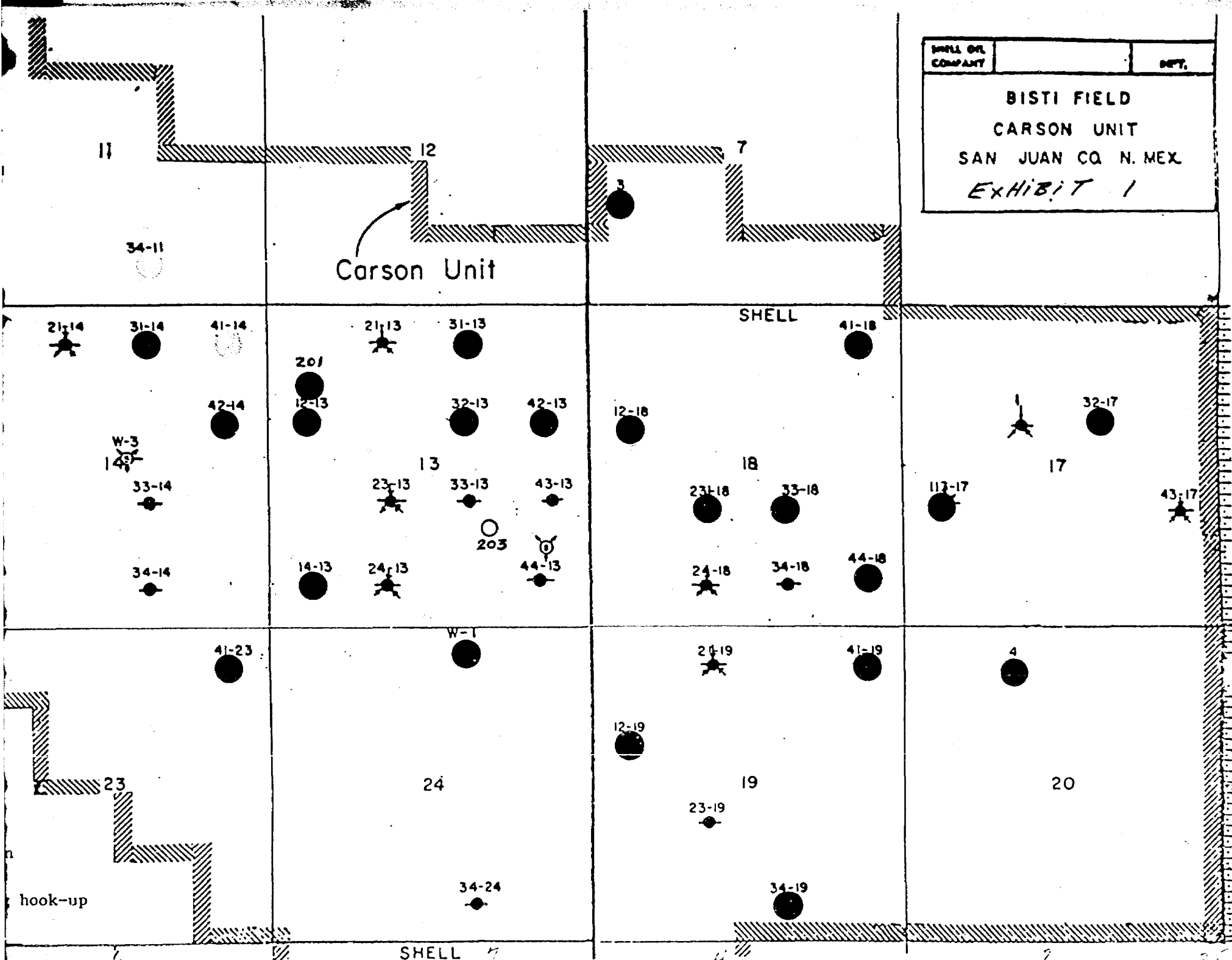
SHELL OIL COMPANY	DEPT.
BISTI FIELD CARSON UNIT SAN JUAN CO. N. MEX. <i>EXHIBIT 1</i>	

Carson Unit

SHELL

SHELL

hook-up



BEFORE THE MATTER	
OIL & GAS	ON
<i>Shell</i>	<i>1</i>
CASE NO.	<i>7018</i>

EXHIBIT

2

CARSON UNIT
WELL STATUS
AUGUST 1, 1980

SECTION 7

*3-7

Shut in. AFE approved to plug back suspected water-bearing interval of Gallup sand.

SECTION 10

23-10

Active oil producer.

24-10

T.A.'d.

33-10

Previous active producer - S.D. with mechanical problem.

*34-10

Active producer.

*43-10

Active producer.

*44-10

Active producer.

*202

Drilled, completed, and tested. Awaiting hook up to gas line.

SECTION 11

13-11

Active Picture Cliffs gas producer.

34-11

Active Picture Cliffs gas producer.

SECTION 13

*12-13

Active producer.

14-31

Active producer.

21-13I

T.A.'d.

23-13I

T.A.'d.

24-13I

T.A.'d.

*31-13

T.A.'d - approved for return to production.

*32-13

Active producer.

33-13

T.A.'d.

42-13

Active producer.

43-13

T.A.'d.

44-13

T.A.'d.

1-13W

T.A.'d.

*201

T.A.'d - approved for plug and abandonment.

*203

Drilled - awaiting completion.

SECTION 14

11-14

T.A.'d.

14-14

T.A.'d.

21-14I

T.A.'d.

31-14

Active producer.

33-14

T.A.'d.

34-14

T.A.'d.

41-14

Active Picture Cliffs gas producer.

42-14

Active producer.

3-14W

T.A.'d.

BEFORE REMOVAL MUTTER

OIL COMPANY CARSON

Shell

2

CASE NO.

7018

CARSON UNIT

2

SECTION 15

31-15	T.A. 'd.
32-15	T.A. 'd.
33-15	T.A. 'd.
41-15	T.A. 'd.
43-15	T.A. 'd.

SECTION 17

1-17I	T.A. 'd.
32-17	Active producer.
43-17I	T.A. 'd.
113-17	Previous Dakota gas producer - S.D. with mechanical problem.

SECTION 18

*12-18	T.A. 'd - approved for return to production.
*23-18I	T.A. 'd - approved for plug and abandonment.
24-18I	T.A. 'd.
*33-18	Active producer.
34-18	T.A. 'd.
*41-18	Active producer.
44-18	Active producer.

SECTION 19

*12-19	Active producer
21-19I	T.A. 'd.
23-19	T.A. 'd.
*34-19	T.A. 'd - approved for return to production.
*41-19	T.A. 'd - approved for return to production.

SECTION 20

4-20	Active producer.
------	------------------

SECTION 23

*41-23	Shut in with suspected rod part.
--------	----------------------------------

SECTION 24

1-24W	Active water disposal.
34-24	T.A. 'd.

*Change in status since January 1, 1979

JRD:JC
8/19/80

BEFORE EXAMINER MUTTER

OIL COMPANY SECTION

CASE NO.

EXHIBIT 3

CARSON UNIT
WELL STATUS
JANUARY 1, 1979

Section 7

3-7 T.A.'d

Section 10

23-10 Active producer
24-10 T.A.'d
33-10 Previous active producer -S.D. with mechanical problems
34-10 T.A.'d
43-10 T.A.'d
44-10 Previous active producer - S.D. with susp. bad pump.

Section 11

13-11 Active Pictured Cliffs gas producer
34-11 Active Pictured Cliffs gas producer

Section 13

12-13 Previous active producer - S.D. with susp. tubing leak
14-13 Active producer
21-13I T.A.'d
23-13I T.A.'d
24-13I T.A.'d
31-13 T.A.'d
32-13 T.A.'d
33-13 T.A.'d
42-13 Active producer
43-13 T.A.'d
44-13 T.A.'d
1-13W T.A.'d
201 T.A.'d

Section 14

11-14 T.A.'d
14-14 T.A.'d
21-14I T.A.'d
31-14 Active producer
33-14 T.A.'d
34-14 T.A.'d
41-14 Active Pictured Cliffs gas producer
42-14 Active producer
3-14W T.A.'d

BEFORE EXAMINER MUTTER	
OIL COMPANY CARSON	
Shell	EXHIBIT NO. 3
CASE NO.	7018

Section 15

31-15 T.A. 'd
32-15 T.A. 'd
33-15 T.A. 'd
41-15 T.A. 'd
43-15 T.A. 'd

Section 17

1-17I T.A. 'd
32-17 Active producer
43-17I T.A. 'd
113-17 Previous Dakota gas producer - S.D. with mechanical problem

Section 18

12-18 T.A. 'd
23-18I T.A. 'd
24-18I T.A. 'd
33-18 T.A. 'd
34-18 T.A. 'd
41-18 Previous active producer - S.D. with mechanical problem
44-18 Active producer

Section 19

12-19 T.A. 'd
21-19I T.A. 'd
23-19 T.A. 'd
34-19 T.A. 'd
41-19 T.A. 'd

Section 20

4-20 Active producer

Section 23

41-23 Active producer

Section 24

1-24W Active water disposal
34-24 T.A. 'd

Exhibit 4

CARSON UNIT
WELL STATUS
APRIL 1, 1980

Section 7

3-7 T.A.'d - Approved for return to production

Section 10

23-10 Active producer
24-10 T.A.'d
33-10 Previous active producer - S.D. with mechanical problem.
34-10 Active producer
43-10 Active producer
44-10 Active producer
202 Drilled - awaiting completion

Section 11

13-11 Active Pictured Cliffs gas producer
34-11 Active Pictured Cliffs gas producer

Section 13

12-13 Active producer - stimulated
14-31 Active producer
21-13I T.A.'d
23-13I T.A.'d
24-13I T.A.'d
31-13 T.A.'d - Approved for return to production
32-13 T.A.'d - Approved for return to production
33-13 T.A.'d
42-13 Active producer
43-13 T.A.'d
44-13 T.A.'d
1-13W T.A.'d
201 T.A.'d - Approved for plug & abandonment
203 Drilled - awaiting completion

Section 14

11-14 T.A.'d
14-14 T.A.'d
21-14I T.A.'d
31-14 Active producer - stimulated
33-14 T.A.'d
34-14 T.A.'d
41-14 Active Pictured Cliffs gas producer
42-14 Active producer
3-14W T.A.'d

BEFORE THE OIL & GAS COMMISSION	
OIL & GAS	COMMISSION
Shell	✓
CASE NO.	7018

Section 15

31-15 T.A.'d
32-15 T.A.'d
33-15 T.A.'d
41-15 T.A.'d
43-15 T.A.'d

Section 17

1-17I T.A.'d
32-17 Active producer - stimulated
43-17I T.A.'d
113-17 Previous Dakota gas producer - S.D. with mechanical problem

Section 18

12-18 T.A.'d - Approved for return to production
23-18I T.A.'d - Approved for plug & abandonment
24-18I T.A.'d
33-18 Active producer
34-18 T.A.'d
41-18 Active producer
44-18 Active producer

Section 19

12-19 T.A.'d - Approved for return to production
21-19I T.A.'d
23-19 T.A.'d
34-19 T.A.'d - Approved for return to production
41-19 T.A.'d - Approved for return to production

Section 20

4-20 Active producer

Section 23

41-23 Active producer - Approved for stimulation

Section 24

1-24W Active water disposal
34-24 T.A.'d

EXHIBIT 5

CARSON UNIT
SUMMARY OF CHANGES

<u>WELL STATUS</u>	<u>ACTUAL</u> <u>1/1/79</u>	<u>ACTUAL</u> <u>4/1/80</u>	<u>ACTUAL</u> <u>8/1/80</u>
Active Oil Producers	9	15	16
Active P. C. Gas Producers	3	3	3
Active Water Disposal	1	1	1
Inactive Oil Prod. With Problems	4	1	3
Inactive Dakota Gas Prod.	1	1	1
T.A.'d Former Injectors	9	9	9
T.A.'d Water Disposal	2	2	2
T.A.'d P.C. Gas-Dry Hole	1	1	1
T.A.'d Former Oil Producer	26	23	20
Recently Drilled	0	2	2

BEFORE EXAMINED MUTTER
OIL OF CARSON
Shell 5
CASE NO. 7018

CARSON UNIT WELLS

	Unit Well And No.	Unit Letter	Section	Township	Range
•	Carson Unit 10 No. 24 TA TA	N	10	25N	12W
•	Carson Unit 13 No. 1 TA	P	13	25N	12W
•	Carson Unit 13 No. 21 TA	C	13	25N	12W
•	Carson Unit 13 No. 23 TA	K	13	25N	12W
•	Carson Unit 13 No. 24 TA	N	13	25N	12W
•	Carson Unit 13 No. 31 T.A. ①	B	13	25N	12W
•	Carson Unit 13 No. 33 TA	J	13	25N	12W
•	Carson Unit 13 No. 43 TA	I	13	25N	12W
•	Carson Unit 13 No. 44 TA	P	13	25N	12W
•	Carson Unit 13 No. 201 TA ②	E	13	25N	12W
•	Carson Unit 14 No. 3 TA	G	14	25N	12W
•	Carson Unit 14 No. 11 TA	D	14	25N	12W
•	Carson Unit 14 No. 14 TA	M	14	25N	12W
•	Carson Unit 14 No. 21 TA	C	14	25N	12W
•	Carson Unit 14 No. 33 TA	J	14	25N	12W
•	Carson Unit 14 No. 34 TA	O	14	25N	12W
•	Carson Unit 15 No. 31 TA	B	15	25N	12W
•	Carson Unit 15 No. 32 TA	G	15	25N	12W
•	Carson Unit 15 No. 33 TA	J	15	25N	12W
•	Carson Unit 15 No. 41 TA	A	15	25N	12W
•	Carson Unit 15 No. 43 TA	I	15	25N	12W
•	Carson Unit 17 No. 1 TA	F	17	25N	11W
•	Carson Unit 17 No. 43 TA	I	17	25N	11W
•	Carson Unit 18 No. 12 TA ①	E	18	25N	11W
•	Carson Unit 18 No. 23 TA ②	K	18	25N	11W
•	Carson Unit 18 No. 24 TA	N	18	25N	11W
•	Carson Unit 18 No. 34 TA	O	18	25N	11W
•	Carson Unit 19 No. 21 TA	C	19	25N	11W
•	Carson Unit 19 No. 23 TA	K	19	25N	11W
•	Carson Unit 19 No. 34 TA ①	O	19	25N	11W
•	Carson Unit 19 No. 41 TA ①	A	19	25N	11W
•	Carson Unit 24 No. 34 TA	O	24	25N	12W

① approved for return to prod
 ② approved for P&A

EXHIBIT 2

CARSON UNIT WELL STATUS AUGUST 1, 1980

SECTION 7
*3-7 ✓ Shut in. AFE approved to plug back suspected water-bearing interval of Gallup sand.

SECTION 10
23-10 Active oil producer.
24-10 ✓ T.A.'d.
33-10 ✓ Previous active producer - S.D. with mechanical problem.
*34-10 Active producer.
*43-10 Active producer.
*44-10 Active producer.
*202 Drilled, completed, and tested. Awaiting hook up to gas line.

SECTION 11
13-11 Active Picture Cliffs gas producer.
34-11 Active Picture Cliffs gas producer.

SECTION 13
*12-13 Active producer.
14-31 Active producer.
21-13I ✓ T.A.'d.
23-13I ✓ T.A.'d.
24-13I ✓ T.A.'d.
*31-13 ✓ T.A.'d - approved for return to production.
*32-13 Active producer.
33-13 ✓ T.A.'d.
42-13 Active producer.
43-13 ✓ T.A.'d.
44-13 ✓ T.A.'d.
1-13W ✓ T.A.'d.
*201 ✓ T.A.'d - approved for plug and abandonment.
*203 Drilled - awaiting completion.

SECTION 14
11-14 ✓ T.A.'d.
14-14 ✓ T.A.'d.
21-14I ✓ T.A.'d.
31-14 Active producer.
33-14 ✓ T.A.'d.
34-14 ✓ T.A.'d.
41-14 Active Picture Cliffs gas producer.
42-14 Active producer.
3-14W ✓ T.A.'d.

CARSON UNIT

SECTION 15

31-15 ✓ T.A.'d.
 32-15 ✓ T.A.'d.
 33-15 ✓ T.A.'d.
 41-15 ✓ T.A.'d.
 43-15 ✓ T.A.'d.

SECTION 17

1-17I ✓ T.A.'d.
 32-17 Active producer.
 43-17I ✓ T.A.'d.
 113-17 Previous Dakota gas producer - S.D. with mechanical problem.

SECTION 18

*12-18 ✓ T.A.'d - approved for return to production.
 *23-18I ✓ T.A.'d - approved for plug and abandonment.
 24-18I ✓ T.A.'d.
 *33-18 Active producer.
 34-18 ✓ T.A.'d.
 *41-18 Active producer.
 44-18 Active producer.

SECTION 19

*12-19 Active producer
 21-19I ✓ T.A.'d.
 23-19 ✓ T.A.'d.
 *34-19 ✓ T.A.'d - approved for return to production.
 *41-19 ✓ T.A.'d - approved for return to production.

SECTION 20

4-20 Active producer.

SECTION 23

*41-23 ✓ Shut in with suspected rod part.

SECTION 24

1-24W Active water disposal.
 34-24 ✓ T.A.'d.

*Change in status since January 1, 1979

JRD:JC
 8/19/80

EXHIBIT 3

CARSON UNIT
WELL STATUS
JANUARY 1, 1979

Section 7

3-7 T.A.'d

Section 10

23-10 Active producer

24-10 T.A.'d

33-10 Previous active producer -S.D. with mechanical problems

34-10 T.A.'d

43-10 T.A.'d

44-10 Previous active producer - S.D. with susp. bad pump.

Section 11

13-11 Active Pictured Cliffs gas producer

34-11 Active Pictured Cliffs gas producer.

Section 13

12-13 Previous active producer - S.D. with susp. tubing leak

14-13 Active producer

21-13I T.A.'d

23-13I T.A.'d

24-13I T.A.'d

31-13 T.A.'d

32-13 T.A.'d

33-13 T.A.'d

42-13 Active producer

43-13 T.A.'d

44-13 T.A.'d

1-13W T.A.'d

201 T.A.'d

Section 14

11-14 T.A.'d

14-14 T.A.'d

21-14I T.A.'d

31-14 Active producer

33-14 T.A.'d

34-14 T.A.'d

41-14 Active Pictured Cliffs gas producer

42-14 Active producer

3-14W T.A.'d

Section 15

31-15 T.A.'d
32-15 T.A.'d
33-15 T.A.'d
41-15 T.A.'d
43-15 T.A.'d

Section 17

1-17I T.A.'d
32-17 Active producer
43-17I T.A.'d
113-17 Previous Dakota gas producer - S.D. with mechanical problem

Section 18

12-18 T.A.'d
23-18I T.A.'d
24-18I T.A.'d
33-18 T.A.'d
34-18 T.A.'d
41-18 Previous active producer - S.D. with mechanical problem
44-18 Active producer

Section 19

12-19 T.A.'d
21-19I T.A.'d
23-19 T.A.'d
34-19 T.A.'d
41-19 T.A.'d

Section 20

4-20 Active producer

Section 23

41-23 Active producer

Section 24

1-24W Active water disposal
34-24 T.A.'d

EXHIBIT 4

CARSON UNIT
WELL STATUS
APRIL 1, 1980

Section 7

3-7 T.A.'d - Approved for return to production

Section 10

23-10 Active producer
24-10 T.A.'d
33-10 Previous active producer - S.D. with mechanical problem.
34-10 Active producer
43-10 Active producer
44-10 Active producer
202 Drilled - awaiting completion

Section 11

13-11 Active Pictured Cliffs gas producer
34-11 Active Pictured Cliffs gas producer

Section 13

12-13 Active producer - stimulated
14-31 Active producer
21-13I T.A.'d
23-13I T.A.'d
24-13I T.A.'d
31-13 T.A.'d - Approved for return to production
32-13 T.A.'d - Approved for return to production
33-13 T.A.'d
42-13 Active producer
43-13 T.A.'d
44-13 T.A.'d
1-13W T.A.'d
201 T.A.'d - Approved for plug & abandonment
203 Drilled - awaiting completion

Section 14

11-14 T.A.'d
14-14 T.A.'d
21-14I T.A.'d
31-14 Active producer - stimulated
33-14 T.A.'d
34-14 T.A.'d
41-14 Active Pictured Cliffs gas producer
42-14 Active producer
3-14W T.A.'d

Section 15

31-15 T.A.'d
32-15 T.A.'d
33-15 T.A.'d
41-15 T.A.'d
43-15 T.A.'d

Section 17

1-17I T.A.'d
32-17 Active producer - stimulated
43-17I T.A.'d
113-17 Previous Dakota gas producer - S.D. with mechanical problem

Section 18

12-18 T.A.'d - Approved for return to production
23-18I T.A.'d - Approved for plug & abandonment
24-18I T.A.'d
33-18 Active producer
34-18 T.A.'d
41-18 Active producer
44-18 Active producer

Section 19

12-19 T.A.'d - Approved for return to production
21-19I T.A.'d
23-19 T.A.'d
34-19 T.A.'d - Approved for return to production
41-19 T.A.'d - Approved for return to production

Section 20

4-20 Active producer

Section 23

41-23 Active producer - Approved for stimulation

Section 24

1-24W Active water disposal
34-24 T.A.'d

Exhibit 5

CARSON UNIT
SUMMARY OF CHANGES

<u>WELL STATUS</u>	<u>ACTUAL</u> <u>1/1/79</u>	<u>ACTUAL</u> <u>4/1/80</u>	<u>ACTUAL</u> <u>8/1/80</u>
Active Oil Producers	9	15	16
Active P. C. Gas Producers	3	3	3
Active Water Disposal	1	1	1
Inactive Oil Prod. With Problems	4	1	3
Inactive Dakota Gas Prod.	1	1	1
T.A.'d Former Injectors	9	9	9
T.A.'d Water Disposal	2	2	2
T.A.'d P.C. Gas-Dry Hole	1	1	1
T.A.'d Former Oil Producer	26	23	20
Recently Drilled	0	2	2

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AUG 3 1980

~~Oil Conservation~~

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF SHELL OIL COMPANY FOR EXCEPTION)
TO NEW MEXICO OIL CONSERVATION)
COMMISSION RULE NO. 202(B).)

No. 7018

APPLICATION

COMES NOW Shell Oil Company, by and through its attorneys, Montgomery & Andrews, P.A., and in support of its application for exception to New Mexico Oil Conservation Commission Rule No. 202(B), states:

1. That the applicant is the operator of certain wells located in the Carson Unit, Bisti Field, Township 25 North, Ranges 11 and 12 West, San Juan County, New Mexico.
2. That by Order No. R-5655 issued February 28, 1978, the Oil Conservation Commission approved the application of Shell Oil Company in its Case No. 6125 for an exception to Rule 202(B) applicable to certain wells temporarily abandoned by the applicant for a period in excess of six months. The Order granted the applicant an exception to the Commission Rule 202(B) for a period of one year for those Carson Unit wells shown on Exhibit "A" attached hereto, and further authorized the Secretary-Director of the Commission, upon a showing of substantial progress in the evaluation of the future potential of said Carson Unit wells, to grant another one-year extension of the exception to the afore-said rule.
3. Although the applicant has continuously undertaken a thorough analysis and examination of the condition of said Carson Unit wells to determine whether or not reworking said wells will make them capable of substantial potentially producible reserves, the project has required more time than initially anticipated by the applicant.

4. Attached to this application as Exhibit "B" is a forecasted well status dated January 1, 1980 with respect to the various wells within the Carson Unit subject to this application. Attached hereto as Exhibit "C" is a summary of the proposed changes affecting various wells within the Carson Unit.

5. That in order for the applicant to continue its project of determining the capability of each of the wells in the Carson Unit, a continuing exception to New Mexico Oil Conservation Commission Rule No. 202(B) is necessary.

6. That the granting of this application is in the interest of the prevention of waste and the protection of correlative rights.

WHEREFORE, applicant respectfully requests the Commission to grant an exception to the aforesaid New Mexico Oil Conservation Commission Rule No. 202(B), and that any further extensions that may be required be administratively approved.

DATED this 8th day of August, 1980.

Respectfully submitted,
MONTGOMERY & ANDREWS, P.A.

By Owen M. Lopez
Owen M. Lopez
P. O. Box 2307
Santa Fe, New Mexico 87501

Attorneys for Applicant
Shell Oil Company

CARSON UNIT AREA WELLS

Unit Well and No.	Unit Letter	Section	Township	Range
Carson Unit 7 No. 3	L	7	25N	11W
Carson Unit 10 No. 23	K	10	25N	12W
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 10 No. 34	O	10	25N	12W
Carson Unit 10 No. 43	I	10	25N	12W
Carson Unit 10 No. 44	P	11	25N	12W
Carson Unit 11 No. 13	L	11	25N	12W
Carson Unit 11 No. 34	O	13	25N	12W
Carson Unit 13 No. 1	P	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 No. 32	G	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	14	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 14 No. 41	A	15	25N	12W
Carson Unit 15 No. 31	B	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	11W
Carson Unit 15 No. 43	I	17	25N	11W
Carson Unit 17 No. 1	F	17	25N	11W
Carson Unit 17 No. 43	I	18	25N	11W
Carson Unit 18 No. 12	E	18	25N	11W
Carson Unit 18 No. 23	K	18	25N	11W
Carson Unit 18 No. 24	N	18	25N	11W
Carson Unit 18 No. 33	J	18	25N	11W
Carson Unit 18 No. 34	O	19	25N	11W
Carson Unit 19 No. 12	E	19	25N	11W
Carson Unit 19 No. 21	C	19	25N	11W
Carson Unit 19 No. 23	K	19	25N	11W
Carson Unit 19 No. 34	O	19	25N	11W
Carson Unit 19 No. 41	A	19	25N	12W
Carson Unit 24 No. 34	O	24	25N	

Exhibit "A"

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AUG 3 1980

On Conservation

CARSON UNIT
Forecasted Well Status
1-1-80

Section 7

3-7 T.A.'d production test when transferred assets available

Section 10

23-10 Active producer
24-10 Production test contingent on success of 23-10
33-10 Remedial work if economically feasible & R.T.P.
34-10 Active producer-approved for R.T.P.
44-10 Active producer

Section 11

13-11 Active Pictured Cliffs gas producer
34-11 Active Pictured Cliffs gas producer

Section 13

12-13 Active producer-stimulation job is approved
14-13 Active producer
21-13I Production test contingent on success of 21-14 & 21-19
23-13I Production test contingent on success of 21-14 & 21-19
24-13I Production test contingent on success of 21-14 & 21-19
31-13 Production test contingent on success of 32-13
32-13 Active producer-routing for approval to R.T.P.
33-13 Production test contingent on success of 32-13
42-13 Active producer
43-13 T.A.'d. Possible P&A contingent on success of 32-13
44-13 Production test contingent on success of 32-13
1-13 T.A.'d-reserved for possible additional water disposal
201 Plugged & abandoned-approved for P&A

Section 14

11-14 R.T.P. contingent on success of 44-10
14-14 Production test contingent on success of 33-15
21-14I Active producer-approved for R.T.P.
31-14 Active producer
33-14 Active producer-proposal prepared for R.T.P.
34-14 Production test contingent on success of 33-14
41-14 Active Pictured Cliffs gas producer
42-14 Active producer
3-14W T.A.'d-reserved for possible additional water disposal

EXHIBIT "B"

Section 15

31-15	Production test contingent on success of 24-10
32-15	Production test contingent on success of 33-15
33-15	T.A.'d. Production test when transferred assets available
41-15	Remedial work if economically feasible & R.T.P.
43-15	Production test contingent on success of 33-15

Section 17

1-17I	Production test contingent on success of 21-14 & 21-19
32-17	Active producer-stimulation job is approved
43-17I	Production test contingent on success of 21-14 & 21-19
113-17	Remedial work if economically feasible & R.T.P.

Section 18

12-18	Production test contingent on success of 33-18
23-18I	Plugged & abandoned-approved for P&A
24-18I	Production test contingent on success of 21-14 & 21-19
33-18	Active producer-approved for R.T.P.
34-18	Production test contingent on success of 33-18
41-18	Active producer-propose to repair tubing leak
44-18	Active producer

Section 19

12-19	T.A.'d Production test when transferred assets available.
21-19	T.A.'d Production test when transferred assets available.
23-19	T.A.'d Production test when transferred assets available
34-19	Active producer-proposal in preparation to R.T.P.
41-19	Active producer-proposal in preparation to R.T.P.

Section 20

4-20	Active producer
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Section 23

41-23	Active producer-propose to stimulate
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Section 24

1-24W	Active water disposal.
34-24	T.A.'d Production test when transferred assets available.

EXHIBIT "C"

CARSON UNIT SUMMARY OF PROPOSED CHANGES

<u>WELL STATUS</u>	<u>ACTUAL 1/1/79</u>	<u>PROPOSED 1/1/80</u>	<u>NET CHANGE</u>	<u>COMMENTS</u>
Active Oil Producers	9	21	12	Repair 4 wells, equip. 8 wells & R.T.P.
Active P.C. Gas Producers	3	3	-	No anticipated change.
Active Water Disposal	1	1	-	No anticipated change.
Inactive Oil Prod. with Problems	4	0	4	Repair and put on production.
Inactive Dakota Gas Prod.	1	0	1	Repair and put on production.
T.A.'d Former Injectors	9	7	2	P&A one well, equip one well for production.
T.A.'d Water Disposal	2	2	-	No anticipated change.
T.A.'d P.C. Gas-Dry Hole	1	0	1	Plug and abandon.
T.A.'d Former Oil Producers	26	19	7	Equip and return 7 wells to production.

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AUG 8 1980

~~Oil Conservation~~

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF SHELL OIL COMPANY FOR EXCEPTION)
TO NEW MEXICO OIL CONSERVATION)
COMMISSION RULE NO. 202(B).)

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By Owen M. Lopez
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Santa Fe, New Mexico 87501

Attorneys for Applicant
Shell Oil Company

CARSON UNIT AREA WELLS

<u>Unit Well and No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Carson Unit 7 No. 3	L	7	25N	11W
Carson Unit 10 No. 23	K	10	25N	12W
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 10 No. 34	O	10	25N	12W
Carson Unit 10 No. 43	I	10	25N	12W
Carson Unit 10 No. 44	P	10	25N	12W
Carson Unit 11 No. 13	L	11	25N	12W
Carson Unit 11 No. 34	O	11	25N	12W
Carson Unit 13 No. 1	P	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 No. 32	G	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	13	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 14 No. 41	A	14	25N	12W
Carson Unit 15 No. 31	B	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	12W
Carson Unit 15 No. 43	I	15	25N	12W
Carson Unit 17 No. 1	F	17	25N	11W
Carson Unit 17 No. 43	I	17	25N	11W
Carson Unit 18 No. 12	E	18	25N	11W
Carson Unit 18 No. 23	K	18	25N	11W
Carson Unit 18 No. 24	N	18	25N	11W
Carson Unit 18 No. 33	J	18	25N	11W
Carson Unit 18 No. 34	O	18	25N	11W
Carson Unit 19 No. 12	E	19	25N	11W
Carson Unit 19 No. 21	C	19	25N	11W
Carson Unit 19 No. 23	K	19	25N	11W
Carson Unit 19 No. 34	O	19	25N	11W
Carson Unit 19 No. 41	A	19	25N	11W
Carson Unit 24 No. 34	O	24	25N	12W

Exhibit "A"

CARSON UNIT
Forecasted Well Status
1-1-80

Section 7

3-7 T.A.'d production test when transferred assets available

Section 10

23-10 Active producer
24-10 Production test contingent on success of 23-10
33-10 Remedial work if economically feasible & R.T.P.
34-10 Active producer-approved for R.T.P.
44-10 Active producer

Section 11

13-11 Active Pictured Cliffs gas producer
34-11 Active Pictured Cliffs gas producer

Section 13

12-13 Active producer-stimulation job is approved
14-13 Active producer
21-13I Production test contingent on success of 21-14 & 21-19
23-13I Production test contingent on success of 21-14 & 21-19
24-13I Production test contingent on success of 21-14 & 21-19
31-13 Production test contingent on success of 32-13
32-13 Active producer-routing for approval to R.T.P.
33-13 Production test contingent on success of 32-13
42-13 Active producer
43-13 T.A.'d. Possible P&A contingent on success of 32-13
44-13 Production test contingent on success of 32-13
1-13 T.A.'d-reserved for possible additional water disposal
201 Plugged & abandoned-approved for P&A

Section 14

11-14 R.T.P. contingent on success of 44-10
14-14 Production test contingent on success of 33-15
21-14I Active producer-approved for R.T.P.
31-14 Active producer
33-14 Active producer-proposal prepared for R.T.P.
34-14 Production test contingent on success of 33-14
41-14 Active Pictured Cliffs gas producer
42-14 Active producer
3-14W T.A.'d-reserved for possible additional water disposal

EXHIBIT "B"

Section 15

31-15 Production test contingent on success of 24-10
32-15 Production test contingent on success of 33-15
33-15 T.A.'d. Production test when transferred assets available
41-15 Remedial work if economically feasible & R.T.P.
43-15 Production test contingent on success of 33-15

Section 17

1-17I Production test contingent on success of 21-14 & 21-19
32-17 Active producer-stimulation job is approved
43-17I Production test contingent on success of 21-14 & 21-19
113-17 Remedial work if economically feasible & R.T.P.

Section 18

12-18 Production test contingent on success of 33-18
23-18I Plugged & abandoned-approved for P&A
24-18I Production test contingent on success of 21-14 & 21-19
33-18 Active producer-approved for R.T.P.
34-18 Production test contingent on success of 33-18
41-18 Active producer-propose to repair tubing leak
44-18 Active producer

Section 19

12-19 T.A.'d Production test when transferred assets available.
21-19 T.A.'d Production test when transferred assets available.
23-19 T.A.'d Production test when transferred assets available
34-19 Active producer-proposal in preparation to R.T.P.
41-19 Active producer-proposal in preparation to R.T.P.

Section 20

4-20 Active producer

Section 23

41-23 Active producer-propose to stimulate

Section 24

1-24W Active water disposal.
34-24 T.A.'d Production test when transferred assets available.

EXHIBIT "C"

CARSON UNIT SUMMARY OF PROPOSED CHANGES

<u>WELL STATUS</u>	<u>ACTUAL 1/1/79</u>	<u>PROPOSED 1/1/80</u>	<u>NET CHANGE</u>	<u>COMMENTS</u>
Active Oil Producers	9	21	12	Repair 4 wells, equip. 8 wells & R.T.P.
Active P.C. Gas Producers	3	3	-	No anticipated change.
Active Water Disposal	1	1	-	No anticipated change.
Inactive Oil Prod. with Problems	4	0	4	Repair and put on production.
Inactive Dakota Gas Prod.	1	0	1	Repair and put on production.
T.A.'d Former Injectors	9	7	2	P&A one well, equip one well for production.
T.A.'d Water Disposal	2	2	-	No anticipated change.
T.A.'d P.C. Gas-Dry Hole	1	0	1	Plug and abandon.
T.A.'d Former Oil Producers	26	19	7	Equip and return 7 wells to production.

RECEIVED

AUG 3 1980

~~Oil Conservation~~

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF SHELL OIL COMPANY FOR EXCEPTION)
TO NEW MEXICO OIL CONSERVATION)
COMMISSION RULE NO. 202(B).)

No. 2018

APPLICATION

COMES NOW Shell Oil Company, by and through its attorneys, Montgomery & Andrews, P.A., and in support of its application for exception to New Mexico Oil Conservation Commission Rule No. 202(B), states:

1. That the applicant is the operator of certain wells located in the Carson Unit, Bisti Field, Township 25 North, Ranges 11 and 12 West, San Juan County, New Mexico.
2. That by Order No. R-5655 issued February 28, 1978, the Oil Conservation Commission approved the application of Shell Oil Company in its Case No. 6125 for an exception to Rule 202(B) applicable to certain wells temporarily abandoned by the applicant for a period in excess of six months. The Order granted the applicant an exception to the Commission Rule 202(B) for a period of one year for those Carson Unit wells shown on Exhibit "A" attached hereto, and further authorized the Secretary-Director of the Commission, upon a showing of substantial progress in the evaluation of the future potential of said Carson Unit wells, to grant another one-year extension of the exception to the afore-said rule.
3. Although the applicant has continuously undertaken a thorough analysis and examination of the condition of said Carson Unit wells to determine whether or not reworking said wells will make them capable of substantial potentially producible reserves, the project has required more time than initially anticipated by the applicant.

4. Attached to this application as Exhibit "B" is a forecasted well status dated January 1, 1980 with respect to the various wells within the Carson Unit subject to this application. Attached hereto as Exhibit "C" is a summary of the proposed changes affecting various wells within the Carson Unit.

5. That in order for the applicant to continue its project of determining the capability of each of the wells in the Carson Unit, a continuing exception to New Mexico Oil Conservation Commission Rule No. 202(B) is necessary.

6. That the granting of this application is in the interest of the prevention of waste and the protection of correlative rights.

WHEREFORE, applicant respectfully requests the Commission to grant an exception to the aforesaid New Mexico Oil Conservation Commission Rule No. 202(B), and that any further extensions that may be required be administratively approved.

DATED this 8th day of August, 1980.

Respectfully submitted,
MONTGOMERY & ANDREWS, P.A.

By Owen M. Lopez
Owen M. Lopez
P. O. Box 2307
Santa Fe, New Mexico 87501

Attorneys for Applicant
Shell Oil Company

CARSON UNIT AREA WELLS

<u>Unit Well and No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Carson Unit 7 No. 3	L	7	25N	11W
Carson Unit 10 No. 23	K	10	25N	12W
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 10 No. 34	O	10	25N	12W
Carson Unit 10 No. 43	I	10	25N	12W
Carson Unit 10 No. 44	P	10	25N	12W
Carson Unit 11 No. 13	L	11	25N	12W
Carson Unit 11 No. 34	O	11	25N	12W
Carson Unit 13 No. 1	P	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 No. 32	G	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	13	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 14 No. 41	A	14	25N	12W
Carson Unit 15 No. 31	B	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	12W
Carson Unit 15 No. 43	I	15	25N	11W
Carson Unit 17 No. 1	F	17	25N	11W
Carson Unit 17 No. 43	I	17	25N	11W
Carson Unit 18 No. 12	E	18	25N	11W
Carson Unit 18 No. 23	K	18	25N	11W
Carson Unit 18 No. 24	N	18	25N	11W
Carson Unit 18 No. 33	J	18	25N	11W
Carson Unit 18 No. 34	O	18	25N	11W
Carson Unit 19 No. 12	E	19	25N	11W
Carson Unit 19 No. 21	C	19	25N	11W
Carson Unit 19 No. 23	K	19	25N	11W
Carson Unit 19 No. 34	O	19	25N	11W
Carson Unit 19 No. 41	A	19	25N	12W
Carson Unit 24 No. 34	O	24	25N	

Exhibit "A"

CARSON UNIT
Forecasted Well Status
1-1-80

Section 7

3-7

T.A.'d production test when transferred assets available

Section 10

23-10

Active producer

24-10

Production test contingent on success of 23-10

33-10

Remedial work if economically feasible & R.T.P.

34-10

Active producer-approved for R.T.P.

44-10

Active producer

Section 11

13-11

Active Pictured Cliffs gas producer

34-11

Active Pictured Cliffs gas producer

Section 13

12-13

Active producer-stimulation job is approved

14-13

Active producer

21-13I

Production test contingent on success of 21-14 & 21-19

23-13I

Production test contingent on success of 21-14 & 21-19

24-13I

Production test contingent on success of 21-14 & 21-19

31-13

Production test contingent on success of 32-13

32-13

Active producer-routing for approval to R.T.P.

33-13

Production test contingent on success of 32-13

42-13

Active producer

43-13

T.A.'d. Possible P&A contingent on success of 32-13

44-13

Production test contingent on success of 32-13

1-13

T.A.'d-reserved for possible additional water disposal

201

Plugged & abandoned-approved for P&A

Section 14

11-14

R.T.P. contingent on success of 44-10

14-14

Production test contingent on success of 33-15

21-14I

Active producer-approved for R.T.P.

31-14

Active producer

33-14

Active producer-proposal prepared for R.T.P.

34-14

Production test contingent on success of 33-14

41-14

Active Pictured Cliffs gas producer

42-14

Active producer

3-14W

T.A.'d-reserved for possible additional water disposal

EXHIBIT "B"

Section 15

31-15 Production test contingent on success of 24-10
32-15 Production test contingent on success of 33-15
33-15 T.A.'d. Production test when transferred assets available
41-15 Remedial work if economically feasible & R.T.P.
43-15 Production test contingent on success of 33-15

Section 17

1-171 Production test contingent on success of 21-14 & 21-19
32-17 Active producer-stimulation job is approved
43-171 Production test contingent on success of 21-14 & 21-19
113-17 Remedial work if economically feasible & R.T.P.

Section 18

12-18 Production test contingent on success of 33-18
23-181 Plugged & abandoned-approved for P&A
24-181 Production test contingent on success of 21-14 & 21-19
33-18 Active producer-approved for R.T.P.
34-18 Production test contingent on success of 33-18
41-18 Active producer-propose to repair tubing leak
44-18 Active producer

Section 19

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41-19 Active producer-proposal in preparation to R.T.P.

Section 20

4-20 Active producer

Section 23

41-23 Active producer-propose to stimulate

Section 24

1-24W Active water disposal.
34-24 T.A.'d Production test when transferred assets available.

EXHIBIT "C"

CARSON UNIT SUMMARY OF PROPOSED CHANGES

<u>WELL STATUS</u>	<u>ACTUAL 1/1/79</u>	<u>PROPOSED 1/1/80</u>	<u>NET CHANGE</u>	<u>COMMENTS</u>
Active Oil Producers	9	21	12	Repair 4 wells, equip. 8 wells & R.T.P.
Active P.C. Gas Producers	3	3	-	No anticipated change.
Active Water Disposal	1	1	-	No anticipated change.
Inactive Oil Prod. with Problems	4	0	4	Repair and put on production.
Inactive Dakota Gas Prod.	1	0	1	Repair and put on production.
T.A.'d Former Injectors	9	7	2	P&A one well, equip one well for production
T.A.'d Water Disposal	2	2	-	No anticipated change.
T.A.'d P.C. Gas-Dry Hole	1	0	1	Plug and abandon.
T.A.'d Former Oil Producers	26	19	7	Equip and return 7 wells to production.

Dockets Nos. 29-80 and 30-80 are tentatively set for September 17 and October 1, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 3, 1980

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 7015: Application of Tenneco Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 36, Township 18 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 7016: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 18, Township 15 South, Range 27 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 7006: (Continued from August 20, 1980, Examiner Hearing)
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: (Continued from August 20, 1980, Examiner Hearing)
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 18 South, Range 28 East.
- CASE 7017: Application of Bass Enterprises Production Company for pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Bone Spring gas pool for its Big Eddy Unit Well No. 60 located in Unit J of Section 20, Township 21 South, Range 28 East, with classification of wells with a GOR of 20,000 or more as gas wells.
- CASE 7018: Application of Shell Oil Company for an exception to Division Rule No. 202(B), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a one year extension to the exception to Rule 202(B) previously approved by Order No. R-5655 for certain of its Carson Unit wells in the Bisti Pool. Applicant further requests an administrative procedure for any future extensions.
- CASE 7019: 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 W/2 of Section 30, Township 23 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 6991: (Continued from August 6, 1980, Examiner Hearing)
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 San Andres formation in a 100 foot perforated interval between 4400 feet and 4800 feet in its South Hobbs Unit Well No. 103 in Unit B of Section 15, Township 19 South, Range 38 East, Hobbs Grayburg-San Andres Pool.
- CASE 7000: (Continued from August 20, 1980, Examiner Hearing)
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.

Docket No. 27-80

CASE 7020: Application of Mesa Petroleum Co. for pool creation, special pool rules and an oil discovery allowable, Rio Arriba and San Juan Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Gallup oil pool for its South Blanco Federal Well No. 1-6 located in Unit A of Section 6, Township 23 North, Range 7 West, and special rules therefor, including a provision for 80-acre spacing units. Applicant further seeks a discovery allowable for the aforesaid well.

CASE 6822: (Reopened and Readvertised)

In the matter of Case 6822 being reopened pursuant to the provisions of Order No. R-6293 which order created the West Double X-Wolfcamp Gas Pool as a retrograde gas condensate pool and set special production limitations therein. Operator(s) may appear and present evidence to establish the true nature of the reservoir and proper rates of withdrawal therefrom.

CASE 6996: (Continued from August 20, 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.

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 4, 1980
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

Docket No. 28-80

CASE 6889: (DE NOVO)

Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

Upon application of Duval Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.
Evidence and testimony or arguments in this hearing shall be limited to the issue of whether Duval Corporation has standing to object to the application of Belco Petroleum Corporation.

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:

CASE NO. 7018

Order No. R-5655-A

APPLICATION OF SHELL OIL COMPANY
FOR AN EXCEPTION TO DIVISION
RULE 202(B), SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 3
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of September, 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, Shell Oil Company, seeks a one year
extension to the exception to ~~Rxxxx~~ Division Rule 202(B), previously

should have next
R-5655 No

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

(3) That of the wells previously approved for extended temporary abandonment status, some have been plugged, some have been returned to producing status, and others have been approved for plugging and abandonment or workover to return to producing status.

approved by Order No. R-5655, San Juan County, New Mexico, to permit the continued temporary abandonment of certain wells on its Carson Unit Area. ~~as shown on Exhibit "A" attached to this order.~~

(4) That the remaining wells previously approved for extended temporary abandonment but not included in one of the aforesaid categories have been depleted under primary and secondary operations but which are under study to determine the appropriate future action have substantial potentially producible reserves and also Pictured Cliffs gas wells which are shut-in awaiting installation of facilities for the disposal of produced water.

~~(3) That said Carson Unit Wells are oil wells that have been depleted under primary and secondary operations but which are under study to determine the appropriate future action have substantial potentially producible reserves and also Pictured Cliffs gas wells which are shut-in awaiting installation of facilities for the disposal of produced water.~~

(4) That the applicant has plugged many other wells in its Carson Unit Area.

said wells are listed
(5) That the applicant is evaluating those Carson Unit wells *attached to* shown on Exhibit "A" of this order, ~~to determine if additional oil and gas may be economically recovered therefrom.~~

(6) That the applicant should be granted an exception to Division Rule 202(B) *until September 1, 1981,* ~~for a period of one year~~ for those Carson Unit Wells shown on Exhibit "A" of this order.

(7) That upon a showing of substantial progress in the evaluation of the future potential of the Carson Unit Wells shown on said Exhibit "A" or upon a showing that substantial numbers of said wells have been returned to production *or plugged and abandoned,* the ~~XXXXX~~ Director of the Division should be authorized to grant a one-year extension of said exception to Division Rule 202(B) for said Carson Unit Wells.

(8) That the Director of the Division should be empowered to rescind the exception to Rule 202(B) granted by this order, or any extension thereto, to any well shown on said Exhibit "A" whenever it should appear that such action is necessary to protect correlative rights, to prevent waste, or to prevent the contamination of fresh waters.

(9) That approval of the subject application with provisions for an administrative procedure for extension or rescission as provided above will not cause waste nor violate correlative rights.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby granted a one-year extension to the exception to the provisions of Rule 202(B) of the Division Rules and Regulations, as previously approved by Order No. R-5655, for its Carson Unit Wells in San Juan County, New Mexico, as shown on Exhibit "A" attached hereto and made a part hereof.

PROVIDED HOWEVER, that such exception shall expire one year from the date of this order unless the applicant shall have obtained an extension as hereinafter provided.

(2) That the Director of the Division may administratively grant a one-year extension to the exception herein provided upon a satisfactory showing of substantial progress in evaluation of the potential for return to production of said Carson Unit Wells or that substantial numbers of said wells have been returned to production *or plugged and abandoned.*

(3) That the Director of the Division may rescind the exception to Rule 202(B) granted any well under the provisions of this order whenever it should appear that such rescission is necessary to protect correlative rights, prevent waste or prevent the contamination of fresh waters.

(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 herein-above designated.

EXHIBIT 7

CARSON UNIT WELLS

Unit Well And No.	Unit Letter	Section	Township	Range
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 13 No. 1	P	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 43	I	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	13	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 15 No. 31	R	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	12W
Carson Unit 15 No. 43	I	15	25N	12W
Carson Unit 17 No. 1	F	17	25N	11W
Carson Unit 17 No. 43	I	17	25N	11W
Carson Unit 18 No. 12	E	18	25N	11W
Carson Unit 18 No. 23	K	18	25N	11W
Carson Unit 18 No. 24	N	18	25N	11W
Carson Unit 18 No. 34	O	18	25N	11W
Carson Unit 19 No. 21	C	19	25N	11W
Carson Unit 19 No. 23	K	19	25N	11W
Carson Unit 19 No. 34	O	19	25N	11W
Carson Unit 19 No. 41	A	19	25N	11W
Carson Unit 24 No. 34	O	24	25N	12W

*Temporarily
abandoned wells*

BEFORE EXAMINER NUTTER	
OIL COMPANY	CARSON
Shell	7
CASE NO.	7018

Order No. R
Exhibit "A"