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Case No. 7191 Application Transcripts Small Exhibits ETC



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

April 9, 1981

POST OFFICE BOX 2009 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Mr. William F. Carr Campbell, Byrd & Black Attorneys at Law Post Office Box 2208 Santa Fe, New Mexico Re: CASE NO. 7191 ORDER NO. <u>R-6190-A</u>

Applicant:

Southland Royalty Company

Dear Sir:

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

Pours very truly JOE D. RAMEY Director

#### JDR/fd

Copy of order also sent to:

Hobbs OCD <u>x</u> Artesiá OCD <u>x</u> Aztec OCD

Other

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

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

> CASE ND. 7191 Order No. R-6190-A

APPLICATION OF SOUTHLAND ROYALTY Company for an unorthodox well Location, Eddy County, New Mexico.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stemetc.

NOW, on this <sup>/th</sup> day of April, 1981, 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, Southland Royalty Company, seeks approval of an unorthodox gas well location in the Potash-Oil Area of its State "14-A" Com. Well No. 1, 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Turkey Track Field, Eddy County, New Mexico.

(3) That the E/2 of said Section 14 is to be dedicated to the well.

(4) That the proposed unorthodox location was previously approved for the Morrow formation by Division Order No. R-6190 entered November 21, 1980.

(5) That the applicant seeks to expand the authority for maid unorthodox location to include the Wolfcamp and Pennsylvanian formations above the Morrow. -2-Case No. 7191 Order No. R-6190-A

(6) That no offset operator objected to the proposed unorthodex location.

(7) That approval of the subject application by amendment to said Order No. R-6190 will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject field, 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 Order (1) of Division Order No. R-6190 is hereby amended to read in its entirety as follows:

"(1) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well to be located at a point 1325 feet from the North line and 2303 feet from the East line of Section 14, Yownship 19 South, Range 29 East, NMPM, Oil-Potash Area, Eddy County, New Mexico."

(2) 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

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SEAL

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 2 OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. 3 SANTA FE, NEW MEXICO 11 March 1981 EXAMINER HEARING 5 6 ) IN THE MATTER OF: 7 Application of Southland Royalty Company for an unorthodox well 8 } CASE location, Eddy County, New Mexico. 7191 ) ) 9 10 BEFORE: Richard L. Stamets 11 12 TRANSCRIPT OF HEARING 13 14 APPEARANCES 15 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 For the Applicant: William F. Carr, Esq. CAMPBELL, BYRD, AND BLACK P.A. 21 Jefferson Place Santa Fe, New Mexico 87501 22 23 24 26

1		2
2		
3	INDEX	
4		
5	ED JONES	
6	Direct Examination by Mr. Carr	3
7	Cross Examination by Mr. Stamets	8
8		
9		
10		
11		
12		
13	EXHIBITS	
14		
15	Applicant Exhibit One, Plat	5
16	Applicant Exhibit Two, List	5
17	Applicant Exhibit Three, Letters	6
18	Applicant Exhibit Four, Plat	7
19	Applicant Exhibit Five, Well History	7
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2	MR. STAMETS: We'll call Case 7191.
3	MR. PADILLA: Application of Southland
4	Royalty Company for an unorthodox well location, Eddy County,
5	New Mexico.
6	MR. CARR: May it please the Examiner,
7	my name is William F. Carr, with the law firm Campbell, Byrd,
8	and Black, P. A., Santa Fe, appearing on behalf of the appli-
9	cant, and I have one witness who needs to be sworn.
10	
11	(Witness sworn.)
12	
13	ED JONES
14	being called as a witness and being duly sworn upon his oath,
15	testified as follows, to-wit:
16	
17	DIRECT EXAMINATION
18	BY MP. CARR:
19	Q. Will you please state your full name
20	and place of residence?
21	A. My name is Ed Jones. I live in Midland,
22	Texas.
23	Q Mr. Jones, by whom are you employed and
24	in what capacity?
25	A. I'm employed by Southland Royalty Company

Ċ,

4 1 2 in Midland as an operations engineer, covering southeast New 3 Mexico. 4 Have you previously testified before this Q 5 Commission, had your credentials accepted and made a matter 6 of record? 7 Yes, I have. A. 8 Q. Are you familiar with the application 9 filed by Southland Royalty Company in this case and the sub-10 ject well? 11 Yes, I am. A. 12 MR. CARR: Are the witness' qualifications 13 acceptiole? 14 MR. STAMETS: They are. 15 Q. Will you briefly state what Southland 16 Royalty Company seeks with this application? 17 A. Southland Royalty Company seeks approval 18 of the wellbore of the State 14-A Com No. 1 for production 19 of the Wolfcamp through the Atoka zones, inclusive, from an 2Û unorthodox location. 21 Q. Would you please give the Examiner a 22 brief history of this well, noting the reason for the hearing? 23 A. The drilling of the subject well at an 24 unorthodox location to test the Morrow formation was approved 25 on the 21st of November, 1979, by Order R-6190.

Southland would like to include the Wolfcamp through the Atoka formations, inclusive, as being able to produce those zones from this wellbore at an unorthodox location.

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Our specific plans are to recomplete to the Atoka and produce the well as a single gas well from the Atoka zones.

Q Will you please refer to what has been marked for identification as Southland Royalty Company Exhibit Number One and explain to the examiner what this is and what it shows?

A Exhibit Number One is a land plat of the area around the subject well, specifically Township 19 South, Range 29 East, Section 14. The proration unit is the east half of Section 14, with the subject well, the State 14-A Com 1, located in the northeast quarter of that section. It also indicates the offset operators around this proration unit.

Q. Will you please refer to Exhibit Number Two and identify this for the Examiner?

A. Exhibit Number Two is a list of the
 offset oil and gas operators. In addition the Amax Chemical
 Corporation, who is operator of the -- a potash mine in the
 east half of Section 14.

1 6 2 Q. Have you notified each of these offset-3 ting operators of the hearing today? A. Yes, we have. 5 Q. Do you have some certified receipts in-6 dicating that each of the offsetting operators and Amax have 7 received notice of the hearing? A. We sent all of the offset operators, in-9 cluding Amax, waiver letters by certified, return receipt 10 mail, and we did receive a receipt from all of these operators 11 back from each operator, as well as Amax. 12 Would you please refer to Southland's Q. 13 Exhibit Number Three and identify this, please? 14 A. Exhibit Number Three is all of the 15 waiver letters that we have received back from the offset 16 operators, including Amax. The only waiver letter that is 17 not in this exhibit is a letter from Tenneco Oil Company, and 18 as I indicated before, we did receive a receipt that indicated 19 they had received their waiver letter on February 17th, 1981, 20 and we have had no response from them one way or the other, 21 but we have received positive response, signed waiver letters, 22 back from all the other operators. 23 Mr. Jones, I direct your attention to Q. 24 Southland Exhibit Number Four and ask you to identify this 25 for Mr. Stamets.

A. Exhibit Number Four is a more detailed
plat of Section 14 and the surrounding area, with specific
information on the location of the Amax Chemical Corporation
potash mine, which takes up the majority of the east half
of Section 14. The location of this mine was the reason why
we had to put the well at an unorthodox location in the first
place. The wellbore lies 1000 feet from the potash mine.

7

9 Q. And now will you explain Exhibit Number
10 Five for Mr. Stamets?

A Exhibit Number Five is a well history summary sheet on the subject well. It includes a brief history of the well to this point. It also includes a schematic diagram of the downhole casing assembly, tubing string, where the packer is set, perforations. It also includes on the far left side of the exhibit the proposed intervals of completion in the Atoka, as well as where the packer will be set and the proposed intervals that we will produce the Atoka from.

Q. Mr. Jones, in your opinion will granting this application be in the best interest of conservation and prevention of waste, and the protection of correlative rights?

Yes.

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Were Exhibits One through Five prepared

8 1 2 by you or under your direction and supervision? 3 A. Yes, they were. 4 MR. CARR: At this time, Mr. Stamets, 5 we would offer into evidence Southland Royalty Company Exhibits 6 One through Five. 7 MR. STAMETS: These exhibits will be 8 admitted. Q MR. CARR: I have nothing further of 10 this witness on direct. 11 12 CROSS EXAMINATION 13 BY MR. STAMETS: 14 Mr. Jones, you have previously completed Q. 15 this well as a Morrow well and that's depleted now? 16 It never was very productive to begin A. 17 with. We just have some Atoka pay that needs to be opened 18 and we do feel very strongly that this will be a substantially 19 productive zone, and the Morrow never has given up enough 20 gas to be commercial. 21 So we would like to plug back to the 22 Atoka. 23 And then by including the Wolfcamp Q. 24 through the Atoka, if there are any other productive horizons 25 in there, you will be able to complete those in this location.

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### CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY 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.

Same W. Boyd C.S.R.

I do hereby certin, that the foreacing is the Exer hear Conservation Division unifexaminer

SALLY W. BOYD, C.S.R. RI. 1 Box 193-B Santi Fe, New Mexico 87301 Filtone (503) 435-7409 1

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Same W. Boyd C.S.R.

I do hereby carine that the foregoing is the they ther saring of use heard by the on in er s Oil Conservation Division -, Examiner

SALLY W. BOYD, C.S.R. kt. 1 Box 193-B Santa Fe, Ivew Merico #7301 Phone (303) 455-7409 1

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#### SOUTHLAND ROYALTY COMPANY STATE 14-A COM. #1

#### OFFSET OPERATORS

Tenneco Oil Company 6800 Park Ten Blvd. Suite 200 North San Antonio, Texas 78213 Attention: Mike Hinze

The Superior Oil Company P. O. Box 1900 Midland, Texas 79702 Attention: Gene Wentworth

Gulf Oil Corporation P. O. Box J150 Midland, Texas 79702 Attention: C. F. Kalteyer

Sabine Production Company (Dalco) P. O. Box 3083 901 Wall Towers East Midland, Texas 79701 Attention: B. L. House

Copy of letter w/attachments also to:

Amax Chemical Corporation P. O. Box 279 Carlsbad, New Mexico 88220 Attention: Mr. Robert E. Kirby

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
SRC EXHIBIT NO. Z	
CASE NO	_
Submitted by	_
Hearing Date	
<u> </u>	

BEFORÉ EXAMINER STAMETS OIL CONSERVATION DIVISION
SEC EXHIBIT NO. 3
Submitted by
Hearing Date 3/1. 8 1

Amax Chemical Corporation P.O. Box 279 Carlsbad, New Mexico 88220

Attn: Mr. Robert E. Kirby



February 11, 1981

RE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico Request for Waiver

#### Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive.

This unorthodox location was approved for completion in the Morrow by New Mexico Oil Conservation Division Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off existing Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Atoka intervals that are proposed to be open are 10,812'-10,820', and 10,944'-10,960'.

Attached you will find a land plat showing offset oil and gas operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

As operator of the above mentioned mine, if you have no objections to this request, please sign the waiver as soon as possible and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. Parsons

District Operations Engineer

CCP/EJ/cr Attachments

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

Amax Chemical Corporation has no objection to the above described unorthodox location.

Jub. 18, 1981 Signed KEKuly Date for Amax Chemical Corporation

Ineres Bigs.

REC. Filling.

## Southland Royalty Company

February 11, 1981

Sabine Production Company (Dalco) P.O. Box 3083 901 Wall Towers East Midland, Texas 79701

Attention: B. L. House

Mallie handle

RE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico Request for Waiver

#### Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive. Our current plans are to squeeze off Morrow perforations (non-productive) and open all existing and potential Atoka pay to production. Attached you will find a land plat showing the well's location.

As an offset operator, if you have no objections to this request, please sign the waiver and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons District Operations Engineer

CCP/EJ/cr

Attachments

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

Sabine Production Company (Dalco) has no objection to the above described unorthodox location.

Babanany 19, 1981 Date

Signed B. House for Sabine Production Company (Dalco)



February 11, 1981

Gulf Oil Corporation P.O. Box 1150 Midland, Texas 79702

Attention: C. F. Kalteyer

RE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico Request for Waiver

#### Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive. Our current plans are to squeeze off Morrow perforations (non-productive) and open all existing and potential Atoka pay to production. Attached you will find a land plat showing the well's location.

As an offset operator, if you have no objections to this request, please sign the waiver and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

lonsons

C. C. Parsons District Operations Engineer

CCP/EJ/cr

Attachments

Gulf Oil Corporation BY <u>Falley</u> C. F. Kalteyer Chief Proration Engineer February 24, 1981

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

## SUPERIOR OIL

March 3, 1981

Southland Royalty Company 1100 Wall Towers West Midland, Texas 79701

ATTN: C.C. PARSONS District Operations Engineer

> RE: Southland Royalty Company State "14-A" Com. No. 1 Unorthodox Location 1325' FNL & 2303' FEL Sec. 14, T19S, R29E Eddy County, New Mexico

#### Gentlemen:

The Superior Oil Company waives all objections to producing of the above unorthodox location from the Atoka through the Wolfcamp zones inclusive.

Very truly yours,

The Superior Oil Company

Bannantine G. Bannantine Manager Regulatory Group Manager

VL/dj

Enclosures

The Superior Oil Company

Western Division

P. O. Box 4500, The Woodlands, TX 77380 (713) 363-3600, Twx: 910 880 4644



# SOUTHLAND ROYALTY COMPANY

Well History Summary Sheet

- •		# State "14-A" Com. No. 1         Lease #           ones         Date 1-20-81
	•	<u>, T-19-S, R-29-E</u>
•	·	0 TD 11,725' PBTD 11,392' (WL)
Type Well: Oil	Gas _X Other	FieldUndesignated
IP <u>1-11-8</u>	0 420 MCFGPD, 4 BOPD, 4 B	WPDZoneAtoka/Morrow
Perfs.: 10,94	4-11,376' OA, 2 JSPF/interval	Total Holes07
Stimulation 3	00 dals 10% Acetic. 5000 dals	7.1/2% MSR
		Water
		Lift Equipment
Misc		
	Drive or Conductor	WELL HISTORY
	<u></u> * @ <u></u> *	Well completed in Morrow "E" 12-27-79
		11,470-11,484', 27 holes. Pumped 200 gals
		Perf acid. Tested "wet".
	@ Cmt. w/	
		Set CIBP @ 11,440' +35' cmt
	Hole Size <u>17_1/2</u>	······································
	Max Mud Wt #/G	Well completed as show, above 1- 9-80.
		Per NMOCD definitions:
		Atoka Perfs 10,944-11,062', 24' net
		Morrow Perfs11,230-11,376', 26 net
	Intermediate: _8_5/8_",24#	First Atoka/Morrow sales 11-26-80
	Gr S-80/K-5 2900 '	
	Cmt w/1850 Sx.	Ran production logs to determine gas entry
Proposéd	TOC @ <u>surf</u> , Hole Size <u>11</u> , Max Mud	12-9-80. Showed +85% entry from Atoka perfs.
Recomple-	Wt #/G	Well SI 2/23/81.
tion		
 Pkr 10700'		Proposed Recompletion:
10,812	Pkr/Tubing @ 10,846'	(1) Set CIBP @ 11,100' above Morrow (2) Leave present Atoka perforations open
11,062	E Atoka/Merrow	
CIBP @	= 10,944-11,376'	(3) Open additional Atoka from 10,812-10,820
11,100'	From' To	(4) Set packer @ 10,700'
	',#	(5) Place well on production.
	Gr., Cmt. w/	
	Sx. TOC @ ' Hole Size	
	Wt #/G	
	Cmt 11,392:	
$\sim$	CIBP @ 11,440'	
	Morrow "E"	
	11,470-11,484'	
	Production:4_1/2",	
	11.6/13.5#, <u>N-80</u> Gr.	
	@ <u>11,725</u> , Cmt. w/	
	1450 Sx, TOC @ 8400 ', Hole Size	
	, Hole Size 7 7/8"Mx Mud Wt.	
		Tubing 2 3/8 4.7#, N-80 Gr, @0.846
		Tubing",#,Gr, @
	TD <u>11.725</u>	Packer @ 10,846

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## SOUTHLAND ROYALTY COMPANY STATE 14-A COM. #1

## OFFSET OPERATORS

Tenneco Oil Company 6800 Park Ten Blvd. Suite 200 North San Antonio, Texas 78213 Attention: Mike Hinze

The Superior Oil Company P. O. Box 1900 Midland, Texas 79702 Attention: Gene Wentworth

Gulf Oil Corporation P. O. Box 1150 Midland, Texas 79702 Attention: C. F. Kalteyer

Sabine Production Company (Dalco) P. O. Box 3083 901 Wall Towers East Midland, Texas 79701 Attention: B. L. House

Copy of letter w/attachments also to:

Amax Chemical Corporation P. O. Box 279 Carlsbad, New Mexico 88220 Attention: Mr. Robert E. Kirby

	EXAMINER STAMETS SERVATION DIVISION	
SPC	EXHIBIT NO. 2	
CASE NO.	ופור	-
Submitte	d by Jones	_
Hearing [	Date 3 11 81	
· · · · · · · · · · · · · · · · · · ·		

	RE EXAMINER STAMETS DISERVATION DIVISION	
SPC	EXHIBIT NO	
CASE F	NO. 7191	
Submit	tted by	
Hearing	g Date 3/11/8/	-

Southland Royalty Company

February 11, 1981

Amax Chemical Corporation P.O. Box 279 Carlsbad, New Mexico 88220

Attn: Mr. Robert E. Kirby

RE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico Request for Waiver

#### Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive.

This unorthodox location was approved for completion in the Morrow by New Mexico Oil Conservation Division Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off existing Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Atoka intervals that are proposed to be open are 10,812'-10,820', and 10,944'-10,960'.

Attached you will find a land plat showing offset oil and gas operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

As operator of the above mentioned mine, if you have no objections to this request, please sign the waiver as soon as possible and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons

District Operations Engineer

CCD/EJ/CI Attachments

Amax Chemical Corporation has no objection to the above described unorthodox location.

<u>Fub. 18, 1981</u> Date

181 Signed KKuly for Amax Chemical Corporation

Inrange Magar.

 $U_{1,2}^{(2,2)}$ Fur 18. Anne and the Constant

# **Southland Royalty Company**

February 11, 1981

Sabine Production Company (Dalco) P.O. Box 3083 901 Wall Towers East Midland, Texas 79701

Attention: B. L. House

Malles handles

RE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico Request for Waiver

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As an offset operator, if you have no objections to this request, please sign the waiver and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons

District Operations Engineer

CCP/EJ/cr

1

Attachments

Sabine Production Company (Dalco) has no objection to the above described unorthodox location.

Bebuery 19, 1981 Date

1

Signed **B. House** for Sabine Production Company (Dalco)



February 11, 1981

Gulf Oil Corporation P.O. Box 1150 Midland, Texas 79702

Attention: C. F. Kalteyer

PE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico Request for Waiver

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Yours very truly,

rem

C. C. Parsons District Operations Engineer

CCP/EJ/cr

Attachments

Gulf Oil Corporation BY <u>Falling</u> C. F. Kalteyer Chief Proration Engineer February 24, 1981

and a second second

-co. 0121.

## SUPERIOR OIL

March 3, 1981

Southland Royalty Company 1100 Wall Towers West Midland, Texas 79701

ATTN: C.C. PARSONS District Operations Engineer

> RE: Southland Royalty Company State "14-A" Com. No. 1 Unorthodox Location 1325' FNL & 2303' FEL Sec. 14, T19S, R29E Eddy County, New Mexico

## Gentlemen:

The Superior Oil Company waives all objections to producing of the above unorthodox location from the Atoka through the Wolfcamp zones inclusive.

Very truly yours,

The Superior Oil Company

Bannantine G. Bannantine Manager Regulatory Group Manager

VL/dj

Enclosures

The Superior Oil Company

Western Division

P. O. Box 4500. The Woodlands, TX 77380 (713) 353-3600. Twx: 910 880 4644



# SOUTHLAND ROYALTY COMPANY

# Well History Summary Sheet

SRC District Midland Made By Ed Ju	ones Date 1-20-81
-	, T-19-S, R-29-E
	0 TD 11,725' PBTD 11,392' (WL)
•	Field Undesignated
	WPDZone
	Total Holes <u>107</u>
	7_1/2% MSR
Cumul. Oil MCF	Water
Recent Test <u>1-1-81: 410 MCFG, 2 BO, 2 BW</u>	Lift Equipment
Misc	
	WELL HISTORY
Drive or Conductor 20 m 255	Well completed in Morrow "E" 12-27-79
	11,470-11,484', 27 holes. Pumped 200 gals
Surface: <u>13 3/8</u>	Perf acid. Tested "wet".
<u>48</u> # Gr <u>H-40</u> @1350	
_1400Sx.TOC surf	Set CIBP @ 11,440' +35' cmt
Hole Size <u>17.1/2</u>	
Max Mud Wt #/G	Well completed as shown above 1- 9-80.
	Per NMOCD definitions:
	Atoka Perfs 10,944-11,062', 24' net
	<u>Morrow Perfs 11,230-11,376', 26 net</u>
Intermediate:	
<u>_8_5/8_</u> ", <u>_24</u> #	First Atoka/Morrow sales 11-26-80
Gr <u>S-80/K-5</u> 2900 ' Cmt w/ <u>1850</u> Sx.	
TOC @ surf Hole	An production 1095 to determine gas entry
soposéd Size <u>11</u> ", Max Mud	<u>12-9-80.</u> Showed +85% entry from Atoka perfs. Well SI 2/23/81.
tion Wt #/G	
↓	
	Proposed_Recompletion:
r 10700' Pkr/Tubing @ 10,846'	(1) Set CIBP @ 11,100' above Morrow
.0,812' - Atoka/Morrow	(2) Leave present Atoka perforations open 10,944-11.062'.
IBP @ 10,944-11,376'	(3) Open additional Atoka from 10,812-10,820
1,100' From' To	(4) Set packer @ 10,700'
',#	(5) Place well on production.
Gr., Cmt. w/ Sx. TOC @	
", Max Mud	
Wi #/G	
Cmt 11,392	
CIBP @ 11,440'	
Morrow "E"	·
11,470-11,484'	
<b>Production:</b> $4 \frac{1}{2}$ ,	
<u>11.6/13.5#, N-80</u> Gr. @ <u>11.725'</u> , Cmt. w/	
<u>    1450                                </u>	
<u>84001</u> , Hole Size 7 7/8", Mx Mud Wt	
	, Tubing 2 3/8, 4.7, N-80 Gr. @846
	Tubing,,,,
TD <u>11,725</u>	Packer @ _10,846

Page 3 of 6 Examiner Hearing - Wednesday - March 11, 1981

3

Docket No. 8-81

CASE 7170: (Continued from February 25, 1981, Examiner Hearing)

Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

- CASE 7189: Application of Threshold Development Company 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 its Conoco 7 State Well No. 1 in Unit N of Section 7, Township 19 South, Range 29 East.
- CASE 7190: Application of Threshold Development 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 Conoco 10 State Com. Well No. 1 in Unit I of Section 10, Township 19 South, Range 29 East.
- CASE 7191: Application of Southland Royalty Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location in the Potash-Oil Area of its State "14-A" Com. Well No. 1 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, Turkey Track Field.
- CASE 7192: Application of Southland Royalty Company 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 its Parkway A State Com. Well No. 1 in Unit H of Section 15, Township 19 South, Range 29 East.
- CASE 7193: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Com. Well No. 1 in Unit E of Section 14, Township 19 South, Range 29 East.
- CASE 7194: Application of Southland Royalty Company 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 its Parkway State Well No. 1 located in Unit K of Section 15, Township 19 South, Range 29 East.
- CASE 7195: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Well No. 1-A in Unit B of Section 14, Township 19 South, Range 29 East.
- CASE 7196: Application of Direro Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the North line and 660 feet from the West line of Section 15, Township 22 South, Range 28 East, Pennsylvanian formation, the N/2 of said Section 15 to be dedicated to the well.
- CASE 7153: (Readvertised)

Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 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 7197: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Bilbrey-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 32 State Com Well No. 1 located in Unit G of Section 32, Township 21 South, Range 32 East, NMPM. Said pool would comprise:

> TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM Section 32: E/2



February 11, 1981

Amax Chemical Corporation P.O. Box 279 Carlsbad, New Mexico 88220

Attn: Mr. Robert E. Kirby

Case 7191

RE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico Request for Waiver

## Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive.

This unorthodox location was approved for completion in the Morrow by New Mexico Oil Conservation Division Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off existing Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Atoka intervals that are proposed to be open are 10,812'-10,820', and 10,944'-10,960'.

Attached you will find a land plat showing offset oil and gas operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

As operator of the above mentioned mine, if you have no objections to this request, please sign the waiver as soon as possible and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons

District Operations Engineer

CCP/EJ/cr Attachments

Amax Chemical Corporation has no objection to the above described unorthodox location.

Meb. 18, 1981 Date

Signed Kehon for Amax Chemical Corporation

EEB 1 3 1981 GL CL. J.C.I CIVISION M. J.C.I CIVISION

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

Cure. 7191

Attn: Secretary Director

RE: State "14-A" Com. No. 1 Unorthodox Location 1325' FNL, 2303' FEL, Sec. 14, T-19-S, R-29-E Eddy County, New Mexico

## Dear Sir:

Southland Royalty Company requests that an examiner hearing be set on March 11, 1981 to consider approval of the wellbore of the above captioned well, at an unorthodox location, for production from the Atoka zones and all shallower zones up to and including the Wolfcamp formation. The reason for this request is the proximity of this well to the Amax Chemical Corporation Potash Mine.

This unorthodox location was approved for completion in the Morrow by Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off the Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Attached you will find land plats showing offset operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

All offset operators and Amax are being notified of this request by certified mail.

Sincerely,

El Ines

Ed Jones Operations Engineer

EJ/cr

Attachments

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

		CONSIDERING:
٢		CASE NO. 7191
$\backslash $		ORDER NO. R- 6190-17
		APPLICATION OF SOUTHLAND ROYALTY COMPANY
A	J	FOR AN UNORTHODOX GASS WELL LOCATION,
N		EDDY COUNTY, NEW MEXICO.
Y		ORDER OF THE DIVISION
<b>T</b>		BY THE DIVISION:
		This cause came on for hearing at 9 a.m. on March 11
		19 81 , at Santa Fe, New Mexico, before Examiner Richard L. Stamets
		NOW, on thisday of March , 19 81 , 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.
z		(2) That the applicant, Southland Royalty Company in the Potash-Gil Area of its State "14-A" Com. Well No. 1, seeks approval of an unorthodox gas well location/ 1325
		feet from the North line and $2303$ feet from the
		East line of Section 14 , Township 19 South
		Range 29 East , NMPM, to test the
		Tormation, Turkey Track Field Pool, Eddy
		County, New Mexico.
		(3) That the $\frac{\mathcal{E}/2}{2}$ of said Section 14 is to be
		dedicated to the well.
	00	
	(4)	That the proposed unor the dore location
	110	That the proposed unor thodox location
	2	mation by Division Order No R-6190 antend November 21, 1990
	101	price partice
	51	H fithe maline & cooks to espand the
		The the applicant seeks to expand the hority for said unor thodox location to luce the Wolt camp formation and Pennsylver
***	<i>Un</i> *	1 Ma Tallha Lind I D ling
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(6) That no offset operator objected to the proposed unorthodox location.

by amondmont to soid Order No RG190

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject  $\frac{f_{i}}{pool}$ , 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:

Division Order No R-GM M. Order ( (1) te ere bu NS **(**(1) That an unorthodox gas well location for the Morre Penney lumian

formations is hereby approved for a well location for the Morrew formations is hereby approved for a well to be located at a point 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Oil-Potash Area, Eddy County, New Mexico. "

> ( 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

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dr/