

## OIL CONSERVATION DIVISION

P. O. Box 2088  
SANTA FE, NEW MEXICO  
87501

ADMINISTRATIVE ORDER

NFL 36STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENTINFILL DRILLING FINDINGS PURSUANT TO  
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY  
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978  
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

## I.

Operator AMERADA HESS CORPORATION Well Name and No. State WE "F" Well No. 4  
Location: Unit K Sec. 1 Twp. 21-S Rng. 35-E Cty. Lea

## II.

## THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is completed in the Eumont Gas  
Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 160-acre proration unit comprising the SW/4  
of Sec. 1, Twp. 21-S, Rng. 35-E, is currently dedicated to the State WE "F"  
Well No. 1 located in Unit N of said section.

(5) That this proration unit is ( ) standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. NSP-1181.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 3,350 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

## IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(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 this 12th day of March, 19 82.

  
DIVISION DIRECTOR

EXAMINER

INFILL DRILLING FINDINGS PURSUANT TO  
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY  
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978  
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator AMERADA HESS CORPORATION Well Name and No. State WE "F" Well No. 4  
Location: Unit K Sec. 1 Twp. 21-S Rng. 35-E Cty. Lea

II.

THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Eumont Gas Pool, and the standard spacing unit in said pool is 640 acres.
- (4) That a 160-acre proration unit comprising the SW/4 of Sec. 1, Twp. 21-S, Rng. 35-E, is currently dedicated to the State WE "F" Well No. 1 located in Unit N of said section.
- (5) That this proration unit is ( ) standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. NSP-1181.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 3,350 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (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 this 12th day of March, 19 82.

  
DIVISION DIRECTOR

EXAMINER

# AMERADA HESS CORPORATION

P. O. BOX 2040  
TULSA, OKLAHOMA 74102  
918-584-5554

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

Re: Request for Administrative NGPA  
infill well finding, State WE "F"  
Well No. 4, Eumont Gas Pool,  
Lea County.

Attn: Mr. R. L. Stamets  
Technical Support Chief

Gentlemen:

The Amerada Hess Corporation respectfully requests that an administrative finding be made under the Oil Conservation Division Order R-6013 that the drilling of the AHC State WE "F" Well No. 4 infill well was necessary to effectively and efficiently drain a portion of the Eumont Gas Pool (Yates, Seven Rivers and Queen formations) covered by a proration unit which cannot be drained by any existing well within the unit.

The following data is submitted to comply with the filing requirements of the order:

1. (Rule 5.) A copy of the approved Form C-101 for the infill well and Form C-102 showing the proration unit dedicated to the infill well is attached.
2. (Rule 6.) The standard proration unit size for the Eumont Gas Pool is 640 acres as designated by Order R-521, dated August 12, 1954, succeeded by Order R-1670.
3. (Rule 7.) The non-standard proration unit dedicated to the subject well was approved by Division order NSP-1181, dated March 31, 1980.
4. (Rule 8.) There are two wells drilled on this proration unit that are, or have been completed in the Eumont Gas Pool. The data on the first well is as follows:

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OIL CONSERVATION DIVISION  
SANTA FE

a. The AHC State WE "F" Well No. 1, located 1980' FWL and 3300' FSL Sec. 1-21S-35E, Lea County.

b. Spud date: May 5, 1954.

c. Completion date: June 1, 1954.

d. The Eumont Gas zone is the annular completion of an oil zone-gas zone dually completed well, originally producing through 3-1/2" tubing. In July, 1978, the 3-1/2" tubing was replaced with smaller 2-3/8" tubing and the zone was apparently damaged by load water during the operation. Following the operation, the completion began producing water and in January, 1979,

a rod pump was installed to pump the excessive water production and sustain gas production.

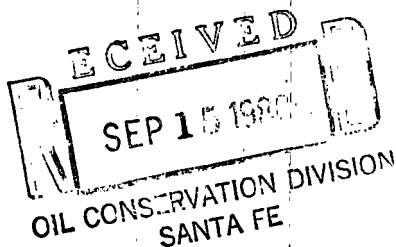
- e.,f. The well produced an average of 54 Mcf/d during June, 1980.
- g. The well-head pressure of the State WE "F" No. 1 has declined to near the gathering system pressure and is incapable of draining all of the reserves covered by this proration unit. The following geological and reservoir data discussion indicates that Well No. 1 would be capable of effectively and efficiently draining only 2.5 Bcf of the estimated 5.85 Bcf of recoverable gas underlying this proration unit, even if the formation had not been damaged during the operation to replace the tubing.

The data on the second (infill) well completed in the Eumont Gas Pool on this proration unit is as follows:

- a. The State WE "F" Well No. 4, located 3420' FNL and 1980' FEL, Sec. 1-21S-35E, Lea County.
  - b. Spud date: January 4, 1980.
  - c. Completion date: February 11, 1980.
  - d. This well was completed by the open hole method using gas as the drilling fluid. This method of completion may have resulted in a higher well bore permeability and/or additional productive stringers available to the well bore to contribute additional production that is not available to the well bore of the first well.
  - e.,f. Well No. 4 has been shut-in since completion waiting on the sales line connection. The well was tested at a rate of 1032 Mcf/day with a flowing tubing pressure of 100 psi.
  - g. It is apparent from a projection of the producing history of the existing well in this proration unit that only 2.5 Bcf of the total calculated recoverable 5.85 Bcf underlying the unit could have been produced by that well. The new Well No. 4 has the potential of producing the calculated 3.35 Bcf remaining under the unit that has been developed by a superior completion method. In addition, Well No. 4 is sixty-four feet higher on structure than Well No. 1 and in a more advantageous location to drain the reserves underlying the unit.
5. (Rule 9.) Geological and reservoir information presented in support of a finding as to the necessity for an infill well includes:

- a. A Yates formation structure map with the subject proration unit outlined is attached.
- b. It is anticipated that the State WE "F" Well No. 4 will recover 3.35 Bcf of gas that could not be recovered by the existing gas well on the proration unit. This increase was determined from the difference of the volumetric calculation of the recoverable gas reserves contained in this 160 acre proration unit and the estimated ultimate reserves that may have been recovered from Well No. 1, described as follows:

- 1. One accepted method of reserve determination for a volumetric (depletion-type) gas reservoir is the application of the principle of conservation of mass in the standard material balance equation:



$$G_1 = Q_t \frac{(P_1/Z_1)}{P_1/Z_1 - P_t/Z_t}$$

The solution of this equation at any time,  $t$ , and cumulative gas production,  $Q_t$ , will result in a single value for original gas in place,  $G_1$ . Values for  $G_1$  derived from calculations at different times may be averaged to determine an average value of the original gas in place.

A more convenient expression of the equation is:

$$P_t/Z_t = P_1/Z_1 - CQ_t, \text{ where } C = \frac{(P_1/Z_1)}{G_1}$$

As indicated by the equation, a graph on coordinate paper of  $BHP/Z$  vs cumulative gas production will yield a linear plot. Extrapolation of a best fitting straight line to a zero value of  $P_t/Z_t$  will determine the gas-in-place in the reservoir. Recoverable gas would be a fraction of this amount as dictated by the abandonment pressure.

The Eumont Gas Pool has performed as a depletion-type reservoir as is demonstrated by the linear plot of  $P/Z$  vs cumulative production on Well No. 1 included in the attached. As this decline indicates no departure from its established trend, it can be assumed that the drainage volume of the well has remained constant and it is reasonable to expect it will not change in the short remaining life of the well. An extrapolation of the trend to the abandonment pressure of 75 psi dictated by the sales line pressure in the area indicates the well could have recovered an ultimate 2.5 Bcf of gas before the well was unable to flow into the sales line.

2. A volumetric calculation of the recoverable gas reserves contained in this 160 acre proration unit is included in the attached. The calculations yields an estimation of 5.85 Bcf for the unit which is 3.35 Bcf more than the above estimated ultimate gas recovery from Well No. 1.
- c. A cumulative production/pressure decline curve for Well No. 1 is attached
- d. Calculations for initial recoverable gas for Well No. 1 are also attached.

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OIL CONSERVATION DIVISION  
SANTA FE

(Rule 11.) All operators of proration units offsetting the unit for which this infill finding is sought has been notified of this application by certified mail.

Thank You,  
Amerada Hess Corporation  
*Gilbert E. Miller*  
Gilbert E. Miller  
Conservation Supervisor

4

Reserve Calculations  
State WE "F" Well No. 1  
160-Acre Proration Unit

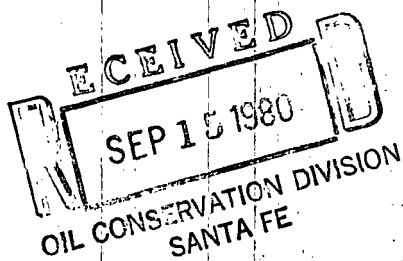
Initial recoverable gas in unit,  $G_i$ :

$$\begin{aligned} G_i &= 43560 A h \phi (1 - SW) B_{gi} R \\ &= 43560 (160)(98)(.156)(1 - .271)(83.66)(.9) \\ &= 5.85 \text{ Bcf} \end{aligned}$$

Where:

Area (a) = 160 acres  
Net pay thickness (h) = 98' average  
Porosity ( $\phi$ ) = 15.6%  
Water Saturation (SW) = 27.1%  
Initial reservoir pressure = 1100 psi  
Gas gravity = .65  
Formation temperature = 100°F  
Initial compressibility factor ( $Z_i$ ) = .83  
Recovery efficiency (R) = 90%  
Reservoir volume factor ( $B_{gi}$ ) = 83.66 scf/ft<sup>3</sup>

$$\begin{aligned} \text{from: } B_{gi} &= 35.35 \frac{P_i}{Z_i T_i} \\ &= 35.35 \frac{1100}{.83(560)} = 83.66 \end{aligned}$$



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SANTA FE	
E	
G.S.	
LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 11-65

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FED <input type="checkbox"/>
5. State Oil & Gas Lease No.	
E-393	

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. Type of Work		7. Unit Agreement Name	
DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		State WE"F"	
6. Type of Well		8. Form of Lease Name	
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		State WE"F"	
Name of Operator		9. Well No.	
Amerada Hess Corp.		4	
Address of Operator		10. Field and Pool, or Wildcat	
Drawer D Monument, NM		Eumont	
Location of Well		12. County	
UNIT LETTER <u>K</u> LOCATED <u>3420</u> FEET FROM THE <u>North</u> LINE <u>1980</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>1</u> TWP. <u>21S</u> RGE. <u>35E</u> NMPM		Lea	
19. Proposed Depth		19A. Formation	
3600		Eumont SR	
20. Rotary or C.T.		22. Approx. Date Work will start	
Rotary		Dec. 1979	
21A. Kind & Status Plug. Bond		21B. Drilling Contractor	
Blanket		Cactus	
21C. Elevations (Show whether DF, RT, etc.)		21D. Approx. Date Work will start	
3556 G.L.		Dec. 1979	

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4	8-5/8		300	300	Circ.
7-7/8	5-1/2	15#	3260	4000	Circ.

Drill 12-1/4" hole to 300' and set 8-5/8" casing and circulate cement. Drill out with 7-7/8 hole to 3260 and set 5-1/2 and circulate cement. Drill out with gas to T. D.

Blowout equipment, consists of 10" Cameron Type "F" series 900 Db1. Hyd. w/Payne closing unit, gas separator and de-gasser complete w/auto. choke. All BOP equipment will be checked periodically by a Cactus Drlg. Company driller and Amerada Hess well site drilling supervisor.

Gas dedicated to purchaser.

ABOVE SPACE DESCRIBE PROPOSED PROGRAMS IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signature: M. L. L... Title: District Engineer Date: 11-9-79

(This space for State Use)

PROVED BY: [Signature] TITLE: SUPERVISOR DISTRICT 1 DATE: NOV 14 1979

CONDITIONS OF APPROVAL, IF ANY:

NOV 14 1979

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the section.

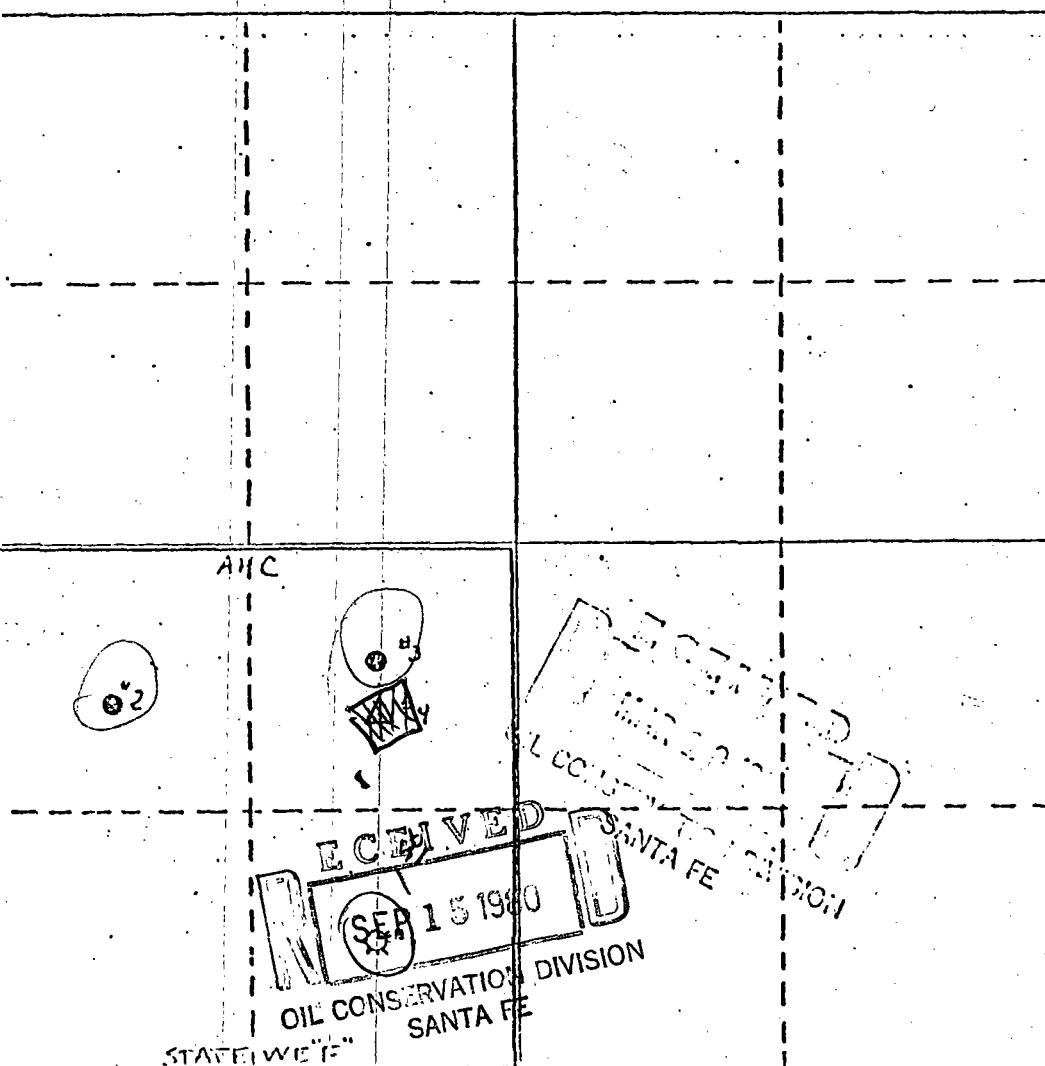
Owner <b>Amerada Hess Corporation</b>			Lease <b>State WE "F"</b>			Well No. <b>4</b>
Letter <b>R</b>	Section <b>1</b>	Township <b>21-S</b>	Range <b>35-E</b>	Date <b>11:03</b>		
Location of Well <b>3420</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>West</b> line			Lease <b>Lease SERVICES</b>			
ad Level Elev. <b>3551.0</b>		Underlying Formation <b>Seven Rivers Queen</b>		Foot <b>Eumont</b>		Deeded Acreage <b>160</b>

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
*[Signature]*  
Position  
**District Engineer**  
Company  
**Amerada Hess Corporation**  
Date  
**November 29, 1979**

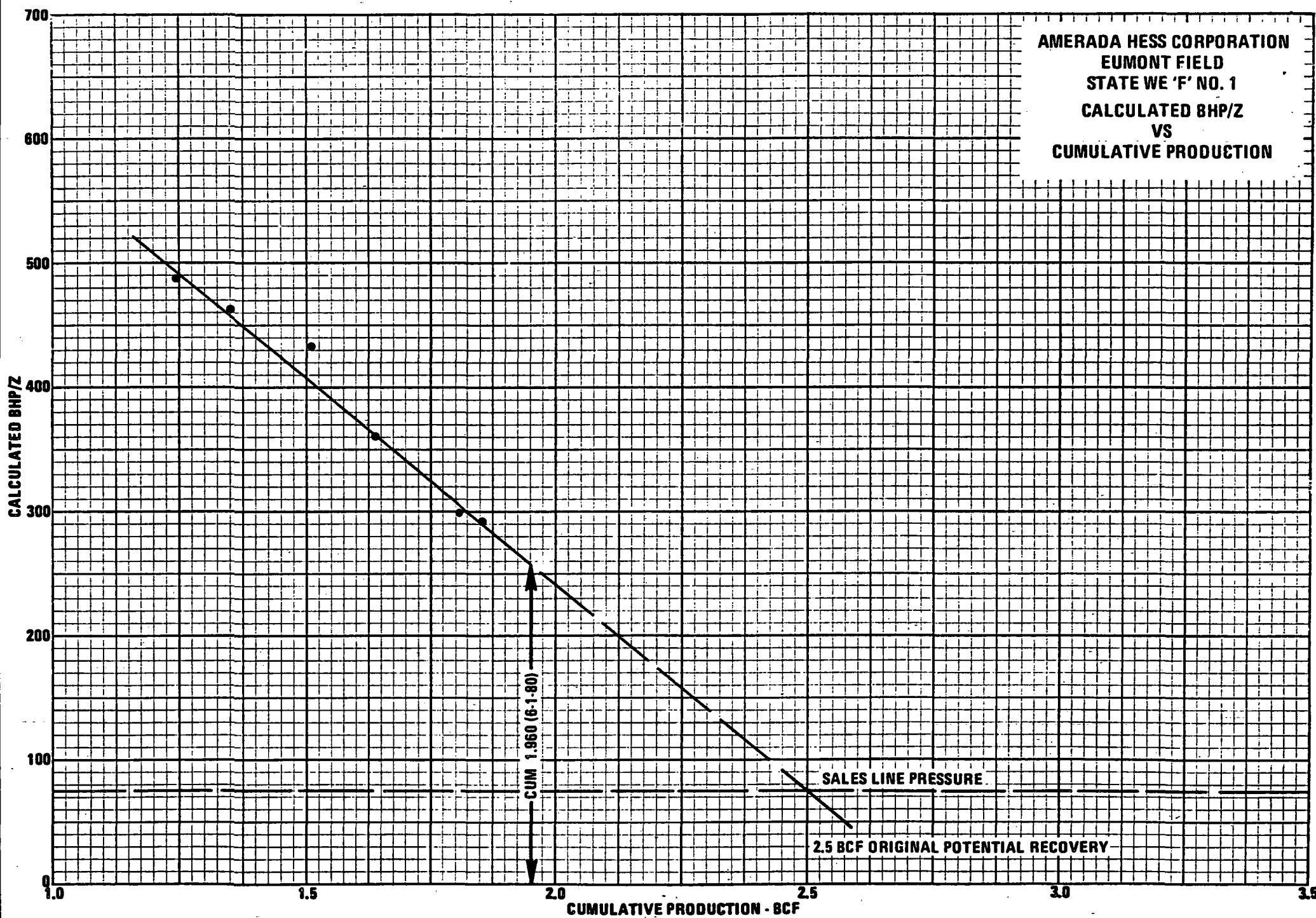
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
Registered Professional Engineer  
and/or Land Surveyor

Certificate No.

500 400 300 200 100 0

AMERADA HESS CORPORATION  
EUMONT FIELD  
STATE WE 'F' NO. 1  
CALCULATED 8HP/Z  
VS  
CUMULATIVE PRODUCTION





ADDRESSES OF OFFSET OPERATORS  
STATE WE"F"

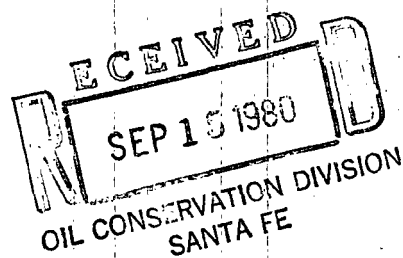
Gulf Exploration and Production Co.  
Box 670  
Hobbs, New Mexico 88240

Getty Oil Co.  
Box 730  
Hobbs, New Mexico 88240

Shell Oil Co.  
Box 1509  
Midland, Texas 79702

Warrior, Inc.  
Box 17479  
Ft. Worth, Texas 76102

James L. Evans  
P.O. Box 2053  
South Padre Island, Texas 78597





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

July 9, 1984

**TONEY ANAYA**  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

U.S. Department of Energy  
Federal Energy Regulatory Commission  
825 North Capitol  
Washington, D.C. 20426

Attention: Brooks Carter

RE: N.G.P.A. Section 103 Determination  
Amerada Hess Corporation  
State WE "F" Well No. 4, located in  
Unit K  
F.E.R.C. No. JD 81-4831  
A.P.I. No. 30-025-26549  
State WE "B" Well No. 6 Located in  
Unit C  
F.E.R.C. No. JD 81-4833  
API No. 30-025-26548  
Both Wells in Section 1, Township 21 South  
Range 35 East, N.M.P.M., Lea County,  
New Mexico.

Dear Mr. Carter:

It was called to my attention recently by Mr. Bob Jones with Amerada Hess Corporation, that a letter dated December 10, 1980 from Mr. Kenneth A. Williams of your office (see attachment) requesting additional information on the two subject wells was not answered. I am therefore submitting to your attention, copies of the approved Infill-Well Findings for the two subject wells.

I appologize for the delay and for any inconvenience this might have caused. If additional information is required, please contact me.

Sincerely,

MICHAEL E. STOGNER  
Petroleum Engineer

CC: Amerada Hess Corporation  
P.O. Box 2040  
Tulsa, Oklahoma 74102  
Attn: Bob Jones

AMERADA HESS CORPORATION

P. O. BOX 2040  
TULSA, OKLAHOMA 74102  
918-599-4200

June 25, 1984

JUL 5 1984

RECEIVED

Mr. Michael Stogner  
New Mexico Energy and Minerals Department  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 97501

Re: NGPA Section 103  
Well Determination Applications:  
State WE "F" 4 (JD 81-4831)  
State WE "B" 6 (JD 81-4833)

Dear Mr. Stogner:

In accordance with your request by telephone on June 25, 1984, enclosed is one (1) copy of a letter dated December 10, 1980 from the FERC to your office regarding a request for additional information on the above referenced wells.

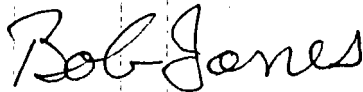
You stated during said telephone conversation that you have located a commission order which approves the infill drilling of the State WE "F" #4 and State WE "B" #6 wells. Please send me a copy of said orders.

I would appreciate your early compliance with the FERC request for information dated December 10, 1980.

Thank you for your assistance.

Very truly yours,

AMERADA HESS CORPORATION



Bob Jones  
Sr. Gas Sales Representative

RMJ:dd  
Enclosure

cc: Mr. Keith Butler

Federal Energy Regulatory Commission  
825 North Capitol Street N.E.  
Washington D.C. 20426  
Attn: Mr. Brooks Carter

✓ Copy M. Adamson

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON 20426

IN REPLY REFER TO:

OPPR/NGPA/N860A

DEC 1 1980

Mr. Joe D. Ramey  
Director, State of  
New Mexico  
Energy and Minerals  
Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 97501

1981 JAN -5 PM 5  
TULSA

Re: Determination of Maximum  
Lawful Price Under  
NGPA Section 103 for:  
Amerada Hess Corporation  
State WE "F" 4  
FERC No. JD81-4831  
API No. 30-025-26549  
State WE "B" 6  
FERC No. JD81-4833  
API No. 30-025-26548

Dear Mr. Ramey:

On November 5, 1980, the Commission received your notices of determination that the above-referenced wells qualified as new onshore production wells pursuant to Section 103 of the NGPA.

In each application supporting the referenced determinations, Amerada Hess Corporation has indicated that the subject well is the second well in a proration unit, and has submitted a request for a finding that the subject well is necessary to effectively and efficiently drain the respective unit. Neither determination contains such a finding by your agency.

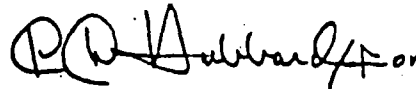
Section 271.305(d) of the Commission regulations as promulgated by Order No. 43-A, issued on November 16, 1979, establishes a rebuttable presumption, for the purposes of Section 103(c)(3)(C) of the NGPA, that a well has not produced and is not capable of producing natural gas in commercial quantities on or after January 1, 1970, if it was plugged and abandoned prior to January 1, 1970, and has not produced natural gas on or after that date. In all other cases, when the subject well is the second well in a proration unit, the jurisdictional agency must make a finding (in accordance with Section 271.305(b) of the regulations) that the well was necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which could not be effectively and efficiently drained by any existing well within the proration unit. Such a finding was

not included with the determinations in this case, and therefore they are incomplete. Sections 271.305(b)(1) and 274.204(f) of the regulations require that such a finding must be based on appropriate geological and engineering data and that such data must be included in the notice of determination submitted to the Commission.

Pursuant to Section 274.104(a)(6), we request that your agency furnish us with an explanatory statement, including the appropriate factual findings, which would provide sufficient information to ascertain the basis for determining that the subject wells qualify under Section 103. Alternatively, an effective and efficient finding by your agency may be submitted pursuant to Section 271.305 of the regulations.

The 45-day period for Commission review will not commence until either an explanatory statement or an effective and efficient finding is received.

Very truly yours,

A handwritten signature in dark ink, appearing to read "K. Williams", written over a circular stamp or mark.

Kenneth A. Williams  
Director  
Office of Pipeline and  
Producer Regulation

cc: Amerada Hess Corporation  
P. O. Box 2040  
Tulsa, Oklahoma 74102

El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas 79978

OIL CONSERVATION DIVISION  
P. O. Box 2088  
SANTA FE, NEW MEXICO  
87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER

NFL 36

INFILL DRILLING FINDINGS PURSUANT TO  
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY  
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978  
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator AMERADA HESS CORPORATION Well Name and No. State WE "F" Well No. 4  
Location: Unit K Sec. 1 Twp. 21-S Rng. 35-E Cty. Lea

II.

THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Eumont Gas Pool, and the standard spacing unit in said pool is 640 acres.
- (4) That a 160-acre proration unit comprising the SW/4 of Sec. 1, Twp. 21-S, Rng. 35-E, is currently dedicated to the State WE "F" Well No. 1 located in Unit N of said section.
- (5) That this proration unit is ( ) standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. NSP-1181.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 3,350 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (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 this 12th day of March, 19 82.

  
DIVISION DIRECTOR

EXAMINER

OIL CONSERVATION DIVISION  
P. O. Box 2088  
SANTA FE, NEW MEXICO  
87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER  
NFL 37

INFILL DRILLING FINDINGS PURSUANT TO  
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY  
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978  
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator Amerada Hess Corporation Well Name and No. State WE "B" Well No. 6  
Location: Unit C Sec. 1 Twp. 21-S Rng. 35-E Cty. Lea

II.

THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Eumont Gas Pool, and the standard spacing unit in said pool is 640 acres.
- (4) That a 118-acre proration unit comprising Lots 3, 5 and 6 of Sec. 1, Twp. 21-S, Rng. 35-E, is currently dedicated to the State WE "B" Well No. 3 located in Unit F of said section.
- (5) That this proration unit is ( ) standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. NSP-1182.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 1,670 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (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 this 12th day of March, 19 82.

  
DIVISION DIRECTOR EXAMINER

## OIL CONSERVATION DIVISION

Form C-132  
Revised 7-15-80STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088  
SANTA FE, NEW MEXICO 87501APPLICATION FOR WELLHEAD  
PRICE CEILING CATEGORY DETERMINATION

## A. FOR DIVISION USE ONLY:

E COMPLETE APPLICATION FILED

DATE DETERMINATION MADE

WAS APPLICATION CONTESTED? YES NO

NAME(S) OF INTERVENOR(S), IF ANY:

5A. Indicate Type of Lease

STATE ☒ FEE ☐

5. State Oil &amp; Gas Lease No.

E -393

7. Unit Agreement Name

State WE "F"

8. Farm or Lessee Name

State WE "F"

9. Well No.

4

10. Field and Pool, or Wildcat

Eumont

12. County

Lea

1. Name of Operator

Amerada Hess Corporation

3. Address of Operator

1200 Milam Street, 6th Floor, Houston, Texas 77002

4. Location of Well

UNIT LETTER K

LOCATED 3420

FEET FROM THE

North

LINE

AND

1980

FEET FROM THE

West

LINE OF SEC. 1

TWP. 21S

RGE. 35E

NMPM

11. Name and Address of Purchaser(s)

El Paso Natural Gas Company, P. O. Box 1492, El Paso, Texas 79978

## WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NGPA Section No.) 103

2. All Applications must contain:

☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK☒ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111☒ d. AFFIDAVITS OF MAILING OR DELIVERY

3. In addition to the above, all applications must contain the items required by the applicable rule of the Division's "Special Rules for Applications For Wellhead Price Ceiling Category Determinations" as follows:

A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test)

☐ All items required by Rule 14(1) and/or Rule 14(2)

B. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)

☐ All items required by Rule 15

C. NEW ONSHORE PRODUCTION WELL

☒ All items required by Rule 16A or Rule 16B

D. DEEP, HIGH-COST NATURAL GAS and TIGHT FORMATION NATURAL GAS

☐ All items required by Rule 17(1) or Rule 17(2)

E. STRIPPER WELL NATURAL GAS

☐ All items required by Rule 18

RECEIVED

SEP 15 1980

Oil Conservation

RECEIVED  
OCT 12 1980

Oil Conservation

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED  
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY  
KNOWLEDGE AND BELIEF.

D. W. Cook

OIL CONSERVATION DIVISION

NAME OF APPLICANT (Type or Print)

SIGNATURE OF APPLICANT

Title Vice President

Date 9-11-80

FOR DIVISION USE ONLY

☒ Approved☐ DisapprovedThe information contained herein includes all  
of the information required to be filed by the  
applicant under Subpart 5 of Part 274 of the  
FERC regulation.

EXAMINER

Form 1  
Revised 7-15-80

OIL CONSERVATION DIVISION  
P. O. BOX 2000  
SANTA FE, NEW MEXICO 87501

STATE OF NEW MEXICO  
NATURAL RESOURCES DEPARTMENT

APPLICATION FOR WELLHEAD  
PRICE CEILING CATEGORY DETERMINATION

DIVISION USE ONLY:  
COMPLETE APPLICATION FILED 9/12/80  
DATE DETERMINATION MADE 10/20/80  
HAS APPLICATION CONTESTED? YES NO  
NAME(S) OF INTERVENOR(S), IF ANY:

1. Name of Operator Amerada Hess Corporation  
2. Address of Operator 1200 Milam Street, 6th Floor, Houston, Texas 77002  
3. Location of Well UNIT LETTER C LOCATED 780 FEET FROM THE North LINE  
AND 1980 FEET FROM THE West LINE OF SEC. 1 TWO 21S sec. 35E NMPM  
11. Name and Address of Purchaser(s) El Paso Natural Gas Company, P. O. Box 1492, El Paso, Texas 79978

3A. Indicate Type of Lease  
STATE ☒ PER ☐  
5. State Oil & Gas Lease No.  
E-392  
7. Unit Agreement Name  
8. Farm or Lease Name  
State WE "B"  
9. Well No.  
6  
10. Field and Pool, or Wildcat  
Eumont Yates, 7R Queen  
12. County  
Lea

WELL CATEGORY INFORMATION  
Check appropriate box for category sought and information submitted.  
1. Category(ies) Sought (By NGPA Section No.) 103  
2. All Applications must contain:  
☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK  
☒ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT  
☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111  
☒ d. AFFIDAVITS OF MAILING OR DELIVERY  
3. In addition to the above, all applications must contain the items required by the applicable rule of the Division's "Special Rules for Applications For Wellhead Price Ceiling Category Determinations" as follows:  
A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test)  
☐ All items required by Rule 14(1) and/or Rule 14(2)  
B. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)  
☐ All items required by Rule 15  
C. NEW ONSHORE PRODUCTION WELL  
☒ All items required by Rule 16A or Rule 16B  
D. DEEP, HIGH-COST NATURAL GAS and TIGHT FORMATION NATURAL GAS  
☐ All items required by Rule 17(1) or Rule 17(2)  
E. STRIPPER WELL NATURAL GAS  
☐ All items required by Rule 18

RECEIVED  
OCT 12 1980  
Oil Conservation

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED  
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY  
KNOWLEDGE AND BELIEF.  
D. W. Cook  
NAME OF APPLICANT (Type or Print)  
SIGNATURE OF APPLICANT  
Title Vice President  
Date 9-11-80

RECEIVED  
SEP 15 1980  
OIL CONSERVATION DIVISION  
APPROVED  
The information contained herein includes all  
of the information required to be filed by the  
applicant under Subpart B of Part 274 of the  
FERC regulations.  
EXAMINER