

rec'd May 4, 1983

file
10417

BEFORE THE OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION)
OF BCO, INC. and HARRY L. BIGBEE)
FOR ADMINISTRATIVE APPROVAL OF)
UNORTHODOX LOCATIONS)
_____)

NSL 1692
3 wells
see attached form C-102's for
local logs
Waiver In-
Immediate

APPLICATION

Send a copy to Ernie Padilla

Comes now the Applicant, BCO, Inc. and requests the Division director to approve the proposed unorthodox locations described herein and for the reasons herein stated.

1. That said wells will permit the completion of an efficient production pattern within the Escrito Gallup Unit area, approved by the Oil Conservation Commission in that said proposed wells will be drilled approximately 25 feet structurally higher than existing wells where the Mayre Gallup sand has, as a result of prior water injection, become water cut to the extent it is not economically feasible to recover oil from said existing wells in said Mayre zone.

2. That attached hereto and marked Exhibit 1 is a copy of a letter of the Commission and the order of this Commission approving said Escrito Gallup Unit.

3. That attached hereto and marked Exhibit 2 is a copy of a plat of said Escrito Gallup Unit.

4. That as shown by the records of this Commission, the owners of Tract 7 declined to enter into said unitization agreement, but that all other tracts have been effectively unitized; That Harry L. Bigbee is the owner of all unitized working interests;

That Grace Petroleum Corporation is the present owner of the working interests in Tract 7 as shown by Exhibit 2.

5. That attached hereto are the following described exhibits:

- (a) Xeroxed plat of certified survey of proposed Unorthodox location of Unit Well No. 22 (Elizabeth 7), marked Exhibit 3.
- (b) Xeroxed plat of certified survey of proposed Unorthodox location of Unit Well No. 23 (Judy 3), marked Exhibit 4.
- (c) Xeroxed plat of certified survey of proposed Unorthodox location of Unit Well No. 24 (3-21 No. 3), marked Exhibit 5.

6. That BCO, Inc. is the operator of all adjacent proration and spacing units of proposed wells reflected by Exhibits 3 and 4; That Grace Petroleum Corporation is the owner of the Gallup working interests in adjacent tracts to Tract 8 as shown by Exhibit 2 upon which the proposed well shown by Exhibit 5 is located, but that said proposed well is located 610 feet from the West line of said 80 acre tract; 710 feet from the East line of said 80 acre tract; That it is located 1500 feet South of the North line of said 80 acre tract; That Harry L. Bigbee is the owner of the working interest in said adjacent tract, which tract is part of the unitized area.

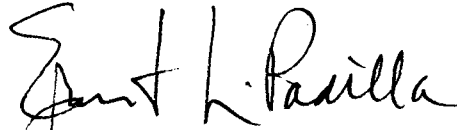
7. That it is believed that the drilling of said wells at the proposed Unorthodox locations is required in order to recover the greatest amount of oil from said unit.

WHEREFORE, Applicant prays that the Division Director grant an appropriate exception to the applicable well location

requirements without notice or hearing in that each of said proposed locations are more than 330 feet from applicable lease and unitized unit boundary and exceeds 10 feet from any subdivision boundary in that said wells permit the completion of an efficient production pattern within the Escrito Gallup secondary recovery project.

Respectfully submitted,

BCO, Inc. and Harry L. Bigbee,

A handwritten signature in dark ink, appearing to read "Ernest L. Padilla". The signature is written in a cursive style with a horizontal line underneath it.

By ERNEST L. PADILLA
Attorney for Applicant
P.O. BOX 2523
SANTA FE, NM 87501

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 2088
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

December 14, 1964

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Dear Mr. Kellahin:

Enclosed herewith is Commission Order No. R-2796, entered in Case No. 3114, approving the BCO Escrito Gallup Waterflood Project.

Injection is to be through the three authorized injection wells which shall be equipped with 2 3/8-inch tubing and with packers, which shall be set within 100 feet of the uppermost perforation.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 2120 barrels per day.

Please report any error in this calculated maximum allowable immediately both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing

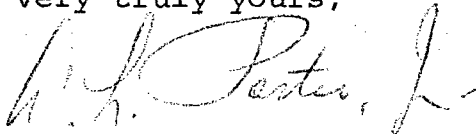
Page -2-

Mr. Jason Kellahin

wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. L. Porter, Jr.", written in dark ink.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

cc: Oil Conservation Commission:
Hobbs
Aztec

Mr. Frank Irby

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3114
Order No. A-2796

APPLICATION OF BCO, INC., FOR A
WATERFLOOD PROJECT, SAN JUAN AND
RIO ARriba COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 28, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 14TH day of December, 1964, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, BCO, Inc., seeks permission to institute a waterflood project in the Escrito-Gallup Oil Pool in the Escrito Gallup Pool Unit Area by the injection of water into the Gallup formation through three injection wells in Sections 17 and 18, Township 24 North, Range 7 West, and Section 12, Township 24 North, Range 8 West, NMPM, San Juan and Rio Arriba Counties, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, BCO, Inc., is hereby authorized to institute a waterflood project in the Escrito-Gallup Oil Pool in the Escrito Gallup Pool Unit Area by the injection of water into the Gallup formation through the following-described wells:

Judy Federal Well No. 1, Unit P of Section 17,
Township 24 North, Range 7 West

Elizabeth Federal Well No. 1, Unit H of Sec-
tion 18, Township 24 North, Range 7 West

Nancy Federal Well No. 1, Unit P of Section 12,
Township 24 North, Range 8 West

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

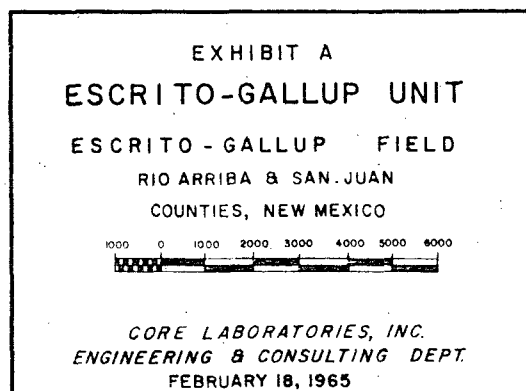
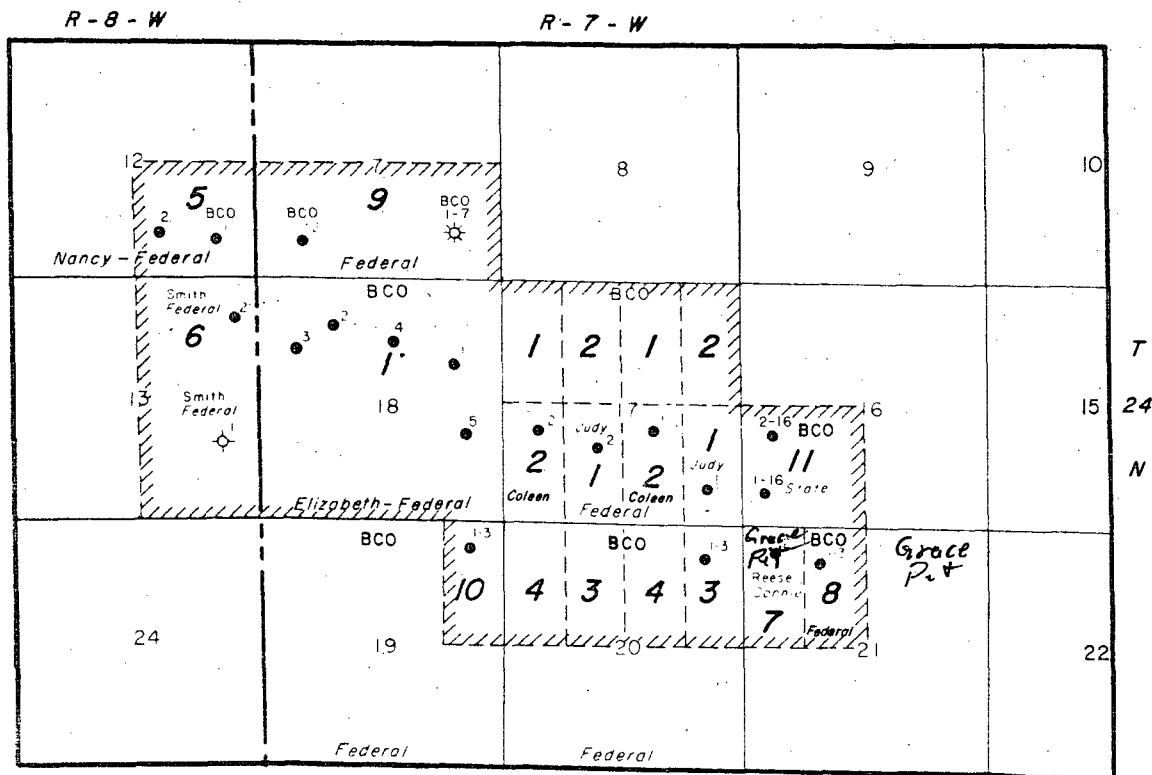
JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S X A L

esr/



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

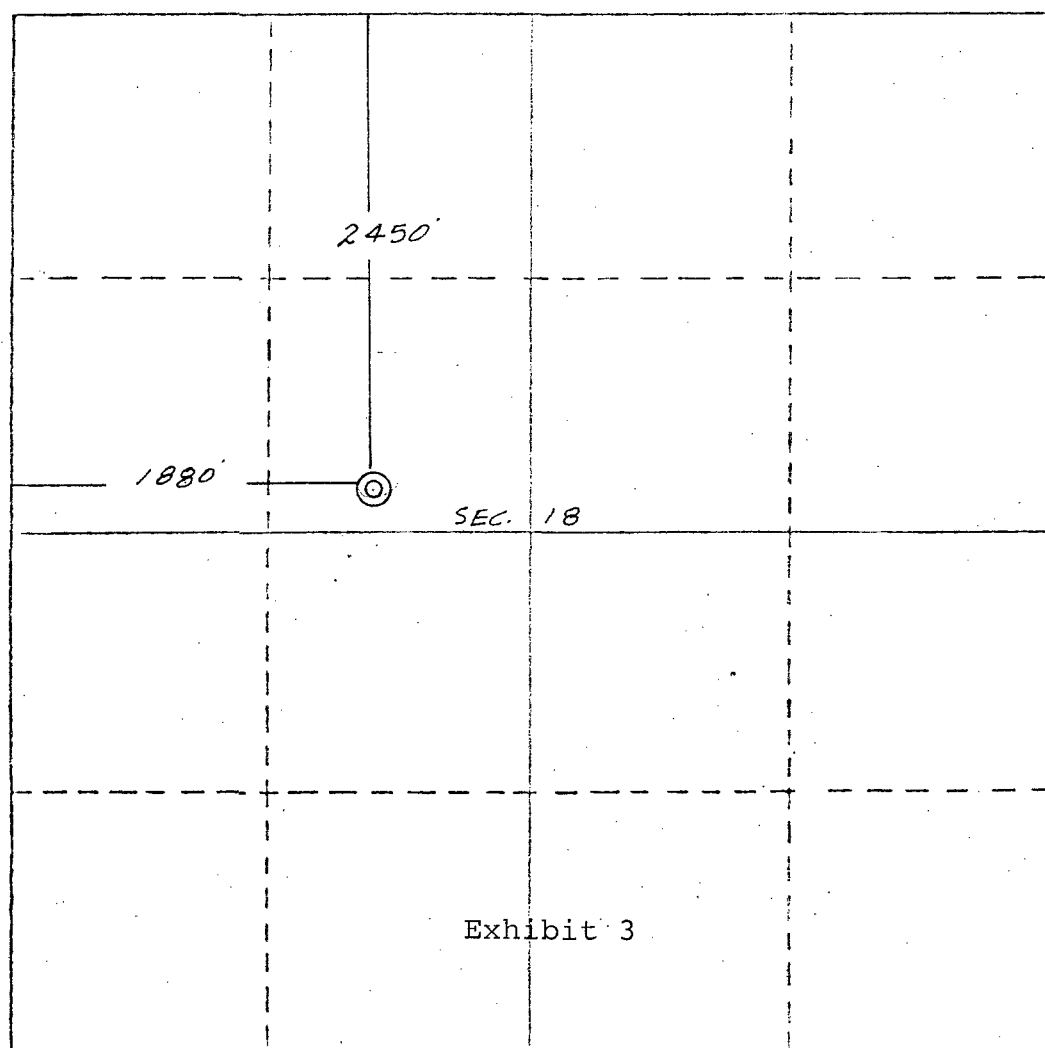
Operator BCO, Inc.		Lease Escrito Gallup Unit		Well No. 22 (Elizabeth 7)
Unit Letter F	Section 18	Township 24 North	Range 7 West	County Rio Arriba
Actual Postage Location of Well: 2450 feet from the North line and 1880 feet from the West line				
Ground Level Elev. 7262	Producing Formation	Pool	Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 Division.



CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

EDGAR L. RISENHOVER
NEW MEXICO
5979
REGISTERED LAND SURVEYOR
I hereby certify that the location of the well on the plat is from field notes of a survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge.

Date Surveyed:

April 21, 1983

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.

All distances must be from the corner boundaries of the Section.

Operator BCO, Inc.		Lease Escrito Gallup Unit		Well No. 23 (Judy 3)
Unit Letter N	Section 17	Township 24 North	Range 7 West	County Rio Arriba
Actual Footage Location of Well: 350 feet from the South line and 1650 feet from the West line				
Ground Level Elev. 7270	Producing Formation	Pool	Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 Division.

CERTIFICATION

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

Name

Position

Company

Date



Date Surveyed

April 21, 1983

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

Operator BCO, Inc.			Lease Escrito Gallup Unit		Well No. 24 (3-21 No. 3)
Unit Letter F	Section 21	Township 24 North	Range 7 West	County Rio Arriba	

Actual Footage Location of Well:

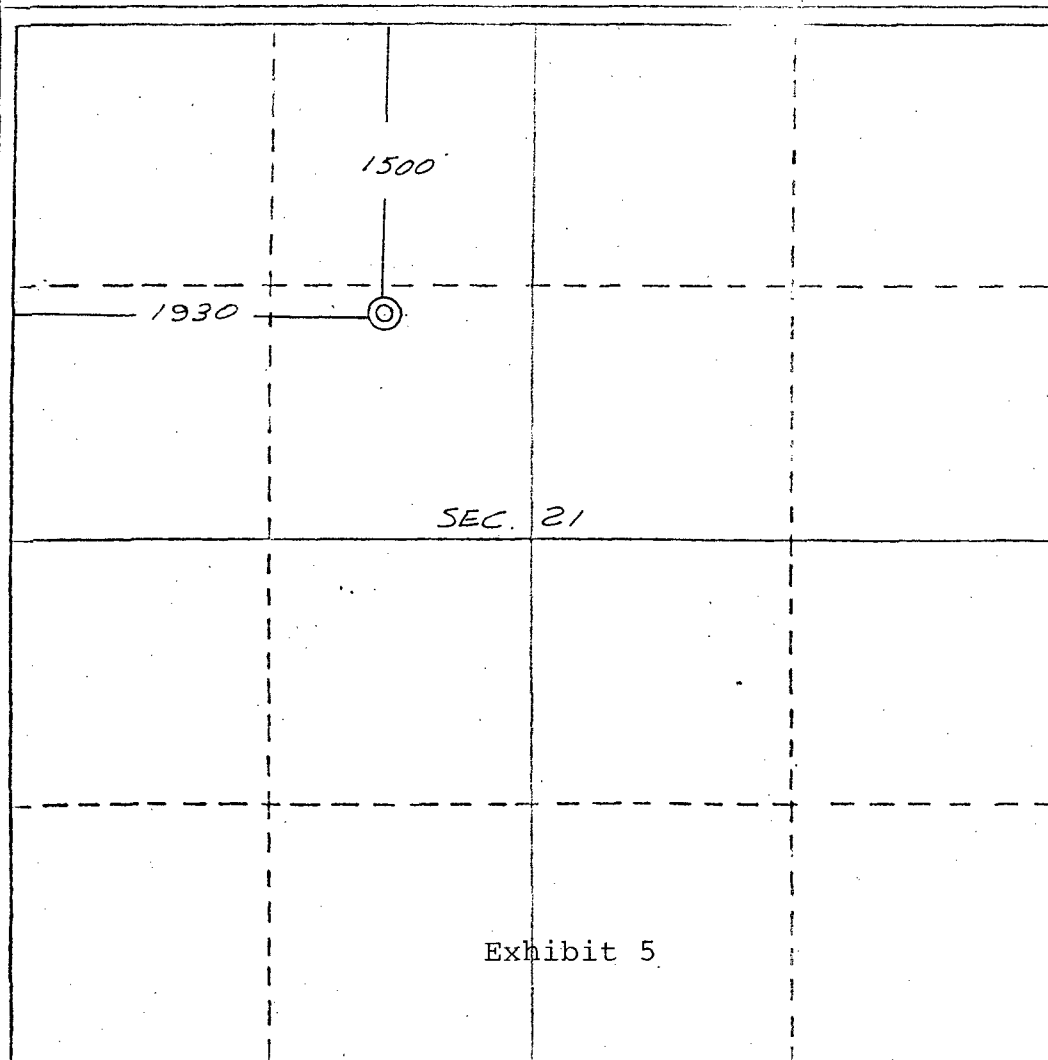
1500	feet from the	North	line and	1930	feet from the	West	line
Ground Level Elev. 7252	Producing Formation		Pool		Dedicated Acreage:		Acre

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 Division.



CERTIFICATION

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

Name

Position

Company

Date

I have personally located the well location shown on this plat, and I have checked 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.

Date Surveyed

April 21, 1983

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, L.S.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

First Northern Plaza
P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 988-7577

May 4, 1983

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

MAY 4 1983

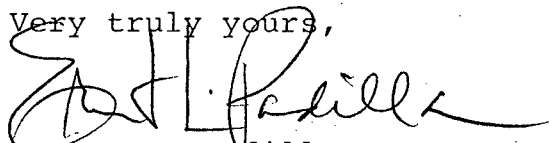
RE: Application of BCO, Inc. and Harry L. Bigbee
for Unorthodox Location

Dear Mr. Stamets:

In accordance with your request, enclosed please find a Waiver executed on behalf of Grace Petroleum Corporation as to BCO, Inc.'s proposed unorthodox location as described in Waiver.

If you have any questions, please advise.

Very truly yours,


Ernest L. Padilla

ELP/bv

Enc

cc: BCO, Inc.

WAIVER

Grace Petroleum Corporation, as working interest owner and operator of the offsetting lands to the West, South, and East of BCO, Inc.'s proposed unorthodox location 1930 FWL and 1500 FNL of Section 21, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, has no objection to BCO, Inc.'s unorthodox location as above described.

APPROVED BY:

Richard A. Higgins

TITLE:

Mgr of Prod, Denver District
Grace Petroleum Corporation

ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

First Northern Plaza
P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 988-7577

Rec'd
H-26-83

April 26, 1983

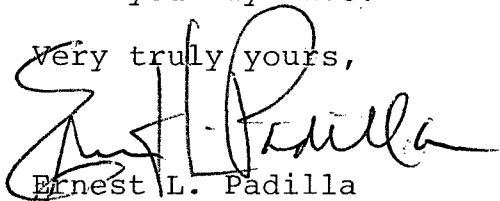
Joe D. Ramey, Director
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Application of BCO, Inc. and Harry L. Bigbee
for Administrative Approval of Unorthodox Locations

Dear Mr. Ramey:

Enclosed in triplicate is the application of BCO, Inc.
and Harry L. Bigbee for administrative approval of unorthodox
locations within the Escrito Gallup Unit. Please let me know
if we can supply additional information or answer any questions
that you may have.

Very truly yours,



Ernest L. Padilla

ELP/bv

Enc

cc: Harry L. Bigbee
BCO, Inc.



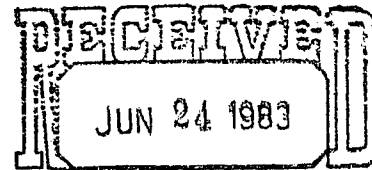
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 6-20-83

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL ✓ _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



OIL CONSERVATION DIVISION
SANTA FE

hsl-
1692

Gentlemen:

I have examined the application dated 6-8-83
for the BCO Inc. Escrito Gallup Unit #23 N-17-24N-7W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Jeff A. Edmister



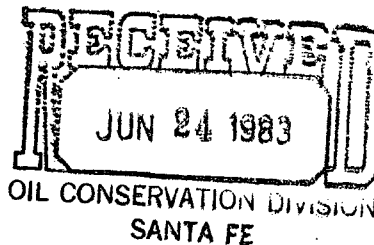
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 6-20-83

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated 6-8-83
for the BCO Inc. Escrito Gallup Unit #22 F-18-24N-7w
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Jeff A. Edmister



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

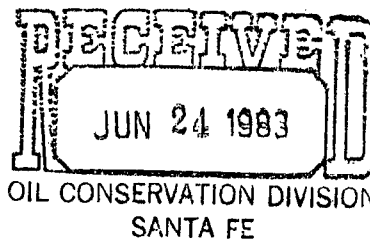
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 6-20-83

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL ✓ _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated 6-8-83
for the BCO Inc. Escrito Gallup Unit #24 F-21-24N-7W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Jeff A. Elmister