November 4, 1985

Cal 8773

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

Re: Township 22 South, Range 37 East, NMPM

Section 5: SW/4 Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico.

We ask that this matter be set for hearing before an Examiner and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvm Enclosures

cc w/enclosure: Mr. Paul Bliss



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

Re: NMOCD Case 8773

Dear Sir:

On behalf of Bliss Petroleum, Inc., please continue Case 8773 until the hearing to be held December 18, 1985.

Very truly yours,

DICKERSON, FISK & VANDIVER

Delewor

Chad Dickerson

CD:kp

cc: Paul Bliss Matt Harter

DEC 02 1985

BEFORE THE

RECEIVED

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF BLISS PETROLEUM, INC. FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

Case 8773

ENTRY OF APPEARANCE

Comes now, CAMPBELL & BLACK, P.A., and hereby enters its appearance in the above-referenced cause for Marathon Oil Company.

Respectfully submitted,

CAMPBELL & BLACK, P.

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

(505) 988-4421

ATTORNEYS FOR MARATHON OIL COMPANY

December 26, 1985

Energy and Minerals Department Oil Conservation Division P. O. Box 2088

Santa Fe, New Mexico 8750]

Re:

Case No. 8773 J. A. Grizzell "A" No. 1 Well

Township 22 South, Range 37 East, NMPM

Section 5: SW/4 Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of January 9, 1986, until the Examiner Hearing of January 22, 1986.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

ad Diekenon

CD:pvm

Mr. Paul Bliss

Mr. William F. Carr



January 17, 1986

MI.S.

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

Re: Case No. 8773

J. A. Grizzell "A" No. 1 Well

Township 22 South, Range 37 East, NMPM

Section 5: SW/4 Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of January 22, 1986, until the Examiner Hearing of February 19, 1986.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvm

cc: Mr. Paul Bliss

Mr. William F. Carr

DICKERSON, FISK & VANDIVER

February 17, 1986

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

Re: Case No. 8773

J. A. Grizzell "A" No. 1 Well

Township 22 South, Range 37 East, NMPM

Section 5: SW/4
Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of February 19, 1986, until the Examiner Hearing of March 19, 1986.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvm

cc: Mr. Paul Bliss

Mr. William F. Carr

March 10, 1986



Dec 11-86

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

Re: Case No. 8773

J. A. Grizzell "A" No. 1 Well

Township 22 South, Range 37 East, NMPM

Section 5: SW/4
Lea County, New Mexico

Gentlemen:

Please continue the captioned case on the Application of Bliss Petroleum, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, set for the Examiner Hearing of March 19, 1986, until the Examiner Hearing of April 2, 1986.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvm

cc: Mr. Paul Bliss

Mr. William F. Carr

DICKERSON, FISK & VANDIVER

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE

SUITE I - IIO NORTH GUADALUPE

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELECOPIER: (505) 988-4421 TELECOPIER: (505) 983-6043

2018 - 11.5.

May 9, 1986

HAND DELIVERED

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case 8773: Application of Bliss Petroleum, Inc. for an Unorthodox Well Location, Lea County, New Mexico.

Dear Mr. Stogner:

Pursuant to your request, enclosed for your consideration is Marathon Oil Company's Proposed Order of the Division in the above-referenced case.

Your attention to this matter is appreciated.

Very truly yours

William F. Carr

WFC/cv enclosure

cc: Chad Dickerson, Esq.
Ms. Martha Vogel

(Cise & 77.3

Separate Forms C-104 must be filed for each pool in multiply completed wells.

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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DISTRIBUTE	DISTRIBUTION			
BANTA FE		1		
FILE				
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LAND OFFICE				
TRANSPORTER	OIL			
THE STATE OF THE RES	GAS			
OPERATOR	OPERATOR			
PROBATION OFFICE				

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

Form C-104 Revised 10-01-78 Format 06-01-83 Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

<u>I.</u>				L AND HATOK	AL OAG		
Operator						******	
Bliss Petroleum, Inc.							
Address							
c/o Oil Reports & Gas S	ervices, I	nc., P. O.	Box 763,	Hobbs, NM	88241		
Reason(s) for filing (Check proper box)				Other (Please			
New Well		ransporter of:	n	1	ell designation		ıth
Recompletion	닏애	<u> </u>	Dry Gas	1	Skelly Unit No	. 220	
XX Change in Ownership	Casingh	ead Gas	Condensate	effectiv	e 11/1/84		
If change of ownership give name and address of previous ownerG	ulf Oil Cor	rp., Box 6	70, Hobbs	s, NM 8824	1		
II. DESCRIPTION OF WELL AND	LEASE						
Lease Name	Well No. Po	oi Name, Includi	g Formation	,	(ind of Lease		Leane No.
J. W. Grizzell "A"	1 1	Penrose Sk	elly Gray	burg	State, Federal or Fee	Fee	
Location							
Unit Letter N ; 103	4 Feet From 7	he South	Line and	2635	Feet From The W	est	
Line of Section 5 Town	ship 225	Range	37E	, МИРМ,	Lea		County
III. DESIGNATION OF TRANSPO		~				, , , , , , , , , , , , , , , , , , , 	· · · · · · · · · · · · · · · · · · ·
Name of Authorized Transporter of Oil	or Cond	ensate 🗀	Azdress	(Give address to	which approved copy of	this form is to	oe sent)
None-Well Shut In				(6)			
Name of Authorized Transporter of Casi	ighead Gas []	or Dry Gas	Address	(Give address to	which approved copy of	IRIS JOPA LE LO	be sent;
	*****	15	10		? When		
If well produces oil or liquids, give location of tanks.	Unit Sec.	Twp. Rge.	is das a	ctually connected	, when		
If this production is commingled with	that from any c	ther lease or po	ol, give com	mingling order r	number:		
·			· -		-		
NOTE: Complete Parts IV and V	on reverse side	if necessary.	44				
VI. CERTIFICATE OF COMPLIAN	CE			OIL CO	NSERVATION DIV	VISION	
			-	Nſ	OV 1 3 1984		
I hereby certify that the rules and regulation been complied with and that the information			. 11	OVED	34 T 0 1007	, 1	9
my knowledge and belief.	given is due and e	ompiete to the bes	BY	> 100	Ld		
, ,				OH. 6	GAS MAPE	LHOB	
1		•	TITL	5	* 64.50 5/107.		
Donna Lolles			7	his form is to b	e filed in compliance	with BULE	1104.
in much Jolles			11		at for allowable for a		
(Signatu	•		well,	this form must b	be accompanied by a bill in accordance with	tabulation of	
Agent (Title)				ll sections of the new and reco	nis form must be fille mpleted wells.	d out complete	ly for allow-
11/9/			17	_	ctions I. II. III, and	VI for change	es of owner,
(Date)	,				or transporter, or other		

	OH Well	Gas Well	New Well	Vorzover .	Deepen	Plug Back	Some Hearv.	Diff. Rezvy
liesignate Type of Completi	on $-(X)$:	•	1	•	!	,	! !
Date Spudded	Date Compl. Ready to P	roa.	Total Depti	•	***	P.B.T.D.	· 	
Elevations (DF, RKB, RT, GR, esc.,	Name of Producing Form	ation	Тор СШ/Са	в Рау	 	Tubing Dep	th	
Perforations			1			Depth Castr	ng Shoe	
	TUEIRG,	CASHIG, AN	CENERTI	IG RECOR	O _.	!		
HOLE SIZE	CASING & TUBI	NG SIZE	1	DEPTH SE	T	SA	CKS CEMEN	т
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	<u> </u>							
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V. TEST DATA AND REQUEST OIL WELL Date First New Oil Run To Tanks	FOR ALLOWABLE (2)	Test must be a able for this de	pek or be for	full 24 hours	ne of load oil) , pump, gas li		qual to or excs	ed top allow
		Test must be a able for this de	pek or be for	full 24 hours tethod (Flow	<i>)</i>		qual to or excs	ed top allow
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RECEIVED

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Gulf Oil Corp	oration	1										20		
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INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico Northwestern New Mexico 1140' T. Canyon _____ T. Ojo Alamo ____ _____ T. Penn. "B" <u> 2130'</u> T. Strawn _____ T. Kirtland-Fruitland ____ T. Penn. "C" T. Balt_ 2430' __ T. Atoka ___ T. Pictured Cliffs _____ T. Penn. "D"_ B. Salt_ 2576**'** T. Miss _____ T. Cliff House ____ T. Leadville ____ T. Yates.... 28331 T. Menefee T. Menefee T. Madison 7 Rivers. 3334' T. Silurian T. Point Lookout T. Elbert т. Queen_ 3610' T. Mancos _____ T. McCracken ___ ___ T. Montoya ___ Grayburg .. T. Simpson San Andres __ 3837 1 T. Gallup T. Ignacio Otzte _____ T. McKee_____ Base Greenhorn ______ T. Granite _____ T. Ellenburger T. Dakota T. Paddock _ _____ T. Gr. Wash ___ T. Blinebry ___ T. Granite T. Drinkard ______ T. Delaware Sand _____ T. Entrada _____ T. ______ T. Bone Springs _____ T. Wingste _____ T. ____ T. ____ T. Abo _____ Wolfcamp_____T. ______ T. Chinle ______ T. ____ T. ____ T. _ _____T. Permian_ ____ T. -______ T. Penn. "A"_

FORMATION RECORD (Attach additional sheets if necessary)

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T Cisco (Bough C)____

From	То	Thickness Formation in Feet		From	То	Thickness in Feet	Formation
0	1140' 2576' 3610' 3900'		Red Beds Anhy & Salt Sand, LS & Dolo. Dolo & LS.			·	·
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NO. OF COPIES RECEIVED			Form C-103
DISTRIBUTION			Supersedes Old C-102 and C-103
SANTA FE	NEW MEXICO OIL CONS	ERVATION COMMISSION	Effective 1-1-65
FILE			
U.S.G.S.			5a. Indicate Type of Lease
LAND OFFICE			State Fee X
OPERATOR			5. State Oil & Gas Lease No.
	IDRY NOTICES AND REPORTS ON PROPOSALS TO DRILL OR TO DEEPEN OR PLUG B LCATION FOR PERMIT ~" (FORM C-101) FOR SUC	WELLS ACK TO A DIFFERENT RESERVOIR. H PROPOSALS.)	
OIL XX GAS WELL	OTHER-		7. Unit Agreement Name South Penrose Skelly Uni
2. Name of Operator			8. Farm or Lease Name
Gulf Oil Corpor	cation		
3. Address of Operator	Nov. Morrido 992/0		9. Well No.
4. Location of Well	New Mexico 88240		10. Field and Pool, or Wildcat
	-5 FEET FROM THE South	LINE AND 2635 FEET FROM	D
THE West	ction 5 township 22-S	RANGE 37-E NMPM	
LINE, SE	10WNSHIP	NMPM	
	15. Elevation (Show whether		12. County
	343	1' GL	Lea
16. Chec	ck Appropriate Box To Indicate N	ature of Notice, Report or Ot	her Data
NOTICE OF	FINTENTION TO:	SUBSEQUEN	T REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON		COMMENCE DRILLING OPNS.	PLUG AND ABANDONMENT
PULL OR ALTER CASING	CHANGE PLANS	CASING TEST AND CEMENT JQB	
		OTHER	
OTHER	[]		
17. Describe Proposed or Complete work) SEE RULE 1103.	d Operations (Clearly state all pertinent deta	rils, and give pertinent dates, including	s estimated date of starting any proposed
OD 15.50# K-55 WOC 8 hours. T	7-7/8" hole at 3900' on Ma casing set and cemented at Temperture survey indicated with 1500#, 30 minutes, OK.	3900' with 450 sacks of top of cement at 2290'	f Class C with .5% RD65.
18. I hereby certify that the informa	tion above is true and complete to the best of	of my knowledge and belief.	
SIGNED 3	okial TITLE	Area Engineer	DATE May 23, 1975
APPROVED BY	Rungen TITLE	Geologist	DATE MAY 1975
CONDITIONS OF APPROVAL, IF	ANY:	·	

NO. OF COPIES RECEIVE	EO				Form C-103
DISTRIBUTION					Supersedes Old C-102 and C-103
SANTA FE				NEW MEXICO OIL CONSERVATION COMMISSION	Effective 1-1-65
FILE					
U.S.G.S.					State State Fee XX
OPERATOR				i	5. State Oil & Gas Lease No.
OPERATOR					o, state on a sub passe ite.
DO NOT USE TH	IS FOR	SUI	NDR PRO	Y NOTICES AND REPORTS ON WELLS POSALS TO BETTE OF PLUE BACK TO A DIFFERENT RESERVOIR. ION FOR THE RESERVOIR.	
1. 01c VV	GAS	\Box			7. Unit Agreement Name
2. Name of Operator	WELL	نـــا		OTHER-	South Penrose Skelly Unit
Gulf Oil Cor 3. Address of Operator	pora	ti	on		9. Well No.
Box 670, Hob	hs.	Nev	ωM	exico 88240	220
4. Location of Well	<u> </u>		,		10. Field and Pool, or Wildcat
UNIT LETTERN			1	34 FEET FROM THE South LINE AND 2635' FE	Penrose Skelly
				on 5 township 22-S range 37-E	
mmm	m	$\overline{\mathcal{L}}$	\overline{n}	15. Elevation (Show whether DF, RT, GR, etc.)	12. County
				3431' GL	Lea
16.	7777	~h.e	حدد	Appropriate Box To Indicate Nature of Notice, Report	
N					QUENT REPORT OF:
PERFORM REMEDIAL WOR	к 🗍			PLUG AND ABANDON REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON				COMMENCE DRILLING OPNS.	X PLUG AND ABANDONMENT
PULL OR ALTER CASING				CHANGE PLANS CASING TEST AND CEMENT JOB	X
				OTHER	
ОТНЕЯ					
17. Describe Proposed	or Com	plet	ed O	perations (Clearly state all pertinent details, and give pertinent dates, i	ncluding estimated date of starting any proposed
Ran 28 joint of Class C w	ing s, 1	17 4%	l' Ge	ny spudded 11" surface hole at 7:00 PM, Apr of 8-5/8" OD 24# K-55 ST&C casing set and o 1, 2% Ca C12 and 200 sacks of Class C with sted casing with 1400#, 30 minutes, OK.	cemented at 1181' with 200 sack 2% Ca C12. Cement circulated.
Started dril	ling.	z 7	-7/	8" hole at 1197' at 5:30 PM, April 27, 197	5.
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			[A]	1-1010	
				TATION COMMISSION FE	
	·	Ċ.	j	Signa Fe	
18. I hereby certify that	the in	form	ation	above is true and complete to the best of my knowledge and belief.	
Q_{i}					
SIGNED	15	a	b	tad TITLE Area Engineer	DATE April 28, 1975
ARROWS YOU		A)	1.	Conc. La OIL & GAS EMEPEC	TOR APR 30 1975
CONDITIONS OF APPE	IOVAL	, IF	\ ANY	:	
	_				

TO OF COPIES RECEIVED							
DISTRIBUTION		NEW	MEXICO OIL CONSER	RVATION COMMISSION	Fo	orm C-101	5 30 125 3499
SANTA FE							Type of Lease
U.S.G.S.	+				ľ	STATE	TEE XX
LAND OFFICE	+				.5		& Gas Lease No.
OPERATOR							
						IIIIII	
APPLIC	ATION FOR	PERMIT TO	DRILL, DEEPEN, O	OR PLUG BACK			
1a. Type of Work				<u>,, , , , , , , , , , , , , , , , , , ,</u>	- 1	. Unit Agree	
DRILL	_ [X]		DEEPEN	PLUG B			nrose Skelly Uni
b. Type of Well	_			SINGLE DINCE		Form or Le	ease Name
OIL K GAS WELL 2. Name of Operator		OTHER	·	SINGLE MULT	ZONE	. Well No.	
Gulf Oil Corpor	arion						
3. Address of Operator					1	220 C. Field and	d Pool, or Wildcat
Box 670, Hobbs,	New Mex	ico 88240					se Skelly
			ATED 1034 F	EET FROM THE South	LINE	THILL	mittilli
AND 2635' FEET	FROM THE	Jest LINI	E OF SEC. 5	WP. 22-S RGE. 37-		<u> 777777</u>	
					//////	2. County	
HHHHHH	44444	444444	4444444		HHHH.	Lea	HHHHH
						//////	
HHHHHH	HHHH	HHHH	/////////////////////////////////////	9. Proposed Depth 19	A. Formation	777777	20. Rotory or C.T.
				3900'	Grayburg	,	Rotary
21. Elevations (Show wheth	er DF, RT, etc.	.) 21A. Kind	& Status Plug. Bond 2	1B. Drilling Contractor	7		. Date Work will start
		B1an	ıket				
23.		P	ROPOSED CASING AND	CEMENT PROGRAM			
SIZE OF HOLE	SIZE	OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF	CEMENT	EST. TOP
11"	8	8-5/8"	24#	1200'	Circula	te	
7-7/8"		5-1/2"	14#	3900'	300 sac	ks	
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BOP: See attac	hed Drawi	ing No. 2			APF	PROVAL V	ALIB
					FOR 9	DAYS	UNLESS
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				(2)	CONSERV	ATION CO	Distract.
				Oll	COMPELL	ta Fe	
					Jun		
IN ABOVE SPACE DESCRIPTIVE ZONE, GIVE BLOWOUT PR			PROPOSAL IS TO DEEPEN OF	R PLUG BACK, GIVE DATA ON	PRESENT PRODI	UCTIVE ZONE	AND PROPOSED NEW PRODUC
I hereby certify that the info	rmation above	is true and comp	lete to the best of my kr	nowledge and belief.			
10017		/					
Signed) Ween		Title Area Pro	duction Manager	Do	te Febr	nary 21, 1975
(This space	e for State Us	(e)					
V	00	ho)	/ <u></u>			B /	in the second of
APPROVED BY		gney	TITLE CUPER	VIV.	ICT I DA	ATE	<u> </u>
CONDITIONS OF APPROV	L. IF ANY:						
\mathcal{U}		V					

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 14-65

Gulf Oil Company South Penrose Skelly Unit 220 22 South 37 East 1034 South 2635 West feet term the Teat open Ellev. Producing Formation Pool Cedicated Acreuse: Penrose Skelly Grayburg 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 rovalty). 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? 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 Commis-CERTIFICATION I hereby certify that the information con-C. D. BORLAND Area Production Manager Gulf 0il Corporation CONSERVATION and " iru-Santa oFiece knowledge and belief February 10, 1975 Registere i - miessional Enginee

2000

1 500

1320 1680



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

January 12, 1987

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

TONEY	ANAYA
GOVE	ROOR

Mr. Chad Dickerson Re:

CASE NO. 3773 ORDER NO. R-3334

Attorneys at Law Seventh and Mahone, Suite E Artesia, New Mexico 88210

Applicant:

Bliss Petroleum, Inc.

Dear Sir:

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

Sincerely,

R. L. STAMETS

Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other William F. Carr

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

May 9, 1989

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Mr. Chad Dickerson Dickerson, Fisk & Vandiver Attorneys at Law Seventh & Mahone, Suite E Artesia, New Mexico 88210

Florene Clavidson

Re: CASE NO. 8773 ORDER NO.R-8384-A

Applicant:

Bliss Petroleum, Inc.

Dear Sir:

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

Sincerely,

FLORENE DAVIDSON

OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other William F. Carr

Memo

5001 From **EVELYN DOWNS** Oil Conservation Staff Specialist

To mike Stegner Please mate in paragraph (6)
That you state
That you state
There of proration
from west line of proration
these
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Evely

OIL CONSERVATION DIV. SANTA FE

Oil Conservation Division PO Box 1980, Hobbs, New Mexico 88241-1980

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 8773 Order No. R-8384

APPLICATION OF BLISS PETROLEUM, INC. FOR AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 2, 1986, and on April 30, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this gth day of January, 1987, the Division
Director, having considered the testimony, the record, and
the recommendations of the Examiner, and being fully advised
in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Bliss Petroleum, Inc., seeks approval of an unorthodox well location for its J. W. Grizzell "A" Well No. 1 located 1034 feet from the South line and 2635 feet from the West line of Section 5, Township 22 South, Range 37 East, NMPM, to test all formations through the San Andres formation, Lea County, New Mexico.
- (3) The SW/4 of said Section 5 is to be dedicated to the well if it is completed as a gas well and the SE/4 SW/4 of said Section 5 is to be dedicated to the well if it is completed as an oil well.
- (4) The re-entry of said well and attempted completion at said unorthodox location will make it economically possible for the applicant to produce the oil and/or gas underlying the proration unit to be dedicated to the well.

- (5) Marathon Oil Company, an offset operator, has objected to the proposed location.
- (6) A well at the proposed location is only 5 feet from the West line of the proration unit or 99 percent closer to the West line of a gas proration unit, and 98 percent closer to the West line of an oil proration unit than permitted by Division Rules and Regulations.
- (7) A gas well at the proposed location will have an area of drainage in the San Andres formation which extends an additional 44.5 net acres outside Section 5, an amount of acreage equivalent to 28 percent of a standard 160-acre proration unit in said formation.
- (8) To offset the advantage gained over the protesting offset operator, production from the well at the proposed unorthodox location should be limited from the San Andres formation.
- (9) Such limitation should be based upon the 99 percent variation of the location from a standard location and the 44.5 net-acre encroachment described in Finding No. (7) above, and may best be accomplished by assigning the well an allowable limitation factor of 36.5 (one percent East/West factor plus 72 percent net-acre factor divided by 2).
- (10) In the absence of any special rules and regulations for the proration of production from said Undesignated San Andres Pool, the aforesaid production limitation factor should be applied against said well's ability to produce into the pipeline as determined by periodic well tests.
- (11) Should the well be completed as an oil well, production from the well should be limited to offset the advantage gained over the protesting offset operator by use of the same formula set out in Finding No. (9) above and the resulting production limitation should be applied against said well's depth bracket allowable.
- (12) Prior to producing said J. W. Grizzell "A" Well No. 1, Bliss Petroleum, Inc. at its own expense should survey said well to establish that the well's location in any formation is no more than 2635 feet from the West line of said Section 5.
- (13) Approval of the application subject to the above requirements, provisions, and limitations will afford the applicant the opportunity to produce its just and equitable

Gast