

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

July 17, 1986

RECEIVED

JUL 17 1986

OIL CONSERVATION DIVISION

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Application of Tenneco Oil
Exploration and Production
Company for approval of an
Unorthodox Well Location for
its State "QE" 24 #1
W/2NE/4 Sec 24, T12S, R34E,
Ranger Lake Penn Pool
Lea County, New Mexico

Case 8966


Dear Mr. Stamets:

Please consider this letter on behalf of Tenneco Oil
Exploration and Production Company, as its written
application for hearing of the referenced unorthodox well
location.

On July 14, 1986 Tenneco filed an application for
administrative approval of the referenced unorthodox well
location. That application included geologic information
and waivers from all affected offset operators.

Because Division Rules do not provide for
administrative approval of this type of application, this
will confirm that the application is now set for an
Examiner hearing on August 6, 1986.

Very truly yours,


W. Thomas Kellahin

WTK:ca

cc: David Motloch, Esq.
Tenneco Oil Exploration & Production
7990 IH 10 West
San Antonio, Texas 78230

KELLAHIN and KELLAHIN

Mr. Richard L. Stamets

July 17, 1986

Page 2

Rex Borland
Tenneco Oil Exploration & Production
7990 IH 10 West
San Antonio, Texas 78230

"Certified Return-Receipt Requested"

All Addresses below:

INEXCO
211 Highland Cross
Suite 201
Houston, Texas 77073

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Union Texas Exploration Corporation
4000 North Big Spring
Midland, Texas 79705

Tenneco Oil
Exploration and Production
A Tenneco Company

Southwestern Division

7990 IH 10 West
San Antonio, Texas 78230
(512) 366-8000



8054

July 14, 1986

OIL CONSERVATION DIVISION

JUL 15 1986

Mr. David Catanach
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503

RECEIVED

Case 8966

Re: Application for Permit to Drill
An Unorthodox Location
State "QE" 24 #1
WE/4 Sec. 24, T12S, R34E
Lea County, New Mexico
East Ranger Lake Area

Dear Sir:

Enclosed please find an application for permit to drill an Unorthodox Location for Tenneco Oil Company's State "QE" 24 #1, located at 330' FNL and 2310' FEL, Section 24, T12S-R34E, Lea County, New Mexico. Also, enclosed are all Offshore Operators Waivers along with all required maps and geological information.

If you have any further requests please contact Mary Hall at (512) 366-8126.

Sincerely,

Mary Hall
Mary Hall
Staff Production Analyst

MH/mcm/3767G

Tenneco Oil
Exploration and Production
A Tenneco Company

7990 IH 10 West
San Antonio, Texas 78230
(512) 366-8000



Southwestern Division

June 20, 1986

Case 8966

Offset Operators
Addressee List Attached

RE: Unorthodox Location
State "QE" 24 #1
NE/4 Sec. 24, T12S-R34E
Lea County, New Mexico
East Ranger Lake Area

Tenneco Oil Company is making application for a permit to drill the State "QE" 24 #1 well at an unorthodox location of 330' FNL and 2310' FEL, Sec. 24, T12S-R34E, Lea County, New Mexico.

This letter is written to you as an offset operator for notification purposes, and to ask that if there are no objections to said location, please indicate such waiver by executing and returning the enclosed copy of this letter.

Your cooperation is greatly appreciated. Should you have any questions concerning this matter, please do not hesitate to contact us.

Very truly yours,


TENNECO OIL COMPANY


Rex Bourland, CPL
Land Supervisor

RB/amc./7715A

OBJECTION TO UNORTHODOX LOCATION FOR TENNECO'S STATE "QE" 24 #1 WAIVED
THIS 25th DAY OF June, 1986.

INEXCO OIL COMPANY


Mack R. Ames
Area Landman

Tenneco Oil
Exploration and Production
A Tenneco Company

7990 IH 10 West
San Antonio, Texas 78230
(512) 366-8000



Southwestern Division

TOC - SWD

JUN 25 1986

LAND DEPARTMENT

Offset Operators
Addressee List Attached

Case 8966

RE: Unorthodox Location
State "QE" 24 #1
NE/4 Sec. 24, T12S-R34E
Lea County, New Mexico
East Ranger Lake Area

Tenneco Oil Company is making application for a permit to drill the State "QE" 24 #1 well at an unorthodox location of 330' FNL and 2310' FEL, Sec. 24, T12S-R34E, Lea County, New Mexico.

This letter is written to you as an offset operator for notification purposes, and to ask that if there are no objections to said location, please indicate such waiver by executing and returning the enclosed copy of this letter.

Your cooperation is greatly appreciated. Should you have any questions concerning this matter, please do not hesitate to contact us.

Very truly yours,

TENNECO OIL COMPANY

Rex Bourland, CPL
Land Supervisor

RB/amc /7715A

OBJECTION TO UNORTHODOX LOCATION FOR TENNECO'S STATE "QE" 24 #1 WAIVED
THIS 23 DAY OF June, 1986.

UNION TEXAS EXPLORATION CORPORATION

WAIVER OF OBJECTIONS

Case 8966

Phillips Petroleum Company, as an offest operator, hereby waives any and all objections to Tenneco Oil Company's Application to Drill the State "QE" 24 Well No. 1. It is understood this well is to be spotted at a location of 330' FNL and 2310' FEL of Section 24, T-12-S, R-34-E, Lea Courty, New Mexico.

Signature: _____



Name: J. C. Mihm

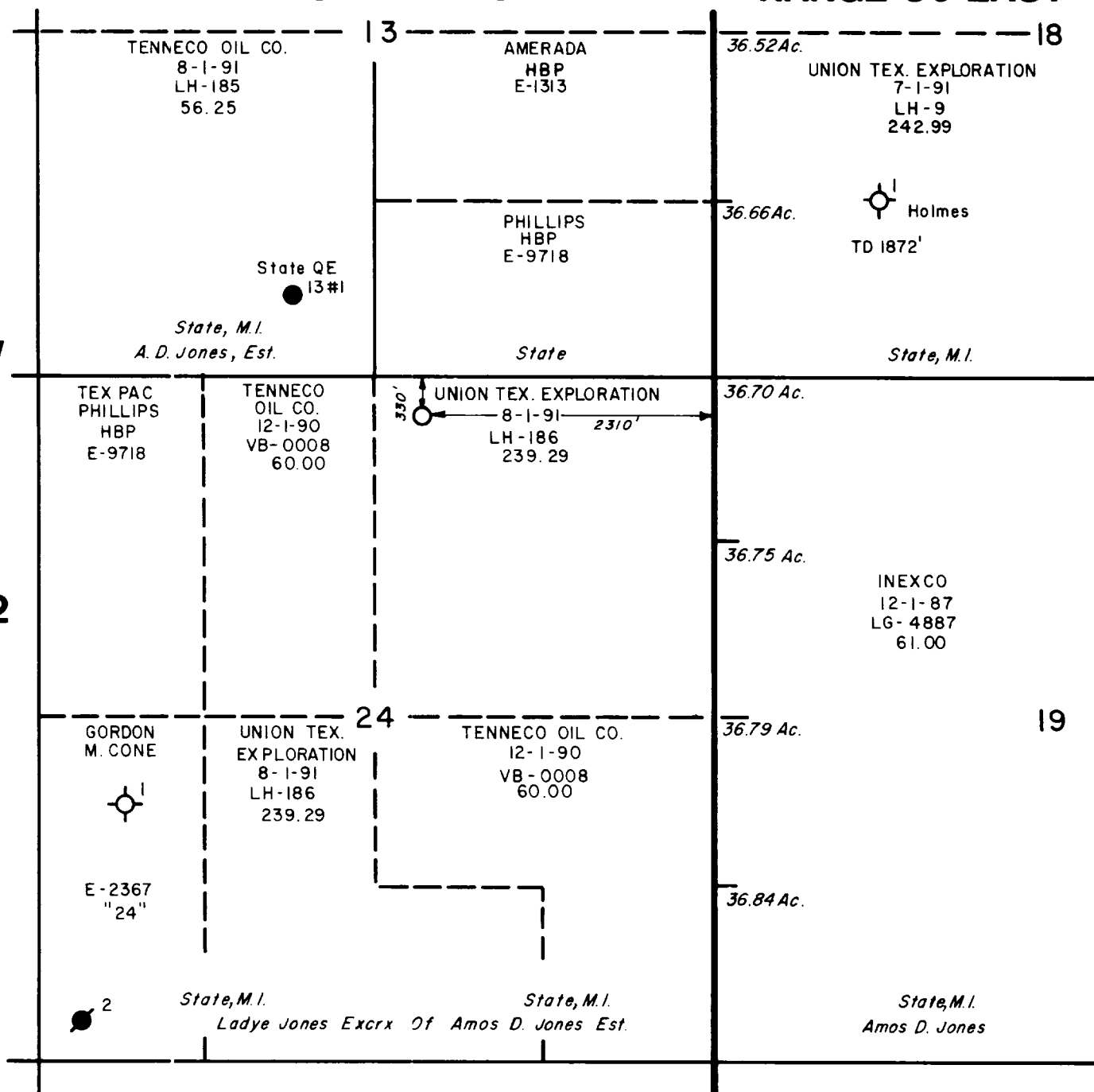
Title: Manager, Permian Basin Region

Date: July, 2, 1986

RANGE 34 EAST

RANGE 35 EAST

TOWNSHIP
12
SOUTH



TENNECO OIL
EXPLORATION & PRODUCTION
Southwestern Division



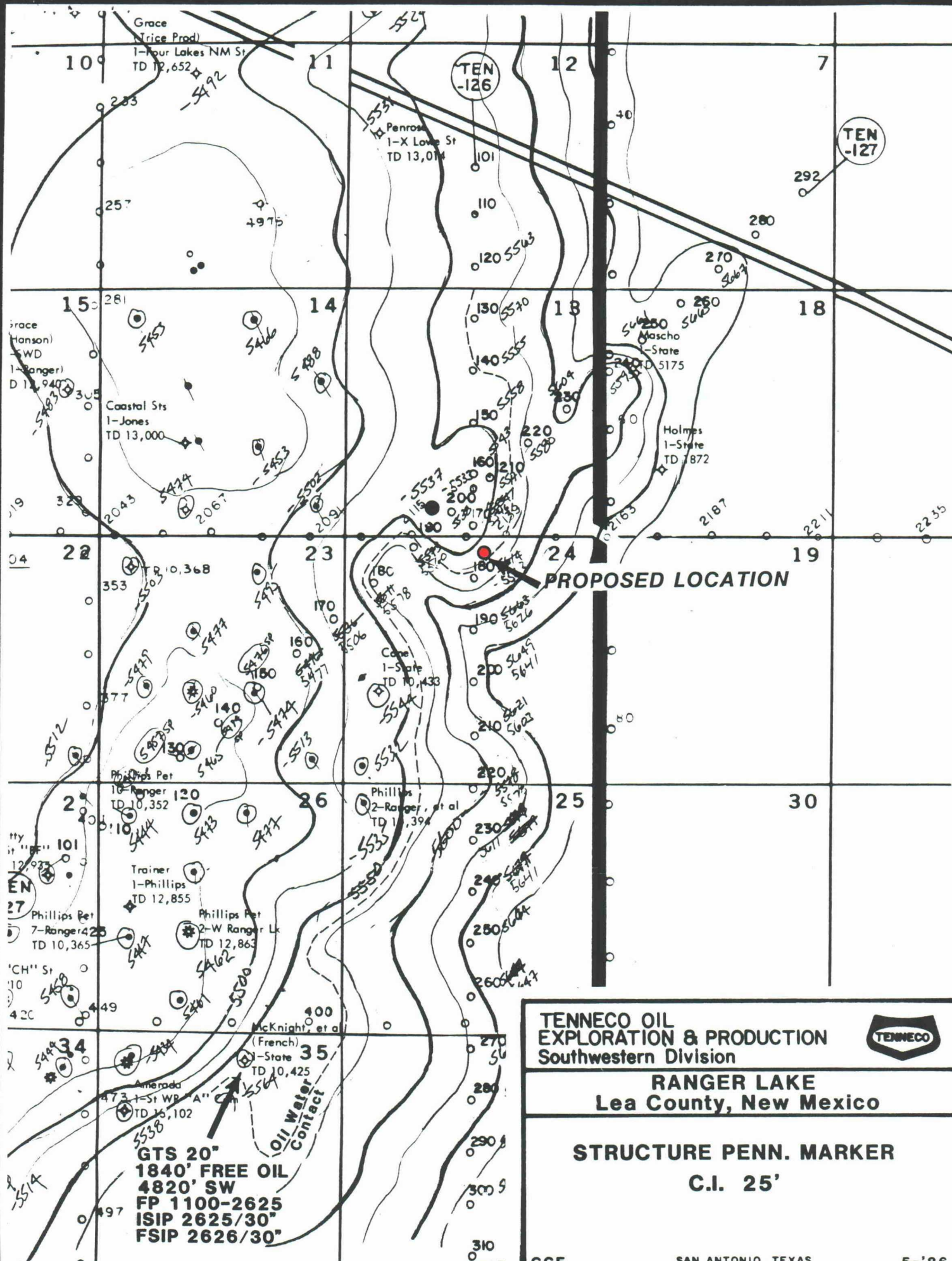
EAST RANGER LAKE
Lea County, New Mexico

STATE QE 24 #1
330' FNL & 2310' FEL
SEC. 24 T-12-S, R-34-E

GEOLOGY

The geological foundation of the East Ranger Lake play consisted of the expectation of finding on our prospect Ranger Lake Zone structure equal to that found in the Ranger Lake Field and of finding an extension of the Ranger Lake Zone porosity from the field onto our acreage. In fact the State QE 13-1, located in the SE SW sec. 13 - T12S - R34E, proved to be productive but we did not find the structural elevation or porosity thickness we had anticipated, and the result has been that the risk factor in the offset wells has been increased.

The attached structure map shows that the closure on our acreage is small and that the offset potential is restricted by the oil-water contact defined by the well in the NE/4 of section 35. The attached porosity isopach map shows that our well does not have enough porosity thickness to be located in the main trend of porosity development which makes it difficult to predict if our well is on the south flank, north flank or on the northern terminus of the porosity trend. In the case of an offset in the NE/4 of section 24, the best course we could follow in reducing the risk is to locate the offset well 330' FNL and 2310' FEL which would place us as structurally high as possible and which would increase our chances in finding adequate porosity.

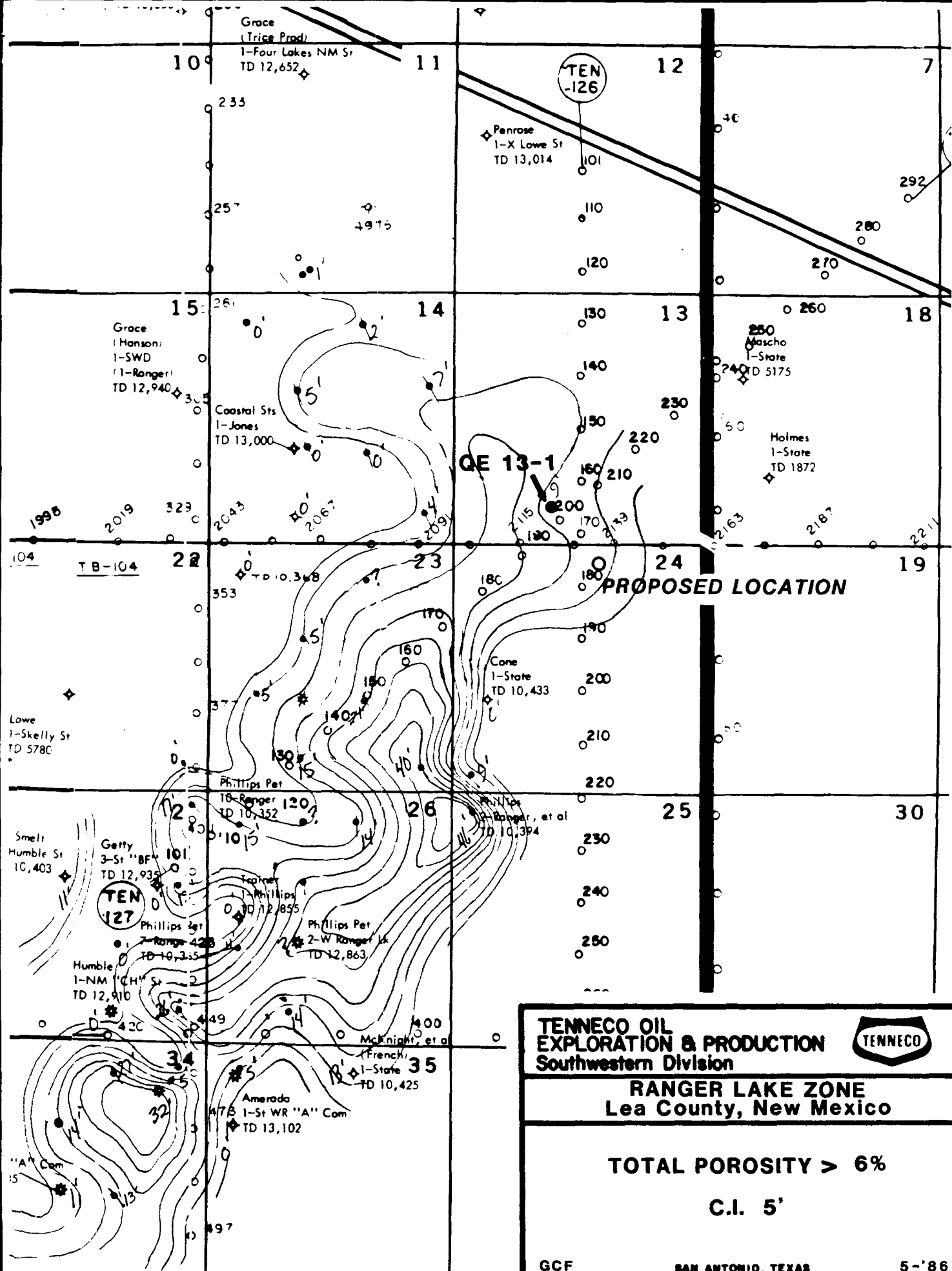


**TENNECO OIL
EXPLORATION & PRODUCTION
Southwestern Division**



**RANGER LAKE
Lea County, New Mexico**

**STRUCTURE PENN. MARKER
C.I. 25'**



OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-101
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work	7. Unit Agreement Name
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Farm or Lease Name State QE 24
c. Name of Operator Tenneco Oil Company	9. Well No. #1
d. Address of Operator 7990 IH 10 West San Antonio, TX 78230	10. Field and Pool, or Wildcat Ranger Lake Penn
e. Location of Well UNIT LETTER B LOCATED 330 FEET FROM THE North LINE 2308 FEET FROM THE East LINE OF SEC. 24 TWP. 12S RGE. 34E	11. County Lea
f. Proposed Depth 10,600	12. Formation Penn
13. Elevation (Show whether DF, K, etc.) 4128.3 GR	14. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor Unknown	22. Approx. Date Work will start 7/15/86

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	BACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5#	350'	370 sxs Class C	Surface
12 1/2"	8 5/8"	32#	4200'	1400 sxs Class C	Surface
7 7/8"	5 1/2"	17#	10600'	400 Class H 300 Class C	10,000' 4,000'

1. MIRU drilling rig.
2. PU 17 1/2" bit and drill surface hole to 350'+/- w/fresh water spud mud. (Be sure that Ogalla aquifer has been completely drilled before stopping to run casing.) Possible loss returns could exist in this interval. Dry drill if necessary, pump paper sweep prior to POOH.
3. Run 13 3/8" casing as follows: 13 3/8" float shoe, 1 jt. 13 3/8" casing, 13 3/8" baffle collar, casing to surface. Cement as per cement program attached.
4. CO casing after sufficient WOC time. NU 13 3/8" x 13 5/8" - 3M casing head. NU 13 5/8"-3M SRRA preventers. (This is minimum acceptable BOP hook-up). NU diverter system.
5. Test wellhead to 50% of casing collapse. Test BOP's (except annular) to working pressure. Test manifold to 3000 psi and all valves. Function test all valves (open and close). Test annular preventer to 50% of W.P.

Continue on next page

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE 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.

signed Randy Smith Title Drilling Engineer Date 7-10-86
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

6. PU DC's & DP. RIH. Test Casing to 600 psi for 30 minutes. Test is satisfactory if pressure drops no more than 10%. Insure that cement has been in place at least 18 hours before initiating test.
7. Drill out FE and drill 12 1/4" hole to 4200'. (Insure that San Andres zone has been topped before stopping to run casing). POOH.
8. RU loggers and log as directed by Geologists.
9. Make conditioning trip after logging.
10. RU casing crews and run 8 5/8" casing. Cement as per cementing recommendation. Reciprocate pipe while cementing. Set 20% casing weight on bottom.
11. Cut off 8 5/8" casing. NU 13 5/8" - 3M x 11"-5M casing spool. Test spool to 80% of casing collapse. Install 13 5/8" BOP's as hooked up in step No. 4. Test BOP's as per step No. 5. RU mudlogger prior to drilling out.
12. PU 7 7/8" bit. GIH. Drill out to FE. Test casing to 1500 psi. Insure that cement has been in place at least 18 hours before initiating test. Drill out casing.
13. Drill to 10,600. (NOTE: Possible 4 DST's in Ranger Lake Zone +/-10,200'.)
14. Log as directed by Geologist.
15. If well is productive, run and stage cement 5 1/2" casing. Set DV tool @ +/-5600' to cover San Andres.
16. Cement tops should be picked by Geologist. Have water samples sent in for analysis prior to cementing.
17. If well is to be P&A'd contact NMOCC, for P&A procedures. Get tops of potential zones from Geologist prior to his departure from the location. Set plugs in accordance with NMOCC requirements. Release rig.

**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

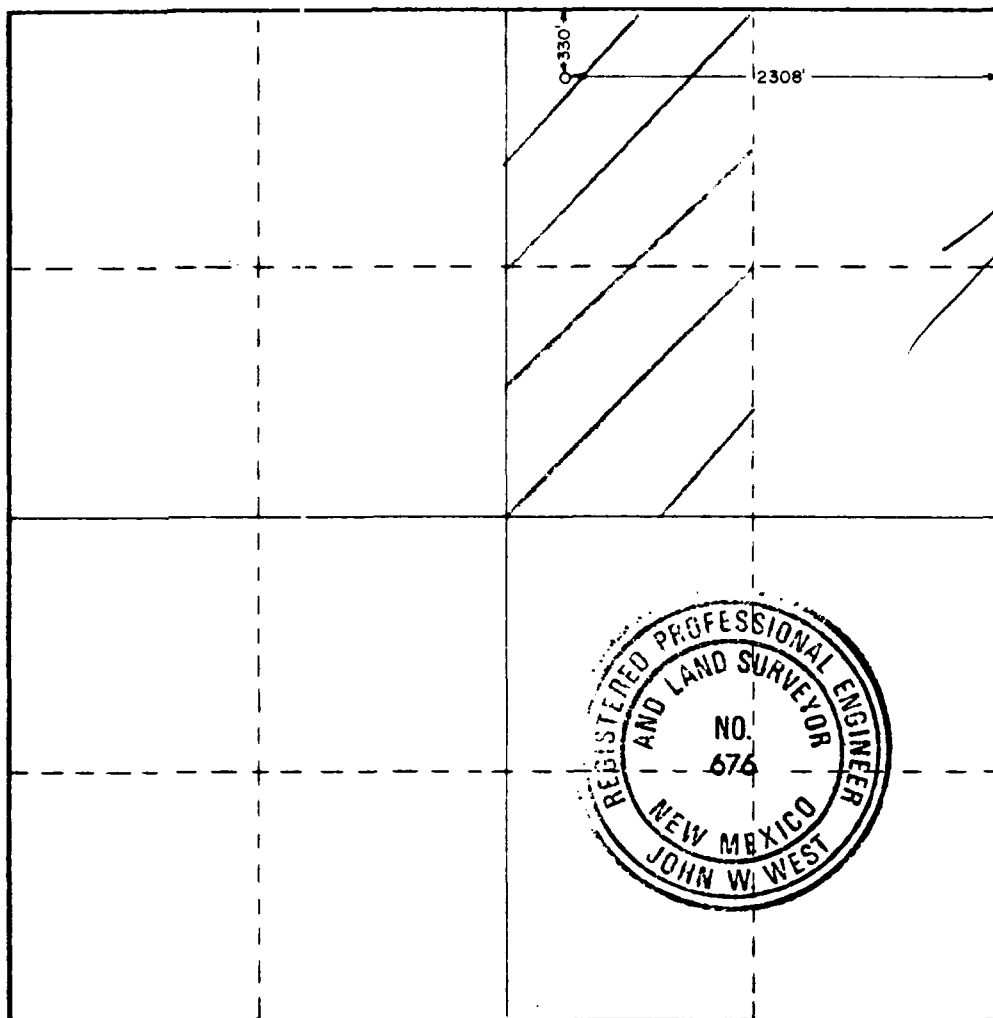
Operator TENNECO OIL COMPANY			Lease STATE QE "24"		Well No. 1
Tract Letter B	Section 24	Township 12 SOUTH	Range 34 EAST	County LEA	
Actual Footage Location of Well: 330 feet from the NORTH line and 2308 feet from the EAST line					
Ground Level Elev. 4128.3	Producing Formation Pennsylvanian		Pool Ranger Lake Penn		Dedicated Acreage: 80 Acres

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 Commission.



CERTIFICATION

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

Name
Gary Fitzsimmons

Position
Geologist

Company
Tenneco Oil Company

Date
7/01/86

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.

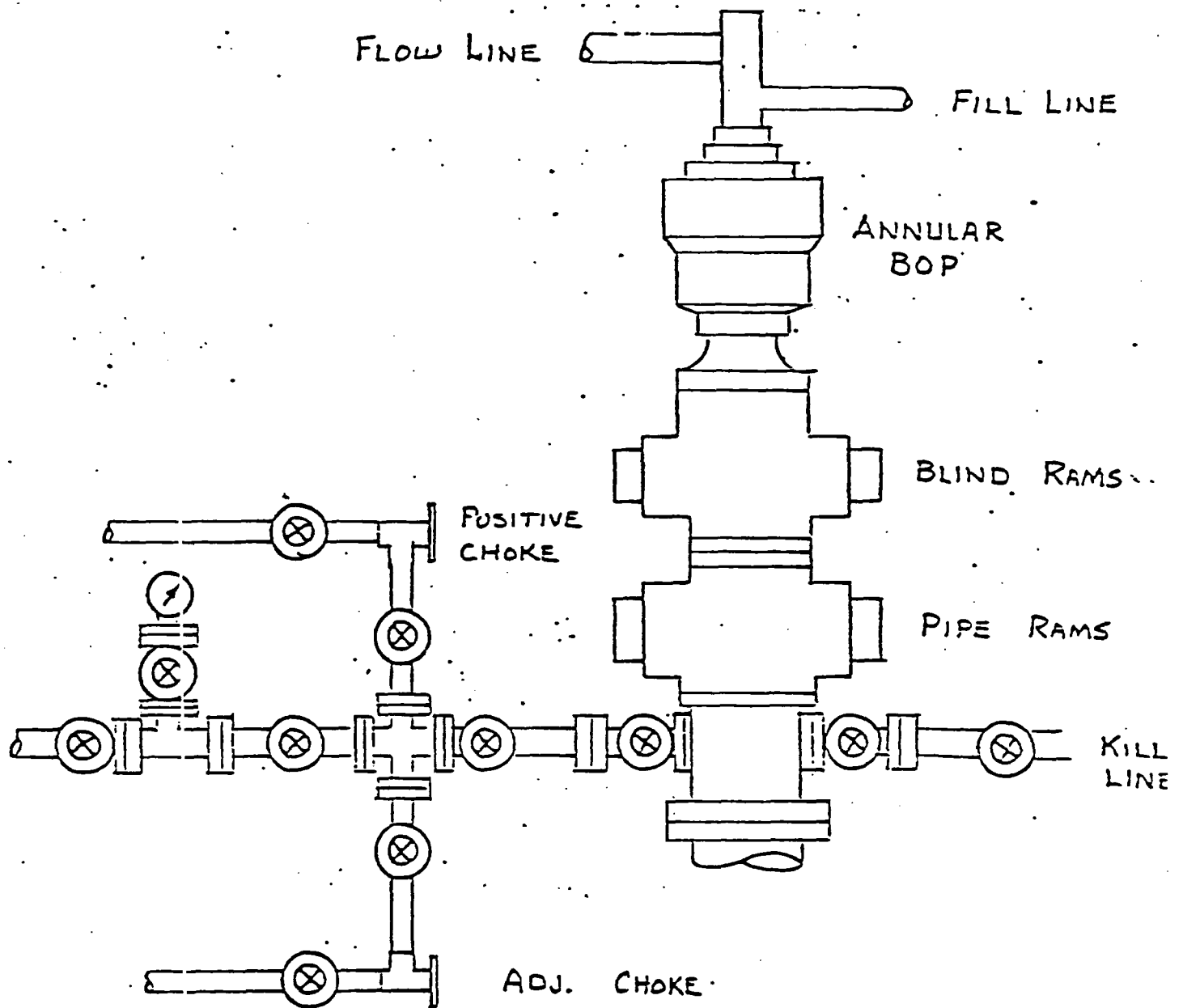
Date Surveyed
JUNE 24, 1986

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

91746



This is to be 3000 psi wp, which is adequate, that will be used on the 11" and 7 7/8" hole. This is the minimum possible BOP stack that will be used. Tenneco may choose to use more equipment and higher pressure.

State QE 24-1

Lea Courty, New Mexico

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-101
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILL	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work	7. Unit Agreement Name		
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Farm or Lease Name State QE 24		
c. Name of Operator Tenneco Oil Company	9. Well No. #1		
d. Address of Operator 7990 IH 10 West San Antonio, TX 78230	10. Field and Pool, or Wildcat Ranger Lake Penn		
e. Location of Well UNIT LETTER <u>B</u> LOCATED <u>330</u> FEET FROM THE <u>North</u> LINE <u>2308</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>24</u> TWP. <u>12S</u> RGE. <u>34E</u> NE/4PM	11. County Lea		
f. Elevation (Show whether DF, R., etc.) 4128.3 GR	19. Proposed Depth 10,600	19A. Formation Penn	20. Rotary or C.L. Rotary
21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Unknown	22. Approx. Date Work will start 7/15/86	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5#	350'	370 sxs Class C	Surface
12 1/4"	8 5/8"	32#	4200'	1400 sxs Class C	Surface
7 7/8"	5 1/2"	17#	10600'	400 Class H 300 Class C	10,000' 4,000'

1. MIRU drilling rig.
2. PU 17 1/2" bit and drill surface hole to 350'+/- w/fresh water spud mud. (Be sure that Ogalla aquifer has been completely drilled before stopping to run casing.) Possible loss returns could exist in this interval. Dry drill if necessary, pump paper sweep prior to POOH.
3. Run 13 3/8" casing as follows: 13 3/8" float shoe, 1 jt. 13 3/8" casing, 13 3/8" baffle collar, casing to surface. Cement as per cement program attached.
4. CO casing after sufficient WOC time. NU 13 3/8" x 13 5/8" - 3M casing head. NU 13 5/8"-3M SRRA preventers. (This is minimum acceptable BOP hook-up). NU diverter system.
5. Test wellhead to 50% of casing collapse. Test BOP's (except annular) to working pressure. Test manifold to 3000 psi and all valves. Function test all valves (open and close). Test annular preventer to 50% of W.P.

Continue on next page

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE 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.

and Randy Smith Title Drilling Engineer Date 7-10-86
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

6. PU DC's & DP. RIH. Test Casing to 600 psi for 30 minutes. Test is satisfactory if pressure drops no more than 10%. Insure that cement has been in place at least 18 hours before initiating test.
7. Drill out FE and drill 12 1/4" hole to 4200'. (Insure that San Andres zone has been topped before stopping to run casing). POOH.
8. RU loggers and log as directed by Geologists.
9. Make conditioning trip after logging.
10. RU casing crews and run 8 5/8" casing. Cement as per cementing recommendation. Reciprocate pipe while cementing. Set 20% casing weight on bottom.
11. Cut off 8 5/8" casing. NU 13 5/8" - 3M x 11"-5M casing spool. Test spool to 80% of casing collapse. Install 13 5/8" BOP's as hooked up in step No. 4. Test BOP's as per step No. 5. RU mudlogger prior to drilling out.
12. PU 7 7/8" bit. GIH. Drill out to FE. Test casing to 1500 psi. Insure that cement has been in place at least 18 hours before initiating test. Drill out casing.
13. Drill to 10,600. (NOTE: Possible 4 DST's in Ranger Lake Zone +/-10,200'.)
14. Log as directed by Geologist.
15. If well is productive, run and stage cement 5 1/2" casing. Set DV tool @ +/-5600' to cover San Andres.
16. Cement tops should be picked by Geologist. Have water samples sent in for analysis prior to cementing.
17. If well is to be P&A'd contact NMOCC, for P&A procedures. Get tops of potential zones from Geologist prior to his departure from the location. Set plugs in accordance with NMOCC requirements. Release rig.

**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

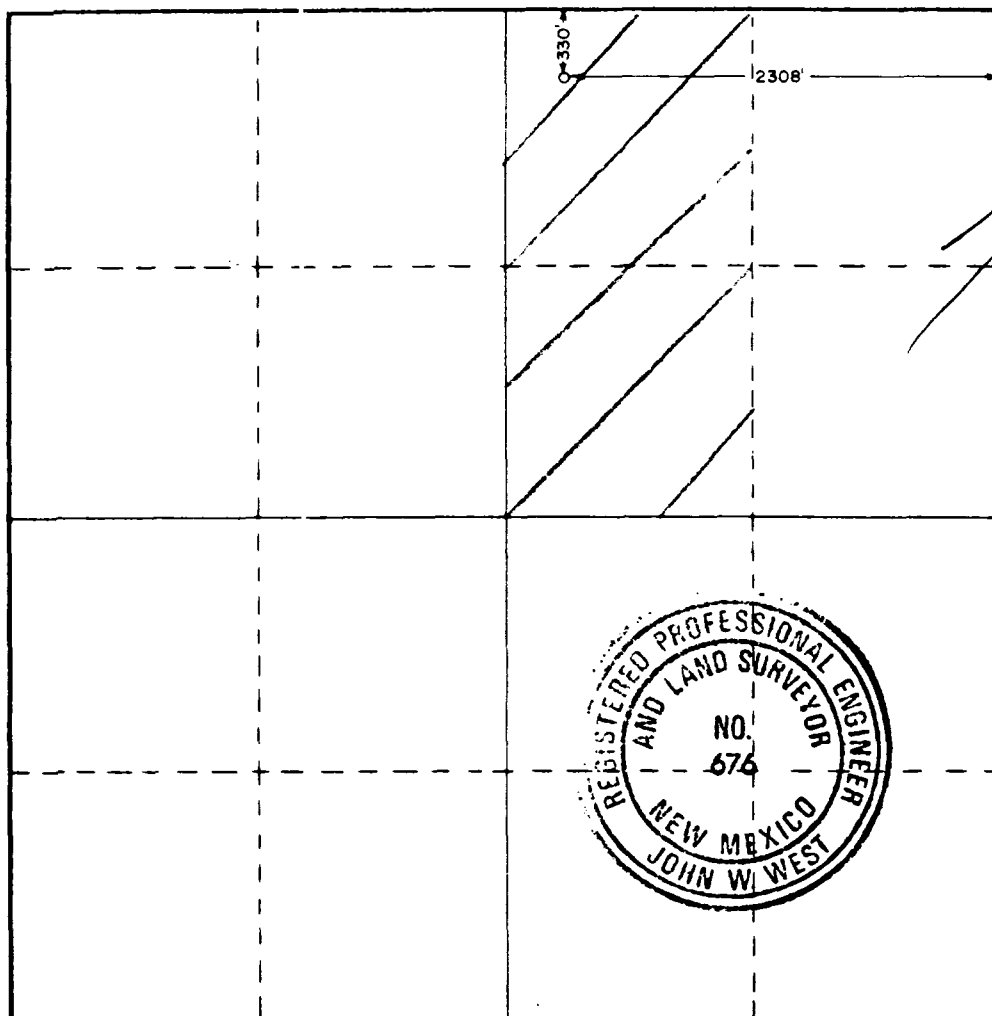
Operator TENNECO OIL COMPANY		Lease STATE QE "24"		Well No. 1
Unit Letter B	Section 24	Township 12 SOUTH	Range 34 EAST	County LEA
Actual Footage Location of Well: 330 feet from the NORTH line and 2308 feet from the EAST line				
Ground Level Elev. 4128.3	Producing Formation Pennsylvanian	Pool Ranger Lake Penn	Dedicated Acreage: 80 Acres	

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 Commission.



CERTIFICATION

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

Name
Gary Fitzsimmons

Position
Geologist

Company
Tenneco Oil Company

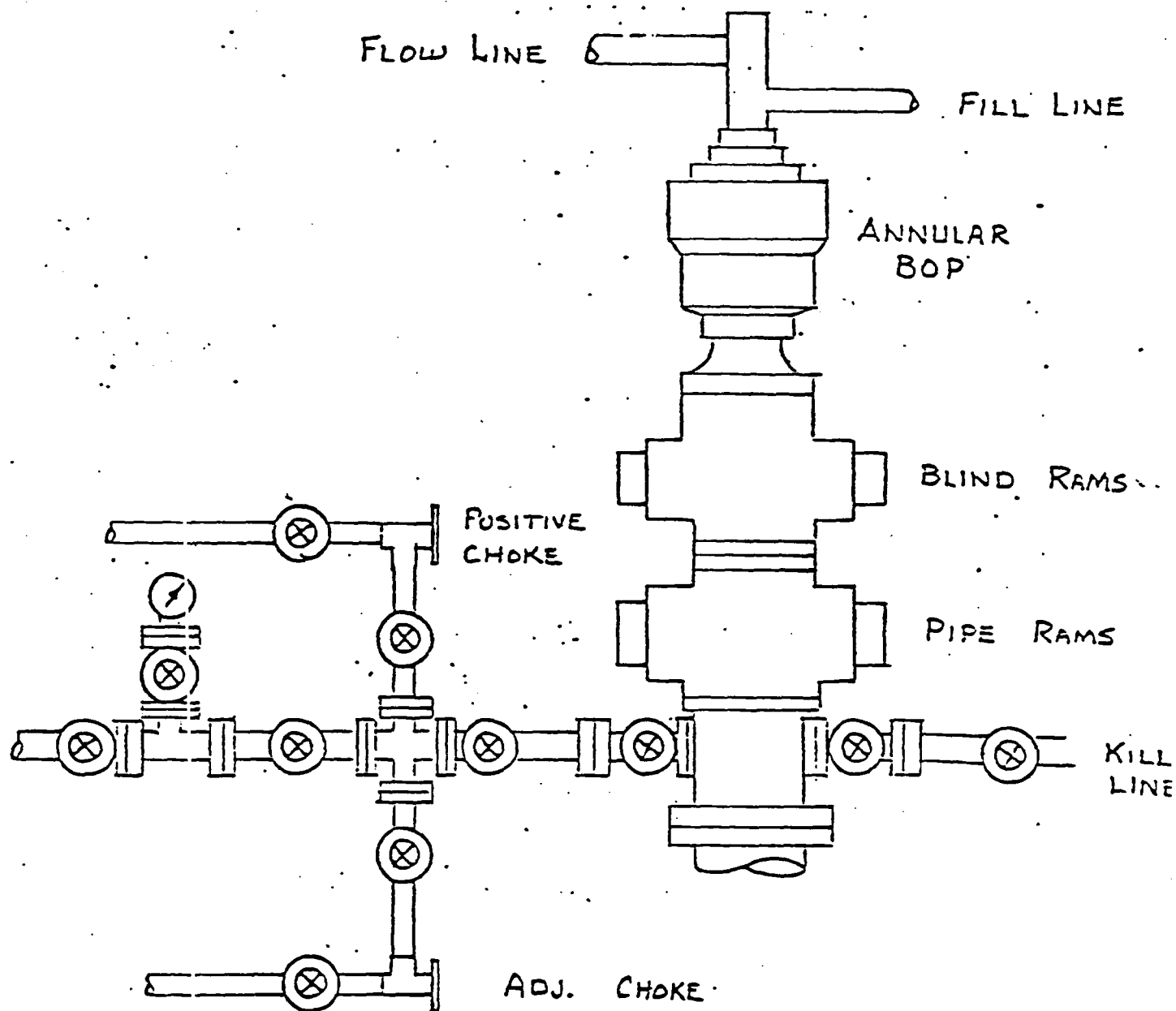
Date
7/01/86

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
JUNE 24, 1986

Registered Professional Engineer and/or Land Surveyor

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



This is to be 3000 psi wp, which is adequate, that will be used on the 11" and 7 7/8" hole. This is the minimum possible BOP stack that will be used. Tenneco may choose to use more equipment and higher pressure.

State QE 24-1

Lea County, New Mexico