

Case Number

4272

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1170 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 25, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of Shell Oil Company)
for an unorthodox oil well)
location and to directionally)
drill, Lea County, New Mexico.)

) Case No. 4272
)
)
)
)

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4272.

MR. HATCH: Case 4272, application of Shell Oil Company for an unorthodox oil well location and to directionally drill Lea County, New Mexico.

We have received a request to dismiss this particular case.

MR. UTZ: Case 4272 will be dismissed.

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

t of my knowledge,
John F. Fisher
COURT REPORTER

I do hereby certify that the foregoing is
a complete record of the testimony given
the Brother Harris of date Nov. 4, 1922
heard by me on Nov. 25, 1922
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

07501

**GOVERNOR
DAVID F. CARGO
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

December 2, 1969

**Mr. Richard S. Morris
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Santa Fe, New Mexico**

Re: Case No. 4272

Order No. R-3884

Applicant:

Shell Oil Company

Dear Sir:

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

Very truly yours,

G. L. Parker, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other _____

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. 4272
Order No. R-3884

APPLICATION OF SHELL OIL COMPANY
FOR AN UNORTHODOX OIL WELL LOCA-
TION AND TO DIRECTIONALLY DRILL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 2nd day of December, 1969, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

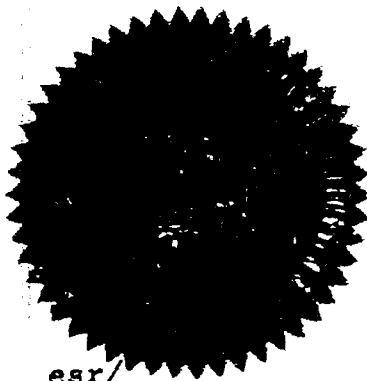
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4272 is hereby dismissed.

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



esr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMISTO, Member

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

NOTE: DUE TO THE THANKSGIVING HOLIDAY, THIS HEARING IS SCHEDULED FOR TUESDAY RATHER THAN WEDNESDAY AS CUSTOMARY.

Docket No. 32-69

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 25, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 4259: Application of Aztec Oil & Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 5112 feet to 5138 feet in its State "SS" Well No. 1 located in Unit F of Section 24, Township 17 South, Range 36 East, Spencer-San Andres Pool, Lea County, New Mexico.
- CASE 4260: Application of Tamarack Petroleum Company, Inc. for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Northeast Pearl Queen Unit Waterflood Project, Pearl-Queen Pool, by the conversion to water injection one additional injection well, its Unit Well No. 18, located in Unit L of Section 23, Township 19 South, Range 35 East, Lea County, New Mexico.
- CASE 4261: Application of Pennzoil United, Inc., for special pool rules and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Quail Ridge-Morrow Gas Pool, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks approval of the unorthodox location in said pool for its Mescalero Ridge Well No. 1 at a location 660 feet from the South line and 660 feet from the West line of Section 20, Township 19 South, Range 34 East.
- CASE 4262: Application of Plains Radio Broadcasting Company for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for the applicant's White Ranch Well No. 1 located in Unit E of Section 34, Township 11 South, Range 29 East, White Ranch Siluro-Devonian Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of salt

water produced by said well in an unlined surface pit located in the vicinity of said well. In the alternative, applicant seeks authority to dispose of said produced water into the Siluro-Devonian formation in the perforated interval from 8743 feet to 8750 feet in its White Ranch Well No. 3 located in Unit M of said Section 34.

CASE 4263: Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "E" Well No. 3, to be located 590 feet from the South line and 1590 feet from the West line of Section 13, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 4264: Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "J" Well No. 1, to be located 2390 feet from the South line and 2410 feet from the East line of Section 11, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 4265: Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates, San Andres and other formations in the open-hole interval from approximately 4450 feet to 5890 feet in its Midway State Well No. 3 located in Unit J, Section 12, Township 17 South, Range 36 East, Lovington Field, Lea County, New Mexico.

CASE 4245: (Continued from the November 5, 1969, Examiner Hearing) Application of Texas Pacific Oil Company, Inc., for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Townships 22 and 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

(Case 4245 continued)

A 160-acre unit comprising the W/2 SE/4 and the E/2 SW/4 of Section 8, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 56 located in Unit J of said Section 8;

A 200-acre unit comprising the NW/4 and the NW/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 42 located in Unit E of said Section 11;

A 280-acre unit comprising the SE/4, S/2 SW/4, and the NE/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 36 located in Unit M of said Section 11;

A 200-acre unit comprising the N/2 NE/4, the SE/4 NE/4, and the NE/4 NW/4 of Section 15 and the SE/4 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 31 located in Unit H of said Section 15;

A 160-acre unit comprising the S/2 NW/4, SW/4 NE/4 and the NW/4 NW/4 of Section 15, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 33 located in Unit F of said Section 15;

A 240-acre unit comprising the SW/4 of Section 3, and the N/2 NW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 35 located in Unit L of said Section 3;

A 160-acre unit comprising the S/2 NW/4 and N/2 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 37 located in Unit F of said Section 10.

CASE 4266: Application of Texas Pacific Oil Company, Inc., for several non-standard gas promotion units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas promotion units in Township 22 South, Range 36 East, Culmat Gas Pool, Lea County, New Mexico:

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[illegible][illegible][illegible]

CASE 4269: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its State "JD" Unit Area by the injection of water into the Yates-Seven Rivers formations through two wells located in Unit D and Unit F of Section 27, Township 26 South, Range 37 East, Rhodes (Yates-Seven Rivers) Pool, Lea County, New Mexico.

CASE 4270: Application of Byron McKnight for an exception to Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A. Applicant proposes to drill to a depth of approximately 3800 feet in the Yates formation two exploratory wells located in the SW/4 NE/4 and SE/4 NE/4 of Section 26, Township 19 South, Range 33 East, Lea County, New Mexico, in such a manner as to eliminate the necessity of running the salt protection string required by said Order No. R-111-A provided the production string would be cemented to the surface.

CASE 4271: Application of Texaco Inc. for a waterflood expansion and amendment of Order No. R-2748, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its waterflood project in the Rhodes (Yates-Seven Rivers) Pool, authorized by Order No. R-2748, by the injection of water through four additional wells in Sections 22 and 27 of Township 26 South, Range 37 East, Lea County, New Mexico. Applicant further seeks amendment of said order to establish a procedure whereby additional injection wells as may be necessary to complete an efficient injection pattern may be approved administratively.

CASE 4272: Application of Shell Oil Company for an unorthodox oil well location and to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Sanger Well No. 6 at an unorthodox surface location in Unit E 1490 feet from the North line and 330 feet from the West line of Section 27, Township 18 South, Range 38 East, Hobbs (Grayburg-San Andres) Pool, Lea County, New Mexico. Applicant further seeks authority to directionally drill said well in such a manner as to bottom the well in the subject pool at a point in Unit D of said Section 27 approximately 200 feet north of said surface location. Applicant proposes to dedicate said Unit D to the well.

November 25, 1969 - Examiner Hearing

Docket No. 32-69

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CASE 4273: Application of Tesoro Petroleum Corporation for an unorthodox oil well location and amendment of Order No. R-2807-A, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location of its Well No. 59, formerly classified as a water injection well, located 1430 feet from the South line and 2625 feet from the East line of Section 36, Township 18 North, Range 9 West, Hospah Upper Sand Oil Pool, McKinley County, New Mexico. Applicant further seeks the amendment of Order No. R-2807-A to permit a procedure whereby additional producing and injection wells in its Hospah Unit Area may be approved administratively.

CASE 4274: Application of Pan American Petroleum Corporation for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Navajo Tribal "N" Well No. 11 at an unorthodox location 1150 feet from the West line and 560 feet from the North line of Section 17, Township 26 North, Range 18 West, Tocito Dome-Pennsylvanian "D" Oil Pool, San Juan County, New Mexico.

Received 11/14/69

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF SHELL OIL COMPANY
FOR APPROVAL OF AN UNORTHODOX
SURFACE AND BOTTOM HOLE LOCATION
AND FOR PERMISSION TO DIRECTIONALLY
DRILL, HOBBS-GRAYBURG SAN ANDRES
POOL, LEA COUNTY, NEW MEXICO

Case No. 4272

APPLICATION

Comes now Shell Oil Company and applies to the New Mexico Oil Conservation Commission for approval of an unorthodox surface and bottom hole location and for permission to directionally drill its Sanger Well No. 6 in the Hobbs-Grayburg San Andres Pool, Lea County, New Mexico, and in support of its application states:

1. Shell Oil Company is the operator and owner of all mineral rights in and to the Hobbs-Grayburg San Andres Pool in all of Section 27, Township 18 South, Range 38 East, Lea County, New Mexico.
2. Shell Oil Company proposes to drill its Sanger Well No. 6 at a surface location 1490 feet from the north line and 330 feet from the west line of said Section 27, the said Well to be directionally drilled to a bottom hole location approximately 200 feet north of the proposed surface location, and to a point underlying the $NW\frac{1}{4} NW\frac{1}{4}$ of the said Section 27.
3. It is not feasible to drill a well at a standard location in the $NW\frac{1}{4} NW\frac{1}{4}$ of said Section 27 due to the location of houses, streets, and other improvements in the City of Hobbs, New Mexico.
4. The proposed surface and bottom hole locations are unorthodox in the sense that they are closer than 330 feet to the Quarter Quarter Section line that divides the $NW\frac{1}{4} NW\frac{1}{4}$ and the $SW\frac{1}{4} NW\frac{1}{4}$ of said Section 27, both of which Quarter Quarter Sections are owned and operated by Shell Oil Company.

DOCKET MAILED

Date 11-14-69

5. Shell Oil Company proposes to dedicate the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 27, to the proposed Well. It is not feasible for Shell Oil Company to dedicate the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 27 to the proposed Well for the reason that the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 27 is already dedicated to a Well located therein at an unorthodox location approximately five (5) feet north of the Quarter Section line dividing the NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ of Section 27.

6. Approval of the subject application will prevent waste and protect correlative rights.

WHEREFORE, Shell Oil Company requests that this application be set for hearing before the Commission or one of its examiners and that the Commission enter its order approving this application.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& MORRIS

By _____
P.O. Box 2307
Santa Fe, New Mexico 87501
Attorneys for Shell Oil Company

DRAFT

GMH/esr

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. 4272

Order No. R-3884

APPLICATION OF SHELL OIL COMPANY
FOR AN UNORTHODOX OIL WELL LOCA-
TION AND TO DIRECTIONALLY DRILL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
November 25, 1969, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this 26th day of December, 1969, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4272 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

CASE 4273: Application of TESORO
PETROLEUM FOR AN UNORTHODOX OIL
WELL LOCATION AND AMEND R-2807-A.