

CASE 4701: Application of WYNN
OIL CO. FOR UNORTHODOX LOCATION
AND A DUAL COMPLETION.

Case Number

4701

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier reporting service

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
May 5, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Wynn Oil Company for
an unorthodox location and a dual
completion, San Juan County,
New Mexico.

CASE NO. 4701

BEFORE: Elvis A. Utz
Examiner

TRANSCRIPT OF HEARING

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1 MR. UTZ: Case No. 4701

2 MR. HATCH: Application of Wynn Oil Company for
 3 an unorthodox location and a dual completion, San Juan County,
 4 New Mexico.

5 MR. WYNN: R. C. Wynn, representing the Wynn Oil
 6 Company, Dallas, Texas. I live in Dallas and in Santa Fe,
 7 and with the Examiner's permission, I will appear without an
 8 attorney.

9 I am an Engineer and an Attorney and have previously
 10 testified before the Commission and I believe my qualifications
 11 are a matter of record.

12 MR. UTZ: You are representing yourself?

13 MR. WYNN: Yes, sir.

14 MR. UTZ: The witness will be sworn.

15 R. C. WYNN,

16 appeared as a witness on his own behalf, and after being duly
 17 sworn according to law, testified as follows:

18 THE WITNESS: We have applied for an unorthodox --

19 MR. HATCH: Do you have any Exhibits?

20 THE WITNESS: I don't, Mr. Hatch, I have previously
 21 mailed a survey plat which is really my only Exhibit. We
 22 have applied for an application to drill an off pattern
 23 unorthodox Mesaverde location with the Dakota which we will
 24 drill and log and test and quite possibly, drill a
 25 completion.

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1 If the Commission will note, it is a matter of
 2 record that there is already an off pattern Mesaverde Section
 3 in the NW/4 of Section 13 and we propose to drill this well
 4 in the SE/4 of the same Section, 13.

5 The Application is based primarily on the economics
 6 of drilling Mesaverde-Dakota wells, in what is a marginal
 7 area of the field with, at very best, complicated terrain.

8 There could possibly be a location made in the NE/4,
 9 an orthodox location, however, it would be located on the top
 10 of some cliff which is about six or seven hundred feet above
 11 the location we picked in the bottom of the canyon even though
 12 we are only two or three miles from the majority of the
 13 producing wells in the bottom of the canyon.

14 It is about twenty-five miles of extra trucking or
 15 hauling just to get around to this location and this would
 16 increase the cost of the well several thousand dollars.

17 In addition to that there would be continuing
 18 operation expenses of possibly \$50 extra a month, which
 19 might be nine or ten thousand dollars.

20 As far as drilling the well is concerned, if one
 21 could gas drill in the area, this problem wouldn't be as
 22 serious as it is, but there has been some evidence and it
 23 has also happened where we tried to gas drill and ran into
 24 a water zone.

25 Tests of the Mesaverde at this time, preclude drilling

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1 with gas and therefore we have to drill with mud and drilling
 2 with mud and being on top of this mesa, we will lose circulation
 3 in the bottom of the Mesaverde zone once we do set pipe.

4 Experience from drilling with mud has shown that
 5 we would lose circulation up to 6,000 and it could be as
 6 high as 20,000 very easily if we are going to drill on down
 7 to the Dakota.

8 I think we can alleviate the loss of circulation
 9 by putting the location in the bottom of the canyon.

10 Please note that our location is established as
 11 far as possible from the other operators. Fifteen hundred
 12 feet from the south line and 1,100 feet from the east line
 13 which we believe would protect correlative rights.

14 I have already mentioned that this is a marginal
 15 area of the field and believe that the additional cost
 16 savings would be probably -- could be around \$20,000, and
 17 maybe up to \$40,000.

18 Plus, we are expecting to drill a completed well
 19 for approximately \$85,000 or \$90,000. This additional cost
 20 would be, in my opinion, waste and therefore we are requesting
 21 for the prevention of waste, that you favorably consider our
 22 Application and our Application be granted to drill this well
 23 at this unorthodox location.

24 We recognize also that there is an off pattern well
 25 in this Section. I think that is all I have, Mr. Commissioner.

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1 MR. UTZ: Mr. Wynn, I was busy looking for the
 2 Exhibit and I didn't understand exactly what your situation
 3 was in regard to the canyon; is this on top of the canyon?

4 THE WITNESS: This location that we have suggested
 5 is in the bottom of the canyon.

6 MR. UTZ: The one you propose is in the canyon but
 7 the standard location would be on the top of the mesa?

8 THE WITNESS: Yes, sir, the standard location
 9 would be on top of the mesa and probably would be an
 10 unorthodox footage requirement.

11 MR. UTZ: Which way does the canyon run? Let's
 12 talk about the canyon in regard to your Section 13.

13 THE WITNESS: Let me introduce an Exhibit with
 14 the cliff phases shown, the top of the mesa is shown on the
 15 Exhibit also, Mr. Examiner.

16 MR. UTZ: That will be fine.

17 THE WITNESS: Just mark this, please, our survey
 18 plat is Exhibit 1 in Case 4701..

19 MR. UTZ: Just a minute, did you mark the other
 20 one?

21 THE WITNESS: We haven't given it a number yet.

22 MR. UTZ: I see, go ahead.

23 THE WITNESS: Will you mark this Exhibit 1, then?

24 (Marked Applicant's Exhibit 1)

25 THE WITNESS: Exhibit Number 1 indicates the

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1 location of the top of the mesa and our survey plat will
2 show an elevation of approximately 6,600 feet. The location
3 that we have established indicates that it is 1,500 feet from
4 the south line and 1,100 feet from the east line with a
5 ground level elevation of 6,067 feet as indicated on the
6 map submitted.

7 MR. UTZ: Which part of the Section are you going
8 to dedicate to this well?

9 THE WITNESS: The west half, sir. The west half
10 has already been dedicated.

11 MR. UTZ: Does the road come up the canyon?

12 THE WITNESS: Yes, to get to the top of the mesa where
13 we would have to go you can go two ways, up the canyon or
14 down the canyon and in either case it is about twenty-five
15 miles around from this location to the top of the mesa.

16 There is no road that goes right up to the top
17 of the mesa from this location.

18 MR. UTZ: Any other questions of this witness?

19 MR. HATCH: Why don't we introduce these Exhibits?

20 THE WITNESS: Mr. Examiner, I would like to
21 enter Exhibit 2, which is a survey plat showing the proposed
22 location of the Mesaverde Basin dedicated to the Largo-
23 Federal Number 2 in Section 13, Range 8 West, San Juan County,
24 New Mexico.

25 Exhibit 3 is a U.S.G.S. survey form which has been

1 submitted to the Conservation Commission and the U.S.G.S.
2 indicating the manner in which the well will be completed.

3 Exhibit Number 4 is a map indicating the offset operators
4 to the Wynn Oil Company's proposed unorthodox location.

5 MR. UTZ: Without objection, the Exhibits mentioned
6 will be entered into the record of this Case. Any further
7 questions of this Witness?

8 (No response.)

9 (Whereupon, Applicants Exhibits Number 1 through
10 4 inclusive, were admitted into evidence.)

11 MR. UTZ: Any statements?

12 (No response.)

13 MR. UTZ: Case 4701 will be taken under advisement.
14 The Hearing will be adjourned until 1:30.
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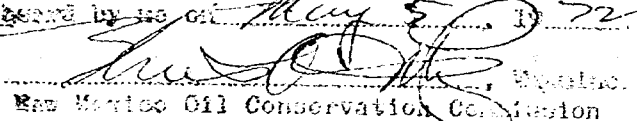
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1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, RICHARD E. McCORMICK, a Certified Shorthand Reporter,
5 in and for the County of Bernalillo, State of New Mexico,
6 do hereby certify that the foregoing and attached Transcript
7 of Hearing before the New Mexico Oil Conservation Commission
8 was reported by me; and that the same is a true and correct
9 record of the said proceedings to the best of my knowledge,
10 skill and ability.

11 
12 CERTIFIED SHORTHAND REPORTER

23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
25 the District Hearing of Case No. 4701
26 heard by me on May 5, 1972
27 
28 New Mexico Oil Conservation Commission

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I N D E X

WITNESS:

PAGE

R. C. WYNN

3

E X H I B I T S

APPLICANT'S (Wynn Oil)

OFFERED

ADMITTED

Exhibit Number 1

6

8

Exhibit Number 2

7

8

Exhibit Number 3

7

8

Exhibit Number 4

8

8



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

May 19, 1972

Re: Case No. 4701

Mr. R. C. Wynn

1525 Republic National Bank Building
Dallas, Texas 75201

Order No. R-4305

Applicant:

Wynn Oil Company

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

Other Mr. Curtis Little - Denver, Colorado

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. 4701
Order No. R-4305

APPLICATION OF WYNN OIL COMPANY
FOR AN UNORTHODOX LOCATION AND
A DUAL COMPLETION, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 5, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of May, 1972, 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, Wynn Oil Company, seeks an exception to Rule 2 of the Special Rules and Regulations governing the Blanco-Mesaverde Pool as promulgated by Order No. R-1670, as amended, to complete its Largo Federal Well No. 2 at an unorthodox location 1500 feet from the South line and 1100 feet from the East line of Section 13, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant also seeks authority to complete the subject well as a dual completion (conventional) to produce gas from the Blanco-Mesaverde Pool and the Basin-Dakota Pool through parallel strings of 1 1/2-inch tubing, with separation of zones by a packer set at approximately 6,400 feet.
- (4) That the unorthodox location in the Blanco-Mesaverde Pool is necessary to avoid the extreme problems of topography.
- (5) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

-2-

CASE NO. 4701
Order No. R-4305

(6) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pools, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Wynn Oil Company, is hereby granted an exception to the well location requirements of Rule 2 of the Special Rules and Regulations governing the Blanco-Mesaverde Pool as promulgated by Order No. R-1670, as amended, and is hereby authorized to complete its Largo Federal Well No. 2 at an unorthodox location 1500 feet from the South line and 1100 feet from the East line of Section 13, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

(2) That the applicant is hereby authorized to complete the subject well as a dual completion (conventional) to produce gas from the Blanco-Mesaverde Pool and the Basin-Dakota Pool through parallel strings of 1 1/2-inch tubing, with separation of zones by a packer set at approximately 6,400 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Deliverability Test Period for the Basin-Dakota Pool.

(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 hereinafter designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Bruce King
BRUCE KING, Chairman

Alex J. Armitjo
ALEX J. ARMITJO, Member

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

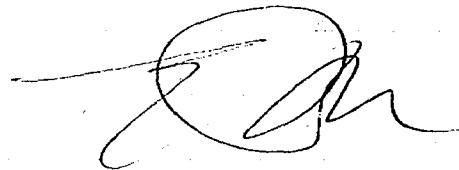
S E A L

dr/

Case 4701
Lead 5-5-72
Re. 5-8-72

Grant Wynn Oil Co. permission
to ~~drill~~ N.S. in Blanco-M.V.
Gas pool. Well should be in NE or
SW. Due to topographical
conditions well should be allowed
to be drilled 1500/5-1100-E line
13-27-80. This well is
22 miles of travel around a canyon.

Grant the Blanco-M.V. +
Basin-Dk. Dual
Packer to be set at 8402 depth.
Dk. to be produced thru 1 1/2
in. tubing M.V. thru annulus.



Wynn Oil Co., Inc.

R. C. Wynn, President

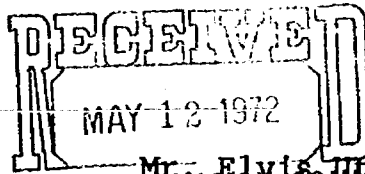
*Telephone (214) 742-1585
After 5:00 p.m. 522-6780*

Suite 1525

Republic National Bank Bldg.

Dallas, Texas 75201

May 9, 1972



Mr. Elvis J. Jerez
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

Dear Elvis:

I am enclosing diagramatic sketch on a well which has been drilled and completed in Section 15-27N-8W. The new well which I intend to drill in Section 13 will be drilled and completed in the same manner and at approximately the same depth should the Dakota be productive.

If the Dakota is non-productive it will be plugged back to the base of the Mesaverde and completed in the Mesaverde intervals.

If this is not the information you need, please call me collect at the above number.

Very truly yours,

A handwritten signature in dark ink, appearing to read "R. C. Wynn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

R. C. Wynn

RCW/sk
enclosure

1 L COMPLETION SCHEMATIC

Well: Federal "R" No. 1

SF 078476

Location: 990' FNL 1170' FEL
Sec. 15 T27N R 8W NMPM

County: San Juan

State: New Mexico

Elevation:

G.L. 5935'

D.F. 5946'

Zero 5947'

Casing:

Surface: 9 jts 10 3/4"

32.75# @ 312'w/275sx circ.

Intermediate: 72 jts 7 5/8"

@ 2249'w/450 sx circ.

Production: 207 jts 5 1/2" 15.5#

k-55 J&L new @ 6724'w/

416 sx.

Producing Zones:

Blanco Mesaverde

Basin Dakota

Tubing: All 1 1/2" IJ Aztec new

Upper zone: 4331'

Lower zone: 6640'

Squeeze 225 sx thru 4 holes
@ 3865'

MESAVERDE COMPLETION

Perforations

@ 2 SDJ/ft

Frac

Cliff House

3815-19

3825-29

3833-37

4178-84

35,000# 20-40 sd.

35,500 gal treated
water

Point Lookout

4425-28

4478-88

4560-62

4582

40,000# 20-40 sd.

20,000# 10-20 sd.

74,570 gal treated
water

DAKOTA COMPLETION

Perforations

@ 2 SDJ/ft

Upper Dakota

Frac

6514-18

6560-66

6582-84

6601, 6605

6613, 6618

50,000# 20-40 sd.

72,710 gal treated
water

Lower Dakota

@ 3 SDJ/ft

6640-44

6656-62

30,000# 40-60 sd.

63,290 gal treated
water

Stage Collar: Howco @ 4768'

Packer: Otis "W" @ 6402 1/2'

Otis sliding sleeve @ 6499 1/2'

PBTD: 6675'

TD: 6731'

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MAY 12 1972
OIL CONSERVATION COMM.
Santa Fe

- CASE 4700: Application of Penasco Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Penasco Shugart Queen Sand Unit Area, Shugart Pool, by the injection of water into the Queen formation through four wells located in Sections 8, 9, 16, and 17, Township 18 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks a procedure whereby additional injection wells within the unit area may be approved administratively.
- CASE 4701: Application of Wynn Oil Company for an unorthodox location and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its Largo Federal Well No. 2 to produce gas from the Blanco-Mesaverde and Basin-Dakota Pools at an unorthodox location for the Blanco-Mesaverde Pool 1500 feet from the South line and 1100 feet from the East line of Section 13, Township 27 North, Range 8 West, San Juan County, New Mexico.
- CASE 4702: Application of Penroc Oil Corporation for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of the special rules and regulations for the Hobbs-Drinkard Pool, Lea County, New Mexico, to provide for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil for said pool.
- CASE 4703: Application of Continental Oil Company for special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico, including provisions defining a gas well in the pool as one producing with a gas-liquid ratio of 30,000 cubic feet of gas per barrel of oil or one which produces oil with a gravity of 60° API or greater, a gas-oil ratio limitation for oil wells of 10,000 cubic feet of gas per barrel of oil, and 160-acre spacing units for both oil and gas wells.
- CASE 4709: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Eumont Gas Pool and the Penrose Skelly Oil Pool in the wellbore of its Lockhart A-17 Well No. 1 located in Unit L of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 4710: Application of Hanson Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose into unlined surface pits water produced by 22 wells located

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 Wynn Oil Company			Lease Largo Federal		Well No. 2
Unit Letter I	Section 13	Township 27 North	Range 8 West	County San Juan	
Actual Footage Location of Well: 1500 feet from the South line and 1100 feet from the East line					
Ground Level Elev. 6067	Producing Formation Mesa Verde & Dakota		Pool Blanco-Mesa Verde Basin-Dakota		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 Commission.

	<p>CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>
	<p>Name _____</p>
	<p>Position _____</p>
	<p>Company _____</p>
	<p>Date _____</p>
	<p>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.</p>
	<p>Date Surveyed _____</p>
	<p>Registered Professional Engineer and Land Surveyor _____</p>
	<p>Certificate No. _____ OF NEW MEXICO</p>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED
MAR 24 1972

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

All distances must be from the outer boundaries of the Section

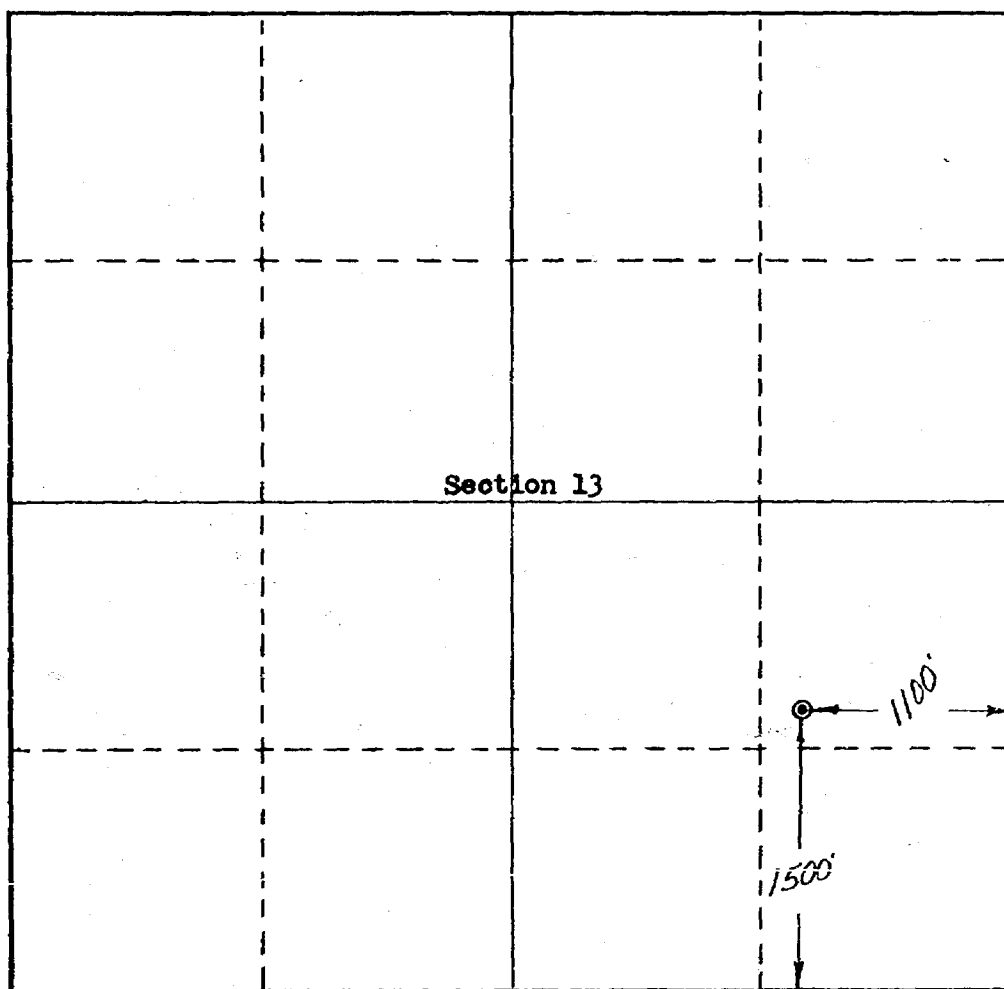
Operator Wynn Oil Company		Lease Largo Federal		Well No. 2
Unit Letter I	Section 13	Township 27 North	Range 8 West	County San Juan
Actual Footage Location of Well: 1500 feet from the South line and 1100 feet from the East line				
Ground Level Elev. 6067	Producing Formation Mesa Verde & Dakota	Pool Blanco-Mesa Verde Basin-Dakota	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 Commission.



CERTIFICATION

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

Name *R. Wynn*

Position *President*

Company *Wynn Oil Co*

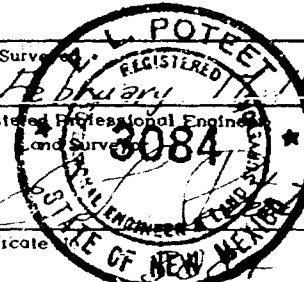
Date *3/20/72*

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 *February 1972*

Registered Professional Engineer and Land Surveyor

Certificate



Case 4701

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Wynn Oil Company

3. ADDRESS OF OPERATOR

3303 Lee Parkway, Suite 409, Dallas, Texas 75219

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

At proposed prod. zone

1500' FSL, 1100' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 Miles South

16. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest dng. unit line, if any)

1100'

17. NO. OF ACRES IN LEASE

320

18. NO. OF ACRES ASSIGNED

TO THIS WELL

320

19. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

660'

20. PROPOSED DEPTH

6800'

21. ROTARY OR CABLE TOOLS

Rotary

22. ELEVATIONS (Show whether DF, RT, GR, etc.)

6067 GR

23. APPROX. DATE WORK WILL START*

March 30, 1972

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-3/4	8-5/8	24.0	250'	100 sz
6-3/4	4-1/2	10.5	6800'	500 sz

1. Set 4-1/2" production casing through Dakota formation.
2. Perforate and sand water fracture Dakota and Mesaverde
3. Complete well as dual Mesaverde-Dakota well.

The E/2 of Section 13 is dedicated to this well:

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 4701

Submitted by: R. C. Wynn

Hearing Date: 5-5-72

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE

Operator

DATE

3-20-72

(This space for Federal or State use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

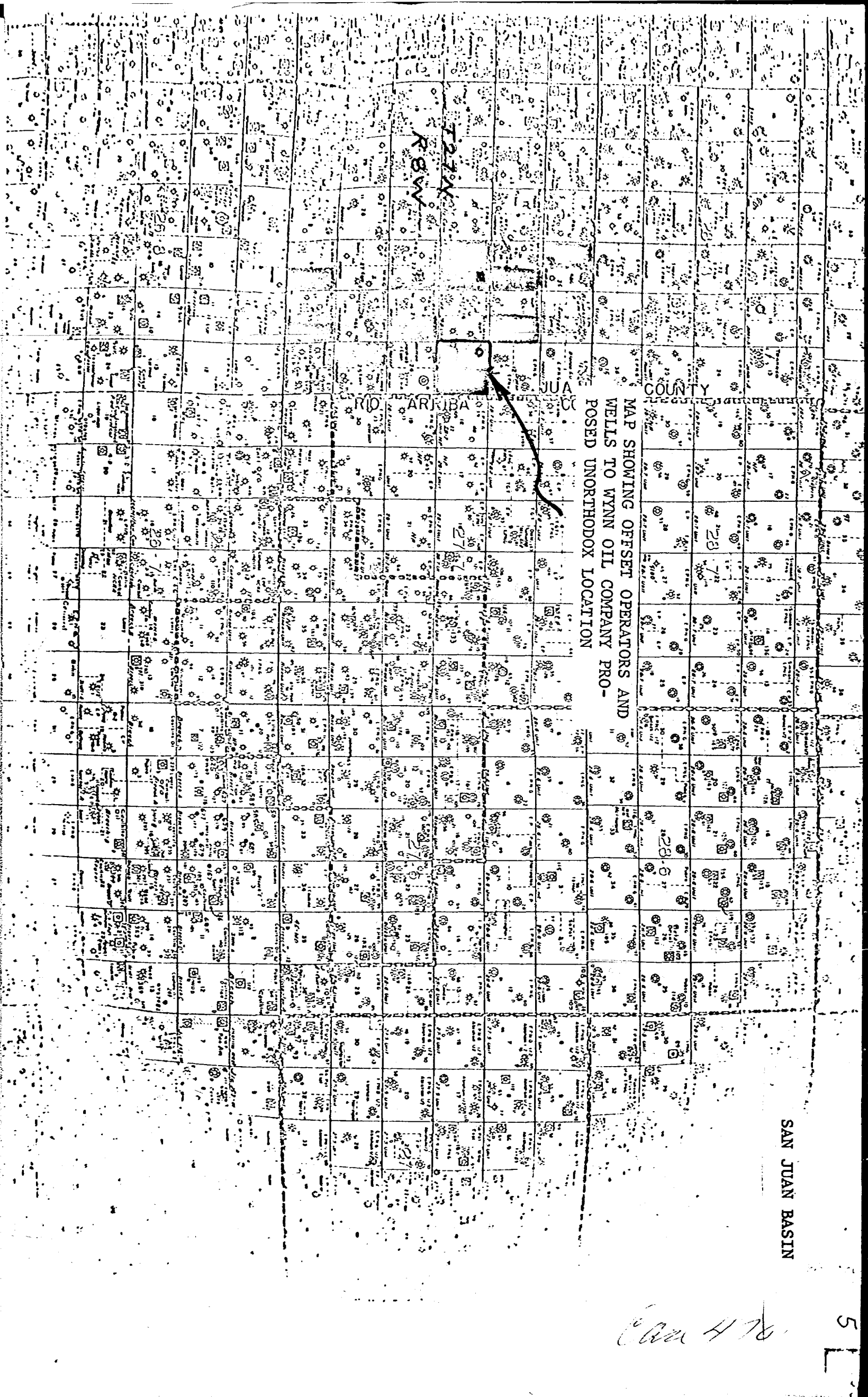
COUNTY

MAP SHOWING OFFSET OPERATORS AND
WELLS TO WYNN OIL COMPANY PRO-
POSED UNORTHODOX LOCATION

JUA

1224X
R8W

RD. ARJIBA



Cam 478

R. C. WYNN
COUNSELOR AT LAW
1525 REPUBLIC NATIONAL BANK BUILDING
DALLAS, TEXAS 75201

March 22, 1972

RECEIVED
MAR 21 1972

CONSERVATION COMM. AC 214 RI 2-1585
AD 9-3833

AIR MAIL CERTIFIED MAIL RETURN RECEIPT REQUESTED

Secretary-Director
New Mexico Oil Conservation Commission
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Case 4701

Re: Largo Federal No. 2
Proposed off-pattern location
Mesaverde-Dakota
SE/4 Section 13-27N-8W
San Juan County, New Mexico

Gentlemen:

Enclosed please find three (3) copies of our survey plat and a plat showing offset operators and wells to our proposed off-pattern location in San Juan County, New Mexico.

The offset operators to subject off-pattern location have been notified by certified mail of this request.

Please set this matter for hearing at the earliest possible date.

Yours very truly,

WYNN OIL COMPANY

BY:

R. C. Wynn
R. C. Wynn

RCW/sk
enclosures
cc: Northwest Production Co.
P.O. Box 1796
El Paso, Texas 79949

DOCKET MARKED

Date 4-21-72

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 42-R1425.

RECEIVED
MAR 21 1972

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		6. LEASE DESIGNATION AND SERIAL NO. 1972 19402	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Wynn Oil Company		8. FARM OR LEASE NAME Largo Federal	
3. ADDRESS OF OPERATOR 3303 Lee Parkway, Suite 409, Dallas, Texas 75219		9. WELL NO. 2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1500' FSL, 1100' FEL At proposed prod. zone		10. FIELD AND POOL, OR WILDCAT Basin Dakota Blanco Mesaverde	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 Miles South		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 13-T27N-R8W	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1100'	16. NO. OF ACRES IN LEASE 320	17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'	19. PROPOSED DEPTH 6800'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6067 GR		22. APPROX. DATE WORK WILL START* March 30, 1972	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-3/4	8-5/8	24.0	250'	100 sx
6-3/4	4-1/2	10.5	6800'	500 sx

1. Set 4-1/2" production casing through Dakota formation.
2. Perforate and sand water fracture Dakota and Mesaverde
3. Complete well as dual Mesaverde-Dakota well.

The E/2 of Section 13 is dedicated to this well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Operator DATE 3-20-72
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY TITLE DATE
CONDITIONS OF APPROVAL, IF ANY:

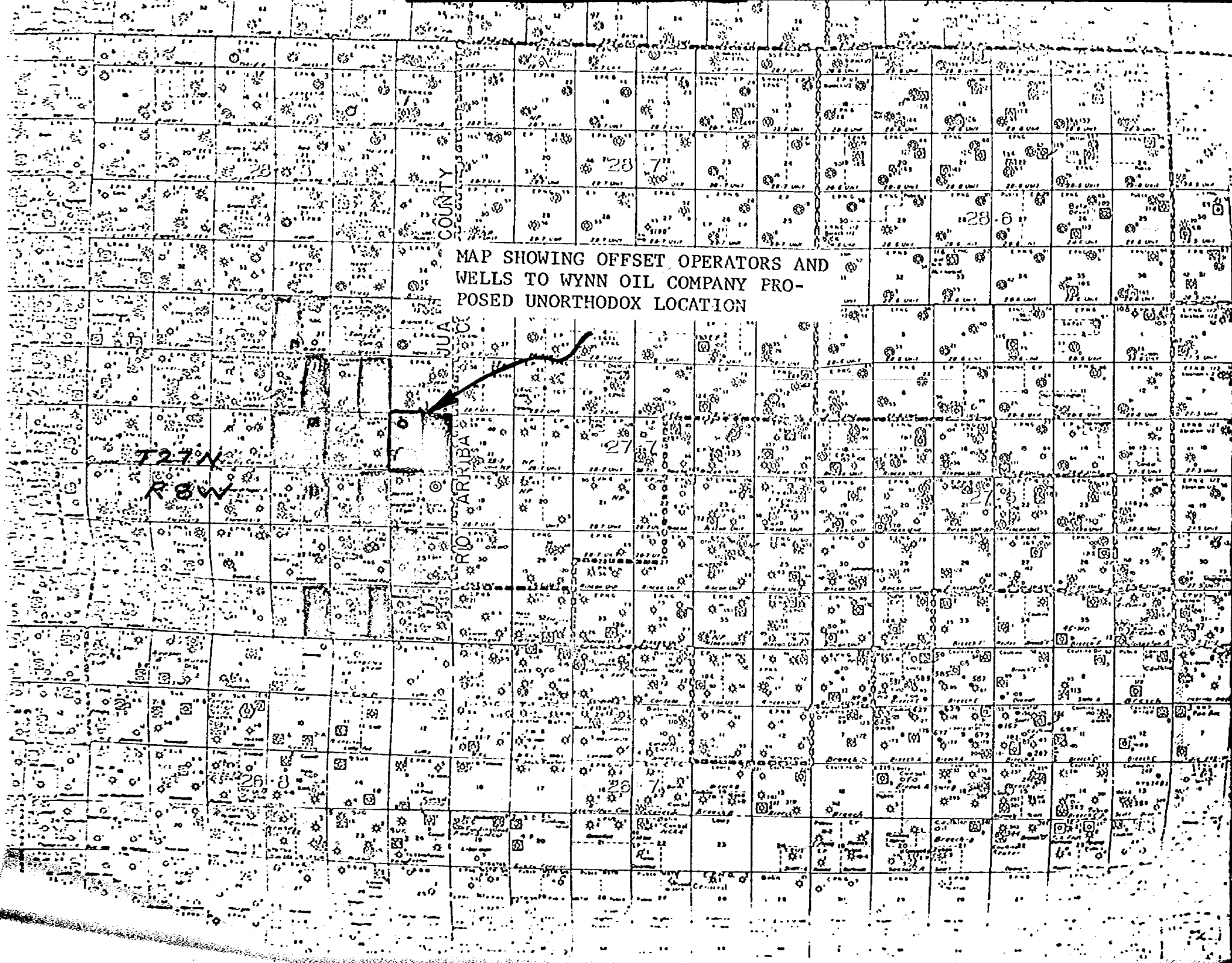
*See Instructions On Reverse Side

MAP SHOWING OFFSET OPERATORS AND
WELLS TO WYNN OIL COMPANY PRO-
POSED UNORTHODOX LOCATION

COUNTY

T27N
R8W

ARIBA



DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4701

Order No. R- 4305

APPLICATION OF WYNN OIL COMPANY
FOR AN UNORTHODOX LOCATION AND
A DUAL COMPLETION, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 5, 1972
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of May, 1972, 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, Wynn Oil Company, seeks an exception
to Rule 2 of the Special Rules and Regulations governing the Blanco-
Mesaverde ~~Gas~~ Pool as promulgated by Order No. R-1670, as amended,
to complete its Largo Federal Well No. 2 at an unorthodox loca-
tion 1500 feet from the South line and 1100 feet from the East
line of Section 13, Township 27 North, Range 8 West, NMPM,
San Juan County, New Mexico.

(3) That the applicant also seeks authority to complete the subject well as a dual completion (conventional) to produce gas from the Blanco-Mesaverde ~~Gas~~ Pool ^{through 1 1/2 inch tubing} and the Basin-Dakota ~~Gas~~ Pool ^{the casing tubing is made} through ~~parallel strings of 1 1/2 inch tubing~~ ^{OK}, with separation of zones by a packer set at approximately 6400 feet.

(4) That the subject well was originally projected and drilled as a Pictured Cliffs-Dakota gas well at a standard location for said formations and is off-pattern with respect to the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool.

(5) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(6) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pools, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Wynn Oil Company, is hereby granted an exception to the well location requirements of Rule 2 of the Special Rules and Regulations governing the Blanco-Mesaverde ~~Gas~~ Pool as promulgated by Order No. R-1670, as amended, and is hereby authorized to complete its Largo Federal Well No. 2 at an unorthodox location 1500 feet from the South line and 1100 feet from the East line of Section 13, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

(4) That the location unorthodox location in the Blanco-Mesaverde Pool is necessary to avoid extreme topographic problems of topography.

-3-
CASE NO. 4701
ORDER NO. R-

(2) That the applicant is hereby authorized to complete the subject well as a dual completion (conventional) to produce gas from the Blanco-Mesaverde ~~Gas~~ Pool ^{through 1 1/2 inch tubing} and the Basin-Dakota ~~Gas~~ Pool ^{the casing tubing} through ~~parallel strings of 1 1/2 inch tubing~~ ^{OK}, with separation of zones by a packer set at approximately 6400 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Deliverability Test Period for the Basin-Dakota ~~Gas~~ Pool.

(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 hereinafter designated.