

CASE 4876: Application of GULF
OIL CORP. FOR UNORTHODOX OIL WELL
LOCATION & AMENDMENT OF R-2248.

Cont to
Jan 3

Case Number

4876

Application
Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
January 3, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for an
unorthodox oil well location and amendment
of Order No. R-2248, Lea County, New Mexico.

Case No. 4876

BEFORE: Daniel S. Nutter,
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: Call next Case Number 4876.

2 MR. CARR: Case Number 4876, continued from the
3 December 19, 1972 Examiner Hearing, application of Gulf Oil
4 Corporation for an unorthodox oil well location and amendment
5 of Order No. R-2248, Lea County, New Mexico.

6 CHARLES F. KALTEYER,
7 a witness, having been first duly sworn according to law, upon
8 his oath, testified as follows:

9 MR. DENT: Mr. Examiner, my name is Don Dent. I'm
10 attorney for Gulf Oil Company from Midland. I have with me
11 one witness which has just been sworn, Mr. Kalteyer.

12 DIRECT EXAMINATION

13 BY MR. DENT:

14 Q Mr. Kalteyer, will you please state your name and for
15 whom you are employed and in what capacity?

16 A My name is Charles F. Kalteyer, I'm employed by Gulf Oil
17 Company-US in Midland as District Proration Engineer.
18 Up until November 1 of last year, I was their engineer
19 at Hobbs, New Mexico.

20 MR. NUTTER: Let the record show that we have a
21 Letter of Appearance by Mr. James E. Sperling on behalf of
22 Dent.

23 Q (By Mr. Dent) Mr. Kalteyer, prior to your employment
24 with Gulf in its Hobbs area office, what was your
25 employment and in what capacity?

1 A I started with Gulf in South Louisiana in 1946, and in
2 1948 I was transferred to East Texas to Kilgore and
3 worked in the capacity as a petroleum engineer and then
4 1949 transferred to the Houston office in the Reservoir
5 Department. And in 1961 I was transferred to District
6 Production Engineer in Houston and then in 1970
7 transferred to Hobbs, New Mexico, as an area engineer.

8 Q Have you previously testified before this Commission?

9 A Yes, I have.

10 MR. DENT: Are there any questions regarding his
11 qualifications?

12 MR. NUTTER: No, sir. Please proceed.

13 Q (By Mr. Dent) Mr. Kalteyer, would you briefly state
14 what Gulf is seeking by this application?

15 A Gulf, as the operator of the West Dollarhide Devonian
16 Unit, is requesting authority to drill and complete an
17 infill producing well at an unorthodox location inside.
18 We are also asking for the amendment of Order No. R-2248
19 which authorized the waterflood to produce a procedure
20 whereby administrative approval for infill producers and
21 injectors may be granted.

22 Q Have you prepared as an exhibit a plat which depicts
23 Gulf's West Dollarhide Devonian Unit in Lea County,
24 Texas?

25 A Yes, sir, I have. The West Dollarhide Unit is seen in

1 Exhibit 1 outlined by the jagged line. The unit is
2 located in the extreme southeast, Lea County adjacent to
3 the Texas-New Mexico State Line. Waterflood projects
4 with the same Devonian pay currently are being conducted
5 adjacent to the West Dollarhide Devonian Unit on the
6 Texas side by Cities Service and Union of California.
7 The West Dollarhide Devonian Unit became effective in
8 July of 1962 and the first water was injected in May,
9 1963.

10 Unit contained some 765 acres with nine producers
11 and nine injectors which are converted producers. The
12 Devonian section is divided into an upper and lower zone.
13 The lower zone is the major zone in the unit area.
14 However, this for proration purposes, the Commission has
15 grouped this as a Devonian section.

16 The producing wells are open in both of the zones
17 while injection is confined to the lower zone which is
18 the major porous zone.

19 Q Have you prepared an exhibit which illustrates the
20 production performance of this unit?

21 A Yes, sir. I have. Exhibit Number 2 shows the production
22 performance from 1962 up to 1972. First water was
23 injected May 1, 1963 as previously mentioned. The
24 production rate at that time was approximately 100
25 barrels per day and has now increased to approximately

1 980 barrels of oil per day apparently injecting
2 approximately 2600 barrels of water per day.
3

4 The waterflood response was first noted in the well,
5 by referring back to Exhibit 1, waterflood response was
6 first noted in the Well Number 113 in early 1965. By
7 July, 1965 wells 111 and 113 began showing better oil
8 response accompanied by lower gas-oil ratios. Since
9 that time wells 100, 102, 115 have also shown good
10 response. In general, wells that have good net pay of
11 20 feet or more in a lower zone and are offset by
12 injection wells with similar quality pay have shown good
13 response, while those with low net pay have shown little
14 response, little or no response.

15 Well Number 108 was closed-in June of 1970 and
16 Well Number 116 was closed-in December, 1970 due to lack
17 of response. The cumulative volume of water injected
18 November 1, 1972 is some 9,700,000 barrels with a
19 cumulative recovery of secondary oil of some 1,190,000
20 barrels. We consider the flood to be successful.

21 Q In your opinion, how can the performance of Gulf's
22 West Dollarhide Devonian Unit be improved?

23 A By drilling additional infill producing wells, we can
24 more efficiently drain the reservoir and recover oil
25 which might otherwise be left in the reservoir. We are
also looking into the possibility of drilling additional

1 injection wells to improve flood efficiency.

2 Q By your statements, is it your testimony that the
3 additional infill wells will increase the ultimate
4 recovery from this reservoir?

5 A Yes, sir.

6 Q What response to the flood has been observed in the unit
7 wells Number 102 and 106?

8 A By referring to Exhibit Number 3, we can see that Well
9 Number 102 has improved in production from approximately
10 8 barrels a day in 1963 up to some 380 barrels a day at
11 present.

12 MR. NUTTER: I don't believe I've got an Exhibit
13 Number 3 here. I've got 1, 2, 4, 5.

14 MR. KALTEYER: I'll give you one.

15 A All right. You'll note that for Well Number 102
16 production has increased from approximately 8 barrels a
17 day in 1963 to some 380 barrels a day in 1972. While
18 Well Number 106 has produced at almost consistently at
19 a rate of 4 barrels a day from 1963 up to the present
20 time with the exception of a short period in 1967 and
21 1968 when it got as high as 14 barrels a day.

22 Q What, in your opinion, caused these wells to perform in
23 this manner?

24 A Exhibit 4 shows a microlog section of 102 and 106. Our
25 interpretation is that there are some 56 feet of net pay

1 in the lower section of Well 102, while in Number 6,
2 while in Well 106 we consider that there is only six feet
3 of net pay. This is the observation we have made, that
4 our wells with thicker pay give better response.

5 Q What is Gulf's proposal of this application?

6 A We are proposing to drill Unit Well Number 118, 2540
7 feet from the south line and 1420 feet from the west line
8 of Section 33.

9 Q What is the basis for this proposed location?

10 A We believe that the pay will be thicker as this location
11 will be almost midway between Wells 102 and 106; and we
12 think we can improve the sweep efficiency of the flood and
13 increase the ultimate recovery of the unit by some
14 100,000 barrels of oil.

15 Q Are there other areas under consideration within the unit
16 for additional drilling?

17 A Yes, sir. If you'll note on Exhibit 5, we have indicated
18 the net pay in the upper and lower Devonian zones by
19 each of the wells in the area of interest. If you'll
20 note in well, by Well 108, we have indicated ten feet in
21 the upper zone and zero feet in the lower zone. While in
22 Well Number 113 we have indicated 19 feet in the upper
23 and 24 in the lower. The oil recovery since injection
24 started amounts to some 28,000 barrels in Number 108 and
25 some 394,000 in Well 113.

1 If authority is granted to drill Well Number 118
2 and it proves to be successful, we would be encouraged
3 to drill a well somewhere between Well 108 and 113 in
4 an attempt to improve the recovery of this area.

5 Q Has Gulf received approval from its partners in the
6 West Dollarhide Devonian Unit to drill this proposed well?

7 A Yes, sir. We have received over 91 per cent approval
8 from the working interest owners, which is in an excess
9 of the minimum required by the Unit Operating Agreement.

10 Q In summary, will you again state what Gulf is requesting
11 for this Commission?

12 A Gulf respectfully requests authority to drill West
13 Dollarhide Devonian Unit Well Number 118 to be located
14 2540 feet from the south line and 1420 feet from the
15 west line of Section 33, Township 24 South, Range 38
16 East, Lea County, New Mexico.

17 Gulf is further requesting that Number R-2248 be
18 amended to establish a procedure for administrative
19 approval of additional infill producing and injection
20 wells to be drilled within the unit at unorthodox
21 locations.

22 Q Will the granting of this application be in the interest
23 of conservation and the prevention of waste?

24 A Yes, sir. It will.

25 MR. DENT: Mr. Examiner, at this time I'd like to,

1 excuse me.

2 Q (By Mr. Dent) Mr. Kalteyer, did you prepare these
3 exhibits or were they prepared under your supervision?

4 A Yes.

5 Q That's Gulf Exhibits Number 1 through 5?

6 A Right.

7 MR. DENT: Mr. Examiner, I'd like at this time to
8 offer Exhibits 1 through 5.

9 MR. NUTTER: Gulf Exhibits 1 through 5 will be
10 admitted in evidence. Are there any questions of Mr. Kalteyer?

11 CROSS EXAMINATION

12 BY MR. NUTTER:

13 Q Mr. Kalteyer, a number of these wells have both zones
14 open in them. Now, are they dually completed in the
15 two zones?

16 A No, sir. The producers are open in both zones at the
17 same time.

18 Q How about the injection wells?

19 A And the injection is confined in the lower zones at the
20 present time.

21 Q There is no injection into the upper zone at this time?

22 A No, sir.

23 Q Do you propose that this 118 would be completed in both
24 of the zones?

25 A Yes, sir.

1 Q I see. Now, you have not only requested for approval of
2 this well, but you have asked for administrative
3 procedure for the approval of additional wells in the
4 future; is that correct?

5 A Yes, sir.

6 Q It is customary that in administrative procedures being
7 comprised in these Secondary Recovery Orders that there
8 would be a limitation to where the wells would be drilled.
9 That is not closer than ten feet, to a quarter, quarter-
10 section line nor closer than 330 feet to the outer
11 boundary of your West Dollarhide Unit area. Would such
12 a limitation be satisfactory to Gulf?

13 A Yes, sir. That would be.

14 MR. NUTTER: Are there any further questions of
15 Mr. Kalteyer? He may be excused.

16 Do you have anything further, Mr. Dent?

17 MR. DENT: No, sir.

18 MR. NUTTER: Does anyone have anything they wish to
19 offer in Case Number 4876?

20 MR. CARR: Mr. Examiner, I'd like to read a letter
21 from Union Oil Company of California. It is from Mr. William
22 Petmecky, a regional attorney for Union Oil. It reads, "Union
23 Oil Company of California has no objection to the drilling of
24 the West Dollarhide Devonian Unit Well Number 118 at the
25 unorthodox location requested. Further, Union has no objection

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

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1 to the amendment of Order R-2248, which would provide for
2 administrative approval of the drilling of additional infill
3 wells at unorthodox locations, provided that ample notice
4 and opportunity to object to the drilling of individual wells
5 is made available to offset operators by such amendment.
6 Therefore, Union respectfully requests that any such amendment
7 contain the following provision: 'All operators of the
8 proration or spacing units offsetting the West Dollarhide
9 Devonian Unit shall be notified of the application by certified
10 or registered mail, and the application shall state that such
11 notification has been given. The Secretary-Director may
12 approve the unorthodox location upon receipt of waivers
13 from all offset operators or if no offset operator has
14 entered an objection to the unorthodox location within 30 days
15 after the Secretary-Director has received the application."

16 MR. NUTTER: Thank you, Mr. Carr. Is there anything
17 further to be offered in Case 4876? If not, we will take the
18 case under advisement.
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1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

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

10 Janet Russell
11 COURT REPORTER

12 I N D E X

13 <u>WITNESS</u>	14 <u>PAGE</u>
15 CHARLES F. KALTEYER	
16 Direct Examination by Mr. Dent	3
17 Cross Examination by Mr. Nutter	10

18 E X H I B I T S

19	20 <u>ADMITTED</u>	21 <u>OFFERED</u>
22 Gulf's Exhibits 1 through 5	10	10

23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
25 the Examiner hearing of Case No. 4876
heard by me on Jan 3, 1973
James Examiner
New Mexico Oil Conservation Commission

dearnley, meier & mc cormick reporting service, inc.

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1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

December 19, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation
for an unorthodox oil well location
and amendment of Order No. R-2248,
Lea County, New Mexico.

Case No. 4876

BEFORE: Daniel S. Nutter,
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick reporting service, inc.

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PAGE 2

1 MR. NUTTER: Case 4876: Application of Gulf Oil
2 Corporation for an unorthodox oil well location and
3 amendment of Order Number R-2248, Lea County, New Mexico.

4 Case 4876 will be continued to the Examiner Hearing
5 scheduled for 9:00 A.M., January 3rd, 1973.
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dearnley, meier & mc cormick reporting service, inc.

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1216 FIRST NATIONAL BANK BLDG., EAST, ALBUQUERQUE, NEW MEXICO 87108

PAGE 3

1 STATE OF NEW MEXICO)

2 COUNTY OF BERNALILLO) SS

3
4 I, RICHARD E. MCCORMICK, a Certified Shorthand
5 Reporter, in and for the County of Bernalillo, State of
6 New Mexico, do hereby certify that the foregoing and attached
7 Transcript of Hearing before the New Mexico Oil Conservation
8 Commission was reported by me; and that the same is a true
9 and correct record of the said proceedings to the best of
10 my knowledge, skill and ability.
11

12 *Richard E. McCormick*

13 CERTIFIED SHORTHAND REPORTER

14
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22
23 do hereby certify that the foregoing
24 is a true and correct record of the proceedings in
the Examiner hearing of Case No. 4876
heard by me on 12/19, 1972

25 *James*, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2066 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMJO
MEMBER**

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

January 9, 1973

Mr. Don D. Dent
Gulf Oil Corporation
Post Office Drawer 1150
Midland, Texas 79701

Re: Case No. 4876
Order No. R-4466
Applicant:
Gulf Oil Corporation

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.

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. 4876
Order No. R-4466

APPLICATION OF GULF OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION
AND AMENDMENT OF ORDER NO. R-2248,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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, Gulf Oil Corporation, is the operator of the West Dollarhide-Devonian Waterflood Project in its West Dollarhide-Devonian Unit Area, West Dollarhide-Devonian Pool, Lea County, New Mexico, approved by Commission Order No. R-2248.

(3) That the applicant seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 in said waterflood project area at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

(4) That the proposed unorthodox location is necessary to complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of said Order No. R-2248 to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize expansion of said West Dollarhide-Devonian Waterflood Project to include additional injection wells and producing wells at unorthodox locations as may be necessary to complete an efficient injection and producing pattern.

-2-

Case No. 4876

Order No. R-4466

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the West Dollarhide-Devonian Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said West Dollarhide-Devonian Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the West Dollarhide-Devonian Waterflood Project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to drill its West Dollarhide Devonian Unit Well No. 118 in the West Dollarhide-Devonian Waterflood Project in its West Dollarhide-Devonian Unit Area, West Dollarhide-Devonian Pool, at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That Order (6) of Order No. R-2248 is hereby amended to read in its entirety as follows:

"(6) That the West Dollarhide-Devonian Waterflood Project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the West Dollarhide-Devonian Waterflood Project to include such additional injection wells and producing wells at unorthodox locations as may be necessary to complete an efficient injection and producing pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said West Dollarhide-Devonian Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days."

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

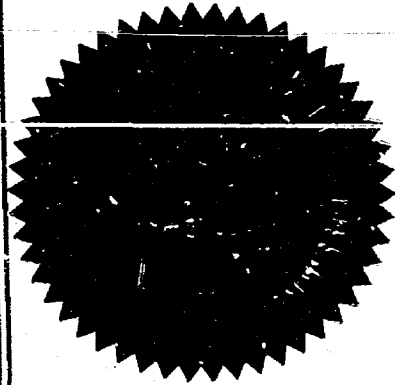
-3-

Case No. 4876

Order No. R-4466

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIZO, Member

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

S E A L

dr/

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.
JAMES A. PARKER
JOHN R. COONEY
KENNETH L. HARRIGAN
PETER J. ADAMS
DALE W. EK
DENNIS J. FALK
ARTHUR D. MELENORES
BRUCE D. BLACK
CHARLES J. NOYA

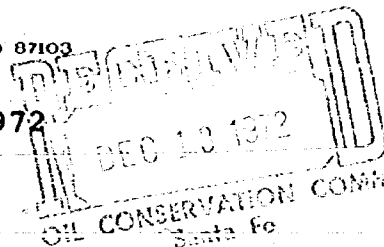
LAW OFFICES OF
MODRALL, SPERLING, ROEHL, HARRIS & SISK

PUBLIC SERVICE BUILDING
P. O. BOX 2168
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)
AUGUSTUS T. REYNOLDS
(1907-1965)

TELEPHONE 243-4311
AREA CODE 505

December 12, 1972



Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Gulf Oil Corporation for
an Unorthodox Oil Well Location and
Amendment to Order R-2248, Lea County,
New Mexico
Case No. 4876

Dear Mr. Porter:

Enclosed herewith, please find Entry of Appearance
on behalf of the Applicant, Gulf Oil Corporation,
in the above-entitled application, which has been
docketed for hearing on December 19, 1972, Docket
No. 29-72.

Very truly yours,

James E. Sperling
James E. Sperling

JES:jv

Enclosure

cc: Mr. Don D. Dent, Esq., w/encl.
Gulf Oil Company
P. O. Drawer 1150
Midland, Texas 79701

DOCKET MAILED

Date *12-20-72*
for Jan. 3rd hearing

DOCKET MAILED

Date *12-13-72*

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR
APPROVAL OF AN UNORTHODOX OIL
WELL LOCATION, WEST DOLLARHIDE-
DEVONIAN POOL, LEA COUNTY, NEW
MEXICO, AND FOR AMENDMENT OF
ORDER NO. R-2248.

Case No. 4876

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris
& Sisk, of Albuquerque, New Mexico, hereby enter their
appearance herein for the Applicant, Gulf Oil Corporation,
with Don D. Dent, Esquire, of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By: 

Attorneys for Gulf Oil Corporation
P. O. Box 2168
Albuquerque, New Mexico 87103

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 3, 1973

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 4723: (Continued from May 17, 1972 and July 12, 1972 Examiner Hearings)

Application of Black River Corporation for pool abolishment, creation of two new gas pools, and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, and the creation of the Washington Ranch-Upper Morrow and Washington Ranch-Lower Morrow Gas Pools for the production of gas from the upper and lower Morrow formations. Applicant further seeks approval of the dual completion (conventional) of its Cities 3 Federal Well No. 1 located in Unit F of Section 3, Township 26 South, Range 24 East, to produce the lower Morrow through tubing and the upper Morrow through the casing-tubing annulus.

CASE 4876: (Continued from the December 19, 1972 Examiner Hearing)

Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.

CASE 4886: Application of Gulf Oil Corporation for two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard 80-acre oil proration units comprising the SW/4 NE/4 and NW/4 SE/4, and the SW/4 SE/4 and SE/4 SW/4, of Section 16, Township 24 South, Range 37 East, Fowler-Upper Yeso Pool, Lea County, New Mexico, to be dedicated to applicant's J. R. Holt (NCT-A) Well No. 4 located in Unit J and proposed Well No. 5, to be located in Unit O, respectively, of said Section 16.

CASE 4482: (Reopened)

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093-A, which order continued the special rules and regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said special pool rules should be further extended.

CASE 4887: Application of GeoElectric, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of gas production from the Aztec-Fruitland and Aztec-Pictured Cliffs Gas Pools in the wellbore of its Ransom Well No. 1 located in Unit I of Section 13, Township 29 North, Range 11 West, San Juan County, New Mexico.

CASE 4888: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its State "BA" Well No. 6 located in Unit D of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4889: Application of Universal Resources Corporation for a non-standard proration unit or in the alternative for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 16, Township 32 North, Range 12 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled approximately 1190 feet from the South line and 1850 feet from the West line of said Section 16, or, in the alternative, applicant seeks an order pooling all mineral interests in the Blanco-Mesaverde Pool underlying the entire S/2 of said Section 16 to be dedicated to the aforesaid proposed well. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4890: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Mobil State Well No. 1 located in Unit II of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4891: Southeastern New Mexico nomenclature case calling for an order for the abolishment, contraction and extension of certain pools in Lea, Chaves, and Eddy Counties, New Mexico.

(a) Abolish the Teague-Grayburg Pool in Lea County, New Mexico, described as:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 20: SE/4
Section 21: SW/4

(b) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

(Case 4891, paragraph (b), continued from page 2)

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 35: S/2 NW/4

(c) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 35: S/2 NW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 10: S/2 NW/4

(d) Extend the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 9: SE/4
Section 10: S/2

(e) Extend the Bell Lake-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 31: SW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: SW/4
Section 24: NW/4

(g) Extend the South Carlsbad-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2
Section 2: All
Section 3: E/2

(h) Extend the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 8: SW/4

Examiner Hearing - Wednesday - January 3, 1973
-4-

Docket No. I-73

(Case 4891 continued from page 3)

(i) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 5: NW/4

(j) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 8: NW/4
Section 32: S/2
Section 33: SW/4

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4
Section 6: NE/4

(k) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 14: SW/4
Section 15: S/2

DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 19, 1972

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for January, 1973.

CASE 4608: (Reopened) (Continued from November 14, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4860: (Continued from the November 29, 1972 Examiner Hearing)

Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4869: (Continued and Readvertised)

Application of Claude C. Kennedy for the amendment of Order No. R-4263, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the Lone Pine Dakota "D" Unit Area, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

CASE 4874: Application of Skelly Oil Company for a dual completion and water injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Skelly Waterflood Unit Well No. 3 located in Unit D of Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Fren-Seven Rivers Pool and the injection of water into the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 4875: Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

CASE 4876: Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.

CASE 4877: Application of Texas Pacific Oil Company, Inc. for two non-standard oil proration units and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F of Section 2 and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4878: Application of Harding Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, Lea County, New Mexico, to be dedicated to a Humble City Field extension well to be drilled at a standard location for said pools; also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4879: Application of Atlantic Richfield Company for gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard proration unit comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; a 320-acre non-standard proration unit comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos. 8 and 9 located in

(Case 4879 continued from page 2)

Units P and G, respectively, of said Section 26, and a 640-acre standard gas proration unit comprising all of Section 15, same township, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

CASE 4880: Application of Jake L. Hamon for the amendment of Order No. R-638-C, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-638-C which established 150 barrels of oil per day as the maximum allowable for the South Knowles-Devonian Pool. Applicant proposes that the regular 80-acre depth bracket allowable be applied to said pool.

CASE 4881: Application of Anadarko Production Company for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two wells at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

Applicant further seeks the adoption of a procedure for administrative approval of additional production and injection wells in its Far West Loco Hills Sand Unit at unorthodox locations.

CASE 4882: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through the following five wells in the Cato-San Andres Pool, Chaves County, New Mexico: Amoco Federal Wells Nos. 4, 6, 7, and 8 in Units G, O, E, and M, respectively, of Section 33 and Hodges Federal B Well No. 4 in Unit M of Section 34, all in Township 8 South, Range 30 East.

CASE 4883: Application of El Paso Natural Gas Company for non-standard gas spacing units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas spacing units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:

A 145.6-acre unit comprising lots 9 and 10 and 15 through 18 of Section 31;

A 153.5-acre unit comprising lots 14 through 17 of Section 30 and lots 7 and 8 of Section 31;

A 156.5-acre unit comprising lots 17 and 18 of Section 19 and lots 6 through 9 of Section 30;

A 152.6-acre unit comprising lots 7 through 10 and 15 and 16 of Section 19.

CASE 4853: (Continued and Readvertised)

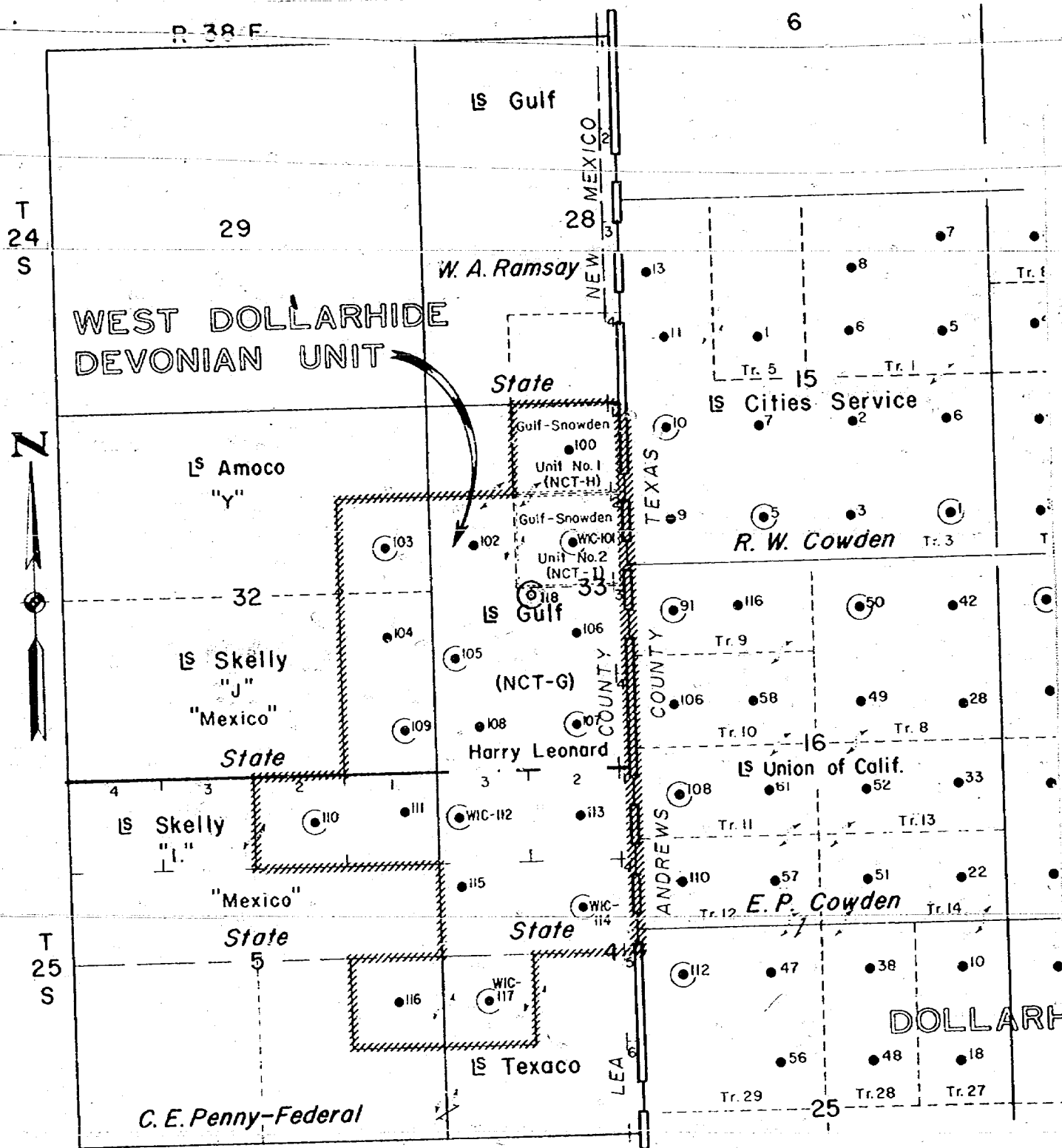
Application of El Paso Natural Gas Company for amendment of gas well testing procedures, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the gas well testing procedures for the San Juan Basin, New Mexico, promulgated by Order No. R-333-F, as amended, to remove the requirement for annual deliverability and shut-in pressure tests for marginal wells.

Applicant further requests the Commission to consider:

1. Other means of avoiding or minimizing the loss of pipeline availability attributable to the period wells in prorated pools are shut in in order to conduct the annually required deliverability and shut-in pressure tests;
2. Exempting wells in non-prorated pools from the annual deliverability and shut-in pressure requirements; and,
3. Exempting all wells in the San Juan Basin from the requirement for annual shut-in pressure tests as provided in the General Rules and Regulations.

CASE 4884: Application of Colorado Plateau Geological Services, Inc., for an extension of Order No. R-4227, McKinley County, New Mexico. Applicant, in the above-styled cause, as managing agent for oil and gas for the Henry Birdseye Estate, seeks a one-year extension to certain provisions of Order No. R-4227 which, as amended by Order No. R-4227-A, required that certain of the Birdseye wells in the Chaco Wash Mesaverde Oil Pool be placed on active production or water injection by December 31, 1972, or be plugged and abandoned. Applicant, or United States Fidelity and Guaranty Company, or any other interested party will be permitted to show cause why the effective date of the aforesaid order should not be enforced.

CASE 4885: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John Lemley and Juanita Franks and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the Lemley and Franks Greathouse Well No. 1, located in Unit F of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Gulf EXHIBIT NO. 1
CASE NO. 4876

WEST DOLLARHIDE DEVONIAN UNIT

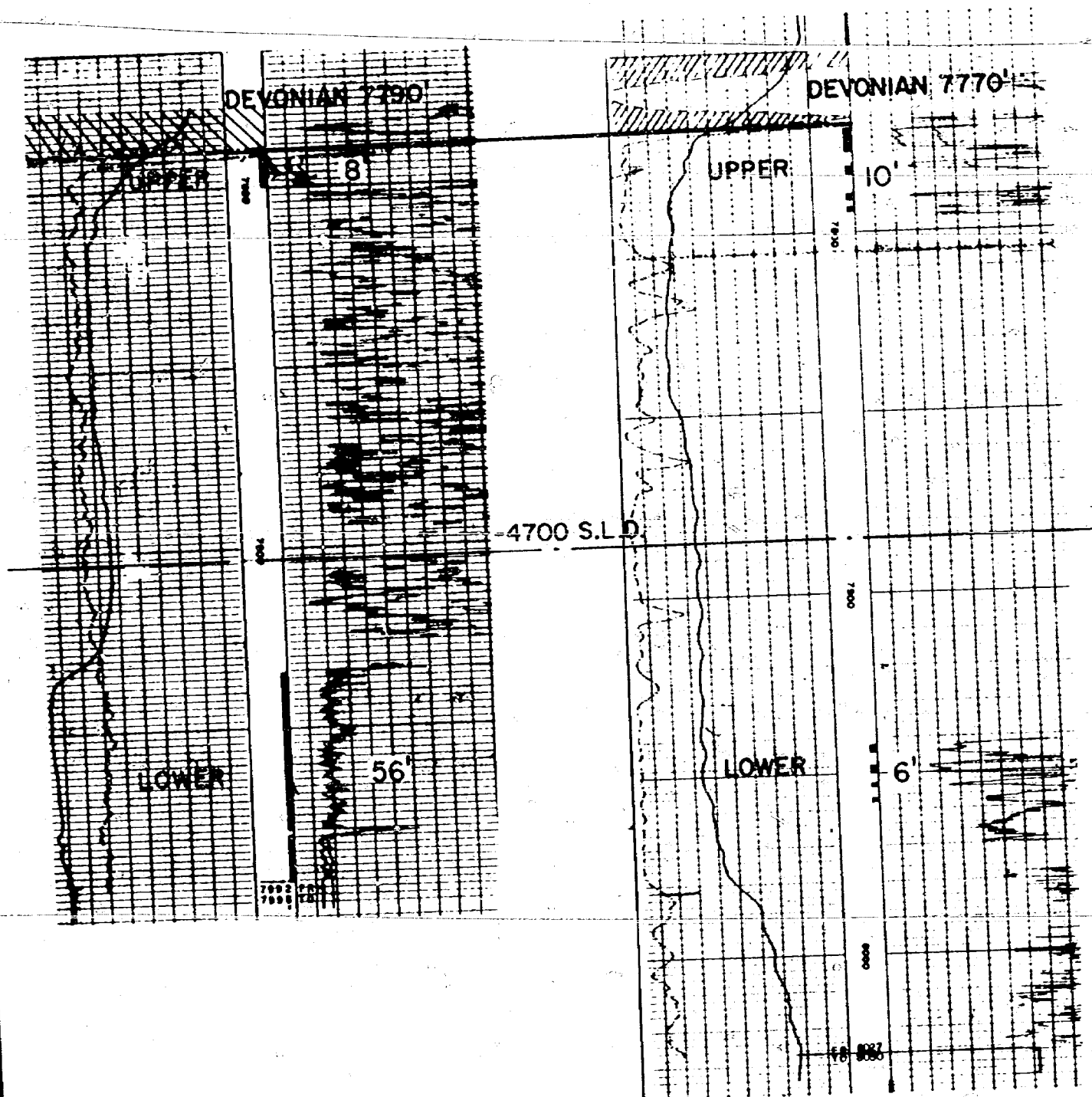
- PRODUCING WELL
- ⊙ PROPOSED WELL NO. 118
- ⊙ INJECTION WELL

SCALE 1" = 2000'

Exhibit No. 1
Case No. 4876
1-3-73

WDDU NO. 102
ELEV. 3203'

WDDU NO. 106
ELEV. 3185'



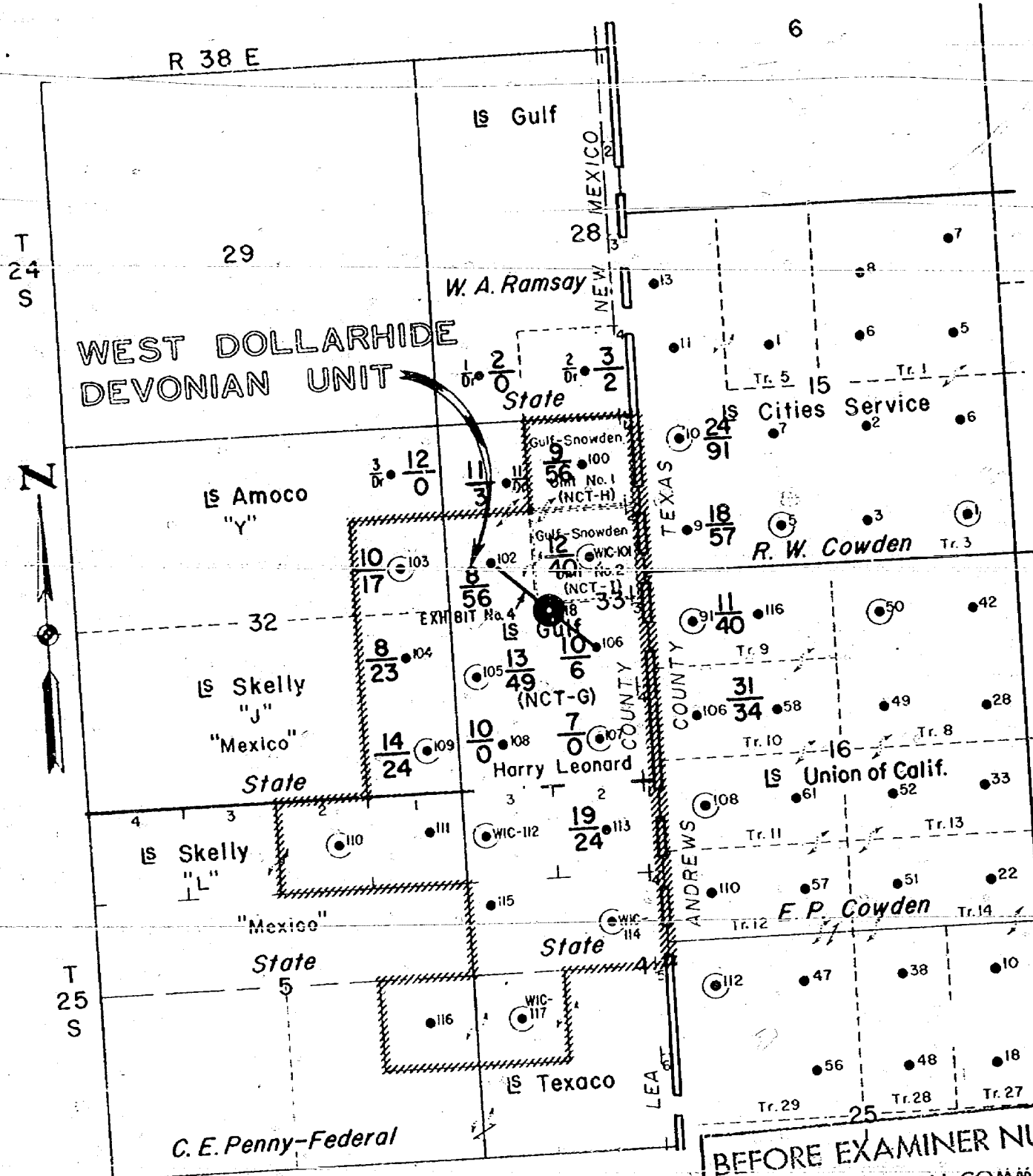
WEST DOLLARHIDE DEVONIAN UNIT
LEA COUNTY, NEW MEXICO

CASE NO. 4876

EXHIBIT NO. 4
MICROLOGS - WELLS NO. 102 & 106

DATE: 1-3-73

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Gulf EXHIBIT NO. 4
CASE NO. 4876



WEST DOLLARHIDE DEVONIAN UNIT
LEA CO., NEW MEXICO

CASE NO. 4876

EXHIBIT NO. 5
NET PAY PLAT - UPPER & LOWER DEVONIAN
MAP SCALE: 1"-2000'

DATE: 1-3-73

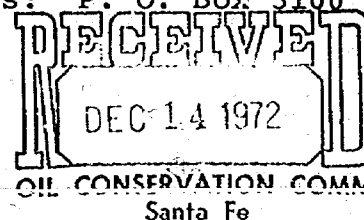
● PERTINENT WELL
○ INJECTION WELL

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Gulf EXHIBIT NO. 5
CASE NO. 4876

Union Oil and Gas Division: Central Region

Union Oil Company of California
300 North Carrizo Street, Midland, Texas 79701
Telephone (915) 684-8231
Mailing Address: P. O. Box 3100

union



W. M. Petmecky
Regional Attorney

*File
Case 4876*
December 13, 1972

Oil Conservation Commission
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter, Jr.

Gentlemen:

Re: Application of Gulf Oil Corporation
for an Unorthodox Oil Well Location
and Amendment to Order R 2248
Lea County, New Mexico
Case ~~4876~~ 4876

Union Oil Company of California, operator of the Dollarhide Unit immediately offsetting the West Dollarhide Devonian Unit, has no objection to the drilling of the West Dollarhide Devonian Unit Well No. 118 at the unorthodox location requested by Gulf in its application dated November 20, 1972.

Further, Union has no objection to an amendment to Order R 2248, which would provide for administrative approval of the drilling of additional infill wells at unorthodox locations, provided that ample notice and opportunity to object to the drilling of individual wells is made available to offset operators by such amendment.

Therefore, Union respectfully requests that any such amendment as may be approved, providing for administrative approval of the drilling of infill wells, contain the following provision:

"All operators of proration or spacing units offsetting the West Dollarhide Devonian Unit shall be notified of the application by certified or registered mail, and the application shall state that such notification has

December 13, 1972
Page 2

been given. The Secretary-Director may approve the unorthodox location upon receipt of waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within thirty (30) days after the Secretary-Director has received the application."

~~Very truly yours,~~

UNION OIL COMPANY OF CALIFORNIA

By Bill Petmecky
Regional Attorney

WMP:bn
cc: Gulf Oil Company-U.S.
Attention J. L. Pike

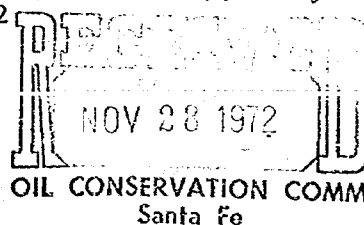
Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

P. O. Drawer 1150
Midland, Texas 79701

W. B. Hopkins
DISTRICT MANAGER
J. A. Hord
DISTRICT EXPLORATION
MANAGER
J. L. Pike
DISTRICT PRODUCTION
MANAGER
M. B. Moseley
DISTRICT SERVICES MANAGER

November 20, 1972



Oil Conservation Commission
P. O. Box 1148
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation
for an Unorthodox Oil Well Location and
Amendment to Order R 2248, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiners Hearing for the approval of the drilling of its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location as an infill well in the West Dollarhide Devonian Pool. This well is to be located 2540' FSL and 1420' FWL, Section 33, T-24S, R-38E, Lea County, New Mexico.

Gulf further seeks to amend Order R-2248 which authorized this water-flood project to establish a procedure for administrative approval of additional infill producing and injection wells to be drilled at unorthodox locations.

In support of this application the following information is offered:

- 1) Gulf Oil Corporation is the Operator of the West Dollarhide Devonian Unit embracing 765 acres, more or less, of Federal and State Lands in Townships 24 and 25 South, Range 28 East, Lea County, New Mexico as shown on the attached plat.
- 2) West Dollarhide Devonian Unit Well No. 106 has never responded to water injection while Well No. 102 has responded very favorably. The drilling of Well No. 118 at the herein proposed location is necessary to more efficiently drain this area of the unit.



A DIVISION OF GULF OIL CORPORATION

DOCKET MAILED

Date 12-6-72

Oil Conservation Commission

- 2 -

November 20, 1972

- 3) The amendment of Order R-2248 is necessary to provide for administrative approval for the drilling of additional infill producing and/or injection wells at unorthodox locations to improve flood efficiency.

Yours very truly,

J. L. Pike
J. L. PIKE T.

CFK:jmc
Attachment

cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

James E. Sperling
P. O. Box 2168
Albuquerque, New Mexico 87100

GULF OIL CORPORATION
WEST DOLLARHIDE DEVONIAN LEASE
TOWNSHIPS 24 AND 25 SOUTH, RANGE 28 EAST
LEA COUNTY, NEW MEXICO

OFFSET OPERATORS

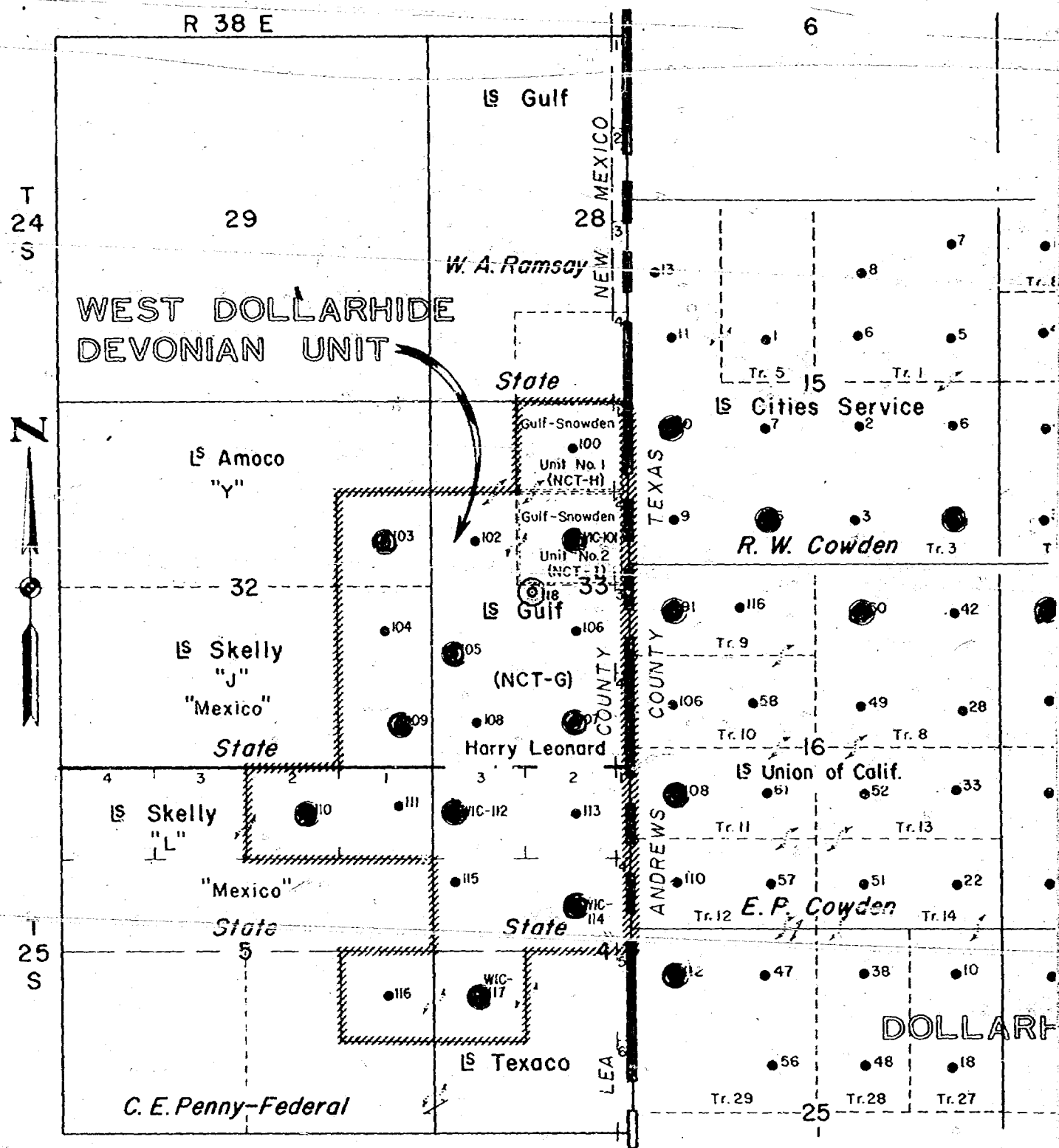
Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

Cities Service Oil Company
P. O. Box 69
Hobbs, New Mexico 88240

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Texaco Inc.
P. O. Box 728
Hobbs, New Mexico 88240

Union Oil Company of California
300 North Carrizo
Midland, Texas 79701



WEST DOLLARHIDE DEVONIAN UNIT

• PRODUCING WELL

⊙ PROPOSED WELL NO. 118

● INJECTION WELL

SCALE 1" = 2000'

Case 4876

DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 4876

Order No. R-4466

APPLICATION OF GULF OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION
AND AMENDMENT OF ORDER NO. R-2248,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of December, 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, Gulf Oil Corporation, is the operator of the West Dollarhide-Devonian Unit Waterflood Project in its West Dollarhide-Devonian Unit Area, West Dollarhide-Devonian Pool, Lea County, New Mexico, approved by Commission Order No. R-2248.

(3) That the applicant seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 in said waterflood project area at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

(4) That the proposed unorthodox location is necessary to complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of said Order No. R-2248 to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize expansion of said West Dollarhide-Devonian ~~Unit~~ Waterflood Project to include additional injection wells and producing wells at unorthodox locations as may be necessary to complete an efficient injection and producing pattern, ~~without the necessity of showing well response~~

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the West Dollarhide-Devonian Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said West Dollarhide-Devonian ~~Waterflood~~ Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the West Dollarhide-Devonian ~~Unit~~ Waterflood Project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations, ~~provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.~~

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to drill its West Dollarhide Devonian Unit Well No. 118 in the ~~West Dollarhide Devonian~~ West Dollarhide Devonian Unit Waterflood Project in its West Dollarhide Devonian Unit Area, West Dollarhide-Devonian Pool, at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That Order (6) of Order No. R-2248 is hereby amended to read in its entirety as follows:

"(6) That the West Dollarhide Devonian Unit Waterflood Project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the West Dollarhide Devonian Unit Waterflood Project to include such additional injection wells and producing wells at unorthodox locations as may be necessary to complete an efficient injection and producing pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said West Dollarhide Devonian Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. "

~~showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection."~~

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

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

CASE 4877: Application of TEXAS
SAFETY FOR 2 NON-STANDARD OIL
UNITS & NON-STANDARD LOCATION.