

CASE NO.

7452

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
6 January 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Superior Oil Company CASE
for an unorthodox well location. 7452
Lea County, New Mexico.

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Conrad E. Coffield, Esq.
HINKLE LAW FIRM
P. O. Box 3580
Midland, Texas 79701

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I N D E X

ROBERT E. WARMBRODT

Direct Examination by Mr. Coffield

Cross Examination by Mr. Nutter

LEONARD L. WEST

Direct Examination by Mr. Coffield

Cross Examination by Mr. Nutter

E X H I B I T S

Applicant Exhibit One, Plat

Applicant Exhibit Two, Structure Map

Applicant Exhibit Three, Log

Applicant Exhibit Four, Isopach

Applicant Exhibit Five, Document

Applicant Exhibit Six, Sketch

Applicant Exhibit Seven, Plat

1
2 MR. NUTTER: Call next Case Number 7452.

3 MR. PEARCE: Application of Superior Oil
4 Company for an unorthodox well location, Lea County, New
5 Mexico.

6 MR. COFFIELD: Conrad Coffield, with the
7 Hinkle Law Firm in Midland, Texas, appearing on behalf of the
8 applicant, and I have two witnesses to be sworn.

9
10 (Witnesses sworn.)

11
12 ROBERT E. WARMBRODT

13 being called as a witness and being duly sworn upon his oath,
14 testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. COFFIELD:

18 Q All right, Mr. Warmbrodt, for the record
19 would you please state your name, address, occupation, and
20 employer?

21 A Robert E. Warmbrodt, Midland, Texas.
22 I'm employed by Superior Oil.

23 Q And in what position are you employed?

24 A I'm an Exploration Supervisor.

25 Q Have you previously testified before

1
2 the Oil Conservation Division as a geologist?

3 A. No.

4 Q For the Examiner's benefit and for the
5 record, would you please give a resume of your educational
6 background and work experience?

7 A I have a Bachelor of Science degree in
8 geology at the University of Missouri, Columbia, 1974.

9 I have a Master of Arts degree in geology,
10 University of Missouri, Columbia, 1975.

11 From 1975 through '78 I was employed as
12 a geophysicist by Exxon USA in Midland in the Delaware Basin
13 of southeast New Mexico and west Texas.

14 From '78 through '80 I was an explora-
15 tionist with Superior Oil in the Delaware and Valverde Basins.

16 From 1980 to the present I've been Divi-
17 sion Exploration Supervisor in west Texas and southeast New
18 Mexico, with both geological and geophysical responsibili-
19 ties.

20 I'm a member of the American Association
21 of Petroleum Geologists and the West Texas Geological Society.

22 Q Are you familiar with Superior's appli-
23 cation in this case?

24 A. Yes.

25 Q And likewise, are you familiar with the

1
2 property involved and the geological features in this pros-
3 pect?

4 A Yes, I am.

5 MR. COFFIELD: Is the witness considered
6 qualified, Mr. Examiner?

7 MR. NUTTER: Yes, he is.

8 Q Mr. Warmbrodt, would you please state
9 what it is that Superior seeks by this application?

10 A We are seeking approval of an unorthodox
11 Atoka gas well location to be drilled 1980 feet from the
12 south line and 2480 feet from the east line of Section 14,
13 Township 23 South, Range 32 East, Lea County. The south
14 half of that Section 14 will be dedicated to the well.

15 Q Mr. Warmbrodt, in order to give the
16 Examiner kind of an overall view of what the situation is
17 here on this particular location, would you very briefly
18 state what factors it is that have caused Superior to seek
19 this particular application?

20 A Yes. The No. 1 Triste Draw Federal
21 Well was drilled 500 feet east of the presently proposed
22 location. It was drilled through the Atoka formation where
23 logs and tests indicated potential production.

24 We encountered mechanical problems
25 during the completion attempt and left the hole jugged with

1
2 respect to the Atoka potential pay.

3 Our proposed location, the No. 2 Triste
4 Draw Federal, 500 feet to the west of the original well, is
5 a twin to the original well, the No. 1 Triste Draw Federal,
6 and it will be drilled in order to attempt a completion in
7 the Atoka.

8 Q Okay, now would you go to Exhibit One
9 and please describe that exhibit and explain what it shows?

10 A Exhibit One is a land plat of the Triste
11 Draw area. It shows the No. 1 Triste Draw Well with the
12 green arrow.

13 It shows the No. 2 Triste Draw proposed
14 location with a red circle and red arrow, and shows that the
15 No. 2 Triste Draw proposed location is 500 feet west of the
16 existing No. 1 Well.

17 This plat also shows Superior's lease-
18 hold position with the yellow borders. Superior controls
19 all possible offsetting proration units except for the south-
20 west diagonal offset, which is the Trigg acreage in Section
21 22, and 40 acres in the west half of Section 13, which is
22 controlled by American Quazar.

23 Our proposed location, shown in red,
24 directly offsets only Superior controlled acreage.

25 Q Okay, would you go to Exhibit Two, please,

1
2 Mr. Warmbrodt, and describe that exhibit, please?

3 A Exhibit Number Two is a structure map
4 on top of the Atoka formation in the Triste Draw area. Our
5 seismic indicates that both the No. 1 Triste Draw Well, shown
6 again with the green arrow, and the No. 2 Triste Draw pro-
7 posed location, shown with the red arrow, to be on the east
8 flank of a north/south trending structural nose.

9 The nose is bounded by a down to the
10 west fault.

11 This map shows that we expect gentle
12 east dip in the area. The two wells shown to the west, one
13 with the blue arrow in the northwest part of the map, and
14 then in the south, directly south of that with the orange
15 arrow, I will discuss when I discuss Exhibit Number Four.

16 Q Okay, let's go to the next exhibit, Ex-
17 hibit Number Three.

18 A Exhibit Number Three is a compensated
19 neutron formation density log over the upper Atoka interval
20 in the No. 1 Triste Draw Well. It shows the tops of the
21 upper and lower Atoka and shows the perforated intervals,
22 which are colored red on this log, in what we call the Upper
23 Atoka No. 4 Sands, those depths between 14,405 feet and 14,470
24 feet.

25 Log calculations on this log and other

1 logs show porosity in these zones ranging from 3 to 7 1/2
2 percent and water saturations from 17 to 48 percent. And
3 there are 28 feet of net possible pay in the Upper Atoka No.
4 4 Sands.
5

6 We attempted to complete this well, the
7 No. 1 well, from these perforations and were encouraged by
8 the test data that we saw. Mechanical problems forced us
9 to abandon the Atoka zone and complete the well from the
10 Wolfcamp. The next witness, Mr. West, will more fully dis-
11 cuss our Atoka completion attempt.

12 Q Just very briefly, then, would you say
13 you're submitting this exhibit to show that -- that it's --
14 it indicated good reservoir quality?

15 A Yes.

16 Q Of the Atoka? Let's go on, then, to
17 Exhibit Four, please, and discuss that.

18 A Exhibit Number Four is an Isopach map
19 of the Atoka -- Upper Atoka No. 4 Sandstone in the Triste
20 Draw area.

21 You should note that the No. 1 Triste
22 Draw Well, shown again with the green arrow, had 28 feet of
23 Upper Atoka No. 4 Sandstones. The No. 4 Sands are productive
24 elsewhere in the area. The Getty, No. 1 Getty Federal 24,
25 shown in the northwest with the blue arrow, had a calculated

absolute open flow of 5.028 million cubic feet per day from 42 feet of net Upper Atoka No. 4 Sand. That well was completed in February of '81.

The, south of that, the Texas American No. 1 Todd 26 Well, shown with the orange arrow, has produced 14.3 billion cubic feet of gas from the Upper Atoka Lime, and No. 4 Sandstone, and there are 32 feet of sandstone present.

While this map demonstrates good reservoir -- or rather, good Upper Atoka potential in the Triste Draw area, we should note that the sparse control in the area of our proposed No. 2 Well, shown again with the red dot and the red arrow, introduces a progressively higher risk with the increasing distance from the No. 1 Well, that the reservoir quality Upper Atoka Sands would not be present, and therefore, our location, as close as possible to the No. 1 Well, should decrease this risk.

Q Mr. Warmbrodt, were these Exhibits One through Four prepared by you or under your supervision?

A. Yes, except for Exhibit Number One.

Q And who prepared Exhibit Number One?

A. Our Division Land Staff.

Q And as far as you know, the data reflected there is accurate?

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2

A Yes, sir.

3

Q To your knowledge?

4

In your opinion will the granting of

5

this application by Superior be in the interest of conserva-

6

tion, prevention of waste, and protection of correlative

7

rights?

8

A Yes.

9

MR. COFFIELD: Mr. Examiner, I move

10

the admission of Exhibits One through Four.

11

MR. NUTTER: Exhibits One through Four

12

will be admitted in evidence.

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MR. COFFIELD: And I have no further

14

questions of Mr. Warmbrodt.

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CROSS EXAMINATION

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BY MR. NUTTER:

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Q Mr. Warmbrodt, who operates this orange

19

well over here to the west?

20

A Texas American.

21

Q And that well, I presume, has been aban-

22

doned now, is that correct?

23

A I believe it has.

24

Q Because you show ultimate recovery --

25

A Yes, sir.

1

2

Q -- equal to --

3

A Yes, sir.

4

Q -- cumulative recovery.

5

A Yes, sir.

6

Q That it made 14 billion cubic feet.

7

A Yes, sir.

8

Q In the Atoka?

9

A Yes, sir.

10

Q And the other well was just completed

11

recently and is still producing --

12

A Yes, sir.

13

Q Okay.

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MR. NUTTER: Are there any further ques-

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tions of the witness? He may be excused.

16

17

LEONARD L. WEST

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being called as a witness and being duly sworn upon his oath,

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testified as follows, to-wit:

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DIRECT EXAMINATION

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BY MR. COFFIELD:

23

Q Mr. West, for the record would you please

24

state your name, address, occupation, and employer?

25

A My name is Leonard L. West. I live in

1
2 Midland, Texas. I work for Superior Oil. I am the Division
3 Exploitation Engineer with them.

4 Q Have you previously testified before the
5 Division as a petroleum engineer?

6 A No, I have not.

7 Q And would you, please, for the record
8 give a brief resume of your educational background and work
9 experience?

10 A Yes. I graduated from the University
11 of Oklahoma in 1971 with a BS in petroleum engineering.

12 I went to work for EXXon Company USA,
13 then Humble Oil and Refining, in August of 1971 in Midland,
14 Texas.

15 I worked in the Midland District for
16 three and a half years as a reservoir engineer, having
17 various field assignments throughout west Texas and north
18 central Texas.

19 I was transferred to the Pensacola
20 District in January of 1975, where I spent one and a half
21 years on the reservoir staff evaluating the Jay Field and
22 various fields in south Alabama.

23 I was then transferred to New Orleans
24 in June of 1976, where I spent one year on the division staff
25 for Exxon in New Orleans, doing special studies, planning,

1
2 and analysis, and development of offshore prospects.

3 In 1977 I was transferred to the Harvey
4 District as a District Reservoir Supervisor. I spent 11
5 months in Harvey.

6 I was then then transferred to Pensacola
7 as a Senior Reservoir Supervisor in the Pensacola District,
8 where I spent two and a half years supervising activities of
9 approximately eight reservoir engineers.

10 I transferred to Houston in March of
11 1981 and spent six months in the headquarters natural gas
12 planning group with Exxon.

13 I joined Superior in September of 1981
14 as the Division Exploitation Engineer in the Midland District.

15 Q Are you familiar with Superior's appli-
16 cation in this case?

17 A Yes, I am.

18 Q And are you also familiar with the pro-
19 perty involved and the engineering aspects of this particular
20 prospect?

21 A Yes, I am.

22 MR. COFFIELD: Is the witness considered
23 qualified, Mr. Examiner?

24 MR. NUTTER: He is.

25 Q Mr. West, would you please go directly

1
2 to what we've marked as Exhibit Five and discuss that exhibit,
3 please, for the Examiner?

4 A Exhibit Five is a summary of the Atoka
5 completion attempt for the Triste Draw Federal No. 1. I
6 have shown the dates of our various activities on the left,
7 the activity involved on the right.

8 From February 24th of 1981 to April 21st
9 of 1981 we perforated the Atoka zone and immediately after
10 perforating the well discovered a casing leak, shallow up
11 the hole, at about 7815, which we repaired.

12 On April 22nd through April 30th we
13 stimulated the Atoka completion with 4000 gallons of acid and
14 tested the well at rates of approximately 525 Mcf per day.
15 At that time we prepared to fracture the well in order to
16 stimulate it.

17 We did frac the well on May 1st and
18 from May 2nd through May 7th we flowed the well to clean it
19 up. The last rate that we got while the well was still
20 cleaning up was 1,085 Mcf per day with a tubing pressure,
21 flowing tubing pressure, of 1600 psi.

22 The well was making some sand, so we
23 shut the well in in order to check for fill. We did find
24 sand fill at 14,417, which indicated the bottom two sets of
25 perforations were covered.

1
2 Coming out of the hole we lost the tools
3 in the hole.

4 From May 8th through June 25th we unsuc-
5 cessfully attempted to clean up the well through tubing.
6 When we were unsuccessful in trying to clean up the well
7 through tubing, we went in and cut the tubing, pulled the
8 tubing out of the hole, and removed the packer.

9 From June 26th through July 15th we
10 attempted to clean out the remainder of the hole. We were
11 unsuccessful in this, finally encountered a tight spot at
12 14,409, which we assumed to be collapsed casing, and shut
13 down our attempt to further complete the Atoka.

14 On July 16th we began operations to
15 plug the Atoka and complete in the Wolfcamp, where the well
16 is currently completed.

17 We spent a total of 139 days in our
18 attempt to complete the Atoka and a total of \$1,155,000, and
19 we feel now the Atoka zone is junked and we do not feel that
20 it is attractive to try to complete in that zone through
21 this wellbore.

22 Q All right, Mr. West, go to what we've
23 marked as Exhibit Six and describe that exhibit and parti-
24 cularly with respect to the matters that you've already
25 discussed in connection with Exhibit Five.

1
2 A Exhibit Six shows the wellbore sketch
3 for the current No. 1 Well. As you can see, we have collapsed
4 casing at 14,409. We have shown the sand fill, fill fill,
5 and junk that we have left in the bottom of the well across
6 the Atoka zone, and shows our current completion at 12,181
7 through 12,183 in the Wolfcamp.

8 Q Okay, let's go on now, then, to Exhibit
9 Seven, and would you please describe that exhibit for the
10 Examiner?

11 A Exhibit Seven is a plat showing the
12 location, surface and bottom hole location, of the Triste
13 Draw Federal No. 1, and the proposed location of our No. 2
14 Well, which is indicated by the red circle and the red arrow.

15 This shows that the current Triste Draw
16 Federal No. 1 has a bottom hole location approximately 215
17 feet to the southwest of the surface location.

18 We have spotted the location of our No.
19 2 Well 500 feet due west of the No. 1. We have drawn a
20 circle around the bottom hole location of the No. 1 Well,
21 because we could only run a gyro down to -- a gyro survey
22 down to 12,000 feet. We have drawn a 50-foot circumference
23 circle around our bottom hole location at 12,000 feet to
24 show where the bottom hole location must be within that area
25 at a depth of 14,600 feet, which is the bottom hole location

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2 proposed for the No. 2 Well.

3 This shows that the bottom -- that the
4 location of the No. 2 Well is 226 feet from the outer bound-
5 ary of this 50-foot radius, which we feel is adequate dis-
6 tance from the No. 1 Well to insure we'll have no problem in
7 intersecting that No. 1 Well.

8 MR. NUTTER: You will have no problem
9 avoiding intersecting it.

10 A Right.

11 MR. NUTTER: You don't want to inter-
12 sect it, do you?

13 A That's right, we'll have no problem
14 with -- well, we will have no problem avoiding intersecting
15 it, correct.

16 I didn't phrase that real well.

17 Q Mr. West, is Superior requesting an
18 early consideration of this particular application?

19 A Yes, we are. We -- due to lease consi-
20 derations, we are moving a rig on location tomorrow, and
21 we'll be prepared to spud the well by Saturday, which is the
22 9th of this month.

23 Q Were these exhibits, Exhibits Five, Six,
24 and Seven, prepared by you or under your supervision?

25 A Yes, they were.

1
2 Q And in your opinion would the granting
3 of this application be in the interest of conservation, the
4 prevention of waste, and the protection of correlative
5 rights?

6 A Yes.

7 MR. COFFIELD: Mr. Examiner, I move
8 the admission of Exhibits Five through Seven.

9 MR. NUTTER: Exhibits Five through
10 Seven will be admitted in evidence.

11 MR. COFFIELD: And I have no other
12 questions of Mr. West on direct examination.

13
14 CROSS EXAMINATION

15 BY MR. NUTTER:

16 Q Mr. West, now you calculate that the
17 bottom of the hole at 12,000 feet is 215 southwest of the
18 surface location on the Triste Draw No. 1.

19 Did you have any particular crooked
20 hole problems with that well or was that just normal drift?

21 A It was normal drift.

22 Q And do you anticipate that the new well
23 would probably normally drift in the same general direction?

24 A Yes, sir. It should drift in a west-
25 wardly direction, due to the westward dip -- dip.

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Q Of the structure.

A Yes, of the structure.

Q So, again, we'd anticipate no problem
in avoiding intersecting in the old hole.

A Yes, sir.

Q How good a well did you finally get in
the Wolfcamp in the No. 1?

A Currently it produces, depending on
when you test it, anywhere from one barrel a day of oil up
to ten barrels a day.

Q It is an oil well, then?

A Yes, sir.

MR. NUTTER: Are there any further ques-
tions of Mr. West? He may be excused.

Do you have anything further, Mr. Coff-
field?

MR. COFFIELD: No, sir, I do not.

MR. NUTTER: Does anyone have anything
they wish to offer in Case Number 7452?

If not we'll take the case under advise-
ment.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is
a complete and correct record of the proceedings in
the case of 7452
heard by me on 1/6 1982.

[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7452
Order No. R-6878

APPLICATION OF SUPERIOR OIL COMPANY
FOR AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 6, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of January, 1982, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Superior Oil Company, seeks approval of an unorthodox gas well location 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, Lea County, New Mexico.

(3) That the S/2 of said Section 14 is to be dedicated to the well.

(4) That it is desired to drill a well at said unorthodox location to enable applicant to avoid interference with a well already drilled and completed in another formation at a standard location on the subject proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 7452
Order No. R-6878

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

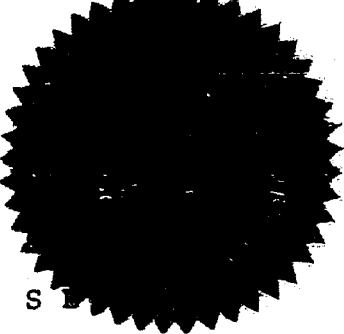
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well to be located at a point 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the S/2 of said Section 14 shall be dedicated to the above-described well.

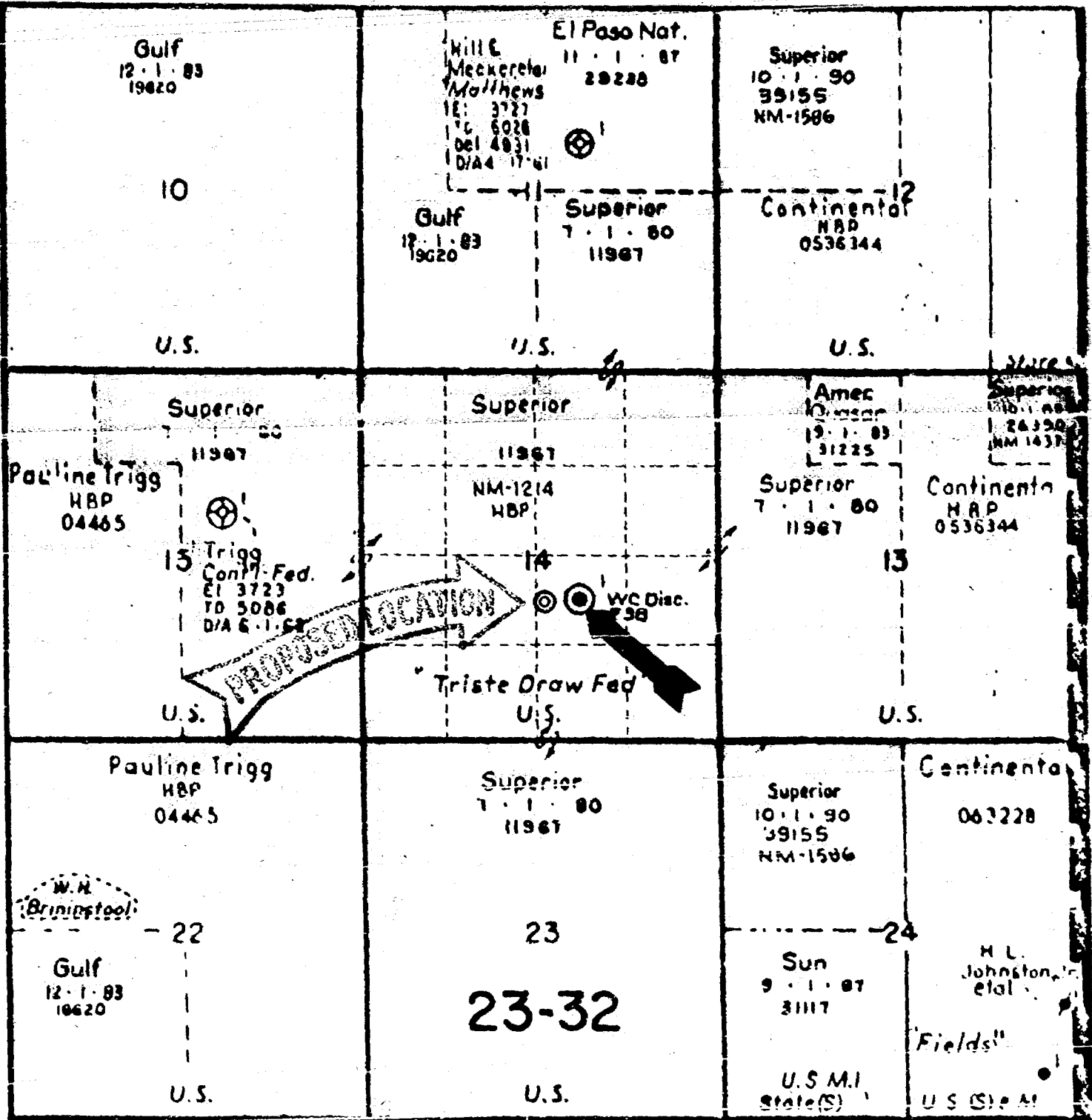
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director



THE SUPERIOR OIL COMPANY
 MIDLAND DIVISION
 Midland, Texas

TRISTE DRAW
 PROSPECT 958
 Lea County, New Mexico
 EXHIBIT No. 1
 12-22-81

Superior
 CASE NO. 7452

Triste Draw Federal #1 *Superior*
Atoka Completion Attempt

5

7452

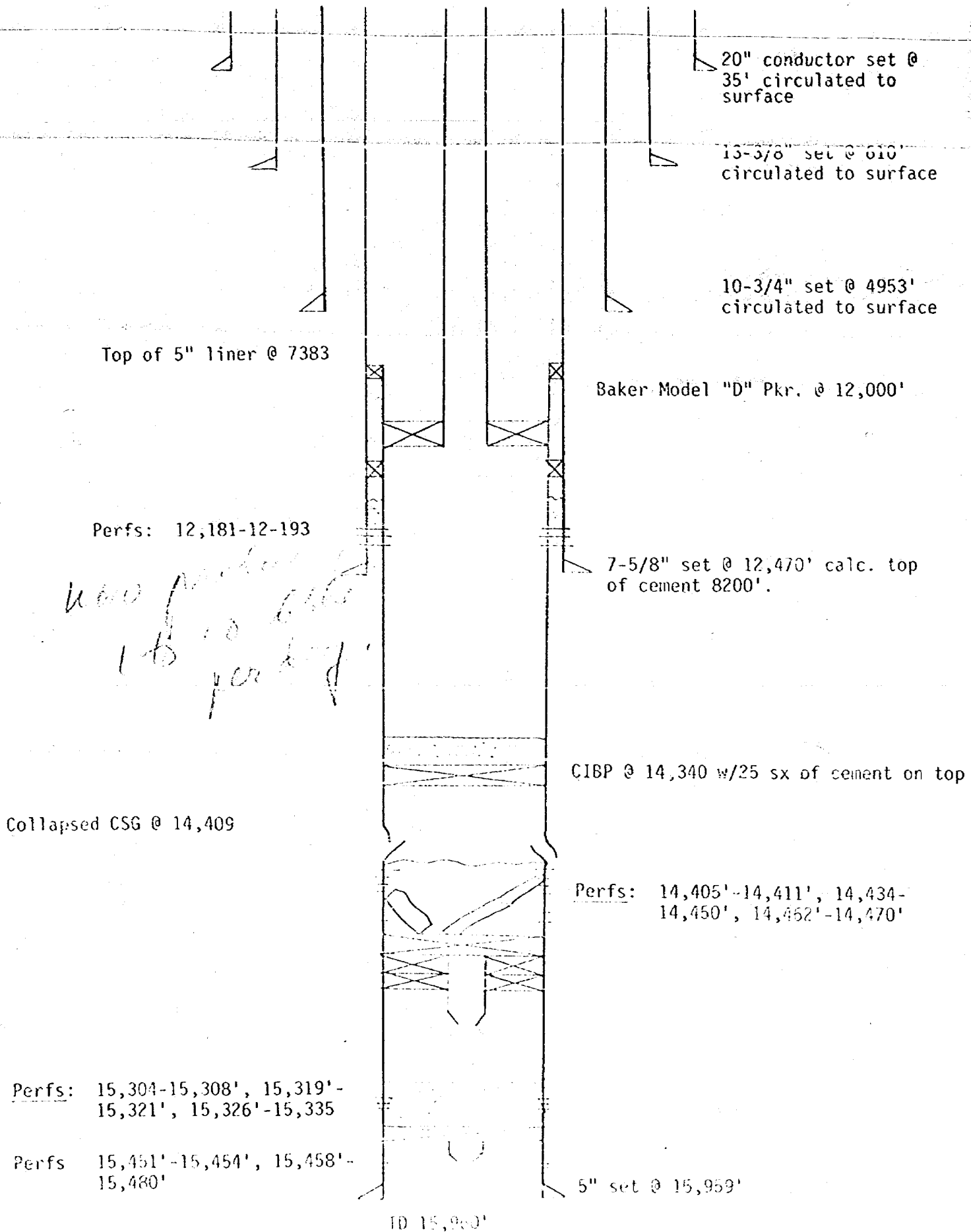
Date	Activity
2/24/81 - 4/21/81	Perforated well at 14,405-11, 14,434-50, 14,462-72 ft. Found and repaired hole in casing at 7,815 ft.
4/22/81 - 4/30/81	Stimulated well with 4,000 gal. of HCL with ball sealers and tested well at rate of 525 MCF/D with a tubing pressure of 170 psi. Prepared to frac well.
5/1/81	Frac well with 9,000 lbs. of 40-60 sand, 24,750 lbs. of 20-40 sand, and 500 lbs. of bauxite.
5/2/81 - 5/7/81	Flowed well to clean it up. Final test rate while still cleaning up was 1,085 MCF/D with a tubing pressure of 1600 psi. Well was making some sand. Ran casing collar log and found sand fill at 14,417 ft. Lost tools in hole.
5/8/81 - 6/25/81	Unsuccessfully attempted to clean out well through tubing. Attempted to unsting out of packer but were unsuccessful. Milled inside the 2-7/8" tubing and recovered cement, mud and sand. Washed out tubing and cut it at 13971. POH with 2-7/8" tubing. Washed over the pkr. and removed the pkr. from the well.
6/26/81 - 7/15/81	Attempted to clean out the remainder of the hole. Milled to approx. 14,435 ft. on 3 occasions. Recovered shale, sand, cement, steel, rubber and lime. Ran casing inspection log from 13,700 ft. to 14,400 ft. Showed good pipe. Milled to 14,412 ft. and found tight spot at 14,409 ft. Went back in the hole and could not get past tight spot at 14,409 ft.
7/16/81	Begin operations to plug Atoka and complete in the Wolfcamp.

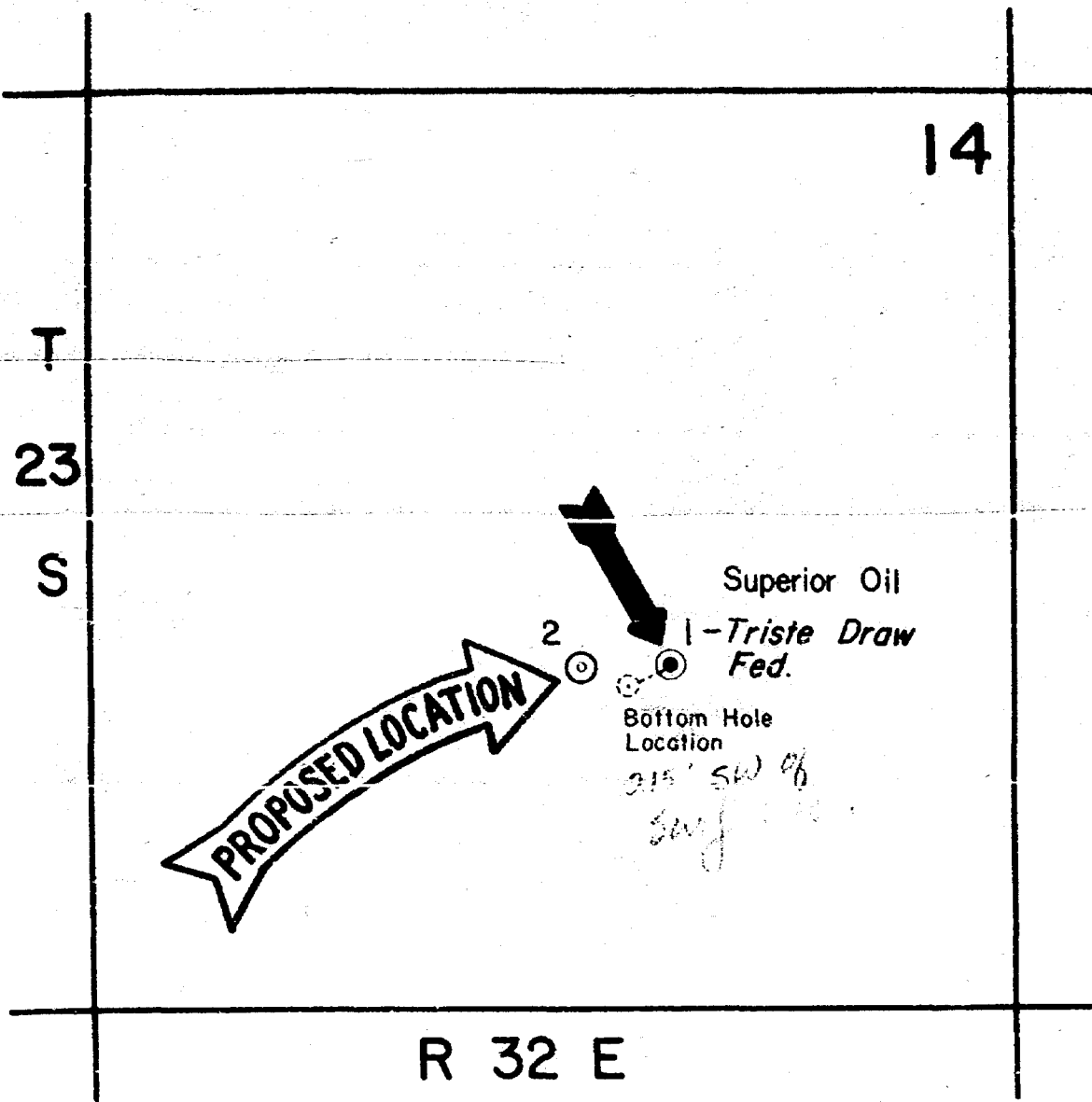
Exhibit 6

TRISTE DRAW FEDERAL #1
WILDCAT FIELD
LEA COUNTY, NEW MEXICO

WILDCAT FIELD
LEA COUNTY, NEW MEXICO
Superior
CAGE NO. 7452
6

Present Mechanical Completion





Superior
CASE NO. 7452

7

THE SUPERIOR OIL COMPANY MIDLAND DIVISION Midland, Texas
TRISTE DRAW PROSPECT 958 Lea County, New Mexico EXHIBIT 7 1-5-82

Dockets Nos. 3-82 and 4-82 are tentatively set for January 20 and February 3, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 6, 1982

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 7410: (Continued from December 16, 1981, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7448: (Continued and Readvertised)

Application of Energy Reserves Group Inc. for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Cisco production comprising the S/2 of Section 12 and the N/2 of Section 13, Township 6 South, Range 33 East; applicant further seeks approval of the unorthodox location of its Miller Com Well No. 1-Y located 660 feet from the South and West lines of said Section 12.

CASE 7451: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 11, Township 6 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7452: Application of Superior Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Penn well to be drilled 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, the S/2 of said Section 14, to be dedicated to the well.

CASE 7453: Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon. Also to be considered will be the cost of re-entering and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entry of said well.

CASE 7454: Application of Uriah Exploration, Inc., for approval of an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1090 feet from the North line and 560 feet from the East line of Section 30, Township 22 South, Range 25 East, Wolfcamp-Pennsylvanian formations, the N/2 of said Section to be dedicated to the well.

CASE 7455: Application of H. L. Bro..., Jr. for compulsory pooling at an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Granite Wash formation underlying the S/2 of Section 11, Township 6 South, Range 33 East, to be dedicated to a well to be drilled at an unorthodox location 1300 feet from the South line and 660 feet from the East line of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7456:** Application of Colonial Production Company for gas well commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the commingling of Ballard-Pictured Cliffs production from its Jicarilla Apache Wells Nos. 9 and 10, located in Units A and C of Section 15, Township 23 North, Range 4 West, prior to metering.
- CASE 7457:** Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.
- CASE 7458:** Application of Marks & Garner Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Bough C formation in the perforated interval from 9596 feet to 9616 feet in its Betenbough Well No. 2, located in Unit M of Section 12, Township 9 South, Range 35 East.
- CASE 7459:** Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-mesa verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.
- CASE 7460:** Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.
- CASE 7461:** Application of Wainoco Oil & Gas Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a well to be drilled at an unorthodox location 660 feet from the South and West lines of Section 18, Township 16 South, Range 37 East, Northeast Lovington Penn Pool, said location being 177.7 feet west of the center of Lot 4 whereas the pool rules specify that well be drilled within 150 feet of the center of the lot. Lots 3 and 4 of said Section 18 would be dedicated to the well.
- CASE 7421:** (Readvertised)
- Application of Doyle Hartman for compulsory pooling, unorthodox well location and non-standard spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying a 120-acre non-standard spacing unit consisting of the S/2 SW/4 and the NW/4 SW/4 of Section 3, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 330 feet from the West line of Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Docket No. 2-82

DOCKET: COMMISSION HEARING - MONDAY - JANUARY 11, 1982
 9 A.M. - OIL CONSERVATION COMMISSION - ROOM 205
 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7393: (DE NOVO)

Application of Uriah Exploration Incorporated for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco, Canyon and Morrow formations underlying the W/2 of Section 13, Township 22 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

COMMISSION HEARING - MONDAY - JANUARY 11, 1982

CASE 7394: (DE NOVO)

Application of Supron Energy Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian well to be drilled 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, the N/2 of said Section 13 to be dedicated to the well.

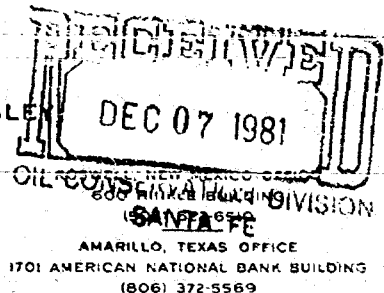
Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

W. E. BONDURANT, JR.
(19:4-1973)

OF COUNSEL

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*NOT LICENSED IN
TEXAS

December 4, 1981

Case 7452

Mr. Dan Nutter
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: The Superior Oil Company
Unorthodox Location,
Lea County, New Mexico

Dear Dan:

I am transmitting herewith, executed in triplicate, an Application for The Superior Oil Company for approval of an unorthodox location in Lea County, New Mexico.

Per my conversation with you this day, this matter has been placed on the docket for January 6, 1982.

If any additional materials or information is required, please advise.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield
Conrad E. Coffield

CEC:rh
Enclosures

xc: The Superior Oil Company
Attention: Mr. Bannantine

DEC 07 1981

OIL CONSERVATION DIVISION
SANTA FE

STATE OF NEW MEXICO

APPLICATION OF THE SUPERIOR
OIL COMPANY FOR AN UNORTHODOX
WELL LOCATION, LEA COUNTY,
NEW MEXICO

APPLICATION


Case 7452

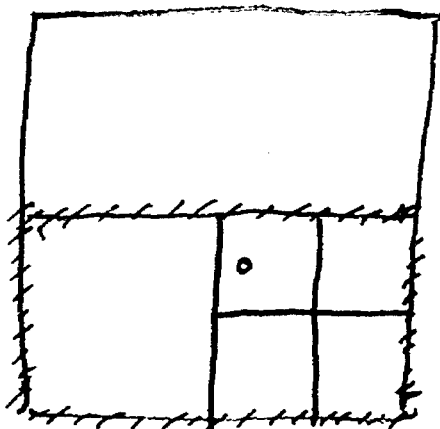
The Superior Oil and Gas Company hereby makes application for approval of an unorthodox gas well location and states:

1. Applicant seeks approval of an unorthodox gas well location for its well to be drilled at a point 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico, to test the Morrow formation.
2. That the S $\frac{1}{4}$ of Section 14 is to be dedicated to the well.
3. As to all tracts offsetting said S $\frac{1}{4}$ Section 14, The Superior Oil Company is the operator and leasehold owner, and accordingly there are no other parties to be notified.
4. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.
5. Applicant requests that this matter be heard at the January 6, 1982 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:


Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for The Superior
Oil Company



2640
2480
160

The Superior Oil Co

unorthodox gas well location Mearns

1980' FSL 2480' FEL

14 - 23 E - 32 E Lea Co.

Dedicate $5/2$ to well

called in by Conrad Coffield 12/4

HEARIE
ORDERS

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

[Handwritten initials]

[Handwritten signature]
[Handwritten initials] M.S.

CASE NO. 7452
Order No. R-6878

APPLICATION OF SUPERIOR OIL COMPANY
FOR AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 6,
1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of January, 1982, the Division
Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Superior Oil Company, seeks approval of an unorthodox gas well location 1980 feet from the South line and 2490 feet from the East line of Section 14, Township 23 South, Range 32 East, NMPM, to test the ~~Wolfcamp~~ ^{and Pennsylvanian} formations, Lea County, New Mexico.

(3) That the S/2 of said Section 14 is to be dedicated to the well.

it is desired to drill a well at
(4) That ~~a well at~~ ^{to} said unorthodox location ~~will better~~ ^{avoid interference with a well already} enable applicant to ~~produce the gas underlying the proration~~ ^{drilled and completed in another formation} ~~unit~~ ^{at a standard location on the subject proration unit}

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the ~~Wolfcamp-Penn~~ ^{and Permian} formations is hereby approved for a well to be located at a point 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the S/2 of said Section 14 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L

CALL 4331 N. D. MILLION FOR COMPUTERS
POOLING, LEA COUNTY, NEW MEXICO

Cont 16 and
realtor for sub 3)

12/28/81 (Pooless)
1/5/82
1/25/82

Toolbox -
Rockwood Resources Inc
C. E. Oberholtzer