

Case Number

6081

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 16, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield ) CASE  
Company for directional drilling, Lea ) 6081  
County, New Mexico. )

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: Clarence E. Hinkle, Esq.  
HINKLE, COX, EATON, COFFIELD &  
HENSLEY  
Attorneys at Law  
P. O. Box 10  
Roswell, New Mexico

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General Court Reporting Service  
825 Calle Meja, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 983-9212

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1 MR. STAMETS: Call next case, Case 6081.

2 MS. TESCHENDORF: Case 6081, application of  
3 Atlantic Richfield Company for directional drilling, Lea  
4 County, New Mexico.

5 MR. HINKLE: Clarence Hinkle, Hinkle, Cox, Eaton,  
6 Coffield & Hensley, appearing on behalf of Atlantic Richfield.  
7 We have one witness we would like to have sworn and eight  
8 exhibits.

9 (THEREUPON, the witness was sworn.)

10  
11 CRIS G. RHODES  
12 was called as a witness by the applicant, and having been  
13 first duly sworn, testified upon his oath as follows, to-wit:

14  
15 DIRECT EXAMINATION

16 BY MR. HINKLE:

17 Q State your name, your residence and by whom you  
18 are employed?

19 A Cris Rhodes. I reside in Midland, Texas, and I  
20 am employed by Atlantic Richfield Company.

21 Q What is your position with Atlantic Richfield?

22 A I am an operations engineer.

23 Q Petroleum Engineer?

24 A Yes, sir.

25 Q Have you previously testified before the Commission?

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1 A Yes, I have.

2 Q And qualified as a Petroleum Engineer?

3 A Yes, sir.

4 Q Have you made a study of the area that is the  
 5 subject of this case?

6 A Yes, sir, I have.

7 MR. HINKLE: Are the qualifications sufficient?

8 MR. STAMETS: They are.

9 Q (Mr. Hinkle continuing.) Have you prepared or has  
 10 there been prepared under your direction certain exhibits  
 11 to be introduced in this case?

12 A Yes, sir.

13 Q And also certain exhibits at your request?

14 A Yes, sir.

15 Q These are the ones that have been marked as Exhibits  
 16 One through Eight?

17 A Yes, sir.

18 Q Are you familiar with the application in this case?

19 A Yes, sir, I am.

20 Q What does Atlantic Richfield seek to accomplish?

21 A Atlantic Richfield Company seeks approval to do  
 22 directional drilling in a northwesterly direction of its  
 23 Lanehart 22 Well No. 1 from a surface location six hundred  
 24 sixty feet from the north and west lines of Section 22,  
 25 Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea

1 County, New Mexico, bottoming said well no closer than  
2 two hundred eighty feet from the north and west lines of said  
3 Section 22.

4 Q Have all offset operators been furnished copies  
5 of the application?

6 A Yes, sir, they have.

7 Q Refer to Exhibit One and explain what this is  
8 and what it shows?

9 A Exhibit One is a Form C-102, Well Location Dedication  
10 Acreage Plat, showing Section 22, 29 South, 37 East, and  
11 the forty acres which we have as the Lanehart 22 lease.

12 In the middle of the forty acres is six-sixty and  
13 it is six-sixty from the north and west lines and is our  
14 surface location with our bottom hole location shown in the  
15 northwest corner of this forty acre lease with that bottom  
16 hole location being three hundred thirty feet from the north  
17 and west lines.

18 Q Refer to Exhibit Two and explain what that shows?

19 A Exhibit Two is a plat of this area showing our  
20 Lanehart 22 lease and the offset leases surrounding it.

21 Again, in this exhibit our surface location is  
22 shown as six-sixty and six-sixty from the north and west  
23 line in the middle of the forty acre lease with our bottom  
24 hole location designated by the bright orange colored dots  
25 three-thirty and three-thirty from the north and west lines.

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1 The offset Langlie-Mattix production is shown  
2 around our lease with the average oil, water and gas production  
3 as of August 1977, along with the cumulative oil production  
4 to 9/1/77.

5 Q Does it also show the ownership of the offset  
6 acreage?

7 A Yes, sir, it does.

8 Q Refer to Exhibit Three and explain what this shows?

9 A Exhibit Three is a plat prepared by John West  
10 Engineering Company and showing the Jal Municipal Airport  
11 in Lea County, New Mexico, or actually showing the end of a  
12 paved runway at the Jal Municipal Airport at the top left  
13 corner of the exhibit.

14 About in the middle of the exhibit you can find the  
15 corner where Sections 15, 16, 21 and 22 meet. The north  
16 line of Section 22 runs right down the middle of State  
17 Highway 128 as shown on this plat.

18 The proposed surface location of our Lanehart 22  
19 No. 1 Well being six-sixty and six-sixty from the north and  
20 west is shown in the top middle of the exhibit.

21 The bottom hole location three-thirty and three-  
22 thirty from the north and west lines as shown by the bright  
23 orange colored dot.

24 The Federal Aviation Administration has certain  
25 guidelines which pertain to obstructions at or near an airport

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1 and according to these rules they have designated a particular  
2 area which has to be clear of obstructions and other areas  
3 going out from there the obstructions are limited by  
4 certain rules.

5 This area, to give you an explanation here, at  
6 the end of the paved runway you have a width of one hundred  
7 and twenty-five feet each side of the center line of that  
8 runway for a total of two hundred and fifty feet wide which  
9 extends down the center line of the runway in what they  
10 call the stripped area for two hundred feet where at that  
11 point it is still two hundred and fifty feet wide.

12 From there this glide-path angles out to a point  
13 twelve hundred feet from the end of the paved runway down  
14 the center line where it is then two hundred twenty-five  
15 feet each side of the center line for a total of four hundred  
16 and fifty feet wide.

17 This angle set up by these four points, then,  
18 continues on out as shown on the exhibit.

19 This area bounded -- starting at the end of the  
20 paved runway encloses this glide-path to a point twelve  
21 hundred feet from the end of the runway and is what they  
22 call a clear area where you are not supposed to have any  
23 obstructions.

24 We feel that the most favorable reservoir  
25 characteristics in the Langlie-Mattix Pool would be

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1 encountered by drilling our well at a location three hundred  
2 and thirty feet from the north and west lines which would  
3 be at a location not requiring any special approval, a  
4 standard type of location.

5 However, this is within this clear area that is  
6 designated by the F.A.A.

7 We thought about drilling over on the other side  
8 of our lease, possibly, but due to the reservoir characteristics  
9 we felt like we wouldn't stand near as good a chance of  
10 making a commercially producible well and if we did we don't  
11 feel like we would get near the recovery.

12 We feel like to properly recover the reserves under  
13 our lease we need to drill it in the northwest corner. The  
14 location being in that clear area where we would like to  
15 drill it but we are not allowed to do so there.

16 So, we thought about it and decided the best place  
17 would be to set the drilling rig somewhere outside of  
18 this clear area and drill directionally to bottom the well  
19 three-thirty and three-thirty from the north and west lines.

20 In our application we asked that or said that we  
21 would be no closer than two-eighty to the north and west  
22 lines giving it some leeway in case we didn't hit it exactly,  
23 three-thirty and three-thirty, the target.

24 The directional drilling company that is going to  
25 do the directional work for us has indicated that they think

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1 that they can hit this three-thirty and three-thirty point  
2 very close.

3 The other rules pertaining to those -- those other  
4 F.A.A. rules pertaining to the obstructions are two main  
5 ones.

6 You can have certain obstructions outside of this  
7 clear area if limited to certain heights.

8 The first one I would like to talk about is where  
9 they allow you one foot of vertical obstruction for every  
10 twenty feet of horizontal displacement. This is starting  
11 at a point two hundred feet from the end of the runway or  
12 where the glide-path starts angling out.

13 So, for a one thousand feet past this point, which  
14 is twelve hundred feet from the end of the runway, that would  
15 allow you at that point fifty feet of obstruction. You  
16 would be at that point where you can't have any obstruction  
17 to the right of that hashed mark -- you would be allowed  
18 fifty feet and one more foot for every twenty feet you go  
19 down the center line of the runway.

20 So, our location is about one hundred and ninety-  
21 five feet past this point here or that would be -- that would  
22 be eleven hundred and ninety-five feet from this point two  
23 hundred feet down to where the glide-path starts angling  
24 out which would allow us at that point sixty feet of vertical  
25 obstruction.

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1 Now, the other rule I might point out that a  
2 surveyor has indicated his profile at one to twenty feet  
3 down at the bottom of this plat and also showing the ground  
4 level.

5 Okay. There is another rule that pertains, also,  
6 it is another ratio. This is one foot of vertical obstruction  
7 for every seven feet horizontally.

8 This rule takes place as you go perpendicular out  
9 from the center line of this runway. It starts taking  
10 place at the edge of this glide-path, so, kind of a 3-D  
11 little view would be as you -- this glide-path is kind of an  
12 inclined plane and then out from it you go up this way. So,  
13 if you are looking down towards the end of the runway it's  
14 like a trough.

15 Q At an angle instead of vertical?

16 A Yes, sir, that's correct. And at this point of  
17 our surface location is approximately one hundred and fifty-  
18 five feet from the edge of that glide-path which at one  
19 foot of vertical obstruction for every twenty-two feet --  
20 excuse me, one foot of vertical obstruction for every seven  
21 feet horizontally from the center line of the runway. That  
22 would allow us twenty-two feet more of obstruction.

23 The airport elevation according to the surveyor  
24 is three thousand ninety-one feet above sea level and adding  
25 the sixty feet to this and the twenty-two feet that would

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1 give us the top of the obstruction limit as three thousand  
2 one hundred seventy-three feet above sea level.

3 The elevation for the top of the derrick would  
4 be thirty-one hundred and eighty-seven above sea level which  
5 is fourteen feet higher than the obstruction limit.

6 We have applied to the Federal Aviation Administration  
7 Branch of the Department of Transportation telling them of  
8 what we had planned to do and laying it all out for them  
9 and they have approved this.

10 They have said that this does exceed the limit.  
11 However, they have decided that this is not a hazard to air  
12 traffic and they have approved this.

13 We told them that we were going to try to start  
14 the well sometime about the first part of December and in  
15 our paperwork we sent them telling them of the obstruction  
16 is classified, I think, as a one-month-long obstruction and  
17 we don't think that we will be there over two weeks unless  
18 we encounter some problems that aren't anticipated.

19 Q Now, refer to Exhibit Four and explain what this  
20 is?

21 A Exhibit Number Four is a copy of the letter we  
22 received from the Federal Aviation Administration Branch of  
23 the Department of Transportation approving this proposed  
24 temporary drilling rig to be erected near the Jal Airport.

25 It states that it was found that the proposed

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1 construction would exceed F.A.A. obstruction standards but  
2 would not be a hazard to air navigation.

3 We do have to meet the following conditions as  
4 far as obstruction warning and lighting and proper notice,  
5 also, to be given prior to placing the rig on location.

6 Q Now, refer to Exhibit Five and explain what that  
7 is?

8 A Exhibit Number Five is a plat prepared by the  
9 Directional Investment Guidance, who we plan to use to do  
10 our directional work for us.

11 In the bottom right-hand corner our surface location  
12 is indicated six hundred sixty feet from the north line and  
13 six-sixty feet from the west line of Section 22, with a  
14 bottom hole location to the northwest three hundred thirty  
15 feet from the north line and three-thirty from the west  
16 line also in Section 22, with a fifty foot radius drawn  
17 around it.

18 This is, again, showing an indication that we will  
19 not be any closer than two hundred eighty feet from the  
20 north and west lines.

21 If we were to get back to the southeast towards the  
22 surface location more than fifty feet we would just leave  
23 it there.

24 However, if something happened where the well bore  
25 got out of control to the northwest we would, then, do

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1 something to get it back within the prescribed limits.

2 On the left side of the exhibit it shows how we  
3 plan to deviate the well. We plan to kick it off at  
4 fourteen hundred feet and drill directionally through the  
5 three-thirty, three-thirty from the north and west lines  
6 location which would give the true vertical depth of thirty-  
7 six hundred feet in a measured depth of thirty-six hundred  
8 fifty-five feet, the displacement being four hundred sixty-  
9 seven feet to the northwest.

10 Q Now, refer to Exhibit Number Six and explain what  
11 that shows?

12 A Exhibit Number Six is a copy of a waiver signed  
13 by Gulf Oil Corporation showing that they do not have any  
14 objections to the proposed directional drilling.

15 Q Also refer to Seven and Eight --

16 A Exhibits Seven and Eight are copies of the same  
17 waiver and Number Seven being signed by Mobil Oil Corporation  
18 indicating that they have no objections to the proposed  
19 directional drilling and Number Eight being signed by  
20 Burleson & Huff indicating that they also have no objection  
21 to the proposed directional drilling.

22 Q These are all of the offset operators are they  
23 not?

24 A These are all of the offset operators of wells  
25 producing from the Langlie-Mattix Pool.

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1 Q Is there any emergency with regard to the time for  
2 approval of this application?

3 A Our drilling department has informed us that they  
4 have a rig coming available on or about December 5th and  
5 we have told the Federal Aviation Administration that we would  
6 be having this obstruction in the area during the -- starting  
7 the first part of December.

8 So, we are hoping that we can have it approved by  
9 the first part of December so that we can go ahead and get  
10 our drilling rig when the drilling department has made  
11 plans.

12 Q Are you familiar with the rules of the Commission  
13 with regard to directional drilling?

14 A Yes, I am.

15 Q And you understand that there has to be a well  
16 survey at the completion of the well?

17 A Yes, sir.

18 Q A directional well survey?

19 A Yes, sir.

20 Q And you intend to carry that out?

21 A Yes, sir, we do.

22 MR. HINKLE: We would like to offer Exhibits One  
23 through Eight.

24 MR. STAMETS: These exhibits will be admitted.

25 MR. HINKLE: That's all we have on direct.

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1 MR. STAMETS: Any questions of the witness? He  
2 may be excused. Anything further in this case?

3 MR. HINKLE: That's all.

4 MR. STAMETS: The case will be taken under  
5 advisement.

6 (THEREUPON, the witness was excused and  
7 the case was concluded.)

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25



REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

*Sidney F. Morrish*  
Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6081  
heard by me on 4-10-68, 1968  
*Richard L. Blum* Examiner  
New Mexico Oil Conservation Commission



**REPORT  
of  
SUB-SURFACE  
DIRECTIONAL  
SURVEY**

THE ATLANTIC RICHFIELD COMPANY  
COMPANY

LANEHART "22" #1  
WELL NAME

LEA COUNTY, NEW MEXICO  
LOCATION

JOB NUMBER  
WT178-G01141

TYPE OF SURVEY  
Gyroscopic Multi-Shot

DATE  
1/23/78

**SURVEY BY** James Blackledge

**OFFICE** West Texas Division

ATLANTIC RICHFIELD COMPANY  
LANEHART 22 #1  
LEA COUNTY, NEW MEXICO  
GYROSCOPIC SURVEY  
WT 178-G 01141  
SURVEYOR-JAMES BLACKLEDGE  
EASTMAN-WHIPSTOCK  
JANUARY 24, 1978

RECORD OF SURVEY

RADIUS OF CURVATURE METHOD

MEASURED DEPTH FEET	DRIFT ANGLE D M	DRIFT DIRECTION D	TRUE VERTICAL DEPTH FEET	R E C T A N G U L A R C O O R D I N A T E S FEET		DOG LEG SEVERITY DEG/100FT
0.	0 0	0	0.00	0.00	0.00	0.0
100.	0 15	S 4 E	100.00	.22 S	.02 E	.3
200.	0 0	0	200.00	.44 S	.03 E	.3
300.	0 30	S 30 E	300.00	.81 S	.25 E	.5
400.	0 45	S 54 E	399.99	1.62 S	.97 E	.4
500.	0 30	S 42 E	499.99	2.35 S	1.78 E	.3
600.	0 30	S 27 E	599.98	3.06 S	2.28 E	.1
700.	1 0	S 23 E	699.97	4.25 S	2.83 E	.5
800.	1 30	S 7 W	799.95	6.39 S	3.13 E	.8
900.	1 15	S 13 W	899.92	8.75 S	2.71 E	.3
1000.	1 15	S 27 W	999.90	10.79 S	1.97 E	.3
1100.	1 0	S 25 W	1099.88	12.56 S	1.11 E	.3
1200.	0 45	S 20 W	1199.87	13.97 S	.52 E	.3
1300.	0 30	S 29 E	1299.86	15.02 S	.61 E	.6
1400.	0 30	N 29 W	1399.86	14.75 S	1.09 E	1.0
1500.	5 0	N 58 W	1499.71	11.31 S	2.17 W	4.6
1600.	9 45	N 69 W	1598.86	5.49 S	13.59 W	4.9
1700.	12 15	N 58 W	1697.01	3.16 N	30.57 W	3.1
1800.	13 0	N 59 W	1794.60	14.58 N	49.21 W	.8
1900.	13 0	N 58 W	1892.03	26.33 N	68.39 W	.2
2000.	13 0	N 57 W	1989.47	38.42 N	87.36 W	.2
2100.	12 30	N 56 W	2087.00	50.60 N	105.76 W	.5
2200.	12 15	N 55 W	2184.68	62.74 N	123.43 W	.3
2300.	12 0	N 53 W	2282.45	75.06 N	140.42 W	.5
2400.	11 15	N 50 W	2380.40	87.63 N	156.19 W	1.0
2500.	11 45	N 50 W	2478.39	100.44 N	171.46 W	.5
2600.	12 30	N 49 W	2576.16	114.08 N	187.43 W	.8
2700.	13 45	N 48 W	2673.54	129.13 N	204.44 W	1.3
2800.	14 0	N 47 W	2770.63	145.33 N	222.12 W	.3
2900.	12 0	N 37 W	2868.06	162.02 N	237.15 W	3.0

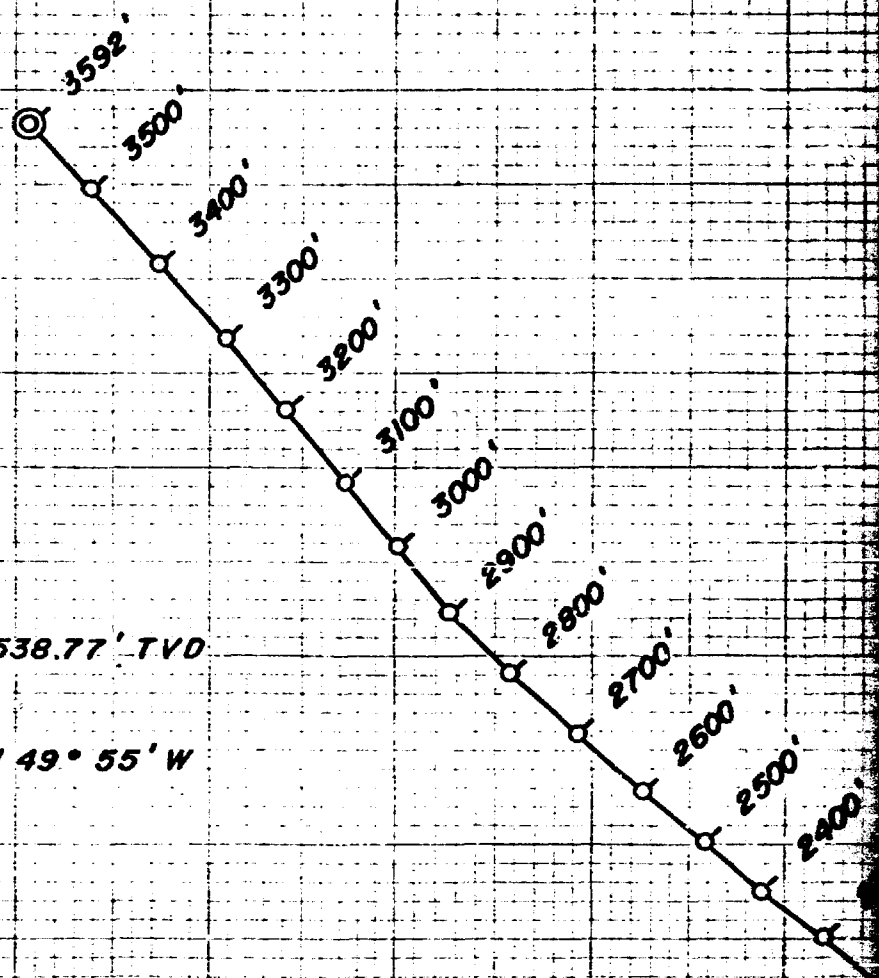
MEASURED DEPTH FEET	DRIFT ANGLE D M	DRIFT DIRECTION D	TRUE VERTICAL DEPTH FEET	RECTANGULAR COORDINATES FEET	DOG LEG SEVERITY DEG/100FT
3000.	12 15	N 37 W	2965.83	178.80 N 249.79 W	.3
3100.	14 0	N 39 W	3063.21	196.69 N 263.77 W	1.8
3200.	14 15	N 40 W	3160.19	215.52 N 279.29 W	.3
3300.	15 15	N 42 W	3256.89	234.74 N 295.99 W	1.1
3400.	15 15	N 42 W	3353.37	254.28 N 313.59 W	0.0
3500.	15 0	N 41 W	3449.90	273.82 N 330.88 W	.4
3592.	15 0	N 42 W	3538.77	291.66 N 346.66 W	.3

FINAL CLOSURE - DIRECTION: N 49 DEGS 55 MINS 29 SECS W  
DISTANCE: 453.03 FEET

10 X 10 675 INCH  
NO. 3400H-10 DISTONEN DISCHN LARREN

MADE IN U.S.A.  
FURMAN DISTONEN CO.

DEPTH 3592.00' MD 3538.77' TVD  
NORTH 291.66'  
WEST 346.66'  
CLOSURE 453.03' N 49° 55' W



22-25-31

WI 50' of 330 N2W

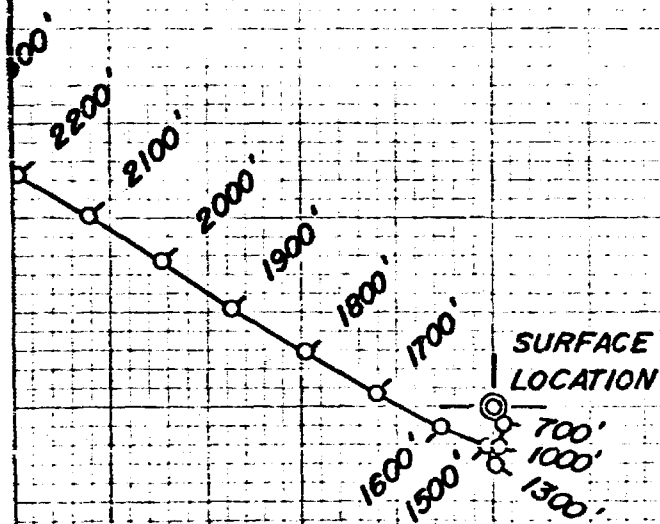
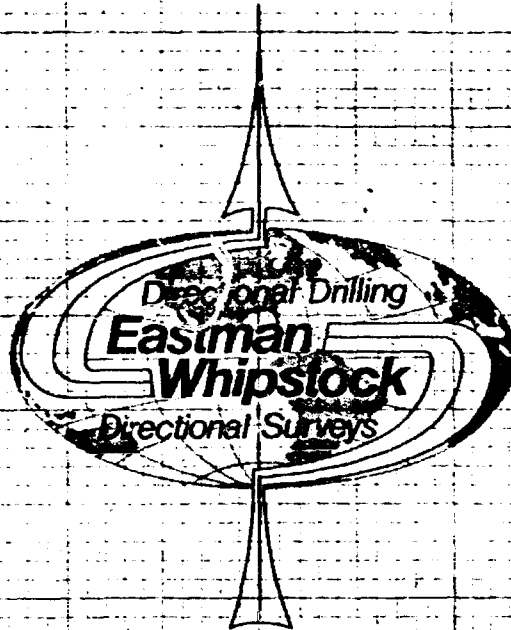
# ATLANTIC RICHEFIELD COMPANY

LANEHART 22 WELL NO. 1

LEA COUNTY, NEW MEXICO

JANUARY 23, 1978

1" = 50'



660' N2  
W



P. O. Box 5577/Midland, Texas 79701/(915) 563-0511  
TWX 910-881-5066/Cable: EASTCO

# SURVEY CERTIFICATION SHEET

STATE OF TEXAS  
COUNTY OF MIDLAND

I, James Blackledge, in the employ of Eastman Whipstock, Inc., did on the days of January 23, 1978 thru January 23, 1978 conduct or supervise the taking of a Gyroscopic survey by the method of magnetic orientation from a depth of 0 feet to 3592 feet, with recordings of inclination and direction being obtained at approximate intervals of random feet.

This survey was conducted at the request of The Atlantic Richfield Company for their Lanehart "22" #1, Lea County, State of New Mexico, in the field.

The data for this survey and the calculations were obtained and performed by me according to standards and procedures as set forth by Eastman Whipstock, Inc. and is true and correct to the best of my knowledge.

James Blackledge  
Directional Supervisor/Surveyor

The data for this survey has been examined by me and conforms to principles and procedures set forth by Eastman Whipstock, Inc.

Ray Hauer

Before me, the undersigned authority, on this day personally appeared James Blackledge, known to me to be the person whose name is subscribed to this instrument, who after being by me duly sworn on oath, states that he has knowledge of all the facts stated above and that this instrument is a true statement of facts therein recited.

Subscribed and sworn to before me on this 24th day of January, 1978.

Wanda J. Howell  
Notary Public in and for the County of  
Midland, Texas  
My commission expires 10/31/78

Directional Drillers/Sub-Surface Surveyors/Instrument & Tool Rentals/Sales/Worldwide





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. 6081  
Order No. R-5580

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR DIRECTIONAL DRILLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 16, 1977,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of November, 1977, 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, Atlantic Richfield Company, seeks  
approval for the directional drilling of its Lanehart 22 Well No.  
1 from a surface location 660 feet from the North and West lines  
of Section 22, Township 25 South, Range 37 East, to a bottom hole  
location within 50 feet of a point 330 feet from the North and  
West lines of said Section 22, Langlie-Mattix Pool, Lea County,  
New Mexico.
- (3) That the applicant seeks authority to directionally  
drill said well to permit the surface location to be more distant  
from the glide path to a runway at the Jal Municipal Airport.
- (4) That the applicant should be required to determine the  
subsurface location of the bottom of the hole by means of a  
continuous multi-shot directional survey conducted subsequent to  
said directional drilling, if said well is to be completed as a  
producing well.

-2-

Case No. 6081  
Order No. R-5580

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to directionally drill its Lanehart 22 Well No. 1 from a surface location 560 feet from the North and West lines of Section 22, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to a bottom hole location within 50 feet of a point 330 feet from the North and West lines of said Section 22.

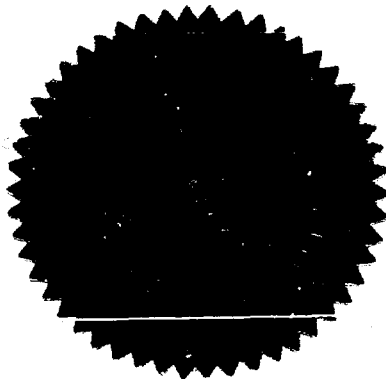
PROVIDED HOWEVER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the surface with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Commission Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(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.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

jr/

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>Lanehart 22</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>22</b>	Township <b>25 South</b>	Range <b>37 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>north</b> line and <b>660</b> feet from the <b>west</b> line (surface)					
Ground Level Elev. <b>3079.1</b>	Producing Formation <b>Seven Rivers &amp; Queen</b>		Pool <b>Langlie Mattix</b>	Dedicated Acreage <b>40</b> Acres	

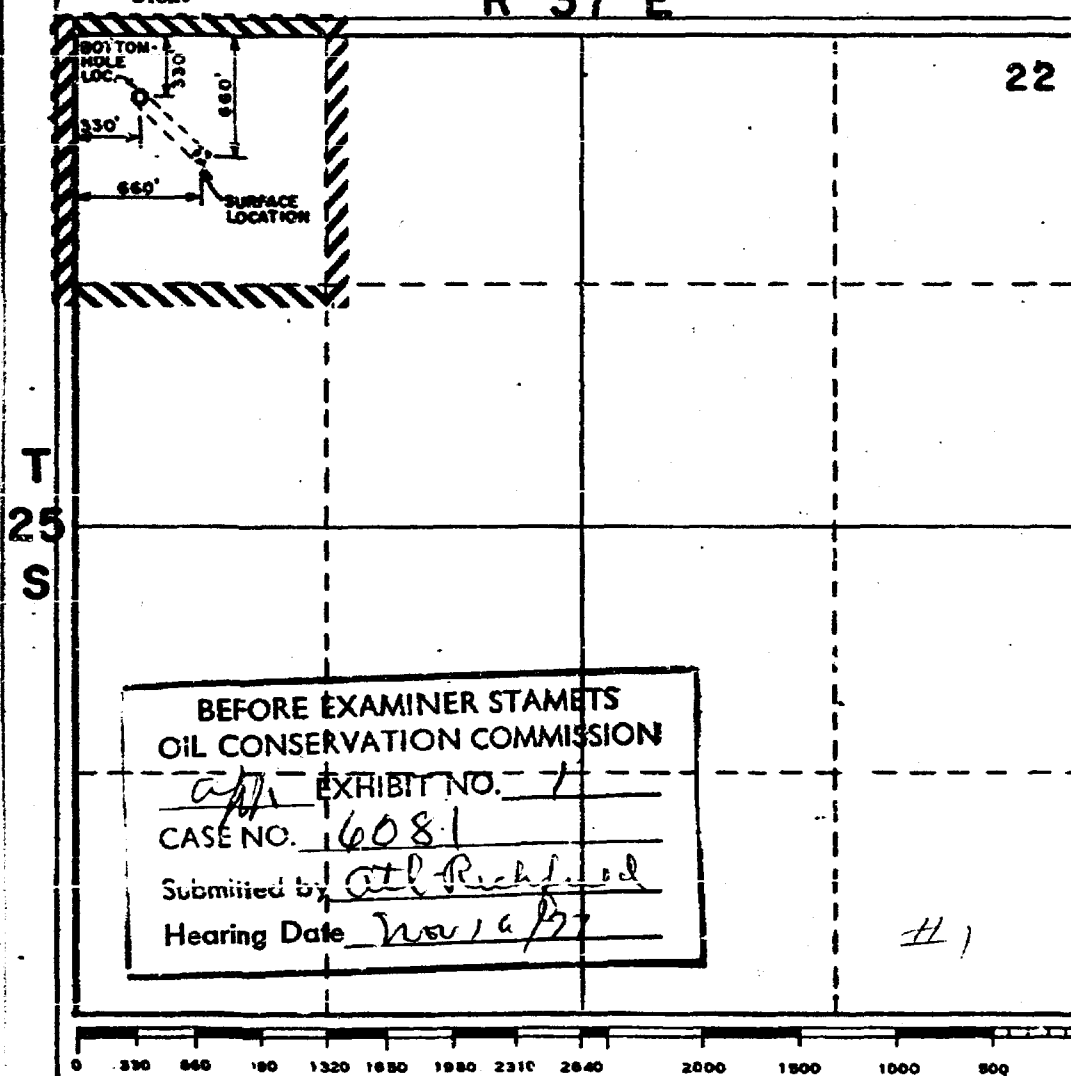
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**R 37 E**



CERTIFICATION

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

*Cris G. Rhodes*

Name

**Cris G. Rhodes**

Position

**Operations Engineer**

Company

**Atlantic Richfield Co.**

Date

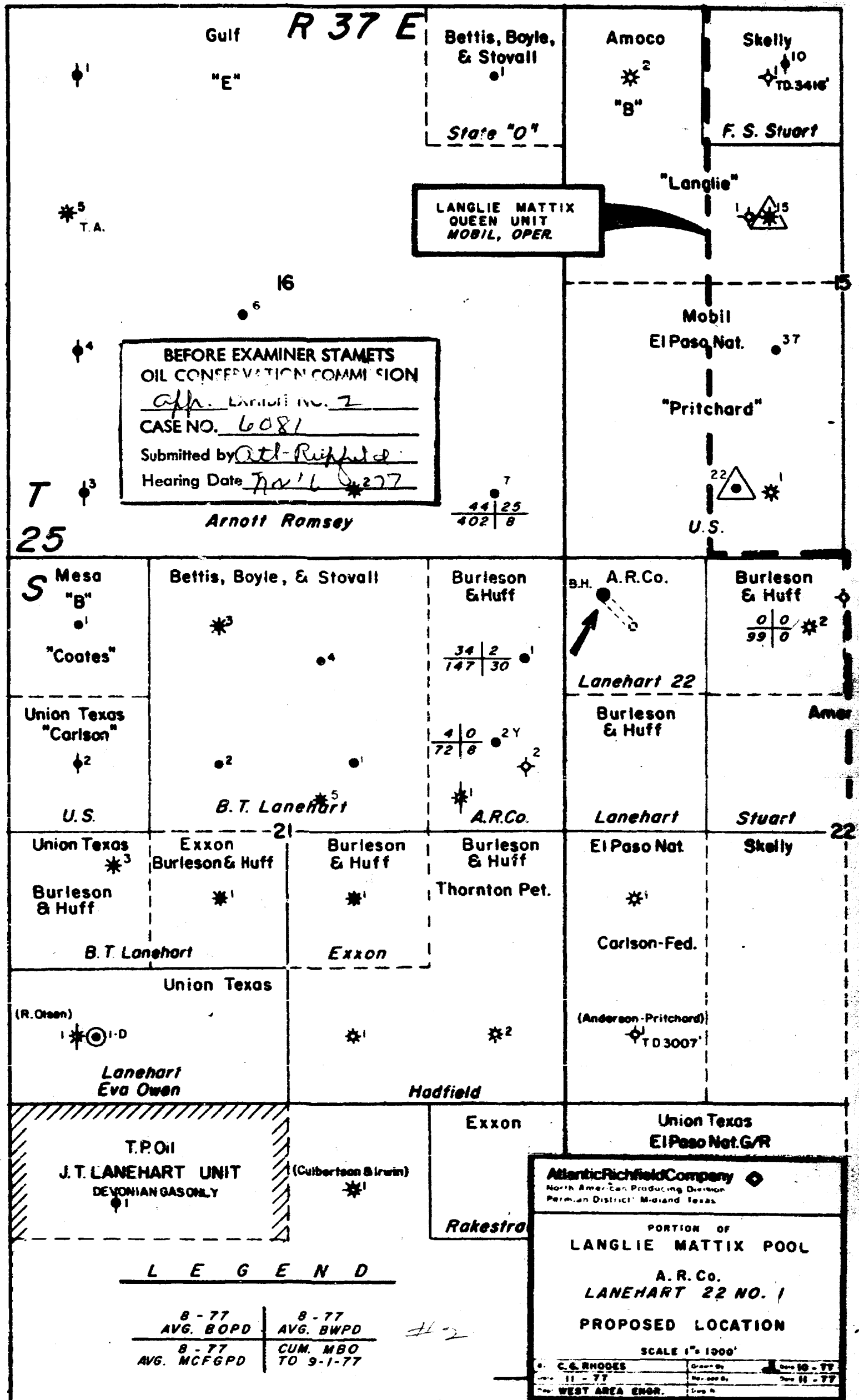
**October 18, 1977**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.



DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

DATE: November 2, 1977

AIRPORTS DISTRICT OFFICE

IN REPLY  
REFER TO: ABQ ADO-610

Post Office Box 9253  
Albuquerque, NM 87119



SUBJECT: Airspace Clearance Determination, Temporary drilling rig  
near Lea County (Jal) Airport, Jal, New Mexico

FROM: Chief, Airports District Office

TO: Atlantic Richfield Company  
Post Office Box 1710  
Hobbs, New Mexico 88240

An airspace review has been conducted on the proposed temporary drilling rig to be erected near the Lea County (Jal) Airport. It was found that the proposed construction would exceed FAA obstruction standards but would not be a hazard to air navigation. However, the following conditions apply to the proposed construction:

1. The structure should be marked and lighted per FAA Advisory Circular 70/7460-1, "Obstruction Marking and Lighting". A copy of this circular is enclosed.
2. Supplemental notice is required prior to the start of construction. Please contact Mr. Ralph Wrinkle, the Lea County (Jal) airport manager at least 48 hours prior to erecting the drilling rig so that an appropriate notice to airmen can be issued. In addition, please notify Mr. Wrinkle as soon as the structure is removed. Mr. Wrinkle's telephone number is (505) 393-4943.

Please let us know if you have any questions concerning this finding or any other airport/airspace matters. Our telephone number is (505) 766-2685.

*Bill J. Howard*  
BILL J. HOWARD

Enclosure

cc:  
Mr. Ralph Wrinkle

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	4
CASE NO.	6081
Submitter	Atl-Richfield
Hearing L.	Nov 16/77

71 4

October 17, 1977

ALL OFFSET OPERATORS  
Lanchart 22 No. 1  
Section 22, T-25S, R-37E  
Lea County, New Mexico

Gentlemen:

Attached is a copy of an application filed by Atlantic Richfield Company with the New Mexico Oil Conservation Commission requesting permission to directionally drill the Lanchart 22 No. 1 from a surface location 660' FNL and 660' FWL of Section 22, T-25S, R-37E, Lea County, New Mexico to a bottomhole location 330' FNL and 330' FWL of said section.

If you have no objection to the proposed directional drilling, please note in the space below and return one copy of this letter, so noted, to Atlantic Richfield Company, Attn: Mr. J. L. Tweed, P. O. Box 1610, Midland, Texas 79702.

We will appreciate your prompt consideration of this matter.

Very truly yours,

*J. L. Tweed*  
J. L. Tweed

CGR/agp

Objection to the proposed directional drilling is hereby waived.

COMPANY GULF OIL CORPORATION

BY *B. J. Pankratz*

B. J. PANKRATZ - MANAGER - ENGINEERING

DATE OCTOBER 27, 1977

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	<u>6</u>
CASE NO.	<u>6081</u>
Submitted by	<u><i>Att. Richfield</i></u>
Hearing Date	<u><i>Nov 16 1977</i></u>

# 6

October 17, 1977

ALL OFFSET OPERATORS  
Lanehart 22 No. 1  
Section 22, T-25S, R-37E  
Lea County, New Mexico

Gentlemen:

Attached is a copy of an application filed by Atlantic Richfield Company with the New Mexico Oil Conservation Commission requesting permission to directionally drill the Lanehart 22 No. 1 from a surface location 660' FNL and 660' FWL of Section 22, T-25S, R-37E, Lea County, New Mexico to a bottomhole location 330' FNL and 330' FWL of said section.

If you have no objection to the proposed directional drilling, please note in the space below and return one copy of this letter, so noted, to Atlantic Richfield Company, Attn: Mr. J. L. Tweed, P. O. Box 1610, Midland, Texas 79702.

We will appreciate your prompt consideration of this matter.

Very truly yours,

*J. L. Tweed*  
J. L. Tweed

CGR/agp

Objection to the proposed directional drilling is hereby waived.

COMPANY MOBIL OIL CORPORATION

BY *J. A. Morris*

DATE 10/28/77

MOBIL OIL CORPORATION  
3 GREENWAY PLAZA EAST  
SUITE 800  
HOUSTON, TEXAS 77046  
ATTN: J. A. MORRIS

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

*ahp* EXHIBIT NO. 7  
CASE NO. 6081

Submitted by *Att. R. J. G. &*  
Hearing Date *Nov 16/77*



October 17, 1977

ALL OFFSET OPERATORS  
Lanehart 22 No. 1  
Section 22, T-25S, R-37E  
Lea County, New Mexico

Gentlemen:

Attached is a copy of an application filed by Atlantic Richfield Company with the New Mexico Oil Conservation Commission requesting permission to directionally drill the Lanehart 22 No. 1 from a surface location 660' FNL and 660' FWL of Section 22, T-25S, R-37E, Lea County, New Mexico to a bottomhole location 330' FNL and 330' FWL of said section.

If you have no objection to the proposed directional drilling, please note in the space below and return one copy of this letter, so noted, to Atlantic Richfield Company, Attn: Mr. J. L. Tweed, P. O. Box 1610, Midland, Texas 79702.

We will appreciate your prompt consideration of this matter.

Very truly yours,

*J. L. Tweed*  
J. L. Tweed

CGR/agp

Objection to the proposed directional drilling is hereby waived.

COMPANY Burleson & Huff

BY *[Signature]*

DATE October 21, 1977

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION	
<u>Off</u>	EXHIBIT NO. <u>8</u>
CASE NO. <u>6081</u>	
Submitted by <u>Atl-Richfield</u>	
Hearing Date <u>Nov 16/77</u>	

718

Dockets Nos. 38-77 and 39-77 are tentatively set for hearing on November 30 and December 14, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 16, 1977

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(2) Consideration of the allowable production of gas for December, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6079: Application of Dome Petroleum Corporation for a non-standard oil proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 80-acre non-standard oil proration unit comprising the E/2 SW/4 of Section 10, Township 26 North, Range 14 West, Bisti-Lower Gallup Pool, San Juan County, New Mexico.

CASE 6059: (Continued from October 12, 1977, Examiner Hearing)

Application of Dome Petroleum Corporation for pool creation, an oil discovery allowable, and a special depth bracket allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Leggs-Entrada Oil Pool in Section 11, Township 21 North, Range 10 West, San Juan County, New Mexico, the assignment of approximately 27,020 barrels of oil discovery allowable to its Santa Fe-Leggs Well No. 1 located in Unit O of said Section 11, and the establishment of a special depth bracket allowable of 750 barrels of oil per day for said pool.

CASE 6080: Application of Orla Petco, Inc., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its R. K. Williams Well No. 1 to be located 1980 feet from the South line and 660 feet from the West line of Section 8, Township 19 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 8 to be dedicated to the well.

CASE 6081: Application of Atlantic Richfield Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling in a northwesterly direction of its Lanehart 22 Well No. 1 from a surface location 660 feet from the North and West lines of Section 22, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, bottoming said well no closer than 280 feet from the North and West lines of said Section 22.

CASE 6082: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Sand Well Unit Area comprising 3843 acres, more or less, of State, Federal, and fee lands in Township 23 South, Range 35 East, Lea County, New Mexico.

CASE 6083: Application of Sun Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Tubb production in the wellbore of its State 15 Well No. 4 located in Unit P of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico.

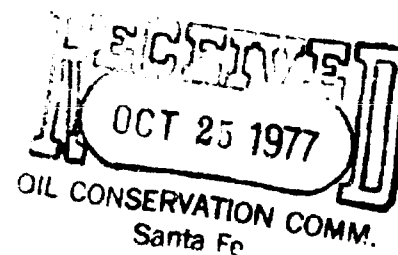
CASE 6084: Application of Freeport Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance in the West Garrett-Devonian Pool by the injection of water into the Devonian formation through its Mattie Price Well No. 4 located in Unit O of Section 6, Township 17 South, Range 38 East, Lea County, New Mexico.

CASE 6085: Application of Reserve Oil, Inc., for downhole commingling or pool contraction and extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie-Mattix production in the wellbore of its Cooper Jal Unit Wells No. 115 in Unit P of Section 13 and Nos. 121, 134, and 209 in Units B, N, and L of Section 24, Township 24 South, Range 36 East, and No. 117 in Unit N of Section 18, and Nos. 150 and 221 in Units L and N of Section 19, Township 24 South, Range 37 East, Lea County, New Mexico, and an administrative procedure for such approval for future wells. In the alternative, applicant seeks the contraction of the vertical limits of the Jalmat Gas Pool underlying said Cooper Jal Unit Area by the deletion of the Yates and Seven Rivers formations therefrom and the extension of the vertical limits of the Langlie-Mattix Pool to include said formations.

Atlantic Richfield Company

North American Producing Division  
Permian District  
Post Office Box 1610  
Midland, Texas 79701  
Telephone 915 682 8631

Case 6081



October 17, 1977

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Lanehart 22 No. 1  
Directional Drilling  
Langlie Mattix Pool  
660' FNL and 660' FWL (surface location)  
Section 22, T-25S, R-37E  
Lea County, New Mexico

Dear Mr. Ramey:

Atlantic Richfield Company respectfully requests a hearing be called to consider approval for directionally drilling our Lanehart 22 No. 1. The surface location of this well will be 660' FNL and 660' FWL of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico.

We plan to drill to a true vertical depth of 3600' at a bottomhole target 330' FNL and 330' FWL of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico. Our bottomhole location will be no closer than 280' to the north and west lines of this section.

We had originally planned to drill the Lanehart 22 No. 1 at a location 330' FNL and 330' FWL of Section 22. However, this 40-acre lease is offset to the end of the runway at the Jal Municipal Airport and this location would be in the glidepath of the runway, as defined by the Federal Aviation Administration.

To comply with FAA regulations, we will have to locate the drilling rig outside the established glidepath by locating the surface location of the well either on the extreme west side or on the east edge of the Lanehart 22 lease.

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
October 17, 1977  
Page 2

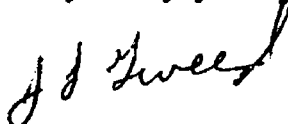
Geological and structural interpretation of the Seven Rivers and Queen formations dictates the need to penetrate these zones under the west edge of our lease to encounter the most favorable reservoir characteristics. A surface location in compliance with FAA rules on the west side of our lease would be unorthodox, so we will have to locate the rig on the east side of the FAA defined glidepath.

According to Statewide Rule 111, permission to deviate a well in the manner and for the reason mentioned above will be granted only after notice and hearing. Atlantic Richfield Company believes that the approval of the directional drilling of the Lanehart 22 No. 1 well will be in the interest of conservation, prevention of waste, and the protection of correlative rights.

Attached are a well location and acreage dedication plat, a map showing offset operators, and a list of the offset operators who are being notified by registered mail with a copy of this application and a waiver form for their signature.

Thank you for your consideration.

Very truly yours,



J. L. Tweed

CGR/agp

cc: Area Supervisor  
New Mexico Oil Conservation Commission  
Hobbs, New Mexico

OFFSET OPERATORS

Burleson & Huff  
P. O. Box 2479  
Midland, Texas 79702

El Paso Natural Gas Company  
600 Building of the Southwest  
Midland, Texas 79701

Gulf Energy & Minerals - U.S.  
P. O. Box 1150  
Midland, Texas 79702

Mobil Oil Corporation  
P. O. Box 633  
Midland, Texas 79702

October 17, 1977

ALL OFFSET OPERATORS

Lanehart 22 No. 1

Section 22, T-25S, R-37E

Lea County, New Mexico

Gentlemen:

Attached is a copy of an application filed by Atlantic Richfield Company with the New Mexico Oil Conservation Commission requesting permission to directionally drill the Lanehart 22 No. 1 from a surface location 660' FNL and 660' FWL of Section 22, T-25S, R-37E, Lea County, New Mexico to a bottomhole location 330' FNL and 330' FWL of said section.

If you have no objection to the proposed directional drilling, please note in the space below and return one copy of this letter, so noted, to Atlantic Richfield Company, Attn: Mr. J. L. Tweed, P. O. Box 1610, Midland, Texas 79702.

We will appreciate your prompt consideration of this matter.

Very truly yours,

  
J. L. Tweed

CGR/agp

Objection to the proposed directional drilling is hereby waived.

COMPANY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

Case 6081

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

OCT 25 1977

Operator Atlantic Richfield Company Lease Lanehart 22

Unit Letter D Section 22 Township 25 South Range 37 East County Lea

Actual Footage Location of Well:  
660 feet from the north line and 660 feet from the west line (SURFACE)

Ground Level Elev. 3079.1 Producing Formation Seven Rivers & Queen Pool Langlie Mattix Dedicated Acreage: 40 Acres

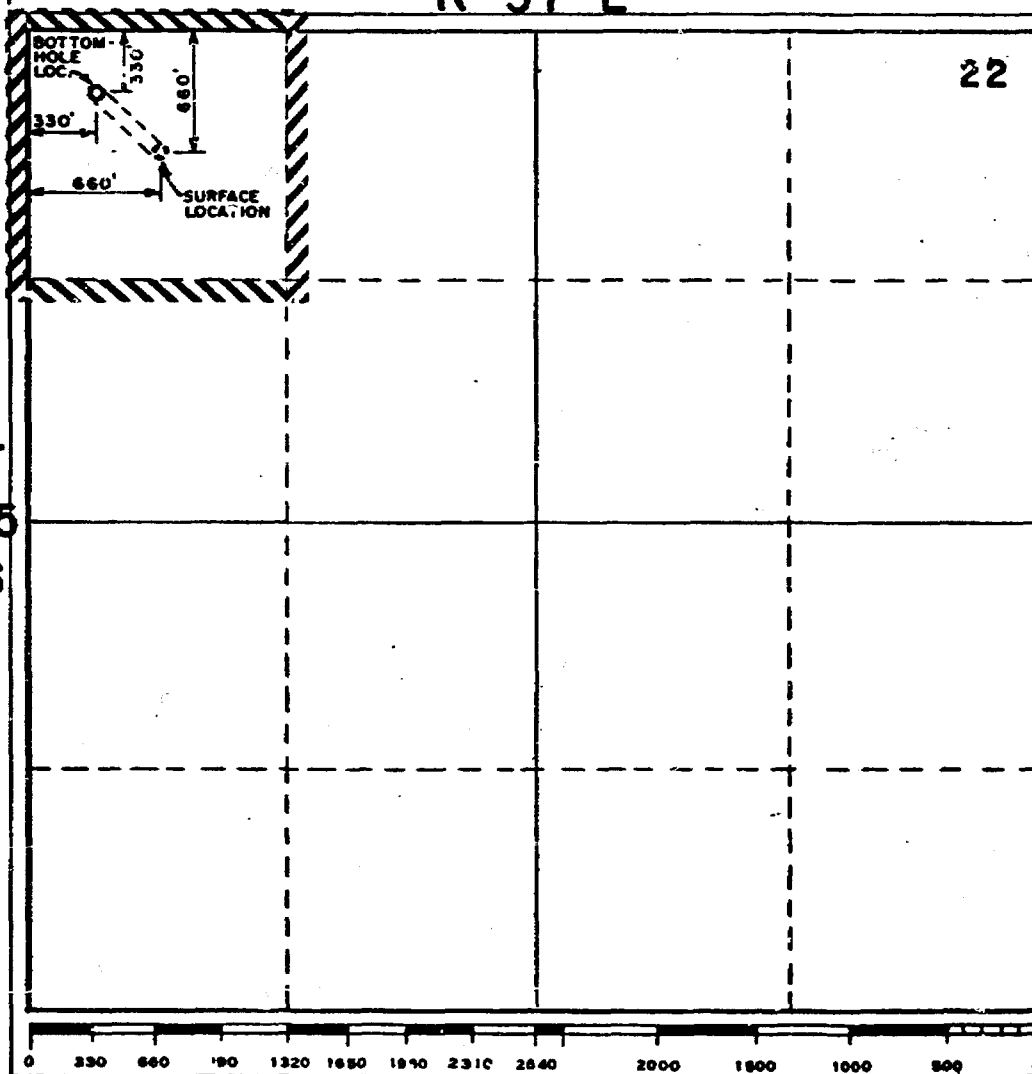
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

R 37 E



CERTIFICATION

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

*Cris G. Rhodes*

Name  
Cris G. Rhodes  
Position  
Operations Engineer  
Company  
Atlantic Richfield Co.

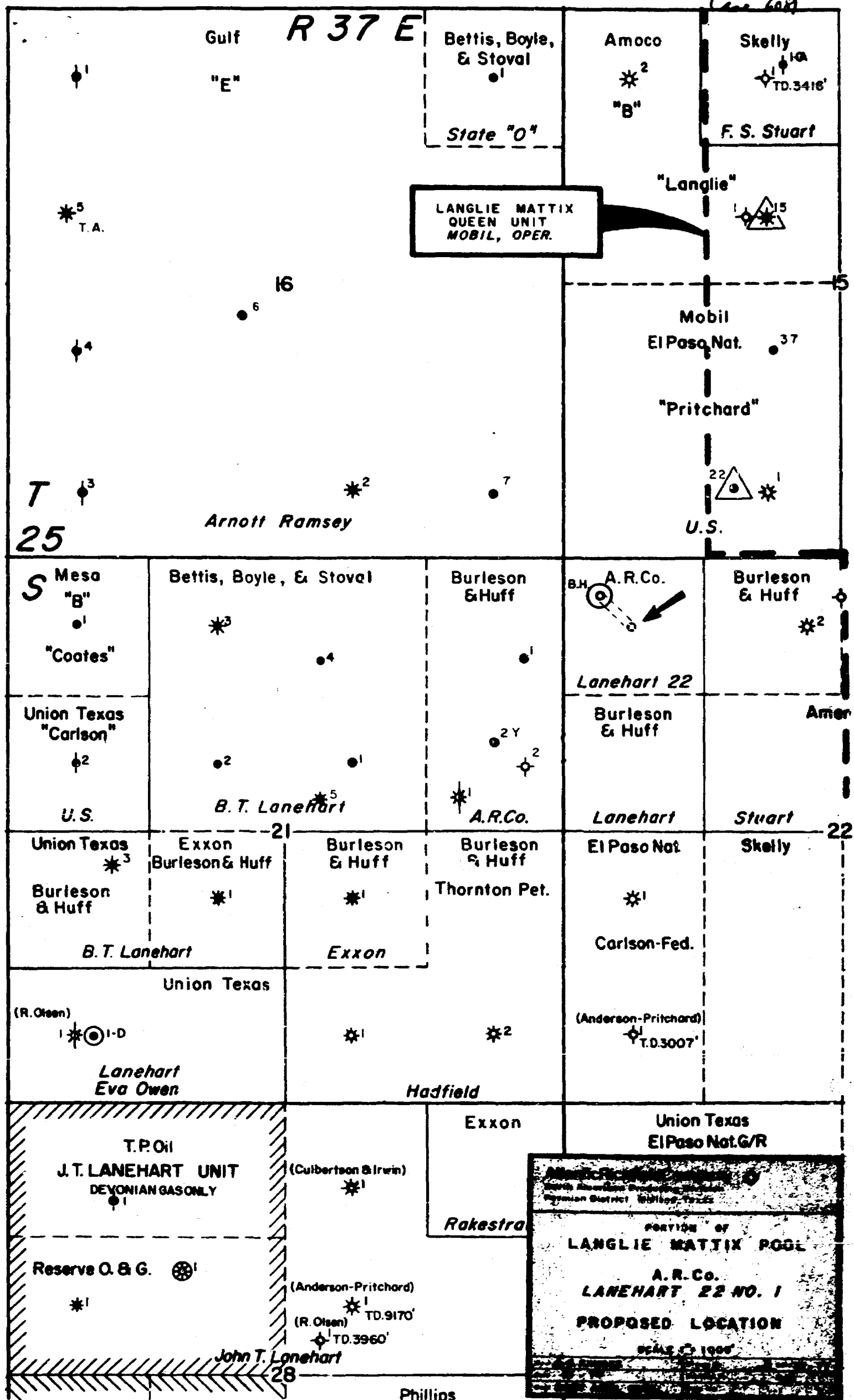
Date  
October 18, 1977

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.



PORTION OF  
LANGLIE MATTIX POOL  
A.R.Co.  
LANEHART 22 NO. 1  
PROPOSED LOCATION  
SCALE 1:1000



DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 6081

Order No. R- 5580

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR DIRECTIONAL DRILLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 16,  
19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of November, 1977, 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, Atlantic Richfield Company, seeks  
approval for the directional drilling ~~in a northwesterly direction~~  
of its Lanehart 22 Well No. 1 from a surface location 660 feet from  
the North line and 660 feet from the West line of Section 22, Township  
25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

To a bottom hole location within 50 feet  
of a point 330 feet from the North  
and West lines of said Section 22,

(3) That the applicant seeks authority to directionally drill said well to permit the surface location to be more distant from the glide path to a runway at the Jal Municipal Airport.

(4) That the applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to directionally drill ~~in a northwesterly direction of~~ its Lanehart 22 Well No. 1 from a surface location 660 feet from the North line and ~~660 feet from the~~ West line of Section 22, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, ~~bottoming said well no closer than 200 feet from the~~ *to a bottom hole location within 50 feet of* ~~a point 330 feet from the~~ North and West lines of said Section 22.

PROVIDED HOWEVER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the surface with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Commission Rule ~~1105~~ 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(3) That the \_\_\_\_\_ of said Section 22 shall be dedicated to the subject well.

(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.