

CASE 6125: SHELL OIL COMPANY FOR AN
EXCEPTION TO RULE 202(B), SAN JUAN
COUNTY, NEW MEXICO

Case Number

6125

Application

Transcripts.

Small Exhibits

ETC.



BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2098
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

February 19, 1979

Mr. W. M. Marshall
Division Production Manager
Shell Oil Company
Box 831
Houston, Texas 77001

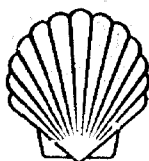
Dear Mr. Marshall:

Under the terms of Division Order No. R-5655 entered February 28, 1978, Shell Oil Company is hereby granted a further exception to the provisions of Rule 202(b) of the Division Rules and Regulations for its Carson Unit Wells in San Juan County, New Mexico, as shown on Exhibit "A" attached to said order. This further exception shall expire on February 28, 1980.

Yours very truly,

JOE D. RAMEY
Director

JDR/RLS/fd



SHELL OIL COMPANY

P.O. BOX 831
HOUSTON, TEXAS 77001
February 14, 1979

Stamets

Subject: Case No. 6125
Order No. R-5655
Exception To Rule 202(B)
Carson Unit Area
San Juan County, New Mexico

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

FEB 23 1979

Dear Mr. Ramey:

Shell Oil Company respectfully requests that subject exception be extended to February 28, 1980, by administrative grant in accordance with provision (2) of the Order.

The status of Shell's ongoing program to either restore inactive wells to active service or P&A is summarized on Attachments I through V.

Attachment I is a map of the Carson Unit and illustrates the well locations and current status as of January 1, 1979. Attachment II is a list of the wells and current status in table form. Attachment III corresponds to Attachment I but illustrates the forecast status of wells as of January 1, 1980. Attachment IV lists the wells and forecast status as of January 1, 1980. Attachment V is a summary table of the well status changes forecast from January 1, 1979 to January 1, 1980.

Work over activity on wells in the Carson Unit since late 1976 has approximately doubled the producing rate to a current level on the order of 70 BOPD. As a salvage operation following an unsuccessful waterflood, this represents conservation. However, a diligent

MR. JOE D. RAMEY, DIRECTOR

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effort has been required to achieve a profit while testing wells to assure that no well with recoverable reserves is abandoned. Our plans are to continue the current program, and we will keep you apprised of progress.

Yours very truly,

W. M. Marshall

W. M. Marshall
Division Production Manager
Western Division

JES/COC:ja

Attachments

cc - Geological Survey
United States Department of the Interior
1000 Rio Brazos Road
Aztec, New Mexico 87410

CARSON UNIT
SUMMARY OF PROPOSED CHANGES
ATTACHMENT V

<u>WELL STATUS</u>	<u>ACTUAL 1/1/79</u>	<u>PROPOSED 1/1/80</u>	<u>NET CHANGE</u>	<u>COMMENTS</u>
Active Oil Producers	9	21	12	Repair 4 wells, equip. 8 wells & R.T.P.
Active P.C. Gas Producers	3	3	-	No anticipated change.
Active Water Disposal	1	1	-	No anticipated change.
Inactive Oil Prod. with Problems	4	0	4	Repair and put on production.
Inactive Dakota Gas Prod.	1	0	1	Repair and put on production.
T.A.'d Former Injectors	9	7	2	P&A one well, equip one well for production.
T.A.'d Water Disposal	2	2	-	No anticipated change.
T.A.'d P.C. Gas-Dry Hole	1	0	1	Plug and abandon.
T.A.'d Former Oil Producers	26	19	7	Equip and return 7 wells to production.

CARSON UNIT
CURRENT WELL STATUS
JANUARY 1, 1979

ATTACHMENT II

Section 7

3-7 T.A.'d

Section 10

23-10 Active producer

24-10 T.A.'d

33-10 Previous active producer - S.D. with mechanical problems

34-10 T.A.'d

43-10 T.A.'d

44-10 Previous active producer - S.D. with susp. bad pump.

Section 11

13-11 Active Pictured Cliffs gas producer

34-11 Active Pictured Cliffs gas producer

Section 13

12-13 Previous active producer - S.D. with susp. tubing leak

14-13 Active producer

21-131 T.A.'d

23-131 T.A.'d

24-131 T.A.'d

31-13 T.A.'d

32-13 T.A.'d

33-13 T.A.'d

42-13 Active producer

43-13 T.A.'d

44-13 T.A.'d

1-13W T.A.'d

201 T.A.'d

Section 14

11-14 T.A.'d

14-14 T.A.'d

21-141 T.A.'d

31-14 Active producer

33-14 T.A.'d

34-14 T.A.'d

41-14 Active Pictured Cliffs gas producer

42-14 Active producer

3-14W T.A.'d

Section 15

31-15 T.A.'d
32-15 T.A.'d
33-15 T.A.'d
41-15 T.A.'d
43-15 T.A.'d

Section 17

1-17I T.A.'d
32-17 Active producer
43-17I T.A.'d
113-17 Previous Dakota gas producer - S.D. with mechanical problems

Section 18

12-18 T.A.'d
23-18I T.A.'d
24-18I T.A.'d
33-18 T.A.'d
34-18 T.A.'d
41-18 Previous active producer - S.D. with tubing leak
44-18 Active producer

Section 19

12-19 T.A.'d
21-19I T.A.'d
23-19 T.A.'d
34-19 T.A.'d
41-19 T.A.'d

Section 20

4-20 Active producer

Section 23

41-23 Active producer

Section 24

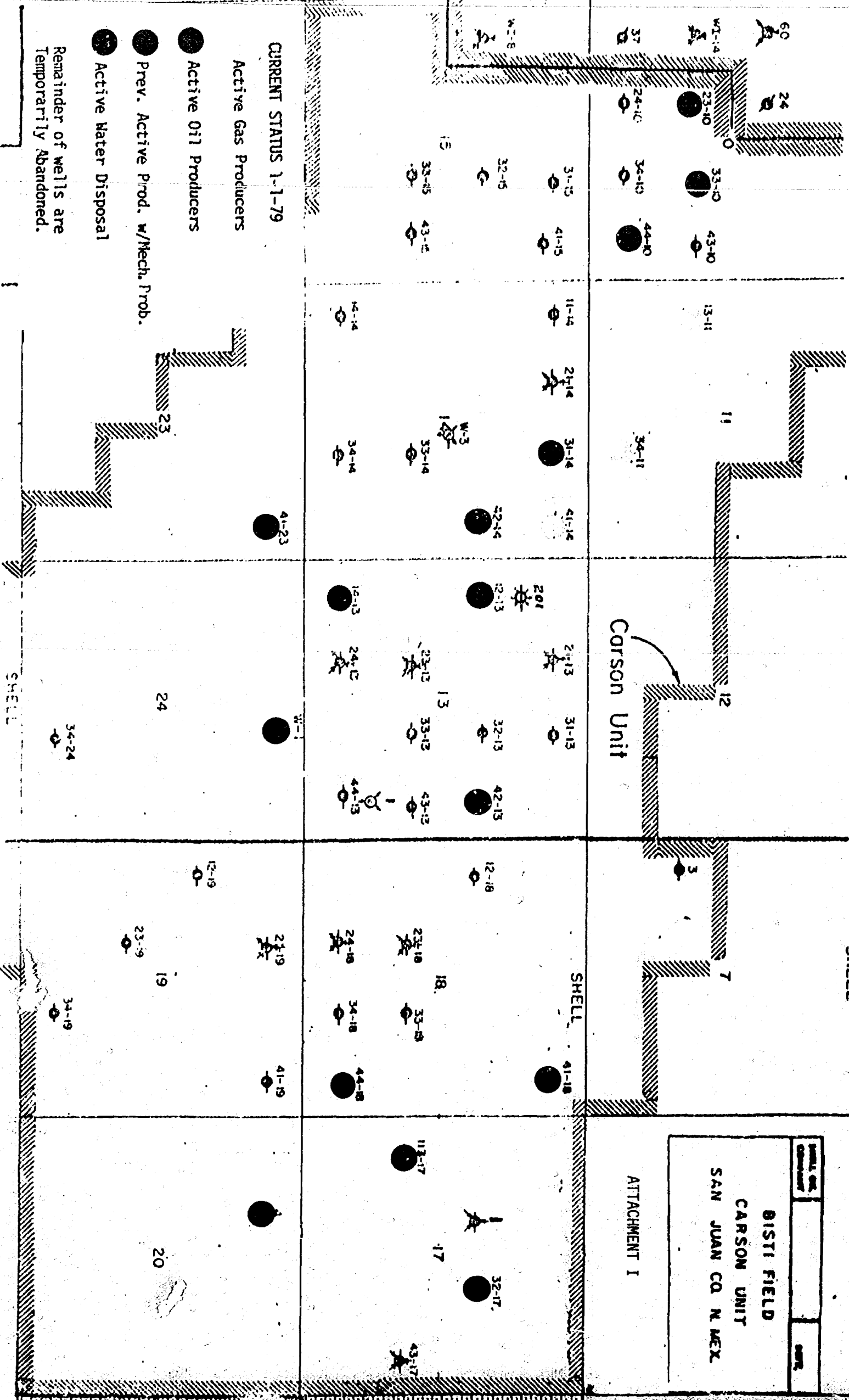
1-24W Active water disposal
34-24 T.A.'d

Summary:

9 Active oil producers
3 Active Pictured Cliffs gas producers
1 Active water disposal well
4 Previously active oil producers - S.D. with Mech. problems
1 Previously active Dakota gas prod. - S.D. with mechanical problems
9 T.A.'d former injectors
2 T.A.'d water disposal wells
1 T.A.'d P.C. gas - dry hole
26 T.A.'d former producers
56 Total Wells

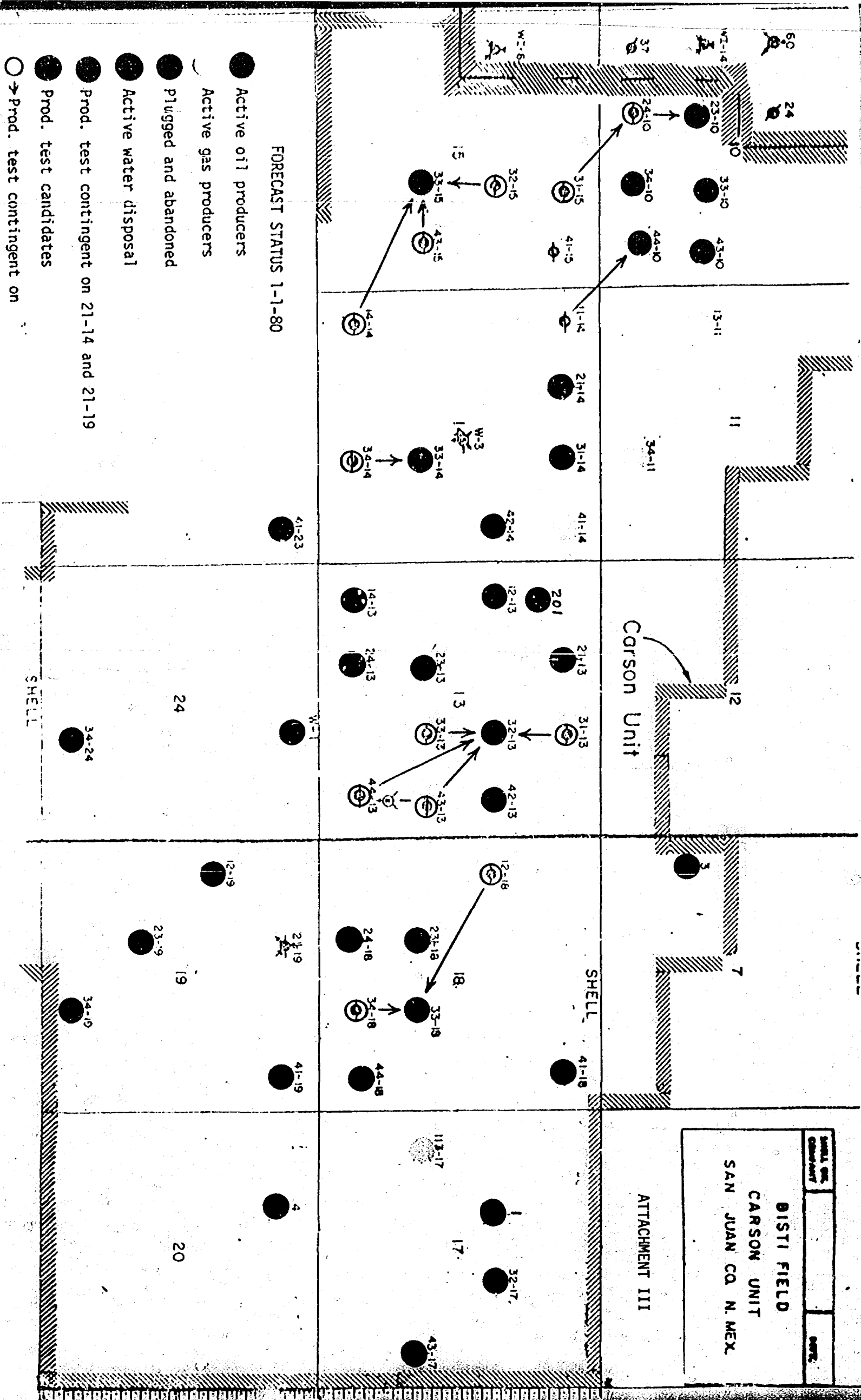
WELL NO.		DATE
DISTRICT FIELD		
CARSON UNIT		
SAN JUAN CO. N. MEX.		

ATTACHMENT I



SHELL OIL COMPANY	DATE
DISTI FIELD	
CARSON UNIT	
SAN JUAN CO. N. MEX.	

ATTACHMENT III



CARSON UNIT
Forecasted Well Status
1-1-80

ATTACHMENT IV

Section 7

3-7 T.A.'d production test when transferred assets available

Section 10

23-10 Active producer
24-10 Production test contingent on success of 23-10
33-10 Remedial work if economically feasible & R.T.P.
34-10 Active producer-approved for R.T.P.
44-10 Active producer

Section 11

13-11 Active Pictured Cliffs gas producer
34-11 Active Pictured Cliffs gas producer

Section 13

12-13 Active producer-stimulation job is approved
14-13 Active producer
21-13I Production test contingent on success of 21-14 & 21-19
23-13I Production test contingent on success of 21-14 & 21-19
24-13I Production test contingent on success of 21-14 & 21-19
31-13 Production test contingent on success of 32-13
32-13 Active producer-routing for approval to R.T.P.
33-13 Production test contingent on success of 32-13
42-13 Active producer
43-13 T.A.'d. Possible P&A contingent on success of 32-13
44-13 Production test contingent on success of 32-13
1-13 T.A.'d-reserved for possible additional water disposal
201 Plugged & abandoned-approved for P&A

Section 14

11-14 R.T.P. contingent on success of 44-10
14-14 Production test contingent on success of 33-15
21-14I Active producer-approved for R.T.P.
31-14 Active producer
33-14 Active producer-proposal prepared for R.T.P.
34-14 Production test contingent on success of 33-14
41-14 Active Pictured Cliffs gas producer
42-14 Active producer
3-14W T.A.'d-reserved for possible additional water disposal

Section 15

31-15 Production test contingent on success of 24-10
32-15 Production test contingent on success of 33-15
33-15 T.A.'d. Production test when transferred assets available
41-15 Remedial work if economically feasible & R.T.P.
43-15 Production test contingent on success of 33-15

Section 17

1-17I Production test contingent on success of 21-14 & 21-19
32-17 Active producer-stimulation job is approved
43-17I Production test contingent on success of 21-14 & 21-19
113-17 Remedial work if economically feasible & R.T.P.

Section 18

12-18 Production test contingent on success of 33-18
23-18I Plugged & abandoned-approved for P&A
24-18I Production test contingent on success of 21-14 & 21-19
33-18 Active producer-approved for R.T.P.
34-18 Production test contingent on success of 33-18
41-18 Active producer-propose to repair tubing leak
44-18 Active producer

Section 19

12-19 T.A.'d Production test when transferred assets available.
21-19 T.A.'d Production test when transferred assets available.
23-19 T.A.'d Production test when transferred assets available
34-19 Active producer-proposal in preparation to R.T.P.
41-19 Active producer-proposal in preparation to R.T.P.

Section 20

4-20 Active producer

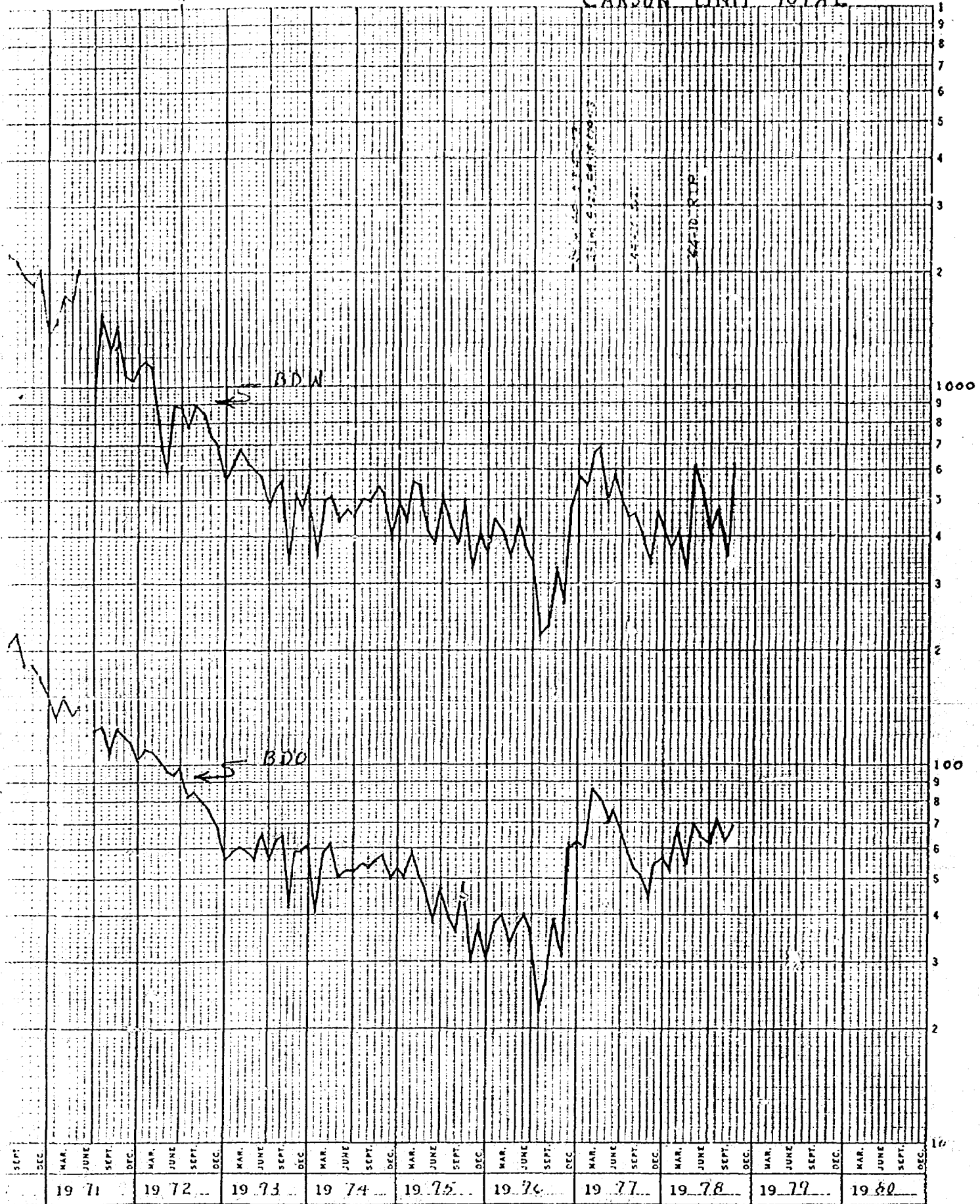
Section 23

41-23 Active producer-propose to stimulate

Section 24

1-24W Active water disposal.
34-24 T.A.'d Production test when transferred assets available.

CARSON UNIT TOTAL



CARSON UNIT - BISTI FIELD
Inactive Wells and Proposed Plans
November 15, 1978

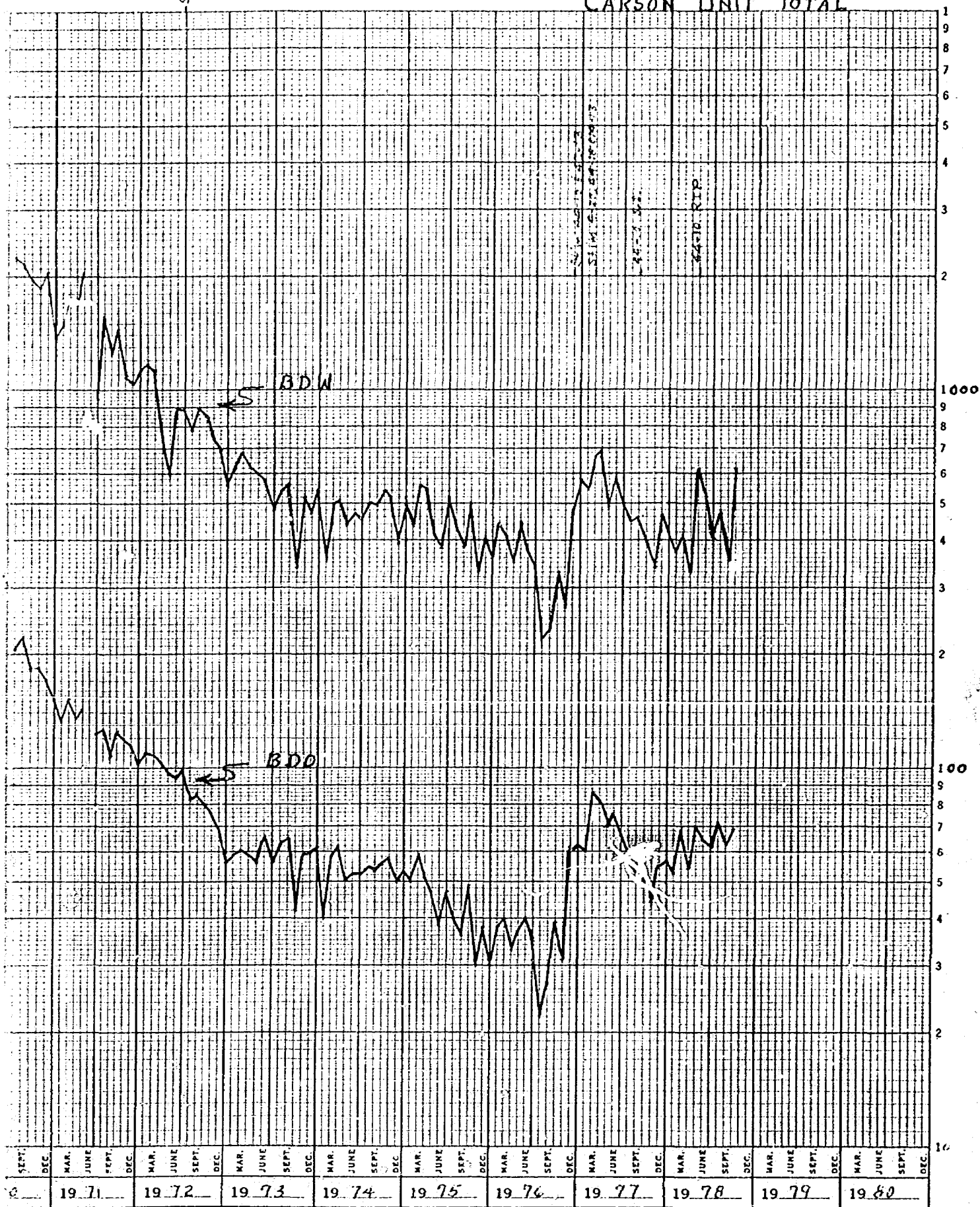
Sec. 7	3	Production test to determine potential
Sec. 10	24	Production test contingent on C.U. 23-10 results
	34	Production test to determine potential-remedial proposal routing
	43	Production test contingent on C.U. 33-10 stimulation
Sec. 13	1 WS	Water disposal well if additional capacity is needed
	21 I	Production test contingent on C.U. 21-14 and 21-19 results
	23 I	Production test contingent on C.U. 21-14 and 21-19 results
	24 I	Production test contingent on C.U. 21-14 and 21-19 results
	31	Production test contingent on C.U. 33-13 results
	32	Production test contingent on C.U. 33-13 results
	33	Production test to determine potential
	44	Production test contingent on C.U. 33-13 results
	201	Approved for plug and abandonment
Sec. 14	3 WS	Possible water disposal for Pictured Cliffs gas wells
	11	Production test to determine potential
	14	Production test contingent on C.U. 33-15 results
	21 I	Production test to determine potential-remedial proposal routing
	33	Production test to determine potential-remedial proposal routing
	34	Production test contingent on C.U. 33-14 results
Sec. 15	31	Production test contingent on C.U. 23-10 and 41-15 results
	32	Production test contingent on C.U. 33-15 results
	33	Production test to determine potential
	41	Production test to determine potential
	43	Production test contingent on C.U. 33-15 results
Sec. 17	1 I	Production test contingent on C.U. 21-14 and 21-19 results
	43 I	Production test contingent on C.U. 21-14 and 21-19 results
Sec. 18	12	Production test contingent on C.U. 33-18 results
	23 I	Approved for plug and abandonment
	24 I	Production test contingent on C.U. 21-14 and 21-19 results
	33	Production test to determine potential-remedial proposal routing
	34	Production test contingent on C.U. 33-18 results
Sec. 19	12	Production test to determine potential
	21 I	Production test to determine potential
	23	Production test to determine potential
	34	Production test to determine potential
	41	Production test to determine potential
Sec. 24	34	Production test to determine potential

CARSON UNIT - BISTI FIELD
Current Status of Previous Inactive Wells
November 15, 1978

Sec. 10	23	Returned to production 7/78
	44	Returned to production 7/78
Sec. 11	13	Pictured Cliffs gas-returned to production 10/78
	34	Pictured Cliffs gas-returned to production 10/78
Sec. 14	41	Pictured Cliffs gas-returned to production 9/78

A delay in the proposed plans for the Carson Unit is due to a five month delay in the modification and delivery of a higher capacity injection pump, for disposal of produced water, and the shortage of available pumping units.

CARSON UNIT TOTAL



CARSON UNIT - BISTI FIELD
Current Status of Previous Inactive Wells
November 15, 1978

Sec. 10	23	Returned to production 7/78
	44	Returned to production 7/78
Sec. 11	13	Pictured Cliffs gas-returned to production 10/78
	34	Pictured Cliffs gas-returned to production 10/78
Sec. 14	41	Pictured Cliffs gas-returned to production 9/78

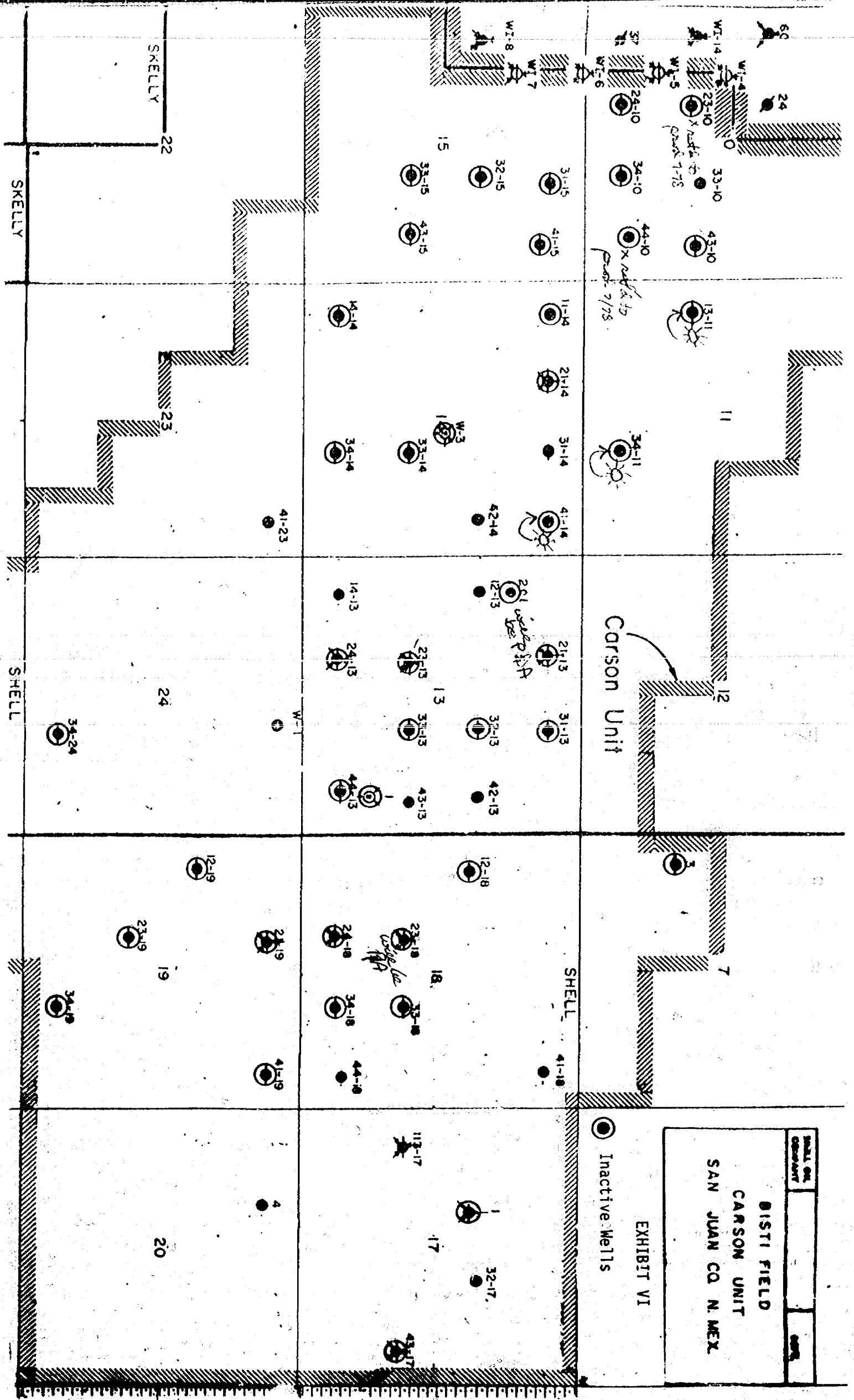
A delay in the proposed plans for the Carson Unit is due to a five month delay in the modification and delivery of a higher capacity injection pump, for disposal of produced water, and the shortage of available pumping units.

SHELL OIL		
COMPANY		

DISTI FIELD
CARSON UNIT
SAN JUAN CO. N. MEX.

EXHIBIT VI

● Inactive Wells



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. 6125
Order No. R-5655

APPLICATION OF SHELL OIL COMPANY
FOR AN EXCEPTION TO RULE 202(B),
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of February, 1978, 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, Shell Oil Company, seeks an exception to Commission Rule 202(B), San Juan County, New Mexico, to permit the continued temporary abandonment of certain wells on its Carson Unit Area as shown on Exhibit "A" attached to this order.

(3) That said Carson Unit Wells are oil wells that have been depleted under primary and secondary operations but which have substantial potentially producible reserves and also Pictured Cliffs gas wells which are shut-in awaiting installation of facilities for the disposal of produced water.

(4) That the applicant has plugged many other wells in its Carson Unit Area.

(5) That the applicant is evaluating those Carson Unit wells shown on Exhibit "A" of this order to determine if additional oil and gas may be economically recovered therefrom.

(6) That the applicant should be granted an exception to Commission Rule 202(B) for a period of one year for those Carson Unit Wells shown on Exhibit "A" of this order.

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Case No. 6125
Order No. R-5655

(7) That upon a showing of substantial progress in the evaluation of the future potential of the Carson Unit Wells shown on said Exhibit "A" or upon a showing that substantial numbers of said wells have been returned to production, the Secretary-Director of the Commission should be authorized to grant a one-year extension of said exception to Commission Rule 202(B) for said Carson Unit Wells.

(8) That the Secretary-Director of the Commission should be empowered to rescind the exception to Rule 202(B) granted by this order, or any extension thereto, to any well shown on said Exhibit "A" whenever it should appear that such action is necessary to protect correlative rights, to prevent waste, or to prevent the contamination of fresh waters.

(9) That approval of the subject application with provisions for an administrative procedure for extension or rescission as provided above will not cause waste nor violate correlative rights.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby granted an exception to the provisions of Rule 202(B) of the Commission Rules and Regulations for its Carson Unit Wells in San Juan County, New Mexico, as shown on Exhibit "A" attached hereto and made a part hereof.

PROVIDED HOWEVER, that such exception shall expire one year from the date of this order unless the applicant shall have obtained an extension as hereinafter provided.

(2) That the Secretary-Director of the Commission may administratively grant a one-year extension to the exception herein provided upon a satisfactory showing of substantial progress in evaluation of the potential for return to production of said Carson Unit Wells or that substantial numbers of said wells have been returned to production.

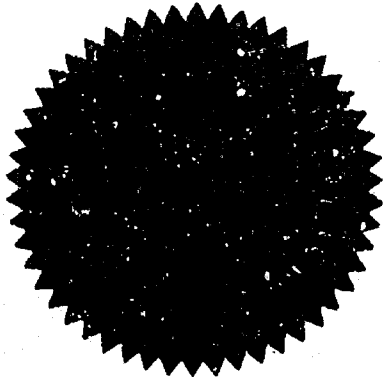
(3) That the Secretary-Director of the Commission may rescind the exception to Rule 202(B) granted any well under the provisions of this order whenever it should appear that such rescission is necessary to protect correlative rights, prevent waste or prevent the contamination of fresh waters.

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

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Case No. 6125
Order No. R-5655

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/

CARSON UNIT AREA WELLS

<u>Unit Well and No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Carson Unit 7 No. 3	L	7	25N	11W
Carson Unit 10 No. 23	K	10	25N	12W
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 10 No. 34	O	10	25N	12W
Carson Unit 10 No. 43	I	10	25N	12W
Carson Unit 10 No. 44	P	10	25N	12W
Carson Unit 11 No. 13	L	11	25N	12W
Carson Unit 11 No. 34	O	11	25N	12W
Carson Unit 13 No. 1	P	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 No. 32	G	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	13	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 14 No. 41	A	14	25N	12W
Carson Unit 15 No. 31	B	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	12W
Carson Unit 15 No. 43	I	15	25N	12W
Carson Unit 17 No. 1	F	17	25N	11W
Carson Unit 17 No. 43	I	17	25N	11W
Carson Unit 18 No. 12	E	18	25N	11W
Carson Unit 18 No. 23	K	18	25N	11W
Carson Unit 18 No. 24	N	18	25N	11W
Carson Unit 18 No. 33	J	18	25N	11W
Carson Unit 18 No. 34	O	18	25N	11W
Carson Unit 19 No. 12	E	19	25N	11W
Carson Unit 19 No. 21	C	19	25N	11W
Carson Unit 19 No. 23	K	19	25N	11W
Carson Unit 19 No. 34	O	19	25N	11W
Carson Unit 19 No. 41	A	19	25N	11W
Carson Unit 24 No. 34	O	24	25N	12W

Case No. 6125
Order No. R-5655

Exhibit "A"

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 18, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for an
exception to Rule 202(B), San Juan County,
New Mexico.

CASE
6125

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:

Owen M. Lopez, Esq.
MONTGOMERY, ANDREWS & HANNAHS
Attorneys at Law
325 Paseo De Peralta
Santa Fe, New Mexico

sid morrison reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E XPageJ. E. Springborn

Direct Examination by Mr. Lopez

3

Cross Examination by Mr. Stamets

10

EXHIBIT INDEXOffered Admitted

Exhibit One, Map

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Exhibit Two, Structure Map

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Exhibit Three, Type Log

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Exhibit Four, Well Spot Map

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Exhibit Five, List

7

9

Exhibit Six, Well Spots

7

9

Exhibit Seven, Well Status

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9

Exhibit Eight, Map

8

9

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. STAMETS: We will call next Case 6125.

2 MR. LOPEZ: Mr. Examiner, my name is Owen Lopez.

3 I'm from the Montgomery law firm in Santa Fe appearing on
4 behalf of the applicant and I have one witness to be sworn.

5 MS. TESCHENDORF: First I will call the case. It
6 is the application of Shell Oil Company for an exception to
7 Rule 202(B), San Juan County, New Mexico.

8 (THEREUPON, the witness was duly sworn.)

9
10 J. E. SPRINGBORN

11 called as a witness, having been first duly sworn, was
12 examined and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MR. LOPEZ:

16 Q Would you please state your name, by whom you are
17 employed and in what capacity?

18 A I'm J. E. Springborn and I'm employed by the Shell
19 Oil Company as a Petroleum Engineer.

20 Q Have you previously testified before the Commission
21 and had your qualifications accepted?

22 A No, sir.

23 Q Would you briefly review your educational background
24 and work experience?

25 A I have a degree in Mining Engineering from the

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Phone (505) 982-9212

1 University of Wisconsin in 1949 and I've been employed by the
2 Shell Oil Company in various capacities since that time. I
3 have been responsible since 1974 for the coordination of
4 technical efforts in an area which includes the Bisti fields.

5 Q You are familiar with the application in this case?

6 A I am. I might add that I am a registered Professional
7 Engineer in the State of Texas.

8 MR. OWEN: Are the witness' qualifications
9 acceptable?

10 MR. STAMETS: The witness is considered qualified.

11 Q (Mr. Owens continuing.) What does Shell seek in
12 Case 6125?

13 A We seek an exception to Rule 202(B) for certain
14 wells in the Carson Unit, Bisti Field, Carson County,
15 New Mexico. It is a Federal Unit and we expect to have wells
16 go past the sixty-day limit.

17 Q I ask you to turn to Exhibit Number One and would
18 you please describe it?

19 A Exhibit Number One is the large fold out map. This
20 map shows the Carson Unit outlined in red. It also shows,
21 adjoining to the west, the Hixon development Lower-Gallup
22 Unit and if you commence in the northwest part of the Carson
23 Unit there will be three wells outlined in blue, I believe,
24 which are Pictured Cliffs gas wells, currently shut in and
25 you can also follow the trend of the Pictured Cliffs gas

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1 wells off to the northwest.

2 I would also call your attention to the legend on
3 the right-hand side of this Exhibit. It shows the proposed
4 locations, locations drilling, gas injection, water injection
5 and oil well, gas well and shut in and plugged wells. This
6 convention will be used in all subsequent exhibits whether it
7 is shown or not.

8 I think that's all I have.

9 Q Now would you turn to Exhibit Number Two and
10 describe it?

11 A Exhibit Number Two is a structure map of the
12 field and it shows all of the wells as well spots. It does
13 not show the wells as they are in their current condition.

14 I would like to, in connection with this, go back
15 and briefly review the history of this field. The first
16 production from this field occurred, I believe, in March of
17 1957. It achieved a maximum rate of about sixty-three
18 hundred barrels of oil per day and along about January of
19 1959 a pilot waterflood was initiated. In October of '59
20 production had declined to about a thousand barrels per day.
21 By February of 1962, and at that time a full-scale waterflood
22 was initiated. The basis for the flood was an estimated
23 eighteen percent primary recovery efficiency would be
24 enhanced by twelve percent secondary recovery efficiency for
25 a total of thirty percent. The thirty percent represented

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1 eleven point six million barrels of oil to be recovered. The
2 response to the flood was far below expectations. The rate of
3 decline was reduced but the production rate never again
4 exceeded, except for very brief periods, the one thousand
5 barrels of oil per day. The produced oil-water ratio increased
6 very rapidly to about seven and we now estimate that the total
7 recovery will be in the order of nineteen percent efficiency.
8 This refers back to the eighteen percent primary for about
9 seven million barrels and only one percent secondary for
10 about a half a million barrels. The total now expected is
11 on the order of seven and a half million barrels of oil.

12 The field currently produces at a rate of about
13 fifty barrels of oil per day from ten producers and four of
14 these are intermittent producers.

15 I ask you to turn to Exhibit Number Three and
16 identify it?

17 A Exhibit Number Three is a Type Log from the Bisti
18 Field which illustrates the producing Gallup sandstone.

19 Q Exhibit Number Four?

20 A Exhibit Number Four is a well spot map which shows
21 all of the wells that have existed in the Carson Unit.

22 Q And the convention that was on Exhibit Number One
23 applies to this exhibit as well?

24 A It does. This plat will be perhaps a useful
25 location reference with respect to the next exhibit.

1 Q Okay, I ask you to identify Exhibit Number Five?

2 A Exhibit Number Five is a list of all of the wells
3 shown on the well spot map, Exhibit Number Four. Without
4 going into the details of each of these wells, if we go over
5 to the third page we have it summarized at the bottom. At the
6 present time there are seventy-eight plugged and abandoned
7 wells; there are thirty-six TA wells; six shut in wells, with
8 thirteen active producers. This does not tie directly to the
9 ten that we have because the wells that we have on production
10 vary almost from week-to-week. We have one active water
11 disposal well, for a total of a hundred and thirty-four wells.

12 Q Now turning to Exhibit Number Six I ask you to
13 identify it?

14 A This is getting down directly to the matter of the
15 application. This shows the well spots for each of the wells
16 that are now TA and for which we seek the exception of 202(B).

17 Q And Exhibit Number Seven? It identifies these
18 wells more particularly.

19 A Exhibit Number Seven identifies each of these wells
20 and includes their current status. Most of the wells, there
21 are thirty-five, I believe, the wells are TA and subject to
22 further work. I might point out a few of the wells that are
23 an exception to this condition. In Section 10, Well No. 44
24 was a recent producer that requires work at the present time
25 and is awaiting a rig. In Section 11, these are wells 13 and

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1 34. These two wells were shut down fairly recently as a
2 consequence of unexpected water production. We have not
3 provided for the handling of water production in order to get
4 this gas into market. In Section 13, Well 201, this was a
5 recent well which we now plan to go ahead and plug and abandon
6 as soon as we have a plugging rig. In Section 14, Well No. 11
7 is another recent producer which needs remedial work and in
8 Section 14, Well 41, is the third Pictured Cliffs gas well
9 which is awaiting further facilities for the handling of
10 produced water.

11 Now all of the rest of these wells we believe have
12 some remaining potentials, either as a consequence of data
13 from our operations, both from the plugging of other wells
14 and our current producing operations and work with the
15 structure and the logs. We believe that these wells do have
16 remaining potential and we would propose to retain them in a
17 TA status pending the completion of a program to thoroughly
18 evaluate this prospect. The cost of this undertaking will be
19 in excess of a half a million dollars.

20 Q I ask you to turn to Exhibit Number Eight and does
21 this help describe the undertaking you plan to do?

22 A This illustrates the planned work in a little bit
23 more detail. The yellow pods shown on this exhibit represent
24 pods of wells which we believe are in much the same category.
25 That is if we go in and work on one well it will probably

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1 determine the fate of the rest of them in that pod. So if we
2 work on one and we are unable to reestablish commercial
3 production, it probably will mean that all of the wells in
4 that pod would be plugged. Some of the wells, of course,
5 remain as isolated, independent wells to be worked on.

6 Q Were Exhibits One through Eight prepared by you or
7 under your supervision?

8 A They were.

9 MR. LOPEZ: Mr. Examiner, I offer into evidence
10 Exhibits One through Eight.

11 MR. STAMETS: These exhibits will be admitted.

12 (THEREUPON, Applicant's Exhibits One through
13 Eight were admitted into evidence.)

14 Q (Mr. Lopez continuing.) In your opinion will the
15 granting of this application in this case be in the interest
16 of the prevention of waste and the protection of correlative
17 rights?

18 A Yes, I do. In fact, if we didn't see the potential
19 for seeing a profit for this prospective half a million
20 dollar expenditure out there, of course we wouldn't be
21 proposing to undertake it but this is a substantial invest-
22 ment, and with a fifty barrel per day current oil rate, this
23 isn't the sort of a prospect that you just jump out and spend
24 the half a million dollars. We would like to go at it very
25 carefully and proceed carefully to assure that each of the

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1 wells is properly evaluated and that we don't overlook any
2 possibility for further recovery in the interest of conserva-
3 tion.

4 MR. LOPEZ: That concludes our direct.

5

6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q Mr. Springborn, Shell has plugged some wells in
9 this Carson Unit, has it not?

10 A Yes, sir, there are seventy-eight plugged wells.

11 Q Now have you completed that plugging program and
12 these are the only remaining wells in the Carson Unit or are
13 there some others which will still be plugged?

14 A These wells represent the remaining wells in the
15 Carson Unit that have to be evaluated. We consider that
16 these have potential production and consequently we have
17 not plugged them. We would like this extension to the sixty-
18 day period in order that we may pursue this program.

19 Q Now on the final exhibit, Exhibit Eight, there are
20 a few wells which are colored in green and identified as gas
21 wells. Are those Pictured Cliffs gas wells?

22 A Yes.

23 Q Okay. Now are those all wells recently completed
24 that are ready to go on the line?

25 A We had those wells or very nearly had these wells

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1 on the line for production but as I stated earlier, we did not
2 anticipate water production, we had not provided facilities
3 for handling water and we got unexpected water production with
4 the gas and have been unable to continue to produce them.

5 Q What are you doing on these wells, are you putting
6 in facilities?

7 A We consider these wells to be a part of the overall
8 program because we do need additional water injection
9 facilities out there in the event that our program is success-
10 ful. The production from the wells that we propose to test
11 will not be water free and if we are successful we are going
12 to have to dispose of additional water and we plan to handle
13 the Pictured Cliffs gas water in connection with this overall
14 program.

15 Q So the gas wells are going to have to wait on the
16 oil wells evaluation?

17 A To a degree, yes, sir.

18 Q What is the nature of this evaluation?

19 A The test program?

20 Q Yes.

21 A We have one rig out there at the present time
22 and what we will propose to do is to go on these wells and
23 we are trying to get another rig to get on these wells--as
24 the rigs are available--reequip them for production, put them
25 on production and test them to see what the performance is

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1 going to be.

2 Q You are not looking at the possibility of tertiary
3 recovery or some sort of an exotic injection project?

4 A Well, I think that the file on this field will
5 probably reflect that we have advised the State that we have
6 had an ongoing technical effort on the field, perhaps way out
7 of proportion, way out of proportion to the current income
8 but certainly in line with the oil in place. We recognize
9 that this field represents a really big oil in place
10 reservoir but all of our efforts to date have not turned up
11 a feasible means for recovery. This does not mean that we
12 have shut down our effort, I can't promise a thing but we'll
13 try.

14 Q I would gather from your response then primarily
15 what you are looking for is oil that you can produce now
16 without a great expenditure of additional money?

17 A We are going to have to keep the cost and operating
18 expense to an absolute minimum but this will also keep the
19 field producible in the event that something along the line
20 that you suggest is turned up during the remaining producing
21 life.

22 Q Now how long a period are you talking about here
23 for this evaluation?

24 A We would recommend that the extension be granted
25 for a year and that administrative authority also be granted

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1 to extend it beyond that period. We are severely hampered by
2 rig availability out there, not only for working the wells
3 over but also for plugging in the event that we elect to
4 plug. There are not all that many rigs available in this area.

5 Q Now you did not bring in any evidence today as to
6 the method in which these wells were completed and the con-
7 dition that they may be in, whether any of them have casing
8 problems, where the casing and cement is set and so on?

9 A Predominantly, as we have also advised previously,
10 these wells are in quite good mechanical shape. We have
11 encountered some casing failures. We have had, I believe, at
12 least one recent casing failure in a producing well but for
13 the most part the pressure is depleted to the point where
14 even in the event of mechanical difficulties there is little
15 risk of affecting shallow aquifers.

16 Q Do you have field personnel in this area who would
17 be able subsequent to this hearing to discuss any individual
18 well conditions with our district supervisor in Aztec?

19 A We have such a person in Houston. I had hoped that
20 he would be here with me today. He has been out in the field
21 a fair amount in connection with plugging some of the wells
22 and he has done a lot of the background work that I have been
23 testifying on today. He turned up with a case of the flu
24 yesterday but he will be available.

25 Q I take it then that Shell would have no objection

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1 to our district supervisor having input in this approval
2 process subsequent to this hearing to evaluate individual
3 wells to determine whether or not they are mechanically sound
4 and should be candidates for continued temporary abandonment?

5 A This is the nature of how we have conducted our
6 operation to date. Well by well as we have gone on any of
7 these wells to be worked over we have worked very closely
8 both with the USGS and the local State people.

9 Q Perhaps what we might consider is a provision in
10 the order which would grant us that the Secretary-Director
11 could rescind his approval administratively if in his opinion
12 the continued approval could represent a hazard to the fresh
13 waters or a potential for waste or if any of the wells'
14 mechanical condition is such that it should not be continued.

15 A I don't see how anyone could object to that.

16 Q Okay, I think that might resolve any problem that
17 we might have with this.

18 In Exhibit Seven is there a complete list of the
19 wells for which you seek the exception to 202(B)?

20 A Yes, sir.

21 MR. STAMETS: Are there any other questions of
22 the witness? He may be excused.

23 (THEREUPON, the witness was excused.)

24 MR. STAMETS: Do you have anything further in this
25 case?

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MR. LOPEZ: No, Mr. Examiner.

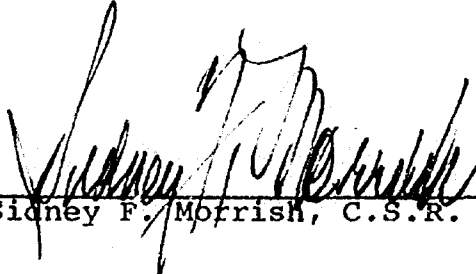
MR. STAMETS: The case will be taken under advise-
ment.

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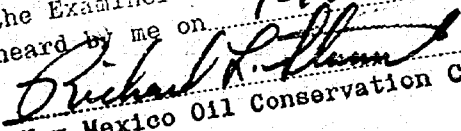
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REPORTER'S CERTIFICATE

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, C.S.R.

sid morrish reporting service
General Court Reporting Service
825 Calle Mojia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6125,
heard by me on 1-18, 1978.
, Examiner
New Mexico Oil Conservation Commission



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



LAND COMMISSIONER
PHIL R. LUCERO
March 1, 1978

STATE GEOLOGIST
EMERY C. ARNOLD

Re: CASE NO. 6125
ORDER NO. R-5655

Applicant:

Shell Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	X
Artesia OCC	X
Aztec OCC	X

Other

CARSON UNIT - BISTI FIELD
Inactive Wells and Proposed Plans
Exhibit VII

Sec. 7	3	Production test to determine potential
Sec. 10	23	Production test to determine potential
	24	Production test contingent on C.U. 23-10 results
	34	Production test to determine potential
	43	Production test contingent on C.U. 33-10 stimulation
	44	Remedial proposal routing to return to production
Sec. 11	13	Pictured Cliffs gas-awaiting facilities installation
	34	Pictured Cliffs gas-awaiting facilities installation
Sec. 13	1 WS	Water disposal well if additional capacity is needed
	21 I	Production test contingent on C.U. 21-14 and 21-19 results
	23 I	Production test contingent on C.U. 21-14 and 21-19 results
	24 I	Production test contingent on C.U. 21-14 and 21-19 results
	31	Production test contingent on C.U. 33-13 results
	32	Production test contingent on C.U. 33-13 results
	33	Production test to determine potential
	44	Production test contingent on C.U. 33-13 results
	201	To be plugged and abandoned
Sec. 14	3	Possible water disposal for Pictured Cliffs gas wells
	11	Propose remedial if C.U. 44-10 approved otherwise P&A
	14	Production test contingent on C.U. 33-15 results
	21 I	Production test to determine potential
	33	Production test to determine potential
	34	Production test contingent on C.U. 33-14 results
	41	Pictured Cliffs gas-awaiting facilities installation
Sec. 15	31	Production test contingent on C.U. 23-10 and 41-15 results
	32	Production test contingent on C.U. 33-15 results
	33	Production test to determine potential
	41	Production test to determine potential
	43	Production test contingent on C.U. 33-15 results
Sec. 17	1 I	Production test contingent on C.U. 21-14 and 21-19 results
	43 I	Production test contingent on C.U. 21-14 and 21-19 results
Sec. 18	12	Production test contingent on C.U. 33-18 results
	23 I	To be plugged and abandoned
	24 I	Production test contingent on C.U. 21-14 and 21-19 results
	33	Production test to determine potential
	34	Production test contingent on C.U. 33-18 results
Sec. 19	12	Production test to determine potential
	21 I	Production test to determine potential
	23	Production test to determine potential
	34	Production test to determine potential
	41	Production test to determine potential
Sec. 24	34	Production test to determine potential

TYPE LOG

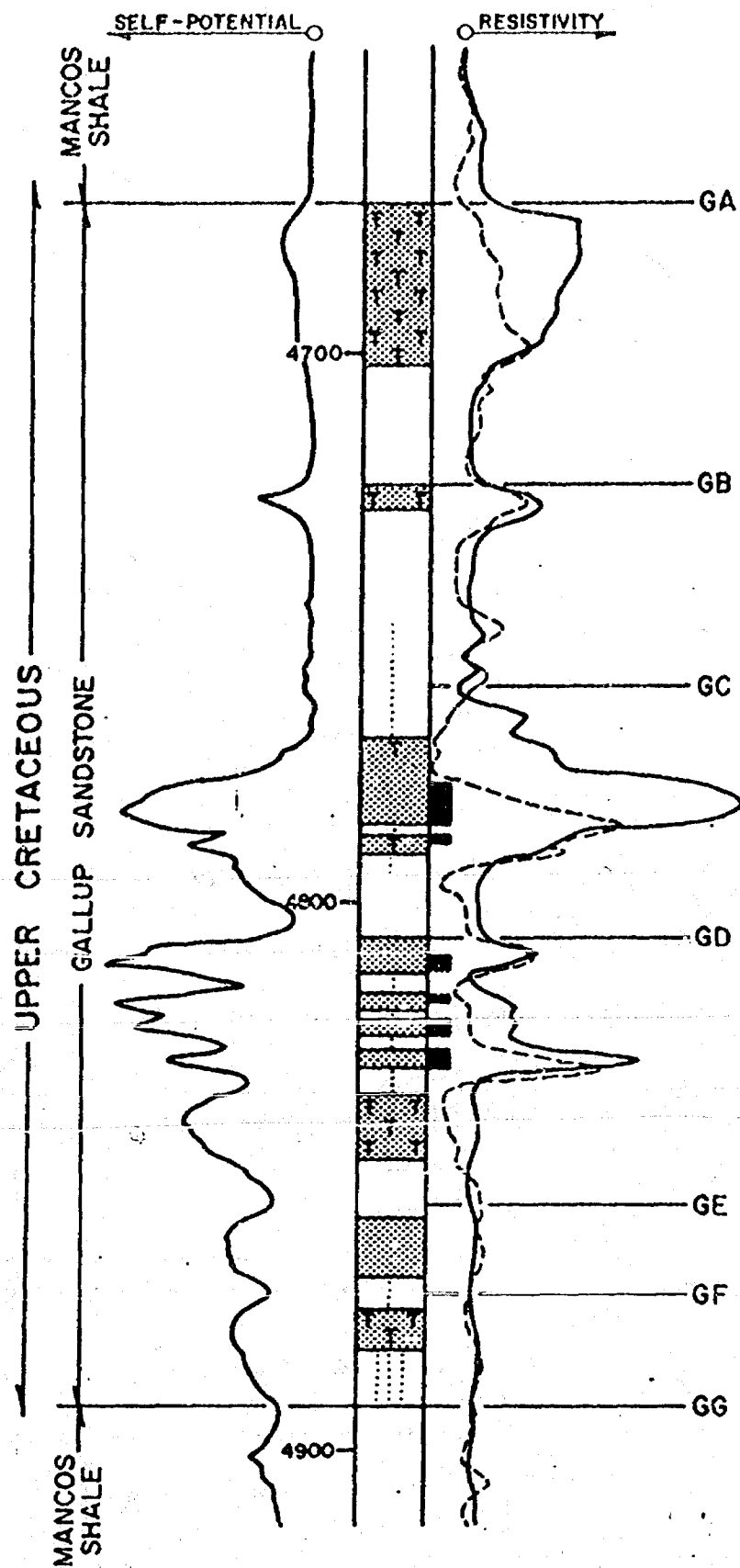


EXHIBIT III

LEGEND

Microlog Net Pay

TYPE LOG
BISTI FIELD
GALLUP SANDSTONE

SCALE : 1" = 30'

K20-382

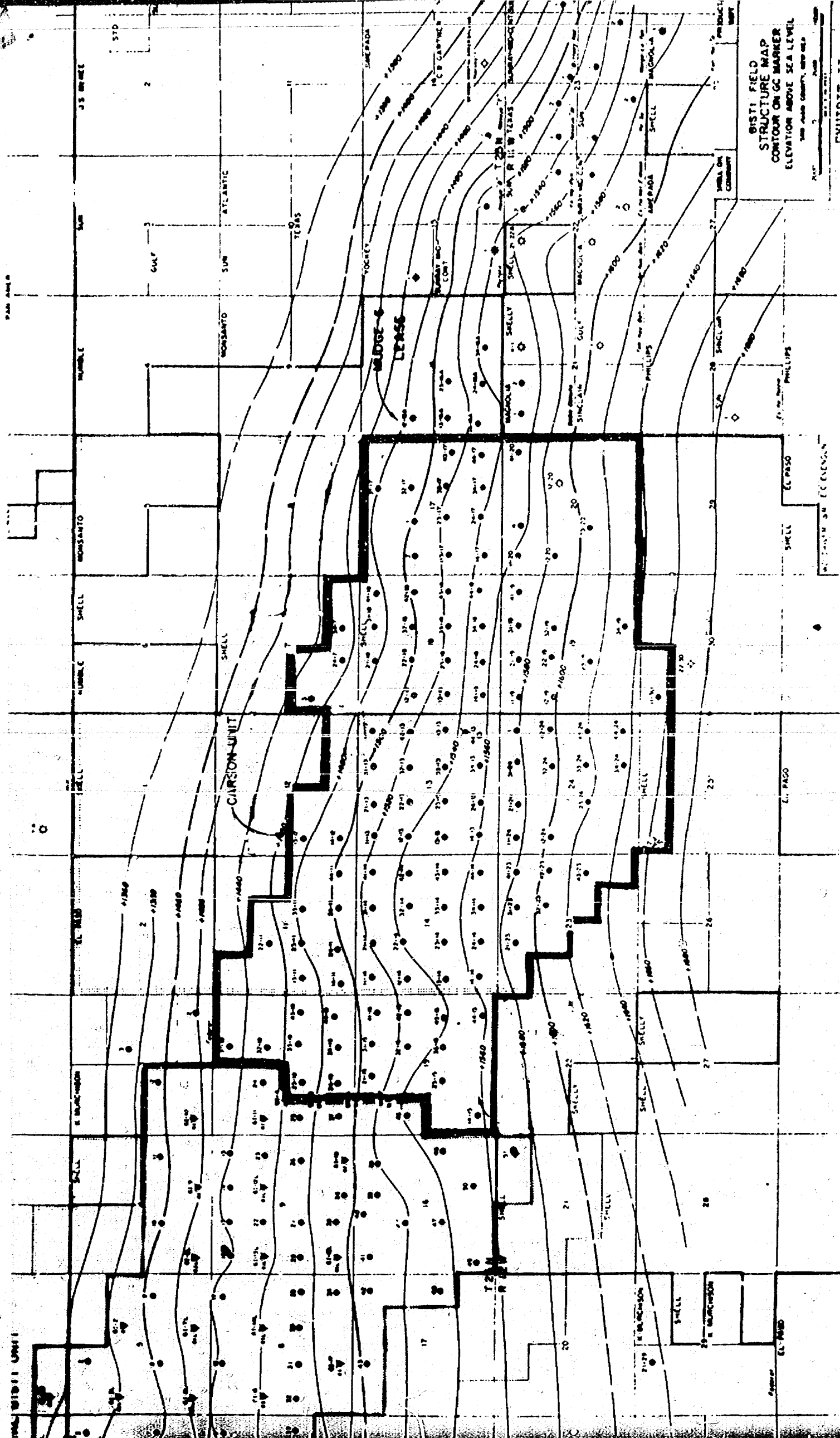
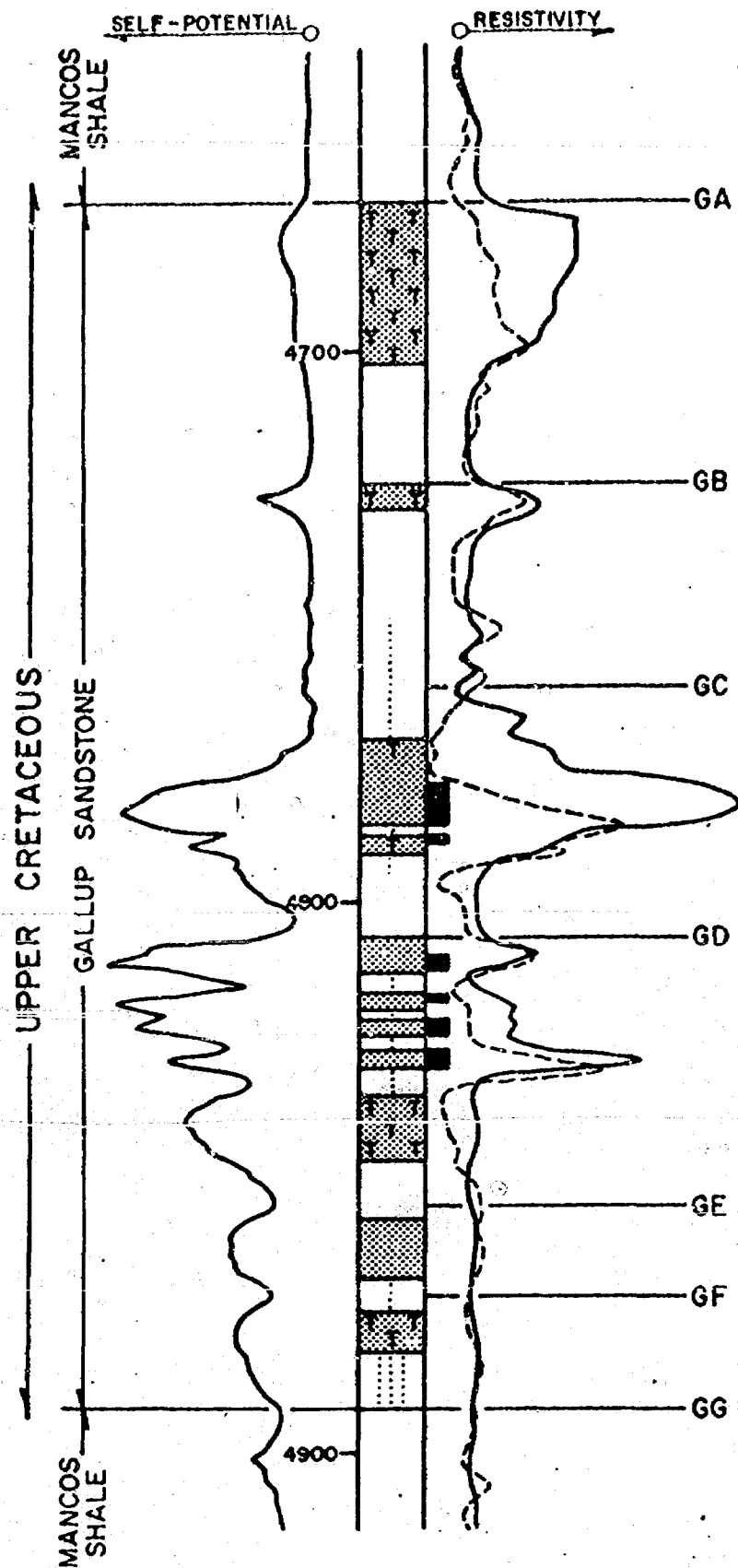


EXHIBIT II

TYPE LOG



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
She!! EXHIBIT NO. *3*
CASE NO. *6125*
Submitted by *S. M. J. Gorn*
Hearing Date *1-18-78*

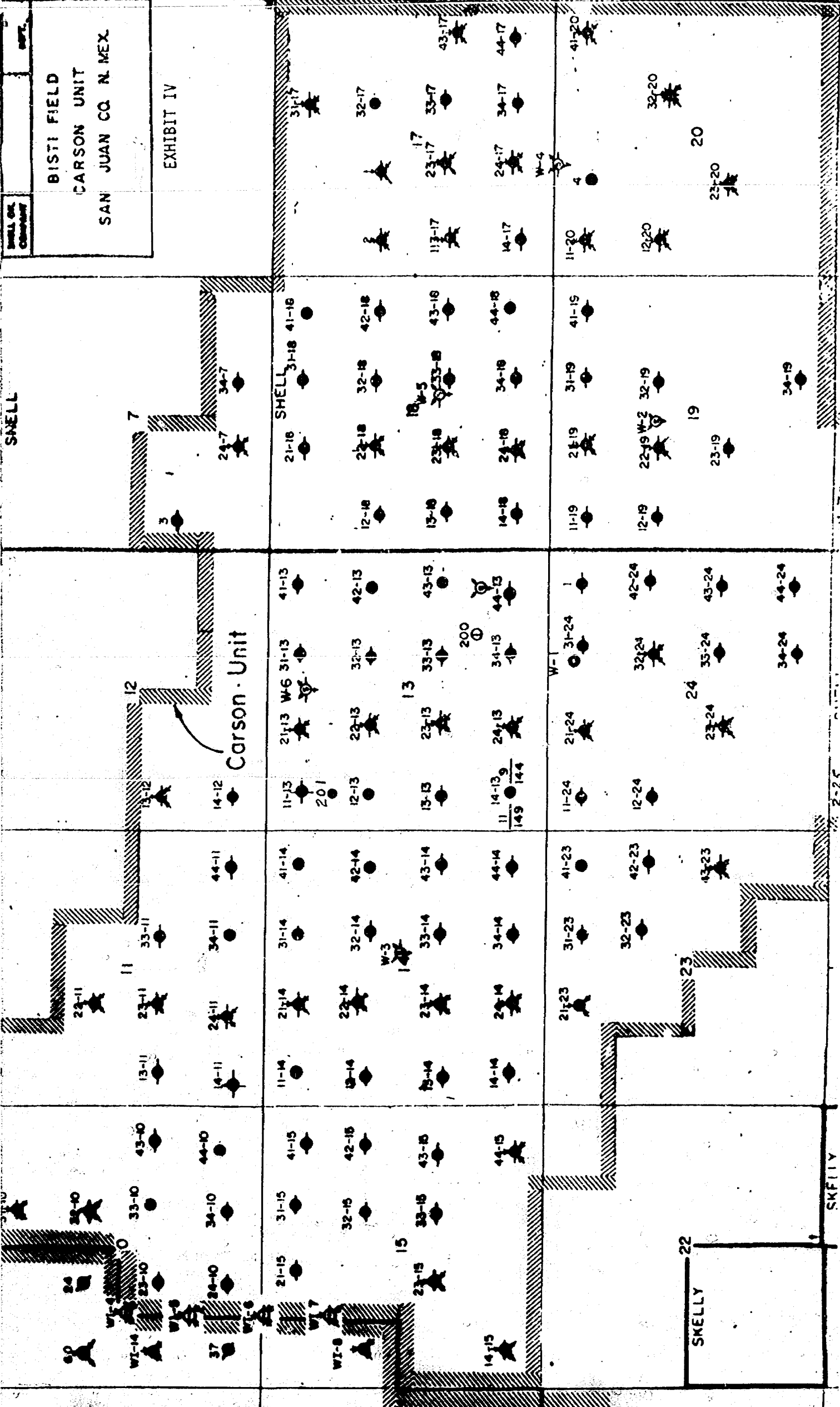
EXHIBIT III

LEGEND

Microlog Net Pay

TYPE LOG
BISTI FIELD
GALLUP SANDSTONE
SCALE : 1" = 30'

K20-382



SHELL OIL COMPANY

BISTI FIELD
CARSON UNIT
SAN JUAN CO. N. MEX.

EXHIBIT IV

SKELLY

SKELLY

CARSON UNIT - BISTI FIELD
Current Status of All Wells
Exhibit V

Sec. 7	3	Temporarily Abandoned
	24 I	Plugged and Abandoned
	34	Plugged and Abandoned
Sec. 10	23	Temporarily Abandoned
	24	Temporarily Abandoned
	31 I	Plugged and Abandoned
	32 I	Plugged and Abandoned
	33	Active Producer
	34	Temporarily Abandoned
	43	Temporarily Abandoned
Sec. 11	44	S.I. - Mech. Problem
	13	S.I. - Pictured Cliffs Gas Well
	14	Plugged and Abandoned
	22 I	Plugged and Abandoned
	23 I	Plugged and Abandoned
	24 I	Plugged and Abandoned
	33	Plugged and Abandoned
Sec. 12	34	S.I. - Pictured Cliffs Gas Well
	44	Plugged and Abandoned
Sec. 12	13	Plugged and Abandoned
	14	Plugged and Abandoned
Sec. 13	11	Plugged and Abandoned
	12	Intermittent Producer
	13	Plugged and Abandoned
	14	Active Producer
	21 I	Temporarily Abandoned
	22 I	Plugged and Abandoned
	23 I	Temporarily Abandoned
	24 I	Temporarily Abandoned
	31	Temporarily Abandoned
	32	Temporarily Abandoned
	33	Temporarily Abandoned
	34	Plugged and Abandoned
	41	Plugged and Abandoned
	42	Active Producer
	43	Intermittent Producer
	44	Temporarily Abandoned
Sec. 13	200	Plugged and Abandoned
	201	Shut-in
	1 WS	Temporarily Abandoned
	6 WS	Plugged and Abandoned
Sec. 14	11	Shut-in - Mech. Problem
	12	Plugged and Abandoned
	13	Plugged and Abandoned
	14	Temporarily Abandoned
	21 I	Temporarily Abandoned

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Shell EXHIBIT NO. 5

CASE NO. 6125

Submitted by Springborn

Hearing Date 1-18-48

Sec. 14	22 I	Plugged and Abandoned
	23 I	Plugged and Abandoned
	24 I	Plugged and Abandoned
	31	Active Producer
	32	Plugged and Abandoned
	33	Temporarily Abandoned
	34	Temporarily Abandoned
	41	S.I. - Pictured Cliffs Gas Well
	42	Active Producer
	43	Plugged and Abandoned
	44	Plugged and Abandoned
3 WS	Temporarily Abandoned	

Sec. 15	14 I	Plugged and Abandoned
	21	Plugged and Abandoned
	23 I	Plugged and Abandoned
	31	Temporarily Abandoned
	32	Temporarily Abandoned
	33	Temporarily Abandoned
	41	Temporarily Abandoned
	42	Plugged and Abandoned
	43	Temporarily Abandoned
44 I	Plugged and Abandoned	

Sec. 17	1 I	Temporarily Abandoned
	2 I	Plugged and Abandoned
	14	Plugged and Abandoned
	23 I	Plugged and Abandoned
	24 I	Plugged and Abandoned
	31 I	Plugged and Abandoned
	32	Intermittent Producer
	33	Plugged and Abandoned
	34	Plugged and Abandoned
	43 I	Temporarily Abandoned
44	Plugged and Abandoned	
113	Active Dakota Gas Well	

Sec. 18	12	Temporarily Abandoned
	13	Plugged and Abandoned
	14	Plugged and Abandoned
	21	Plugged and Abandoned
	22 I	Plugged and Abandoned
	23 I	Temporarily Abandoned
	24 I	Temporarily Abandoned
	31	Plugged and Abandoned
	32	Plugged and Abandoned
	33	Temporarily Abandoned
	34	Temporarily Abandoned
	41	Intermittent Producer
	42	Plugged and Abandoned
	43	Plugged and Abandoned
44	Active Producer	
5 WS	Plugged and Abandoned	

Sec. 19	11	Plugged and Abandoned
	12	Temporarily Abandoned
	21 I	Temporarily Abandoned
	22 I	Plugged and Abandoned
	23	Temporarily Abandoned
	31	Plugged and Abandoned
	32	Plugged and Abandoned
	34	Temporarily Abandoned
	41	Temporarily Abandoned
	2 WS	Plugged and Abandoned
Sec. 20	4	Active Producer
	11 I	Plugged and Abandoned
	12 I	Plugged and Abandoned
	23 I	Plugged and Abandoned
	32 I	Plugged and Abandoned
	41 I	Plugged and Abandoned
	4 WS	Plugged and Abandoned
Sec. 23	21 I	Plugged and Abandoned
	31	Plugged and Abandoned
	32	Plugged and Abandoned
	41	Intermittent Producer
	42	Plugged and Abandoned
	43 I	Plugged and Abandoned
Sec. 24	1	Plugged and Abandoned
	11	Plugged and Abandoned
	12	Plugged and Abandoned
	21 I	Plugged and Abandoned
	23 I	Plugged and Abandoned
	31	Plugged and Abandoned
	32 I	Plugged and Abandoned
	33	Plugged and Abandoned
	34	Temporarily Abandoned
	42	Plugged and Abandoned
	43	Plugged and Abandoned
	44	Plugged and Abandoned
	1 WD	Active Water Disposal Well
Sec. 25	2 I	Plugged and Abandoned
Sec. 30	11 I	Plugged and Abandoned

Summary:

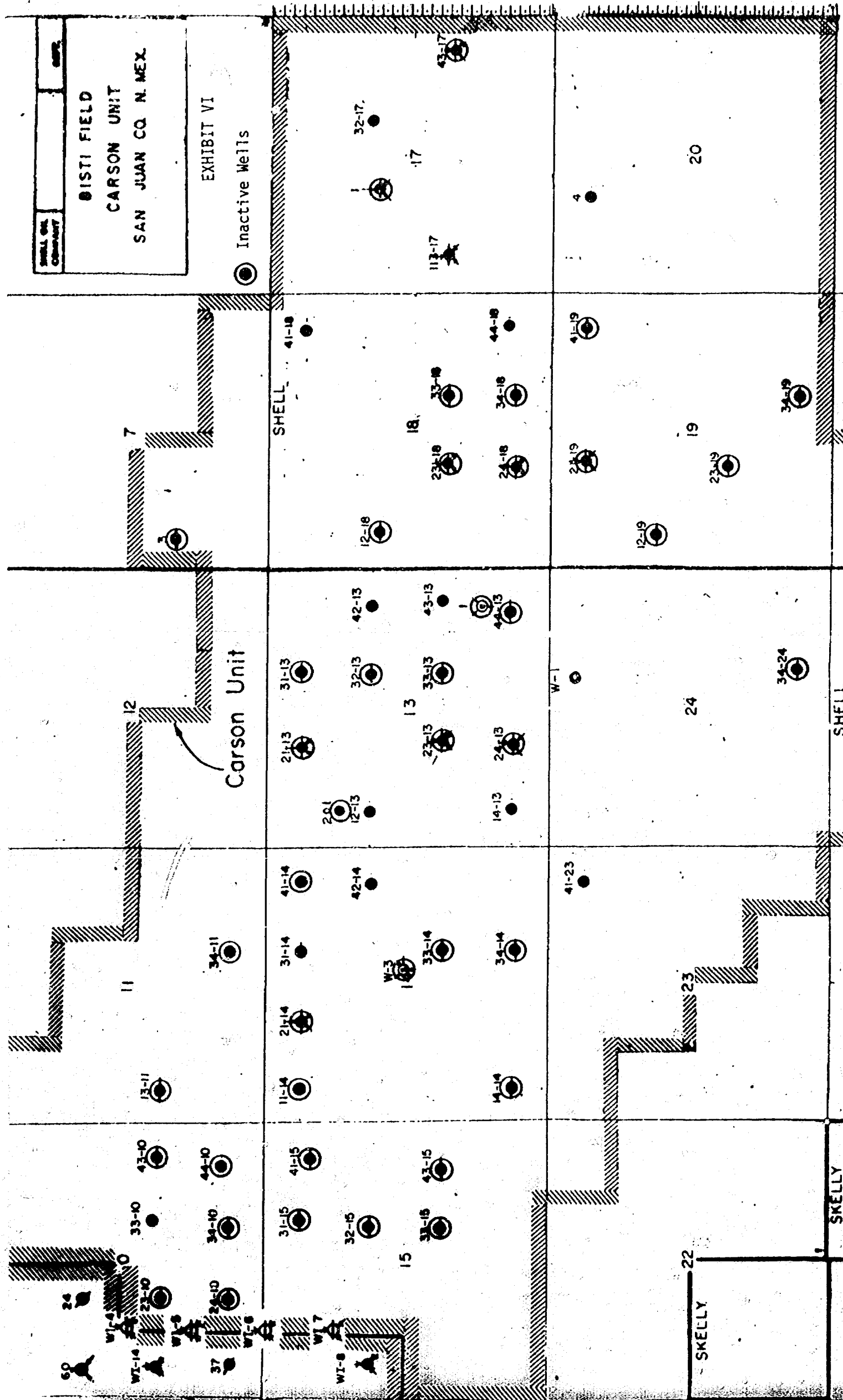
78	Plugged and Abandoned Wells
36	Temporarily Abandoned Wells
6	Shut-in Wells
13	Active Producers
1	Active Water Disposal Well

134 Total Wells

SHELL ON
 OBSERVATION

DISTI FIELD
 CARSON UNIT
 SAN JUAN CO. N. MEX.

EXHIBIT VI
 Inactive Wells

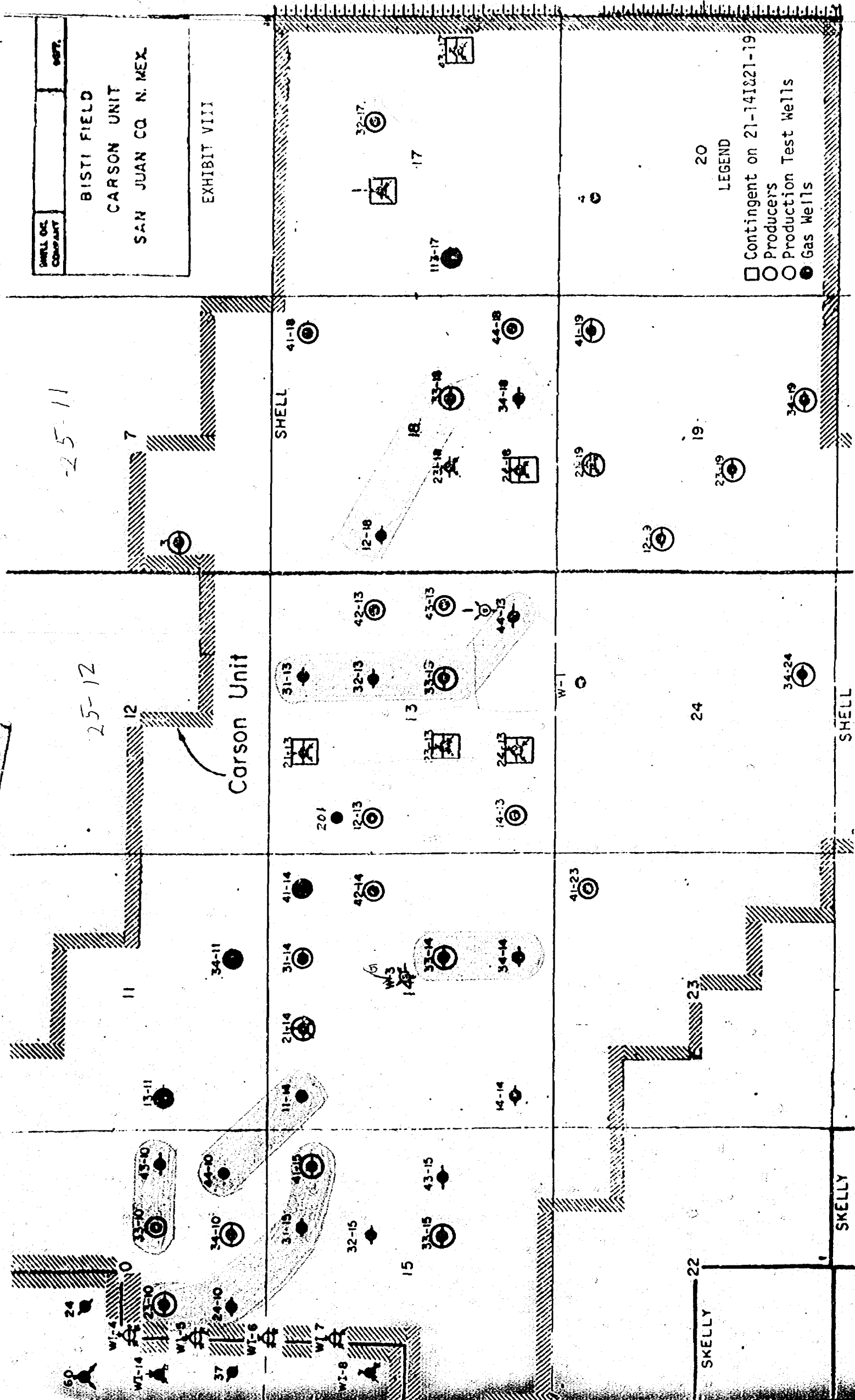


CARSON UNIT - BISTI FIELD
Inactive Wells and Proposed Plans
Exhibit VII

† Sec. 7	3	L	Production test to determine potential
Sec. 10	23	K	Production test to determine potential
	24	N	Production test contingent on C.U. 23-10 results
	34	O	Production test to determine potential
	43	I	Production test contingent on C.U. 33-10 stimulation
	44	P	Remedial proposal routing to return to production
Sec. 11	13	L	Pictured Cliffs gas-awaiting facilities installation
	34	O	Pictured Cliffs gas-awaiting facilities installation
Sec. 13	1	WS	Water disposal well if additional capacity is needed
	21	I	Production test contingent on C.U. 21-14 and 21-19 results
	23	I	Production test contingent on C.U. 21-14 and 21-19 results
	24	I	Production test contingent on C.U. 21-14 and 21-19 results
	31	B	Production test contingent on C.U. 33-13 results
	32	G	Production test contingent on C.U. 33-13 results
	33	J	Production test to determine potential
	44	P	Production test contingent on C.U. 33-13 results
	201	E	To be plugged and abandoned
Sec. 14	3	G	Possible water disposal for Pictured Cliffs gas wells
	11	D	Propose remedial if C.U. 44-10 approved otherwise P&A
	14	M	Production test contingent on C.U. 33-15 results
	21	I	Production test to determine potential
	33	J	Production test to determine potential
	34	O	Production test contingent on C.U. 33-14 results
	41	A	Pictured Cliffs gas-awaiting facilities installation
Sec. 15	31	B	Production test contingent on C.U. 23-10 and 41-15 results
	32	G	Production test contingent on C.U. 33-15 results
	33	J	Production test to determine potential
	41	A	Production test to determine potential
	43	I	Production test contingent on C.U. 33-15 results
† Sec. 17	1	I	Production test contingent on C.U. 21-14 and 21-19 results
	43	I	Production test contingent on C.U. 21-14 and 21-19 results
† Sec. 18	12	E	Production test contingent on C.U. 33-18 results
	23	I	To be plugged and abandoned
	24	I	Production test contingent on C.U. 21-14 and 21-19 results
	33	J	Production test to determine potential
	34	O	Production test contingent on C.U. 33-18 results
† Sec. 19	12	E	Production test to determine potential
	21	I	Production test to determine potential
	23	K	Production test to determine potential
	34	O	Production test to determine potential
	41	A	Production test to determine potential
Sec. 24	34	O	Production test to determine potential

WELL OIL COMPANY
BISTI FIELD
CARSON UNIT
SAN JUAN CO. N. MEX.

EXHIBIT VIII



LEGEND
 □ Contingent on 21-141&21-19
 ○ Producers
 ○ Production Test Wells
 ● Gas Wells

SHELLY

SHELLY

SHELL

SHELL

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF SHELL OIL COMPANY FOR EXCEPTION)
TO NEW MEXICO OIL CONSERVATION)
COMMISSION RULE NO. 202(b).)

No. 6125

A P P L I C A T I O N

Comes now Shell Oil Company, by its attorneys, Montgomery, Andrews & Hannahs, and in support of its application for exception to New Mexico Oil Conservation Commission Rule No. 202(b), states:

1. That the applicant is the operator of certain wells located at Carson Unit, Bisti Field, in Township 25 North, Ranges ^{11 and 12} ~~West~~, San Juan County, New Mexico, more particularly described as follows:

* Section 7:	Well No. 3
† Section 10:	Well Nos. 23, 24, 34, 43
† Section 13:	Well Nos. 1, 21I, 23I, 24I, 31, 32, 33, 44
† Section 14:	Well Nos. 3, 14, 21I, 33, 34
† Section 15:	Well Nos. 31, 32, 33, 41, 43
* Section 17:	Well Nos. 11, 43
* Section 18:	Well Nos. 12, 23I, 24I, 33, 34
* Section 19:	Well Nos. 12, 21I, 23, 34, 41
† Section 24:	Well No. 34

* ~~25N, R11W~~ † = 25N 12W

2. That the foregoing wells have temporarily been abandoned for varying periods in excess of thirty days.

3. That applicant is presently undergoing a thorough analysis of the condition of said wells to determine whether or not reworking said wells will make them capable of production.

4. That in order to complete its study for the purpose of determining the capability of said wells, an exception to New Mexico Oil Conservation Rule No. 202(b) is necessary.

5. That the granting of this application is in the interest of the prevention of waste and the protection of correlative rights.

WHEREFORE, applicant respectfully requests the Commission to grant an exception to the aforesaid New Mexico Oil Conservation Commission Rule No. 202(b), and that any further extensions that may be required be administratively approved.

Respectfully submitted,

MONTGOMERY, ANDREWS & HANNAHS

By


P.O. Box 2307

Santa Fe, New Mexico 87501

Attorneys for Applicant

DRAFT

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. 6125

Order No. R- 5655

APPLICATION OF SHELL OIL COMPANY
FOR AN EXCEPTION TO RULE 202(B),
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18,
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of February, 19 78, 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, Shell Oil Company, seeks an exception
to Commission Rule 202(B), San Juan County, New Mexico, to permit
the continued temporary abandonment of certain wells on its Carson
Unit Area as shown on Exhibit "A" attached to this order.

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Case No. 6125

Order No. R-

(3) That said Carson Unit wells ^{are} ~~consist~~ of oil wells that have been depleted under primary and secondary operations but which have substantial potentially producible reserves and ^{also} Pictured Cliffs gas wells which are shut-in awaiting installation of facilities for the disposal of produced water.

(4) That the applicant has plugged many other wells in its Carson Unit Area.

(5) That the applicant is evaluating those Carson Unit wells shown on Exhibit "A" of this order to determine if additional oil and gas may be economically recovered therefrom.

(6) That the applicant should be granted an exception to Commission Rule 202(B) for a period of one year for those Carson Unit Wells shown on Exhibit "A" of this order.

(7) That upon a showing of substantial progress in the evaluation of the future potential of the Carson Unit Wells shown on said Exhibit "A" or upon a showing that substantial numbers of said wells have been returned to production, the Secretary-Director of the Commission should be authorized to grant a one-year extension of said exception to Commission Rule 202(B) for said Carson Unit Wells.

(8) That the Secretary-Director of the Commission should be empowered to rescind the exception to Rule 202(B) granted by this order, ^{or any extension thereof,} to any well shown on said Exhibit "A" whenever it should appear that such action is necessary to protect correlative rights, to prevent waste, or to prevent the contamination of fresh waters.

(9) That approval of the ^{subject} application with ~~subject~~ ^{for extension or} ~~to the~~ provisions for an administrative procedure and rescission as provided above will not cause waste nor violate correlative rights.

(10) That the application should be approved.

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Case No. 6125
Order No. R-

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby granted an exception to the provisions of Rule 202(B) of the Commission Rules and Regulations for its Carson Unit Wells in San Juan County, New Mexico, as shown on Exhibit "A" attached ^{hereto and make a part hereof} ~~to this order.~~

PROVIDED HOWEVER, that such exception shall expire one year from the date of this order unless the applicant shall have obtained an extension as hereinafter provided.

(2) That the Secretary-Director of the Commission may administratively grant a one year extension to the exception herein provided upon a satisfactory showing of substantial progress in evaluation of the potential for return to production of said Carson Unit Wells or that substantial numbers of said wells have been returned to production.

(3) That the Secretary-Director of the Commission may rescind the exception to Rule 202(B) granted any well under the provisions of this order whenever it should appear that such rescission is necessary to protect correlative rights, prevent waste or prevent the contamination of fresh waters.

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

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

Carson Unit Area Wells

<u>Unit Well and No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Carson Unit 7 No. 3	L	7	25N	11W
Carson Unit 10 No. 23	K	10	25N	12W
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 10 No. 34	O	10	25N	12W
Carson Unit 10 No. 43	I	10	25N	12W
Carson Unit 10 No. 44	P	10	25N	12W
Carson Unit 11 No. 13	L	11	25N	12W
Carson Unit 11 No. 34	O	11	25N	12W
Carson Unit 13 No. 1	P	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 NO. 32	G	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	13	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 14 No. 41	A	14	25N	12W
Carson Unit 15 No. 31	B	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	12W
Carson Unit 15 No. 43	I	15	25N	12W
Carson Unit 17 No. 1	F	17	25N	12W
Carson Unit 17 No. 43	I	17	25N	12W
Carson Unit 18 No. 12	E	18	25N	12W

Carson Unit 18 No. 23	K ✓	18	25N	11W
Carson Unit 18 No. 24	N ✓	18	25N	11W
Carson Unit 18 No. 33	J ✓	18	25N	11W
Carson Unit 18 No. 34	O ✓	18	25N	11W
Carson Unit 19 No. 12	E ✓	19	25N	11W
Carson Unit 19 No. 21	C ✓	19	25N	11W
Carson Unit 19 No. 23	K ✓	19	25N	11W
Carson Unit 19 No. 34	O ✓	19	25N	11W
Carson Unit 19 No. 41	A ✓	19	25N	11W
Carson Unit 24 No. 34	O ✓	24	25N	12W

Case No. 6125-13

Order No. R- 5655-16

Exhibit "A" -1