

CASE 6139: PETRO-LEWIS CORP. FOR
AN UNORTHODOX OIL WELL LOCATION,
SANDOVAL COUNTY, NEW MEXICO

Case Number

6139

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 8, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Petro-Lewis Corporation for) CASE
an unorthodox oil well location, Sandoval) 6139
County, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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1 MR. NUTTER: We will call next Case Number 6139.

2 MS. TESCHENDORF: Case 6139, application of Petro-
3 Lewis Corporation for an unorthodox oil well location,
4 Sandoval County, New Mexico.

5 MR. KELLEHIN: If the Commission please, Jason
6 Kellahin of Kellahin and Fox appearing for the applicant and
7 we have two witnesses to be sworn.

8 (THEREUPON, the witnesses were duly sworn.)
9

10 GEORGE P. DALTON

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

13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Would you state your name, please?

16 A George P. Dalton.

17 Q By whom are you employed and in what position,
18 Mr. Dalton?

19 A I'm employed by Petro-Lewis Corporation as a District
20 Engineer.

21 Q Where are you located?

22 A In Denver, Colorado.

23 Q Have you ever testified before the Oil Conservation
24 Commission or one of its examiners?

25 A I have not.

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1 Q For the benefit of the Examiner would you briefly
2 outline your education and your experience as an engineer?

3 A Yes, sir. I graduated from the University of
4 Illinois in 1967 with a BS degree in Civil Engineering. I
5 worked the last eleven years for the Shell Oil Company as a
6 production engineer, senior operations engineer, petroleum
7 engineer in the states of Colorado, Wyoming, Montana, and most
8 recently, Texas, California, and Alaska. I have held various
9 supervisory positions in the last eleven years as a senior
10 petroleum engineer and my main responsibilities were field
11 operations and well evaluations with reservoir supervision
12 and most recently, from December of 1977 I left Shell Oil
13 Company and came with Petro-Lewis where I have been employed
14 as a district engineer since that time.

15 Q In connection with your duties with Petro-Lewis do
16 you have anything to do with the Media-Entrada Pool?

17 A Yes, sir, I do.

18 Q It's under your supervision?

19 A It's under my supervision from an engineering stand-
20 point?

21 MR. KELLAHIN: Are the witness' qualifications
22 acceptable?

23 MR. NUTTER: Yes, they are.

24 Q (Mr. Kellahin continuing.) Mr. Dalton, briefly what
25 is proposed by the applicant in Case Number 6139?

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1 A Petro-Lewis Corporation proposes to drill a well
2 called the Boling Federal 8-22 as essentially a replacement
3 well for the Boling Federal 5-22 which is a well drilled in
4 the Southwest Media Field in which through various operations
5 that have been conducted on it since initial completion it has
6 become so mechanically unfit as to preclude its ability to
7 produce the reserves that we believe to exist at this location.

8 Q Now the well has already been drilled, has it not?

9 A It has, yes, sir.

10 Q And it has not been produced?

11 A It has not been produced, in fact, it hasn't been
12 completed as yet.

13 Q You are awaiting an order from the Commission on
14 completion?

15 A Yes, sir.

16 Q Now what was the problem with the other well?

17 A The Boling Federal 5-22 was from initial completion
18 produced very high amounts of water, in the order of ninety to
19 ninety-five percent of water and through about the first year
20 and a half of its producing life it produced intermittently
21 and at the end of the year and a half it produced only about
22 sixteen hundred barrels of oil. At that time a remedial
23 treatment was--a water shut-off treatment was proposed for the
24 well. It was done and was unsuccessful. We were unable to
25 shut the water off and a good deal of the oil--we were not able

1 to produce the oil in economic quantities and after another
2 year and a half or so of production history the well was
3 determined to be uneconomic and has since been shut in after
4 producing a cumulative of about thirteen thousand barrels of
5 oil, approximately thirteen thousand barrels.

6 We desire to replace the well with one which
7 mechanically would allow us to produce the reserves.

8 Q Now referring to what has been marked as Exhibit
9 Number One, would you identify that exhibit, please?

10 A Yes, Exhibit Number One is entitled, The Media Dome
11 Area. It shows the lessees of record and the proposed loca-
12 tion of the Boling Federal 8-22 in the northwest quarter of
13 Section 22, 19 North, 3 West and it also shows the two-mile
14 radius circle which indicates the lessees of record within
15 the two-mile area, two-mile radius and also there are no
16 other existing operations within that area except those that
17 are marked inside of the two-mile circle.

18 Q Now what is the well location? Would you give the
19 footage location?

20 A Yes, I will have to refer to--the location is set
21 at nine ninety from the north line and twenty-one sixty feet
22 from the west line of Section 22, Township 19 North, Range 3
23 West in Sandoval County, New Mexico.

24 Q Now that puts it closer to the line than permitted
25 by the Commission rules, does it not?

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1 A That is true.

2 Q What is the ownership of the two units, do you know
3 that? The unit upon which the well is located and the one
4 which is crowded?

5 A Yes, I will read these for you now.

6 Q Well, let's talk about the working interest ownership
7 first?

8 A The working interest is Petro-Lewis Corporation,
9 fifty percent, Fluid Power Pump--I'm sorry, I don't have
10 those numbers with me right now, but the working interest
11 owner--

12 Q Is the ownership common as to the two units so far
13 as the working interest?

14 A Yes, sir.

15 Q There is no difference?

16 A That's true.

17 Q Now is there any difference in the overriding
18 royalty, in the royalty interest first?

19 A In the spacing unit?

20 Q Is there any difference between the two units as to
21 the royalty, the base royalty, are they both Federal leases?

22 A They are, there is no difference.

23 Q Now as to the overriding royalties, what is the
24 difference?

25 A Well, in this spacing unit, as far as I know there

1 is no difference.

2 Q Insofar as your replacement well and the original
3 well here there is no difference?

4 A That is true.

5 Q Now as to the offsetting acreage, is there a dif-
6 ference?

7 A There is.

8 Q Could you state briefly what that difference is?

9 A Well, very briefly the overriding royalty owners of
10 record are--well, I can't state it briefly without reading
11 who the royalty owners are.

12 Q Well, is there a difference in the ownership?

13 A There is a difference in the ownership.

14 Q Could you state what that difference is?

15 A Well, in the spacing unit to the east the owners
16 are listed as Valle Reece, Incorporated, one of the owners but
17 in both units with the exception that the percentage is a
18 little bit different. Butler and Coberly own interest in both
19 leases but different interest. The Texas Northeast Oil and
20 Gas owns interest in both leases but different interest. Petro-
21 Lewis owns interest in both leases but different interest.
22 Earl Crinerton owns interest in the 6-22 spacing unit which is
23 the unit on which the No. 8-22 is to be drilled and as far as
24 I'm able to determine he does not own interest in the offset
25 unit to the east which is 7-22. Mr. Duncan Miller owns interest

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1 in the offset unit to the east. As far as I am able to
2 determine he does not own interest in the spacing unit of
3 question. Billy Robinson owns interest in the spacing unit
4 that is of question and does not own interest in the spacing
5 unit to the east. Mr. Baker owns interest in the spacing
6 unit in question and does not own interest in the unit to the
7 east.

8 Q Now in your opinion as an engineer, will the drilling
9 of this well be of benefit to those interest owners, the
10 overriding royalty owners who own an interest under the tract
11 dedicated to the well?

12 A Yes, sir, it will.

13 Q Will it have an adverse effect to any degree on the
14 offsetting acreage in your opinion?

15 A We do not believe that it will.

16 Q Do you have anything to add in connection with
17 Exhibit Number One?

18 A No, sir, I don't.

19 Q Now turn to Exhibit Number Five, if you please?

20 A Yes, sir.

21 Q That is a multiple page exhibit and identify that,
22 please?

23 A Exhibit Number Five consists of a package of documents,
24 basically the history of the Boling Federal 5-22 as it is
25 known. It consists of the original completion report and

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1 summary. A brief history of the well production history which
2 outlines, as I have already mentioned, the well's initial
3 production history, the rework and the subsequent production
4 history. It also shows what is planned for the well and there
5 is also an application for permission to plug back, which is
6 of record as of this date, to plug out of the Entrada which
7 is the producing zone. It shows the well schematic diagram
8 which shows how the well is to be plugged out of the Entrada.

9 There is an exhibit plot of production, water cut
10 oil and gross production versus time from the well's initial
11 completion until its abandonment. And then there are copies
12 of short portions of the Entrada section, the density logs
13 and the induction survey through the Entrada.

14 Q In your opinion will the approval of this application
15 result in the recovery of oil that would not otherwise be
16 recovered?

17 A Yes, sir.

18 Q And would that prevent waste?

19 A Yes, sir, it would.

20 Q Have you anything to add?

21 A No, sir, I don't.

22 Q Were Exhibits One and Five prepared by you or under
23 your supervision?

24 A Yes, sir, they were.

25 MR. KELLAHIN: At this time we will offer Exhibits

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1 One and Five, inclusive.

2 MR. NUTTER: Applicant's Exhibits One and Five will
3 be admitted into evidence.

4 (THEREUPON, Applicant's Exhibits One and
5 Five were admitted into evidence.)

6 CROSS EXAMINATION

7 BY MR. NUTTER:

8 Q Mr. Dalton, you stated the well had produced a total
9 of thirteen thousand barrels, I believe?

10 A Yes, sir, that is correct.

11 Q And then according to a couple of these forms that
12 are filed in this package, being Exhibit Number Five, it is
13 your intent to make this into a salt water disposal well, is
14 that correct?

15 A Yes, sir, that is stated on the application to plug
16 back. The application to convert to salt water has not been
17 made at this time.

18 Q And you haven't filed that with the Oil Conservation
19 Commission as of now?

20 A We haven't, that's true.

21 Q Now the Gallup topped out at about twenty-eight
22 ninety-four, I believe here, so where on this diagrammatic
23 sketch of the well would the salt water disposal be?

24 A We haven't indicated it on the sketch, Mr. Commissioner,
25 however, it would be very nearly at the top of the Gallup as

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1 it was originally picked on the completion log and shown on
2 the original completion form 9-330.

3 Q Of course, this would be a matter to consider at the
4 time of the hearing for the salt water disposal but apparently
5 the top of the cement on that seven inch would be at twenty-
6 nine fifty, which is below the top of the Gallup?

7 A That is true.

8 Q So maybe you would have to have some additional
9 cement on there prior to conversion to salt water disposal?

10 A That is exactly right and it is planned to be done
11 that way.

12 Q I see. How about the No. 4 Well, Mr. Dalton, is
13 it a producing well, immediately south of this proposed
14 location?

15 A The No. 4 Well?

16 Q I believe that's it--the No. 6.

17 A The No. 6, yes, sir, the No. 6 is a producing well
18 in the Entrada.

19 Q Is it a high producer of water also?

20 A Yes, sir.

21 Q Most of these wells in this area produce large
22 quantities of water don't they?

23 A All of the Entrada wells produce extremely high
24 amounts of water, yes, sir.

25 MR. NUTTER: Are there any further questions of

1 Mr. Dalton? He may be excused.

2 (THEREUPON, the witness was excused.)

3 MR. KELLAHIN: I would like to call Mr. Campbell
4 as a witness.

5
6 JOHN CAMPBELL

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

9 DIRECT EXAMINATION

10 BY MR. KELLAHIN:

11 Q Would you state your name, please?

12 A John Campbell.

13 Q By whom are you employed and in what position, Mr.
14 Campbell?

15 A I'm a senior development geologist for Petro-Lewis
16 Corporation in Denver.

17 Q Have you ever testified before the Oil Conservation
18 Commission or one of its examiners?

19 A No, I have not.

20 Q For the benefit of the Examiner would you outline
21 your education and experience as a geologist?

22 A Yes, sir. I received a BS degree from the University
23 of Oklahoma, a BS in geology, in 1969, at which time I went
24 to work for Sunray-DX Oil Company, later Sun Oil Company. I
25 worked for them until 1974 in primarily the production depart-

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1 ment in Oklahoma and West Texas. I then went to work for
2 Core Laboratories in their engineering consulting department
3 in Dallas and I worked for them until May of this past year at
4 which time I went to work for Petro-Lewis in Denver as a
5 development geologist.

6 MR. KELLAHIN: Are the witness' qualifications
7 acceptable?

8 MR. NUTTER: Yes, they are.

9 Q (Mr. Kellahin continuing.) Now, Mr. Campbell,
10 referring to what has been marked as Exhibit Number Two would
11 you identify that exhibit, please?

12 A This is a structure map, the datum being the top of
13 the Entrada sandstone. It shows the Media dome. The struc-
14 ture is controlled primarily by well data and seismic data.

15 Q You have good control on the structure, do you not?

16 A Yes, we feel like we do.

17 Q This same exhibit has been presented to the Commis-
18 sion in past hearings, has it not, or one similar?

19 A Somewhat similar, I guess.

20 Q Now referring to what has been marked as Exhibit
21 Number Three, would you identify that exhibit?

22 A This is also a structure map of the oil-water
23 contact, the oil-water contact being silted.

24 MR. NUTTER: Now we have a difference in numbers.

25 Okay, the structure map with the oil-water contact is Exhibit

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1 Number Three, is that correct?

2 A Right.

3 MR. NUTTER: And the Isopach Map is going to be
4 Exhibit Number Four?

5 A Yes, sir.

6 Q (Mr. Kellahin continuing.) Would you go ahead with
7 your testimony regarding Exhibit Number Three?

8 A This map shows the silting of the oil-water contact
9 in the Media area based on well log analysis. It shows the
10 general dip from northeast to southwest. It is also well
11 controlled, it has good control.

12 Q In your opinion has the oil-water contact changed
13 with production?

14 A Well, it probably has but we don't know that for
15 sure.

16 Q You don't know exactly where it is at this time?

17 A No, that is true. This is the original oil-water
18 contact.

19 Q Now referring to what has been marked as Exhibit
20 Number Four, would you identify that exhibit?

21 A This is an isopach of the gross oil interval in the
22 Entrada sandstone. It is derived from the previous two maps.
23 It shows the difference between the structure at the top of
24 the Entrada and the structure of the oil-water contact. It
25 shows to be two oil pools, one Media Field proper and one the

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1 Southwest Media and it shows our proposed location in Section
2 22 to be in the thickest gross oil interval. Of course, this
3 is where we want to drill.

4 Q Now referring to what has been marked as Exhibit
5 Number Six, would you identify that exhibit?

6 A That is a letter from our working interest partners,
7 a waiver saying they agree with the proposed location for this
8 well.

9 Q And Exhibit Number Seven, would you identify that
10 exhibit, please?

11 A This is our application to drill the proposed well.

12 Q That is to the USGS, is it?

13 A To the USGS, yes, sir.

14 Q Has that been approved?

15 A Yes, it has.

16 Q Now, Mr. Campbell, in your opinion will the drilling
17 of the well as proposed by Petro-Lewis at the location pro-
18 posed result in the recovery of oil that would not otherwise
19 be recovered?

20 A Yes, I think it would.

21 Q If the well is not drilled would there be any further
22 recovery from the unit dedicated to the old well?

23 A Possibly some.

24 Q What would it be produced from?

25 A It would be produced from Well No. 6

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1 Q Which is not on that unit, is it?

2 A No.

3 Q So since the overriding royalty ownership is some-
4 what different, those owners would be penalized if the well
5 is not approved, is that correct?

6 A That is true.

7 Q Were Exhibits Two, Three, and Four prepared by you
8 or under your supervision?

9 A Yes, they were.

10 Q And Exhibit Six, is that a letter from your files?

11 A Yes, it is.

12 Q And Exhibit Number Seven is a copy of the approval
13 of the USGS?

14 A Yes, sir.

15 MR. KELLAHIN: At this time we offer Exhibits Two,
16 Three, Four, Six, and Seven.

17 MR. NUTTER: Petro-Lewis Exhibits Two, Three, Four,
18 Six, and Seven will be admitted into evidence.

19 (THEREUPON, Applicant Exhibits Two, Three,
20 Four, Six, and Seven were admitted into
21 evidence.)

22 MR. KELLAHIN: Do you have anything else to add,
23 Mr. Campbell?

24 MR. CAMPBELL: No, I don't.

25 MR. KELLAHIN: That completes our testimony,

1 Mr. Nutter.

2 CROSS EXAMINATION

3 BY MR. NUTTER:

4 Q Mr. Campbell, looking at your Exhibit Number Three,
5 being the structure map showing the oil-water contact, it would
6 appear that the No. 5 Well, which is an abandoned producer,
7 and the No. 6 Well, which is the current producer, are on
8 approximately the same position on the oil-water structure,
9 they are both on the same position, and that also the proposed
10 well would be at approximately the same position with respect
11 to the oil-water contact?

12 A Yes, sir.

13 Q Why has this No. 5 Well been such a poor producer,
14 is it strictly a mechanical problem in there, or just what is it
15 that causes that well to have to be abandoned?

16 A I'm not real sure why it was a poor producer in the
17 first place but in trying to reduce the water production we
18 tried a cement squeeze on the formation and reduced the deliver-
19 ability down to almost nil compared to the other wells.

20 Q The deliverability of oil as well as water?

21 A Yes, sir.

22 Q I noticed on one of those previous forms that the
23 initial potential on the thing was not bad, it made four hundred
24 and eighty barrels of oil and fourteen hundred and forty of
25 water which is a relatively low water-oil ratio for this area,

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1 but it wasn't long before it was making a lot more water than
2 that percentage-wise?

3 A Yes, sir.

4 Q But still it is in the same structural position on
5 the oil-water contact as the other two wells, the proposed well
6 and the No. 6?

7 A Yes, sir.

8 Q There is no answer for that, no explanation?

9 A Well, due to the structure at the top of the Entrada
10 we have a larger gross oil interval, we think, here.

11 Q Which would be shown on the isopach map?

12 A On the isopach map, yes, sir.

13 Q I see you have got thirty-three feet in the No. 5
14 and forty-two feet in the No. 6 and you would suspect that
15 this new proposed well, the No. 8, would be--

16 A In excess of forty feet.

17 Q It would be in excess of forty feet?

18 A Yes, sir.

19 MR. NUTTER: Are there any further questions of
20 Mr. Campbell? Mr. Kendrick?

21 CROSS EXAMINATION

22 BY MR. KENDRICK:

23 Q Under direct examination you were asked where the
24 oil from this drill tract would be produced and you advised
25 that would be through Well No. 6, being on a separate drill

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1 tract?

2 A Possibly some of it would be, yes, sir.

3 Q The drill tract location is the northwest quarter of
4 Section 22?

5 A Yes, sir.

6 Q And Well No. 6 is on that drill tract, so it would
7 not be to a disadvantage to this drill tract to produce the
8 Well No. 6, would it?

9 A I'm not sure that is on the same drill tract.

10 MR. NUTTER: You have one hundred and sixty acre
11 spacing, I don't know if that is a non-standard unit or not.

12 Q (Mr. Kendrick continuing.) As a matter of fact, the
13 northwest quarter of Section 22 is dedicated to the two wells,
14 5 and 6.

15 A Yes, sir, 5 and 6.

16 Q So if the oil from the drill tract is produced from
17 No. 6 it would not be a disadvantage to the drill tract, would
18 it?

19 A It wouldn't necessarily all be produced, we don't
20 believe it will be.

21 Q Could some of that oil be produced from the No. 7
22 on the northeast quarter?

23 A No, I don't think so.

24 MR. KENDRICK: No further questions.

25 MR. NUTTER: Are there any further questions of

1 Mr. Campbell?

2 MR. KELLAHIN: Just to clarify your answer to
3 Mr. Kendrick, if the well is not drilled, in your opinion will
4 all of the available oil be produced that would be produced
5 from the new well?

6 MR. CAMPBELL: No, sir.

7 MR. KELLAHIN: That's all I have.

8 MR. NUTTER: If there are no further questions of
9 the witness he may be excused.

10 (THEREUPON, the witness was excused.)

11 MR. KELLAHIN: That's all we have, Mr. Nutter. Thank
12 you.

13 MR. NUTTER: You have nothing further, Mr. Kellahin?

14 MR. KELLAHIN: No, nothing further.


15 MR. NUTTER: Does anyone have anything they wish to
16 offer in Case Number 6139? We will take the case under
17 advisement.

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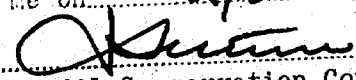
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REPORTER'S CERTIFICATE

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.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4139
heard by me on 2/8, 1978.

, Examiner
New Mexico Oil Conservation Commission

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Other

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6139
Order No. R-5640

APPLICATION OF PETRO-LEWIS CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
SANDOVAL COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th 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, Petro-Lewis Corporation, seeks approval of an unorthodox oil well location 990 feet from the North line and 2160 feet from the West line of Section 22, Township 19 North, Range 3 West, NMPM, to test the Entrada formation, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.

(3) That the NW/4 of said Section 22 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.

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

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

-2-

Case 6139

Order No. R-5640

IT IS THEREFORE ORDERED:

(1) That an unorthodox oil well location for the Entrada formation is hereby approved for the Petro-Lewis Corporation Boling Federal 22 Well No. 8 to be located at a point 990 feet from the North line and 2160 feet from the West line of Section 22, Township 19 North, Range 3 West, NMPM, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.

(2) That the NW/4 of said Section 22 shall be dedicated to the above-described well.

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

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, Member

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

S E A L

jr/

Dockets Nos. 7-78 and 9-78 are tentatively set for hearing on February 22 and March 8, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 8, 1978

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

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

- CASE 6137: Application of Amoco Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Nellis Federal Well No. 3 to be located 1980 feet from the North line and 660 feet from the West line of Section 8, Township 19 South, Range 33 East, West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico, the N/2 of said Section 8 to be dedicated to the well.
- CASE 6138: Application of Amoco Production Company for a non-standard proration unit, simultaneous dedication, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 480-acre non-standard gas proration unit comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully Federal Gas Com Wells Nos. 4, 7 and 15 located in Units B, O, and E, respectively, of Section 24. Applicant also seeks approval for the unorthodox location of said Well No. 15 located 1650 feet from the North line and 990 feet from the West line of said Section 24.
- CASE 6139: Application of Petro-Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Boling Federal Well No. 8-22 to be drilled at a point 990 feet from the North line and 2160 feet from the West line of Section 22, Township 19 North, Range 3 West, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.
- CASE 6140: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3,000 feet below the surface to the base of the Queen formation underlying the SE/4 NW/4 of Section 21, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6141: Application of Paul Slayton for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation thru the open-hole interval from 528 feet to 547 feet in his Hastie Well No. 7 located in Unit L of Section 18, Township 17 South, Range 28 East, Empire Field, Eddy County, New Mexico.
- CASE 6142: Application of Atlantic Richfield Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the E/2 of Section 29, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6143: Application of Atlantic Richfield Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 33, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6144: Application of Southland Royalty Company for two unorthodox locations and two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 120-acre non-standard gas proration units comprising the S/2 SE/4 of Section 10 and the SW/4 SW/4 of Section 11, and comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, all in Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico, each of said units to be dedicated to a well drilled at an unorthodox location thereon.

- CASE 6145: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gavilan-Pictured Cliffs and Blanco-Mesaverde production within the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 28 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 6146: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6147: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Greenhorn, Bisti-Lower Gallup, and Basin Dakota production within the wellbore of its Big 8 Well No. 1 located in Unit L of Section 8, Township 24 North, Range 9 West, San Juan County, New Mexico.
- CASE 6148: Application of Coquina Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Drinkard and Granite Wash formations thru the casing-tubing annulus and the tubing, respectively.
- CASE 6134: (Readvertised)
- Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground to the base of the Queen formation underlying the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico, to form a 40-acre Langlie Mattix oil proration unit or underlying the N/2 NE/4, NE/4 NW/4, and SE/4 NW/4 of said Section 22 to form a non-standard 160-acre Jalmat gas proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6096: (Continued from January 18, 1978 Examiner Hearing)
- Application of Texas Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 14, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to applicant's South Wilson State Well No. 1 to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6133: (Continued from January 13, 1978 Examiner Hearing)
- Application of Doyle Hartman for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 of Section 8, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to form a non-standard unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- *****

Docket No. 5-78

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 15, 1978

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 March, 1978, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1978, from four prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1978, for both of the above areas.

February 3, 1978

Petro-Lewis Corporation
P. O. Box 2250
Denver, Colorado 80201

RE: Boling Federal #8 Well
Sandoval County, New Mexico

Gentlemen:

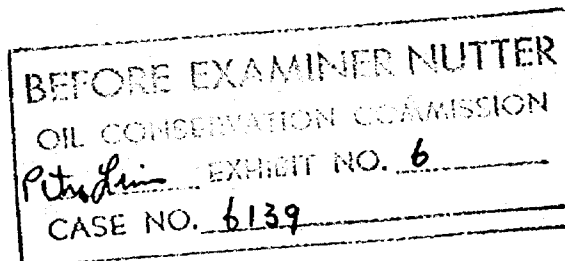
This letter is a written approval of your proposed location for the Boling Federal #8 Well which you wish to drill, 990' FNL and 2160' FWL, Section 22-T19N-R3W, Sandoval County, New Mexico.

Sincerely,

FLUID POWER PUMP

By

Tommie Slaughter
Tommie Slaughter



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 1696	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Petro-Lewis Corporation			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 509 Levelland, Texas 79336			8. FARM OR LEASE NAME Boling Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*) At surface 990' FNL & 2160' FWL At proposed prod. zone 5425'			9. WELL NO. 8-22	
11. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 13.8 Mi. SW of Cuba, N.M., on Hwy 197, SE 3.4 Mi.			10. FIELD AND POOL, OR WILDCAT Entrada	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22, T19N, R3W	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 600'			12. COUNTY OR PARISH Sandoval	
16. NO. OF ACRES IN LEASE 160			13. STATE N.M.	
19. PROPOSED DEPTH 5425'			17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
20. ROTARY OR CABLE TOOLS Rotary			22. APPROX. DATE WORK WILL START* 1-23/78	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6869' GR				

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	10-3/4"	32.75#	500'	400 Sx. Class "A"
8-3/4"	7"	23.00#	5425'	700 Sx. Class "A"

1. Set 40', 10" conductor pipe and cmt. to surface.
2. Drlg. 14-3/4" hole to 500' and set 10-3/4" csg. 32.75#, H-40, STC, and cmt. 100% excess, WOC 18 hrs., pressure test and drill out.
3. Drlg. 8-3/4" hole to 5425', run GR-CNL-FDC, Dil. Log, run 7" csg. 23.00#, K-55, STC, and cmt. 50% excess.
Float shoe and float collar DV tool at 3200' w/2 metal pedal baskets.
1st Stage - 400 sx. cmt., TOC-4100' open DV tool and circ. 4/6 hrs.
2nd Stage - 300 sx. cmt., TOC-2500', WOC-18 hrs.
4. Run temperature survey, locate TOC - 0-2900'.
5. Run CBL-VDL-2000' - TD, cmt. bonding log w/GR-collar for perf.
6. Prep to complete.

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

24. SIGNED Don Causley TITLE Sr. Drilling Foreman DATE 1/4/78

(This space for Federal or State office use)

PERMIT NO. APPROVED

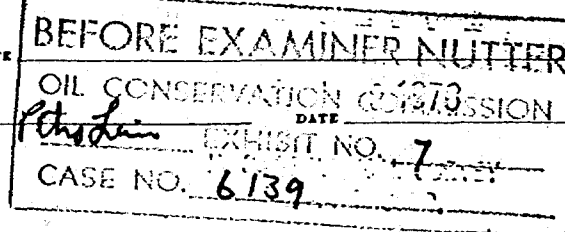
APPROVAL DATE

APPROVED BY Jan 23 1978

TITLE

CARL A. BARRICK

ACTING DISTRICT ENGINEER See Instructions On Reverse Side



JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN and FOX
ATTORNEYS AT LAW
800 DON GASPAR AVENUE
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501

January 19, 1978

Case 6139

JAN 20 1978
TELEPHONE 982-4815
AREA CODE 505

Mr. Dan Nutter
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

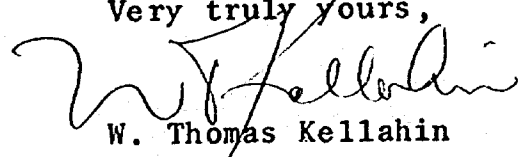
Re: Petro-Lewis

Dear Dan:

Please find enclosed our application on behalf of
Petro-Lewis for an unorthodox well location in the Southwest
Media-Entrada, Sandoval County, New Mexico.

Please set this for hearing on February 8, 1978.

Very truly yours,


W. Thomas Kellahin

WTK:kfm

CC: Petro-Lewis

Enclosure

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
PETRO-LEWIS CORPORATION FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION,
SOUTHWEST MEDIA-ENTRADA, SANDOVAL
COUNTY, NEW MEXICO.

A P P L I C A T I O N

Comes now, Petro-Lewis Corporation, by and through its attorneys, Kellahin & Fox, and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the Southwest Media-Entrada Pool, Sandoval County, New Mexico and in support thereof would show the Commission:

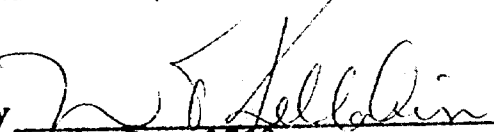
1. Applicant is the owner of the right to drill and develop the oil and gas minerals in the area involved in this application.
2. Applicant proposes to drill a well to test the Entrada at a location 990 feet from the North line and 2160 feet from the West line of Section 22, Township 19 North, Range 3 West, NMPM, Sandoval County, New Mexico.
3. That said well is to be designated the Boling Federal No. 8-22 Well and is to replace the Boling Federal No. 5-22 Well located in the NE/4NW/4 of said Section 22.
4. That a well located as proposed will recover oil and gas that would not otherwise be recovered, is in the interest of conservation, and the corrective rights of no offset owner will be impaired.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner,

and that after notice and hearing as required by law the
Commission enter its order approving the location as prayed
for.

KELLAHIN & FOX

By


P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant,
Petro-Lewis Corporation

Application of Petro-Lewis Corp
for an unorthodox oil well
location, Sandoval County, New Mexico.

Applicant, in the above-styled case,
seeks approval for the unorthodox
location of its Baling Federal Well No.
8-22 to be drilled at a point 990
feet from the North line and 2160 feet
from the West line of Section 22, Town-
ship 19 North, Range 3 West, Southwest
Media - Entrada Oil Pool, Sandoval
County, New Mexico

Called in by Tom Kellahin 10 am 1/18/78
written appl to follow

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

CASE NO. 6139

Order No. R- 5640

APPLICATION OF PETRO-LEWIS CORPORATION
FOR AN UNORTHODOX ~~WELL~~ WELL LOCATION,
SANDOVAL COUNTY, NEW MEXICO. OIL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 19 78,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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, Petro-Lewis Corporation, seeks
approval of an unorthodox ^{oil} ~~gas~~ well location 990 feet from the North
line and 2160 feet from the West line of Section 22, Township
19 North, Range 3 West, NMPM, to test the
Entrada formation, Southwest Media-Entrada Oil Pool,
Sandoval County, New Mexico.

(3) That the NW/4 of said Section 22 is to be dedicated to the
well.

(4) That a well at said unorthodox location will better enable
applicant to produce the ^{oil} ~~gas~~ underlying the proration unit.

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

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox ~~oil~~ well location for the Entrada
~~the Petro Lewis Corporation Baling Federal 22 Well No. 8~~
formation is hereby approved for ~~the well~~ to be located at a point 990
feet from the North line and 2160 feet from the West
line of Section 22, Township 19 North, Range 3 West
NMPM, Southwest Media-Entrada Oil Pool, Sandoval County,
New Mexico.

(2) That the NW/4 of said Section 22 shall be dedicated to the above-described well.

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

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