

CASE 6436: AMERADA HESS CORPORATION FOR

February 28

continued is

CASE NO.

6436

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

AMERADA HESS CORPORATION

March 14, 1979

P. O. BOX 2040
TULSA, OKLAHOMA 74102
918-584-5554

Mr. R. L. Stamets
Technical Support Chief
New Mexico Oil Conservation Commission
Post Office Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Re: Eumont Gas Pool,
Case Nos. 6434 and 6436
Amerada Hess Corporation - Applicant

*Xerox and copy
P^u each case
file
RLL*

Dear Mr. Stamets:

The captioned cases were presented and heard on February 28, 1979, and, with consent of the Commission, this letter is submitted as part of the record of those hearings to correct testimony on a single point which later investigation proves to have been inadvertently in error.

In response to cross-examination regarding the attached performance curve exhibit of the Amerada Hess State "P" Gas Com No. 2-2 Replacement Well No. 3 indicating reduced production from said replacement well, Amerada Hess stated that the replacement well had been frac treated using CO₂ as the fracture median. This representation was based on a written recommendation and proposal from our contractor and contained in our well file.

A review of that operation which was made immediately after the hearing shows that the proposed CO₂ frac was performed on the State "J" No. 4 Well and not the State "P" No. 3 Well. The State "P" No. 3 Well, which was the subject of the hearing, was foam fractured in the Eumont Queen Zone on August 3, 1977 in open hole with 260 barrels 2% KCL water, 835,000 SCF Nitrogen and 36,500 pounds of 20/40 sand.

We therefore request that the record reflect that Nitrogen was the fracture fluid utilized in the well, and not CO₂. Unfortunately, subsequent treatments in similar wells have indicated that a better increase

Mr. R. L. Stamets
Santa Fe, New Mexico 87501

-2-

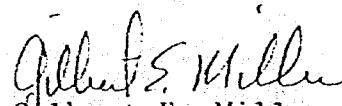
in production would have been realized if CO₂ had in fact been used in frac treating the well.

We apologize for any inconvenience or misconception created by our mistake in presenting our evidence. It is our intention that this transmittal will serve to correct the record and to preserve our integrity as to matters coming before the Commission.

Thank you for your consideration and assistance in this matter.

Very truly yours,

AMERADA HESS CORPORATION



Gilbert E. Miller
Supervisor, Production Conservation

GEM:bjt
Attachment

cc: W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 1769
Santa Fe, New Mexico

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6436
Order No. R-5956

APPLICATION OF AMERADA HESS CORPORATION
FOR APPROVAL OF INFILL DRILLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of March, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amerada Hess Corporation, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by the existing well.

(3) That the applicant further seeks approval of a waiver of existing well-spacing requirements.

(4) That the standard spacing unit in the Eumont Gas Pool is 640 acres.

(5) That Amerada Hess Corporation is the operator of a 240-acre non-standard proration unit consisting of the NW/4 and W/2 NE/4 of said Section 32 in said Eumont Gas Pool.

-2-

Case No. 6436
Order No. R-5956

(6) That said 240-acre non-standard proration unit is dedicated to the applicant's State "U" Gas Com Well No. 1 located in Unit E of said Section 32.

(7) That the evidence presented demonstrated that said State "U" Gas Com Well No. 1 cannot as effectively and efficiently drain said dedicated 240-acre non-standard proration unit as would a new well to be drilled thereon (said State "U" Gas Com Well No. 2) which may be completed and stimulated using modern techniques and processes.

(8) That the evidence presented further demonstrated that the drilling and completion of applicant's said State "U" Gas Com Well No. 2 should result in the production of an additional 730,000 MCF of gas from said non-standard proration unit which would not otherwise be recovered from the proration unit.

(9) That such additional recovery will result in said unit being more efficiently and economically drained.

(10) That said State "U" Gas Com Well No. 2 is to be drilled as an "infill" well on the existing 240-acre non-standard proration unit.

(11) That in order to permit the drainage of a portion of the reservoir covered by said 240-acre non-standard proration unit which cannot be effectively and efficiently drained by the existing well thereon, the subject application for infill drilling should be approved as an exception to the standard well spacing requirements for said Eumont Gas Pool.

IT IS THEREFORE ORDERED:

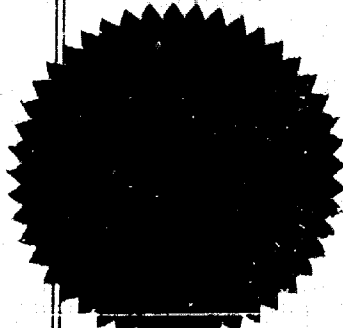
(1) That the applicant, Amerada Hess Corporation, is hereby authorized to drill its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, NMPM, as an infill well on an existing 240-acre non-standard proration unit being the NW/4 and W/2 NE/4 of said Section 32, Eumont Gas Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by the existing 240-acre non-standard proration unit which cannot efficiently and economically be drained by any existing well thereon.

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

-3-

Case No. 6436
Order No. R-5936

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S E A L

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Hess Cor-)	CASES
poration for approval of infill)	6434
Drilling, Lea County, New Mexico.)	6435
)	6436

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Lynn Teschendorf, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87503

For the Applicant:	W. Thomas Kellahin, Esq.
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I N D E X

WAYNE WISE	<u>PAGE</u>
Direct Examination by Mr. Kellahin	3
Examination by Mr. Stamets	10
Examination by Ms. Teschendorf	12
Examination by Mr. Ramey	13

E X H I B I T S

Exhibit Number Two, Form C-101	7
Exhibit Number Three, Form C-132	7
Exhibit Number Four, Current Completion Schematic	7
Exhibit Number Five, Commission Order	8
Exhibit Number Six, Eumont Decline Curve	8
Exhibit Number Seven, Eumont-Grayburg Decline Curve	8
Exhibit Number Eight, Trial Well Graph	9

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1 MR. STAMETS: We'll call next Case 6434.

2 MS. TESCHENDORF: Case 6434. Application of
3 Amerada Hess Corporation for approval of infill drilling,
4 Lea County, New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin and
6 Kellahin, Santa Fe, New Mexico, appearing on behalf of
7 Amerada Hess Corporation. I have one witness to be sworn.

8 (Witness sworn.)
9

10 WAYNE WISE

11 being called as a witness and having been duly sworn upon
12 his oath, testified as follows, to-wit:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Please state your name and occupation.

17 A Wayne Wise. I'm currently employed with
18 Amerada Hess as Staff Engineer.

19 Q Mr. Wise, in what field do you hold a degree?

20 A Mechanical engineering.

21 Q Have you previously testified before the
22 Oil Conservation Division?

23 A Yes, sir.

24 Q Have you made a study of and are you familiar
25 with the facts surrounding this particular application?

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1 A Yes, sir.

2 MR. KELLAHIN: We tender Mr. Wise as an ex-
3 pert witness.

4 MR. STAMETS: He is considered qualified.

5 Q (Mr. Kellahin continuing.) Would you refer
6 to the land plat, which I've marked as Applicant Exhibit
7 Number One, identify that for us, and explain what Amerada
8 Hess is seeking to accomplish?

9 A This is a plat of the State "O" Gas zone
10 and the final designation is the proposed new location to
11 place the Well No. 1.

12 Q What is the proration unit, Mr. Wise?

13 A 160 acres.

14 Q And it is what portion of Section 30?

15 A It's the northeast quarter.

16 Q I note that there are a number of wells
17 indicated in the northeast quarter of Section 30. Com-
18 mencing with Well No. 1, would you describe the information
19 for each well?

20 A Okay. The figures in red are average 1978
21 gas production over cum.

22 The figures in green are average oil pro-
23 duction over cum.

24 Q The only producing gas well in the proration
25 unit is the No. 1 Well, is that correct?

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A Yes, sir.

Q And it is producing from the Eumont Gas Pool?

A Yes, sir.

Q The second well on the proration unit, how is it going to be identified? What's its name? Do you have a name for that well yet?

A Oh, it will be the State "O" No. 5, I believe, yes, sir.

Q State "O" No. 5, located in Unit H, is that correct?

A Yes, sir.

Q All right. What are you seeking to accomplish Mr. Wise?

A We are currently handicapped by the wellbore on No. 1. We are producing -- pumping the Eumont -- excuse me, the Monument-Grayburg zone, and showing the Eumont gas going up the annulus.

Q The No. 1 Well is a dual completion?

A Yes, sir.

Q And tell me how the Eumont gas is being produced.

A Between the annulus and the 2-1/2 inch tubing.

Q And it is also producing Monument-Grayburg

1 oil?

2 A Yes, sir.

3 Q In your opinion can you efficiently and
4 effectively continue to produce the Eumont gas zone through
5 this dual completed well?

6 A No.

7 Q Why not?

8 A Due to the producing limitations there, the
9 Eumont in this case is continually loading up and we are
10 having to swab it off regularly and there are increasing
11 expenses involved in this.

12 Q So it's your desire to replace that particular
13 well with the State "O" Well No. 5.

14 A Yes, sir.

15 Q Will that well also be a dual completion?

16 A No, sir, that will be a single only in the
17 Eumont gas.

18 Q What are your plans for the No. 1 Well?

19 A Okay, well, in either case we are going to
20 plug off -- we're going to have to drill a new gas well.
21 And we will plug off, squeeze off the Eumont first. The
22 oil produced from the Monument-Grayburg now through the
23 1/2 inch tubing by pump, 5/8'th rods, we are incurring
24 increasing -- problems.

25 By going to a single completion in each well

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1 we expect to increase production where can almost ensure
2 increased production and increased recovery.

3 Q For the No. 1 Well, in your opinion, can
4 you effectively and efficiently continue to produce the
5 Grayburg Oil Zone with the Eumont gas zone open?

6 A No.

7 Q Let's go to Exhibit Number Two and have you
8 identify that.

9 A This is the Commission Form C-101 to permit
10 to drill deep and plug back. It was submitted last year.

11 Q This is for the replacement well, is that
12 right, for the State "O" No. 5 Well?

13 A Yes, sir.

14 Q All right, sir. Would you refer to Exhibit
15 Number Three and identify it?

16 A This is the Commission Form C-132, applica-
17 tion for well-head category determination.

18 Q Would you refer to the schematic. I believe
19 it should be properly labeled as Exhibit Number Four?

20 A Yes. This is the Current Completion or the
21 schematic of the Current Completion, with production equip-
22 ment. As you can see, you have 6-5/8 inch casing. The
23 gas is flowing between the 6 and 5/8ths and the 3 and 1/2
24 inch tubing. Your 1 and 1/2 inch tubing for the Eumont -
25 Grayburg is your producing tubing.

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1 Q How would you propose to re-complete this
2 for production of the Monument - Grayburg oil?

3 A We'd squeeze off the Monument first, pull
4 the 3 and 1/2 inch tubing and packer and run in there either
5 with 2 and 3/8 inch tubing, or 2 and 7/8 inch tubing. Doing
6 this, we will get rid of our spaghetti string, so to speak,
7 and go to a larger rod string and pump-sized also. We will
8 also go deeper down to the Monument - Grayburg zone there.

9 Q In your opinion, will that be a more effec-
10 tive and efficient way in which to produce the Grayburg
11 oil?

12 A Considerably. We anticipate an increase of
13 approximately 40 barrels a day by doing this.

14 Q Would you refer to the Commission Order
15 which we have marked as Exhibit Number Five?

16 A This is the Order R-303 for the dual com-
17 pletion of this well back in 1953.

18 Q Exhibit Number Six and Exhibit Number Seven,
19 would you identify those Exhibits, please?

20 A Exhibit Number Six is the Decline Curve of
21 Eumont Gas Zone. Number Seven is a Decline Curve of Oil
22 and Gas Production from the Eumont - Grayburg Zone. I might
23 add that we feel like a drilling of this new well, that we
24 can increase gas production by a minimum of 500 Mcf a day
25 over the current 100 in the State "O" Number 1.

1 Q Would you refer to what we have marked as
2 Exhibit Number Eight and identify the significance of these
3 particular graphs?

4 A This is a trial well we did last year that
5 the Commission approved. The circumstances were the same.
6 You had a Monument - Grayburg Oil Zone dualled with a Eumont
7 Gas Zone. 6 and 5/8 inch casing, 3 and 1/2 inch tubing
8 pumping the Monument - Grayburg Zone through 1 and 1/2 inch
9 tubing. We drilled another gas well and we were able to
10 increase oil production in the No. 2 well by approximately
11 40 barrels a day. We increased the gas production of the
12 No. 3 Well by 250 Mcf per day.

13 Q In your opinion, Mr. Wise, will there be Eumont
14 gas within the proration unit that the No. 1 Well will not be
15 able to produce?

16 A Yes, sir.

17 Q In your opinion, Mr. Wise, will the State
18 "O" No. 5 Well be necessary to effectively and efficiently
19 drain that portion of the reservoir covered by this partic-
20 ular proration unit?

21 A Yes, sir.

22 Q In your opinion, will the State "O" No. 5
23 Well be required to effectively and efficiently produce the
24 Eumont gas reserves under this proration unit without regard
25 to the gas price?

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1 A Yes, sir.

2 Q In your opinion, will approval of this ap-
3 plication be in the best interests of conservation and pre-
4 vention of waste and the protection of correlative rights?

5 A Yes, sir.

6 Q Were Exhibits One through -- I believe it
7 was Eight -- compiled or produced under your supervision and
8 direction?

9 A Yes, sir.

10 MR. KELLAHIN: We move the introduction of
11 Amerada Hess's Exhibits One through Eight.

12 MR. STAMETS: These Exhibits will be admitted.

13 MR. KELLAHIN: That concludes our direct
14 examination.

EXAMINATION

15
16 BY MR. STAMETS:

17 Q Mr. Wise, why could you not go in and work
18 over the No. 1 Well and complete it in the Eumont Pool?

19 A You mean the gas?

20 Q Yes.

21 A Nobody knows what it could be in the gas.

22 Q I asked the wrong question. Let's try this
23 again. Why do you want an infill well in this unit? You
24 are going to replace the No. 1 Well, is what you intend to
25 do?

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1 A Yes, sir.

2 Q Why do you want to do that?

3 A Okay. We are currently handicapped -- our
4 production capacity is handicapped by the dual completion.

5 Q Okay. Now, why don't you seek to take the
6 dual completion equipment out of the No. 1 Well and make it
7 a Eumont gas single?

8 A Okay. You can either do that. In that case
9 you are going to have to drill a Grayburg Well.

10 Q Right.

11 A Grayburg Well is more expensive. You've
12 got to go approximately three to five hundred foot deeper.

13 Q Is there any reason, dealing with the Eumont
14 Zone only, why you choose not to work over the No. 1 Well
15 and make it a Eumont single?

16 A I'm not sure I understand the question, sir.

17 Q The FIRK Regulations require that the well
18 that you drill is an infill well.

19 A Yes, sir.

20 Q Recover gas from the proration unit which
21 would not be recovered by another well on the proration
22 unit. What I'm trying to get at is, is there any reason that
23 the No. 1 Well could not be put in a condition to recover
24 this same gas in the proration unit?

25 A Well, by -- no, I guess there is no reason

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1 why you couldn't. But by going to a new location, which is
2 less drained, we will pick up additional reserves that the
3 No. 1 Well will not.

4 Q Are you going to pick those reserves up
5 ultimately, or only as a temporary increase in production
6 from the unit?

7 A It will be ultimate.

8 Q How much is that?

9 A We have not calculated that, sir.

10 Q So you can't give us a figure that represents
11 the difference between what would be produced from this unit,
12 from the existing well, and what would be produced by this
13 unit from a new well?

14 A Not at this time, sir. No.

15 MR. STAMETS: Ms. Teschendorf?

16 EXAMINATION

17 BY MS. TESCHENDORF:

18 Q Is this a non-standard unit for the Eumont
19 gas?

20 A Well, it is 160 acres. I think the standard
21 proration unit is 640.

22 Q Do you happen to know or could you find out
23 for us what authorized the non-standard unit?

24 A Yes.

25 Q If it was an administrative order, what

1 number? Okay.

2 MR. STAMETS: That may be one that's older
3 than the 640 rules. Completed in 1936. I'm confident that
4 this is one that was originally on 160.

5 MR. WISE: Well, now, the initial gas com-
6 pletion wasn't until 1953 -- '54.

7 EXAMINATION

8 BY MR. RAMEY:

9 Q Mr. Wise, what's the No. 1 making from the
10 Eumont now?

11 A Right now approximately 100 Mcf per day.

12 Q How much liquids are you making?

13 A That, sir, I don't know.

14 Q But you are having a liquid problem. You say
15 you have to go in and swab it off occasionally?

16 A Yes, sir. There are ways of enhancing the
17 production from this well, but you are going to sacrifice
18 it someplace else, mainly in the Monument - Grayburg Zone.

19 Q Your ultimate recovery from this well in the
20 Eumont has been in excess of 3 million Mcf?

21 A Yes, sir.

22 Q This seems to be a good well. I only see a
23 couple in the whole area that made more gas than it.

24 A Yes, sir.

25 Q What makes you think you are going to increase

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1 the ultimate recovery from the unit?

2 A Well, first off, you are picking up some
3 structure by going to the east. We're going in an area which
4 has not been as drained severely as the No. 1. Also, you
5 call it new completion practices, I guess you would say.

6 In other words, we have gone to open hole,
7 setting pipe above the bay, open hole it with gas. Then only
8 if necessary fracing it with CO₂. So we just anticipate a
9 better well.

10 Q If this well were not a dual completion, just
11 a Eumont single completion, is there any re-work that you
12 could do this well to increase the present and ultimate
13 recovery?

14 A Yes, sir. We could probably go in there and
15 frac it. Put some tubing in it. Of course, if it's a
16 single completion, you already have tubing in there. There
17 are ways, if it is a single completion only, to increase your
18 ultimate recovery from this well.

19 Q But because of mechanical problems you have
20 evolved with the dual completion?

21 A Yes, sir.

22 Q The fact that you have to run a macaroni
23 string inside the 3 inch, that's why are you limited on what
24 you can do to the well?

25 A Yes, sir.

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Q And to increase the ultimate recovery from both --

A Both zones, yes, sir.

Q It would be necessary that you squeeze off this well and drill a new one?

A Yes, sir.

MR. STAMETS: Let's go off the record.

(Whereupon a discussion was held off the record.)

MR. KELLAHIN: If the Examiner please, there appears to be some additional information that is available to us which we could supply the Commission or the Division in order to make an appropriate decision in this matter. We would request that this case and the two subsequent cases for Amerada Gas be continued to the next scheduled Examiner hearing, scheduled for February 14th.

MR. STAMETS: Okay. I don't have any problem with that. We will continue Case 6434 to the Examiner hearing on the 28th of February. Ms. Teschendorf, will you call Case 6435 and Case 6436, which we will also continue to that date?

MR. KELLAHIN: 14th or the --

MS. TESCHENDORF: 28th, 'cause it will be the same Examiner.

MR. KELLAHIN: We have to re-advertise that

1 again anyway?

2 MR. STAMETS: Yes.

3 MS. TESCHENDORF: Case 6435, application of
4 Amerada Hess Corporation for approval of infill drilling,
5 Lea County, New Mexico, and Case 6436 is also application
6 of Amerada Hess Corporation for approval of infill drilling,
7 Lea County, New Mexico.

8 MR. STAMETS: Those cases will be continued.
9 (Hearing Concluded.)

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REPORTER'S CERTIFICATE

I, STEFANIE XANTHULL, a court reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

STEFANIE XANTHULL, C.S.R.

I do hereby certify that the foregoing is
a complete and correct transcript of the
hearing held on 1/23/79 at 6434, 6435, 6436
heard by the Oil Conservation Division, Examiner
Richard L. Ham

Nye Reporting Service, Inc.
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621 Old Santa Fe Trail - Suite 7
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Hess Corporation) CASE
for approval of infill drilling, Lea) 6436
County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.
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I N D E X

WAYNE WISE

Direct Examination by Mr. Kellahin 4

Cross Examination by Mr. Stamets 11

ROBERT W. LANSFORD

Direct Examination by Mr. Kellahin 13

Cross Examination by Mr. Stamets 14

E X H I B I T S

Applicant Exhibit One, Plat 11

Applicant Exhibit Two, C-101 11

Applicant Exhibit Three, C-132 11

Applicant Exhibit Four, Diagram 11

Applicant Exhibit Five, Order R-301 11

Applicant Exhibit Six, Plat 11

Applicant Exhibit Seven, Plat 11

Applicant Exhibit Eight, Decline curve 11

Applicant Exhibit Nine, Decline Curve 11

Applicant Exhibit Ten, Structure map 11

Applicant Exhibit Eleven, Cross Section 11

Applicant Exhibit Twelve, Graph 11

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E X H I B I T S C O N T ' D

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Applicant Exhibit Thirteen, Graph	11
Applicant Exhibit Fourteen, Plot	11
Applicant Exhibit Fifteen, Plat	11
Applicant Exhibit Sixteen, Plot	11
Applicant Exhibit Seventeen, Plot	11
Applicant Exhibit Eighteen, Report	16

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1 MR. STAMETS: We'll call next Case 6436.

2 MS. TESCHENDORF: Case 6436. Application of
3 Amerada Hess Corporation for approval of infill drilling,
4 Lea County, New Mexico.

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8 same two witnesses that were qualified and sworn in Case
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11 show that these witnesses are sworn and qualified.

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19 Q All right, Mr. Wise, would you please refer
20 to what we've marked as Exhibit Number One, and identify it,
21 and tell us what you're seeking to accomplish?

22 A This exhibit is -- shows a surface plat of
23 the State "U" Lease Gas Com. It has a 240-acre allowable.
24 The No. 1 is in the E proration letter unit. The triangle
25 designates the proposed State "U" No. 3.

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1 Q You've not spudded the second well, have you,
2 Mr. Wise?

3 A No, sir, we have not.

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5 identify it?

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18 identify it?

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20 allowed Amerada to dually complete State "U" No. 1.

21 Q Okay, and Exhibit Number Six?

22 A Exhibit Number Six is offset gas production.
23 The top figure is November's daily production. The bottom
24 figure is the cum through November '78.

25 Q What is the November cumulative production

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1 for the No. 1 Well?

2 A. 4,266 Mcf.

3 Q. Is the cumulative production?

4 A. Yes, sir.

5 Q. Not the monthly production? For November?

6 A. It would be 30 times 209; that's the daily
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8 Q. Okay. All right, what's Exhibit Number
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11 Eunice-Monument-Grayburg-San Andres zone. The top figure
12 is daily average for 1978. The bottom figure is cum for
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14 Q. Okay, Exhibit Number Eight.

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1 MR. STAMETS: Which is which, now?
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3 MR. KELLAHIN: Thirteen is the Eumont.

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11 pick up extra oil reserves, extra oil production; also that
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13 you can lose it. Also, the increased production by drilling
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25 A. State "U" No. -- State "U" No. 1.

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1 Q All right, and what does that show me?

2 A The -- based on information available, on

3 anticipated increase in reservoir pressure of anywhere from

4 85 to 100 pounds, we would have picked up approximately

5 .7-billion cubic feet of gas.

6 Q What do you anticipate to be the total cumu-

7 lative production from the State "U" No. 3?

8 A 2.6-billion.

9 Q And how did you arrive at the .7-billion

10 cubic feet? Is that a portion of the 2.6?

11 A Yes, sir. Yes, sir. It is the difference

12 between the two plots here.

13 Q And the .7-billion cubic feet of gas repre-

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15 second well that could not be recovered from the first well?

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18 well has.

19 Q Okay. In your opinion, Mr. Wise, is the

20 second well, the State "U" No. 3 -- I'm sorry, State "U"

21 No. 2, isn't it?

22 A Yes.

23 Q State "U" No. 2, is that well necessary to

24 effectively and efficiently drain the proration unit that's

25 been assigned to the No. 1 Well?

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1 A Yes, sir, without that you will lose .7-billion
 2 cubic feet; also, we calculate that there is 81,000 barrels
 3 of oil still in place that the State "U" No. 1 could recover;
 4 however, under current situations it would produce only
 5 14,600 barrels, and you will leave in place 6,400 barrels of
 6 oil.

7 Q Okay.

8 Refer to -- would you refer to Exhibit Number
 9 Fifteen and identify that?

10 A Exhibit Fifteen is a plot showing our Hare 8,
 11 Mobil-Carson's 23, Mobil-Corrigan's No. 3.

12 Q Is this the same exhibit introduced in Case
 13 Number 6434?

14 A Yes, sir.

15 Q Would you look at that exhibit and Exhibit
 16 Sixteen and Seventeen and explain what information those
 17 three exhibits taken together convey?

18 A Okay. Exhibit Sixteen is a production plot
 19 versus time of the three wells.

20 Exhibit Seventeen is a plot of the same thing
 21 showing all wells starting at the same time.

22 What we're attempting to show here is that
 23 the increase or sustained production by our is due mainly to
 24 the CO₂frac.

25 Q You have a second witness who will address

1 himself to the CO₂ treatment, do you not?

2 A Yes, sir.

3 Q Do you have anything else you'd like to add
4 to your testimony?

5 A No, sir.

6 MR. KELLAHIN: If the Examiner please, we
7 move the introduction of Exhibits One through Seventeen.

8 MR. STAMETS: These exhibits will be admitted.

9 MR. KELLAHIN: That concludes our examination
10 of Mr. Wise.

11
12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q Mr. Wise, was the CO₂ frac treatment used on
15 the State "P" Well No. 2?

16 A Yes, sir.

17 Q So that falls in the 5 percent category that
18 didn't work out so well?

19 A Yes and no. The CO₂ frac was half of the
20 size of the one we used on the Hare 8, and the State "P"
21 No. 3 was open hole completed. We attempted to do this in
22 hopes that we wouldn't have to frac it by reducing formation
23 damage drilling out with gas -- setting pipe above the pay
24 and drilling out with gas.

25 So you're talking about treating 200 foot of

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1 open hole with CO₂, you know, attempting to use a limited
 2 entry technique, it won't work. So yes, you could say it
 3 was in that 5 percent.

4 Q How would you -- how do you propose to drill
 5 these two wells, the well in Case 6434 and the well in this
 6 case?

7 A Run pipe to -- run pipe to the bottom, sir,
 8 and perforate.

9 Q Do you feel this will eliminate the potential
 10 for a bad completion?

11 A Well, the Weir B, if I may go back, is open
 12 holed. They wanted to check and see if, you know, if this
 13 is really the case that the CO₂ did not work in open hole
 14 situation, or they could produce it without fracing it.
 15 Based on this, more than likely we will run pipe in both
 16 cases on the State "O" and on the State "U".

17 Q Okay, this is a 240-acre nonstandard proration
 18 unit?

19 A Yes, sir.

20 Q And a standard unit is 640 in this pool?

21 A Yes, sir.

22 MR. STAMETS: Any other questions of the
 23 witness? He may be excused.

24 Tom, is there some way we could incorporate
 25 Mr. Lansford's testimony in the other case?

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1 MR. KELLAHIN: What I was going to suggest,
2 Mr. Examiner, is that Mr. Lansford identify his report as
3 Exhibit Number Eighteen and we enter it as part of the record
4 in this case, and that the Examiner take administrative notice
5 of the record made in 6434 with regards to writing this parti-
6 cular order.

7 MR. STAMETS: Let's do that, although I think
8 I would like to make certain that that testimony is a part
9 of the record in this case by whatever method we can figure
10 out to do that.

11 MR. KELLAHIN: Let me ask Mr. Lansford some
12 questions.

13
14 ROBERT W. LANSFORD
15 being called as a witness and having previously been sworn
16 upon his oath, testified as follows, to-wit:

17
18 DIRECT EXAMINATION
19 BY MR. KELLAHIN:

20 Q Mr. Lansford, you are the same Mr. Lansford
21 that testified on behalf of Amerada Hess in Case 6434 earlier
22 today, are you not?

23 A Yes, sir.

24 Q Have you made a study of and are you familiar
25 with the facts regarding the State "U" Gas Com Well No. 2,

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1 which is the subject of this case, 6436?

2 A. Yes, sir.

3 Q. Is your testimony in this case the same as
4 that presented in Case 6434 with regard to the CO₂ stimulation
5 of the new well?

6 A. Yes, sir, it is.

7 Q. And would your opinions made with regard to
8 the first case concerning the risks involved and the inability
9 to CO₂ treat the first well on the unit be the same?

10 A. Yes, they would.

11 MR. KELLAHIN: If the Examiner please, we
12 move to incorporate Mr. Lansford's testimony from 6434 in
13 Case 6436.

14 MR. STAMETS: That testimony will be incor-
15 porated in this case.

16
17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q. Mr. Lansford, there was one bit of additional
20 testimony in this case concerning the usefulness of the CO₂
21 frac in an open hole completion.

22 Does Halliburton recommend against trying to
23 use the CO₂ in open hole, or do you have a lesser degree of
24 success in open hole completions?

25 A. I only recall of two jobs done in open hole

1 completion using this technique, and one was for Amerada and
2 another one was for an independent operator in New Mexico,
3 and the other open hole completion did turn out good. We
4 had a slower cleanup due to the blocking or diverting material
5 that we used in the open hole, but the well did make a very
6 good well. I think it's a top allowable.

7 Q What do you feel was the reason for the failure
8 in the Amerada State "P" 2 Well?

9 A Well, in treating an open hole you do not have
10 any control where your treatment is going. It's going to go
11 in the place of least resistance, and that may be bad, and
12 it may not.

13 Using an open hole completion technique, you--
14 depending, of course, how large an area you're trying to
15 fracture, you may have to go to a diverting material to
16 stimulate the total area, and then in Amerada's case, they
17 had a large area to cover.

18 Q It would be your recommendation to an operator
19 as he's drilling the well to go ahead and set pipe through
20 the zone that's going to be treated?

21 A On my part stimulationwise, I prefer a cased
22 hole.

23 Q Do you feel that that would give him the
24 greatest chance for success in fracturing?

25 A Yes, sir.

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1 MR. STAMETS: Okay. Any other questions of
2 this witness? He may be excused.

3 Anything further in this case?

4 The case will be taken under advisement.

5 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete and true transcript of the proceedings in the hearing of Case No. 6436, heard by me on 2-28-77, 1977.
Richard L. Ham, Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Hess Corporation) CASE
for approval of infill drilling, Lea) 6436
County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

WAYNE WISE

Direct Examination by Mr. Kellahin	4
Cross Examination by Mr. Stamets	11

ROBERT W. LANSFORD

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E X H I B I T S

Applicant Exhibit One, Plat	11
Applicant Exhibit Two, C-101	11
Applicant Exhibit Three, C-132	11
Applicant Exhibit Four, Diagram	11
Applicant Exhibit Five, Order R-301	11
Applicant Exhibit Six, Plat	11
Applicant Exhibit Seven, Plat	11
Applicant Exhibit Eight, Decline curve	11
Applicant Exhibit Nine, Decline Curve	11
Applicant Exhibit Ten, Structure map	11
Applicant Exhibit Eleven, Cross Section	11
Applicant Exhibit Twelve, Graph	11

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E X H I B I T S C O N T ' D

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7	Applicant Exhibit Seventeen, Plot	11
8	Applicant Exhibit Eighteen, Report	16
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7 Q Okay.

8 Refer to -- would you refer to Exhibit Number
9 Fifteen and identify that?

10 A Exhibit Fifteen is a plot showing our Hare 8,
11 Mobil-Carson's 23, Mobil-Corrigan's No. 3.

12 Q Is this the same exhibit introduced in Case
13 Number 6434?

14 A Yes, sir.

15 Q Would you look at that exhibit and Exhibit
16 Sixteen and Seventeen and explain what information those
17 three exhibits taken together convey?

18 A Okay. Exhibit Sixteen is a production plot
19 versus time of the three wells.

20 Exhibit Seventeen is a plot of the same thing
21 showing all wells starting at the same time.

22 What we're attempting to show here is that
23 the increase or sustained production by our is due mainly to
24 the CO₂ frac.

25 Q You have a second witness who will address

1 himself to the CO₂ treatment, do you not?

2 A Yes, sir.

3 Q Do you have anything else you'd like to add
4 to your testimony?

5 A No, sir.

6 MR. KELLAHIN: If the Examiner please, we
7 move the introduction of Exhibits One through Seventeen.

8 MR. STAMETS: These exhibits will be admitted.

9 MR. KELLAHIN: That concludes our examination
10 of Mr. Wise.

11
12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q Mr. Wise, was the CO₂ frac treatment used on
15 the State "P" Well No. 2?

16 A Yes, sir.

17 Q So that falls in the 5 percent category that
18 didn't work out so well?

19 A Yes and no. The CO₂ frac was half of the
20 size of the one we used on the Hare 8, and the State "P"
21 No. 3 was open hole completed. We attempted to do this in
22 hopes that we wouldn't have to frac it by reducing formation
23 damage drilling out with gas -- setting pipe above the pay
24 and drilling out with gas.

25 So you're talking about treating 200 foot of

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CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.E.) 471-9462
Santa Fe, New Mexico 87501

1 open hole with CO₂, you know, attempting to use a limited
2 entry technique, it won't work. So yes, you could say it
3 was in that 5 percent.

4 Q How would you -- how do you propose to drill
5 these two wells, the well in Case 6434 and the well in this
6 case?

7 A Run pipe to -- run pipe to the bottom, sir,
8 and perforate.

9 Q Do you feel this will eliminate the potential
10 for a bad completion?

11 A Well, the Weir B, if I may go back, is open
12 holed. They wanted to check and see if, you know, if this
13 is really the case that the CO₂ did not work in open hole
14 situation, or they could produce it without fracing it.
15 Based on this, more than likely we will run pipe in both
16 cases on the State "O" and on the State "U".

17 Q Okay, this is a 240-acre nonstandard proration
18 unit?

19 A Yes, sir.

20 Q And a standard unit is 640 in this pool?

21 A Yes, sir.

22 MR. STAMETS: Any other questions of the
23 witness? He may be excused.

24 Tom, is there some way we could incorporate
25 Mr. Lansford's testimony in the other case?

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3010 Plaza Blanca (S.E.) 471-2482
Santa Fe, New Mexico 87501

1 MR. KELLAHIN: What I was going to suggest,
2 Mr. Examiner, is that Mr. Lansford identify his report as
3 Exhibit Number Eighteen and we enter it as part of the record
4 in this case, and that the Examiner take administrative notice
5 of the record made in 6434 with regards to writing this parti-
6 cular order.

7 MR. STAMETS: Let's do that, although I think
8 I would like to make certain that that testimony is a part
9 of the record in this case by whatever method we can figure
10 out to do that.

11 MR. KELLAHIN: Let me ask Mr. Lansford some
12 questions.

13 ROBERT W. LANSFORD
14
15 being called as a witness and having previously been sworn
16 upon his oath, testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. KELLAHIN:

20 Q Mr. Lansford, you are the same Mr. Lansford
21 that testified on behalf of Amerada Hess in Case 6434 earlier
22 today, are you not?

23 A Yes, sir.

24 Q Have you made a study of and are you familiar
25 with the facts regarding the State "U" Gas Com Well No. 2,

1 which is the subject of this case, 6436?

2 A Yes, sir.

3 Q Is your testimony in this case the same as
4 that presented in Case 6434 with regard to the CO₂ stimulation
5 of the new well?

6 A Yes, sir, it is.

7 Q And would your opinions made with regard to
8 the first case concerning the risks involved and the inability
9 to CO₂ treat the first well on the unit be the same?

10 A Yes, they would.

11 MR. KELLAHIN: If the Examiner please, we
12 move to incorporate Mr. Lansford's testimony from 6434 in
13 Case 6436.

14 MR. STAMETS: That testimony will be incor-
15 porated in this case.

16
17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q Mr. Lansford, there was one bit of additional
20 testimony in this case concerning the usefulness of the CO₂
21 frac in an open hole completion.

22 Does Halliburton recommend against trying to
23 use the CO₂ in open hole, or do you have a lesser degree of
24 success in open hole completions?

25 A I only recall of two jobs done in open hole

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Santa Fe, New Mexico 87501

1 completion using this technique, and one was for Amerada and
2 another one was for an independent operator in New Mexico,
3 and the other open hole completion did turn out good. We
4 had a slower cleanup due to the blocking or diverting material
5 that we used in the open hole, but the well did make a very
6 good well. I think it's a top allowable.

7 Q What do you feel was the reason for the failure
8 in the Amerada State "P" 2 Well?

9 A Well, in treating an open hole you do not have
10 any control where your treatment is going. It's going to go
11 in the place of least resistance, and that may be bad, and
12 it may not.

13 Using an open hole completion technique, you--
14 depending, of course, how large an area you're trying to
15 fracture, you may have to go to a diverting material to
16 stimulate the total area, and then in Amerada's case, they
17 had a large area to cover.

18 Q It would be your recommendation to an operator
19 as he's drilling the well to go ahead and set pipe through
20 the zone that's going to be treated?

21 A On my part stimulationwise, I prefer a cased
22 hole.

23 Q Do you feel that that would give him the
24 greatest chance for success in fracturing?

25 A Yes, sir.

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Santa Fe, New Mexico 87501

1 MR. STAMETS: Okay. Any other questions of
2 this witness? He may be excused.

3 Anything further in this case?

4 The case will be taken under advisement.

5 (Hearing concluded.)
6
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (SOS) 471-4463
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

Sally W. Boyd, C.S.R.

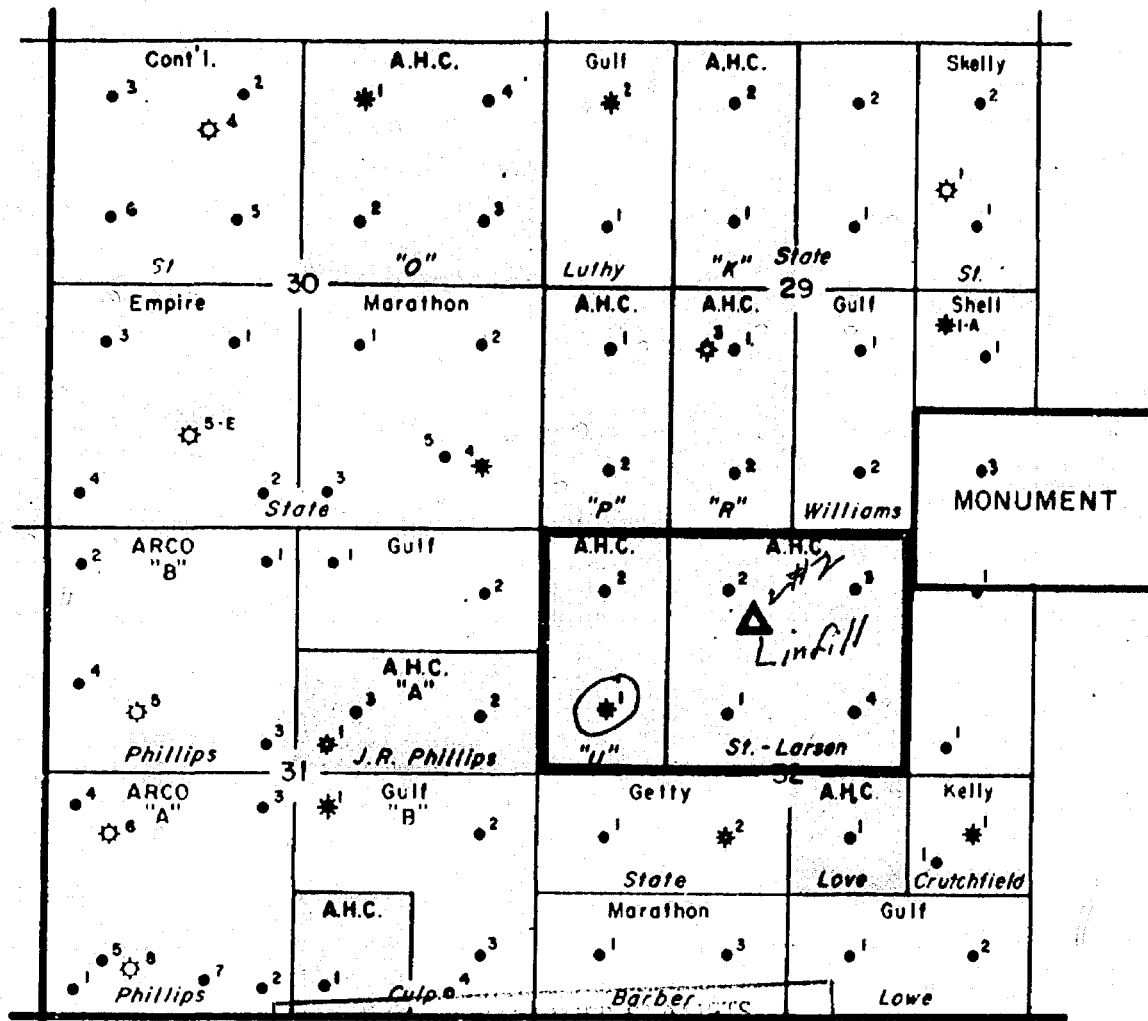
I do hereby certify that the foregoing is
a complete and true record of the proceedings in
the Examination of Case No. 6436,
heard by me on 7-28, 1979.

Richard A. Hunt, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

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REPORT TO THE
OIL COMMISSION DIVISION
FILE NO. 1
6436

Location Map 	LEGEND ● Oil ⊙ Gas ⊙ Dry & Abn ▽ Injection ▲ Proposed Location — Gas Com Outline MCFPD Cum MMCF	SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico	
		STATE 'U' GAS COM. Date: _____ Page No: _____ Originator: _____ Ref No: _____	

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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

TULSA
 FEB 15 11:28 AM '78
 DRILLING DIVISION

Form C-101
 Revised 1-1-65

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. B1428
7. Unit Agreement Name
8. Term or Lease Name State "U" Gas Comm.
9. Well No. 2
10. Field and Pool, or Wildcat Eumont
12. County Lea

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	
2. Name of Operator V Amerada Hess Corporation	
3. Address of Operator Box 2040 - Tulsa, Oklahoma 74102	
4. Location of Well UNIT LETTER <u>C</u> LOCATED <u>990</u> FEET FROM THE <u>North</u> LINE AND <u>2160</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>32</u> TWP. <u>19S</u> RGE. <u>37E</u> NEEPAN	
13. Proposed Depth 3650'	19A. Formation Queen
20. Rotary or C.T. Rotary	21. Elevations (Show whether DT, RL, etc.) 3594.1 GL
21A. Kind & Status Plug. Head Blanket	21B. Drilling Contractor Cactus Drilling Co
22. Approx. Date Work will start - 1/10/79	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	32#	300'	200	Surf.
7-7/8"	5-1/2"	14 & 15.5#	3450'	750	Surf.

Plan to drill 12 1/4" hole from surface to 300', set and cement 8-5/8" csg. at 300' with 200 sx', WOC and drill 7-7/8" hole out from under 8-5/8" csg. to 3450', set and cement 5-1/2" csg. at 3450' and cmt. with 750 sx., WOC, drill out from under 5-1/2" csg. with tbg. to 3650'. or sufficient depth to test Eumont Queen and log. If indicates productive, will complete as a Eumont Queen Gas Well. (No cores or DST are anticipated at this time.) Blowout Equipment, consists of 10" Cameron Tupte "F" series 900 Dbl. Hyd. w/Payne closing Unit, Gas Separator and de-gasser complete w/Auto Choke. All BOP equipment will be checked periodically by a Cactus Drilling Company driller and Amerada Hess well site drilling supervisor.

Gas dedicated to purchaser.

BEFORE EXAMINER SIGNATURES
 CIL COMMISSION DIVISION
 2
 CASE NO. 6436
 Submitted by

APPROVAL V. 100
 FOR 60 DAYS UNLESS
 DEFENDING COMPLETED,
 EXPIRES March 12, 1979

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. IF PROPOSAL IS TO REEFER OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY. Hearing Date

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

Signed H.O. Porter H.O. Porter Title Supv. Drilling Admin. Svcs. Date 12/8/78

(This space for State Use)
 APPROVED BY John W. Runyan TITLE Geologist DATE DEC 12 1978
 CONDITIONS OF APPROVAL, IF ANY:

**MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-120
Effective 1-1-65

All distances must be from the outer boundaries of the Section

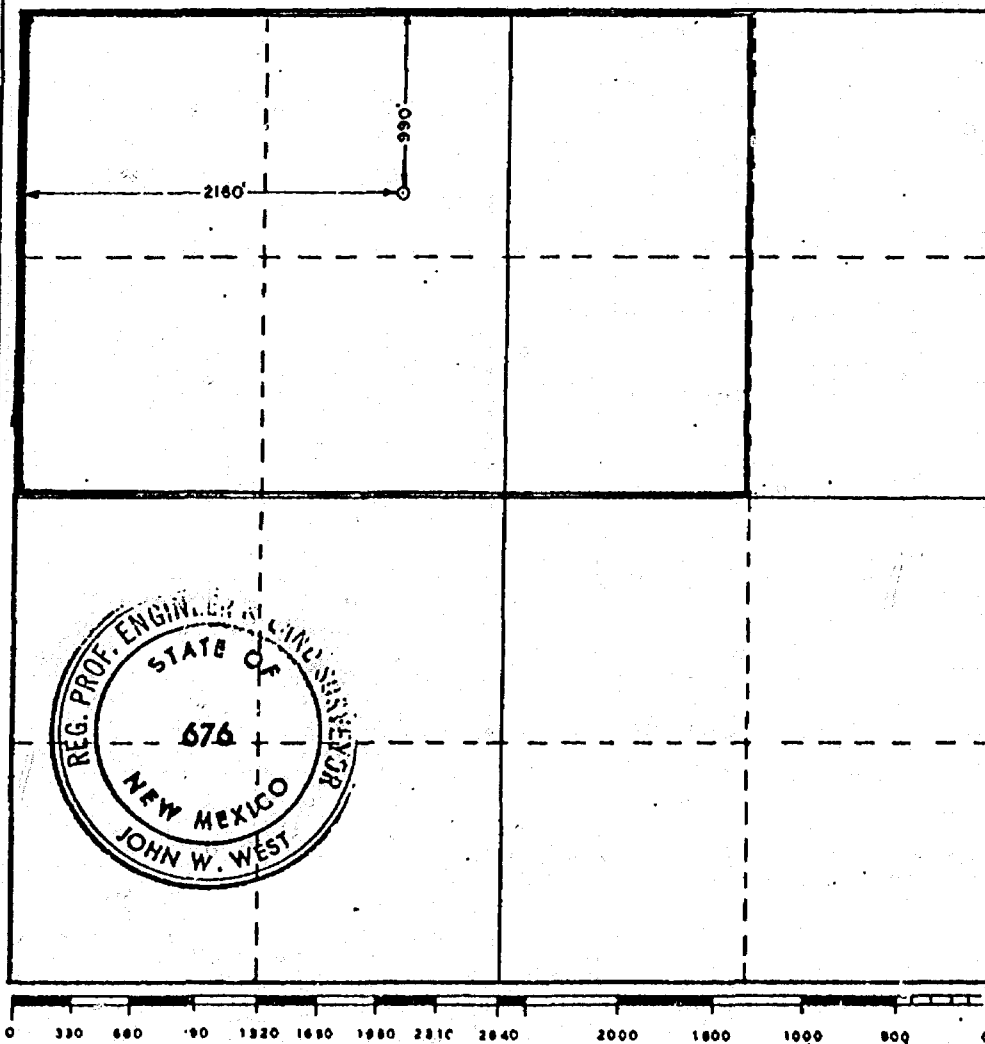
Operator Amerada Hess Corp.			Lease State U Gas Com.		Well No. 2
Unit Letter C	Section 32	Township 19 South	Range 37 East	County Leo	
Actual Footage Location of Well: 990 feet from the North line and 2160 feet from the West line					
Ground Level Elev. 3594.1	Producing Formation Queen	Pool Eumont		Dedicated Acreage: 240 Acres	

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

☐ Yes ☐ No If answer is "yes," type of consolidation N/A

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

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



CERTIFICATION

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

H.O. Porter H.O. Porter

Name
Supv. Drlg. Admin. Svcs.

Position
Amerada Hess Corporation

Company
December 8, 1978
Date

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

Date Surveyed
November 30, 1978

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No. John W. West 676
Ronald J. Eldson 3239

APPLICATION FOR WELLHEAD
PRICE CEILING CATEGORY DETERMINATION

1. FOR DIVISION USE ONLY

DATE OF: APPLICATION _____
DETERMINATION _____
CONTESTED _____
PARTICIPANTS _____

Kind of Lease
State, Federal or Free STATE
State Oil & Gas Lease No. B1428
7. Unit Agreement Name
8. Term of Lease Name
State "U" Gas Comm
9. Well No. 2
10. Field and Pool, or Wellhead
Eumont
12. County
Lea

Name of Applicant
Amerada Hess Corporation
Address of Applicant
P. O. Box 2040, Tulsa, Oklahoma 74102
Location of Well
UNIT LETTER C 990 FEET FROM THE North LINE AND 2160 FEET FROM
THE West LINE, SECTION 32 TOWNSHIP 19S RANGE 37E
11. Name and Address of Transporter(s) Northern Natural Gas Co.
2223 Dodge St., Omaha, Neb. 68102

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NGPA Section No.) _____
2. All Applications must contain:
 - ☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
 - ☐ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT
 - ☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
 - ☐ d. AFFIDAVITS OF MAILING OR DELIVERY
3. NEW NATURAL GAS UNDER SEC. 102(c) (1) (B) (using 2.5 Mile or 1000 Feet Deeper Test)
 - ☐ a. Location Plat
4. NEW NATURAL GAS UNDER SEC. 102(c) (1) (C) (new onshore reservoir)
 - ☐ a. C-122 Multipoint and one point back pressure test
5. NEW ONSHORE PRODUCTION WELL
 - ☒ a. C-102 WELL LOCATION AND ACREAGE DEDICATION PLAT
 - ☐ b. No. of order authorizing infill program _____
6. STRIPPER GAS
 - ☐ a. C-116 GAS-OIL RATIO TEST
 - ☐ b. PRODUCTION CURVE FOR 12-MONTH PERIOD
 - ☐ c. PRODUCTION CURVE FOR THE 90-DAY PERIOD ON WHICH THE APPLICATION IS BASED

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION EXHIBIT NO. 3 CASE NO. 6436 Submitted by _____ Hearing Date _____
--

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

Gilbert E. Miller
NAME OF APPLICANT (Type or Print)
Title Conservation Supervisor
Date January 31, 1979
Signed Gilbert E. Miller

DIVISION USE ONLY

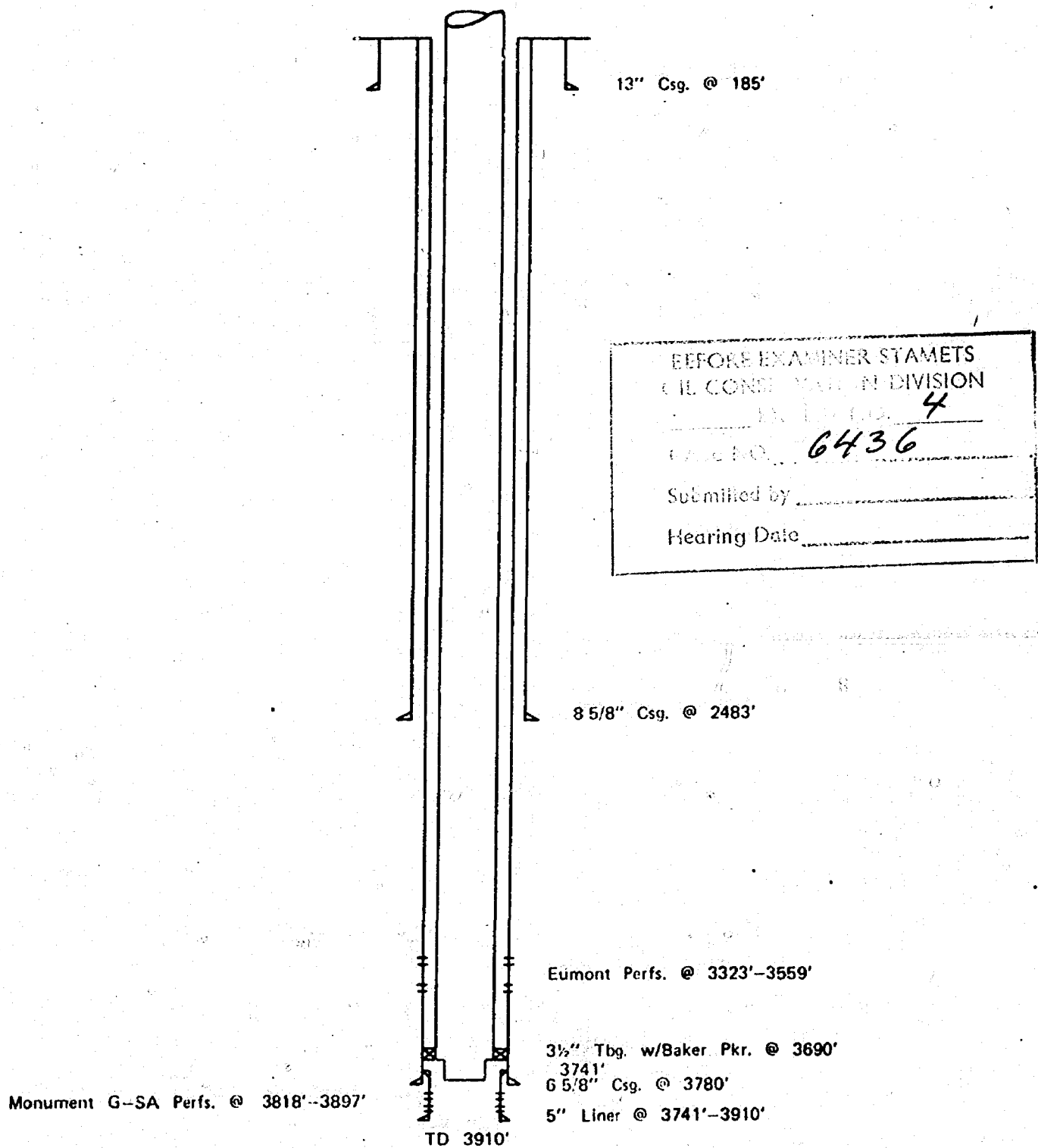
- ☐ Approved
☐ Disapproved

The information contained herein includes
all of the information required to be
filed by the applicant under Subpart B
of Part 274.

EXAMINER

1.0 API well number: (If not available, leave blank. 14 digits.)	0-025-26169			
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	103 Section of NGPA		Category Code	
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	3650 feet			
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	Amerada Hess Corporation Name P. O. Box 2040 Street Tulsa, City		Okl. State	74102 Zip Code 000459 Seller Code
5.0 Location of this well: (Complete (a) or (b).) (a) For onshore wells (35 letters maximum for field name.)	Eumont Field Name Lea County New Mexico State			
(b) For OCS wells:	Area Name Block Number Date of Lease: Mo. Day Yr. OCS Lease Number			
(c) Name and identification number of this well: (35 letters and digits maximum.)	State "U" Gas Comm. No. 2			
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	Queen			
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	Northern Natural Gas Company Name		013767 Buyer Code	
(b) Date of the contract:	062174 Mo. Day Yr.			
(c) Estimated annual production:	183 MMcf.			
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices (Indicate (+) or (-).)	(d) Total of (a), (b) and (c)
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	1.980	.134	---	2.114
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	1.980	---	---	---
9.0 Person responsible for this application:	Gilbert E. Miller Name Conservation Supvr. Title Signature January 31, 1979 Date Application is Completed 918-584-5554 Phone Number			
Agency Use Only				
Date Received by Juris. Agency				
Date Received by FERC				

State 'U' No. 1
Sec. 32 - Twp 19S - R37E
Lea County, New Mexico



Dual Completion Eumont Gas & Monument G-SA Oil

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. 512
ORDER No. R-301

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR AN
ORDER GRANTING PERMISSION TO
DUALY COMPLETE AND PRODUCE
ITS STATE 'U', WELL NO. 1, LOCATED
IN THE SW/4 NW/4 OF SECTION 32,
TOWNSHIP 19 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO.

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION EXHIBIT NO. <u>5</u> CASE NO. <u>6435</u> Submitted by _____ Hearing Date _____
--

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on March 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 31ST day of MARCH, 1953, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That the applicant's State 'U', Well No. 1, SW/4 NW/4 Section 32, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, was completed in August 1937 as an oil well producing from the Grayburg formation of the Eunice-Monument Pool in the open-hole interval 3780-3912, having drilled through the Seven Rivers-Queen formation of the Eumont Gas Pool at an approximate depth of 3250-3570.

(3) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission is unconvinced of the soundness as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That the applicant herein, Amerada Petroleum Corporation, be, and it hereby is authorized to dually complete and produce its State 'U', Well No. 1, SW/4 NW/4 Section 32, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Seven Rivers-Queen formation of the Eumont Gas Pool may be produced through the annular space between the casing and the tubing, and oil from the Grayburg formation of the Eunice-Monument Pool through the tubing by proper perforations and the installation of a proper packer;

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on these forms by existing Rules and Regulations.

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem

EDWIN L. MECHEM, Chairman

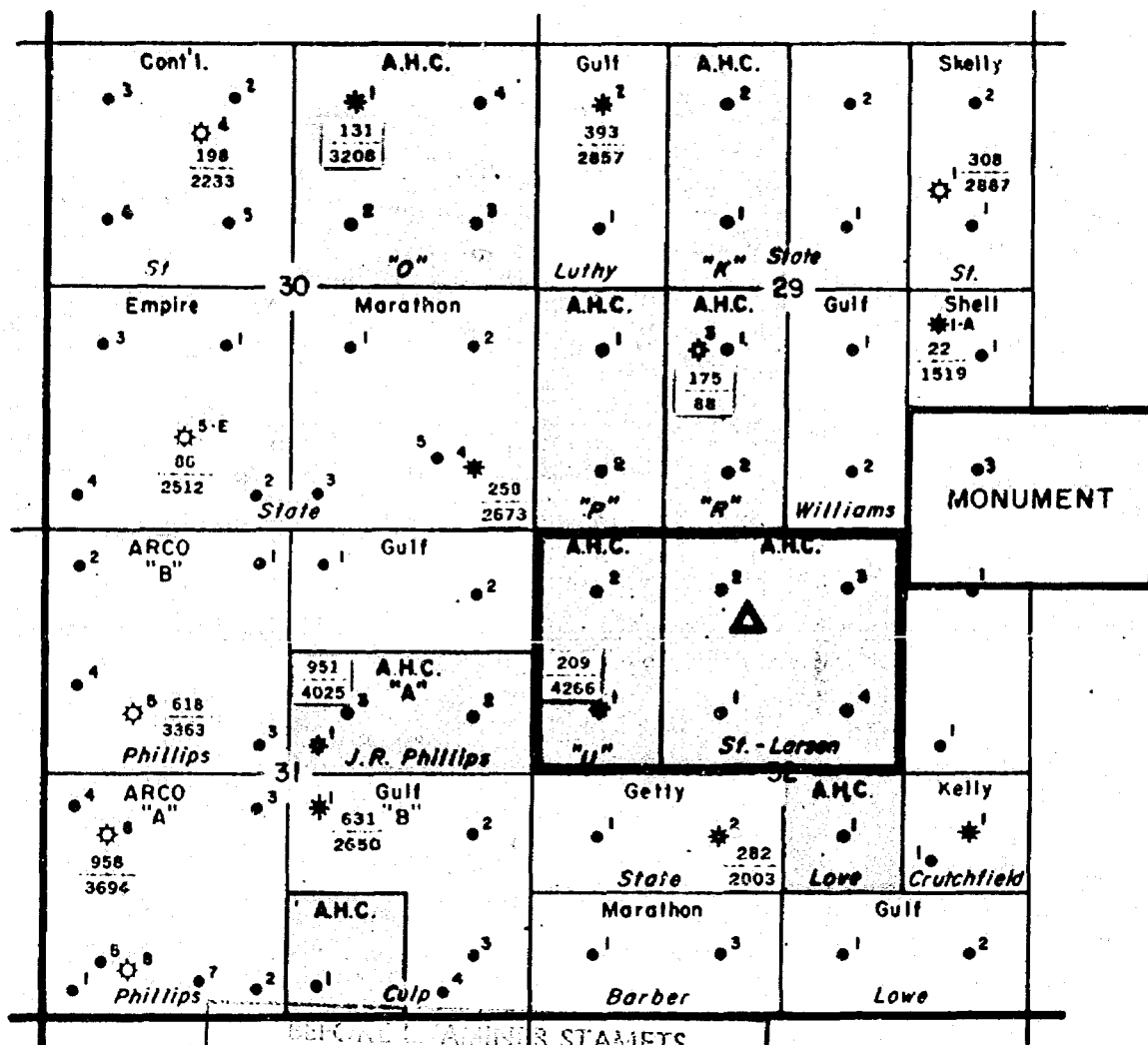
E. S. Walker
E. S. WALKER, Member

R. R. Spurrick
R. R. SPURRIER, Secretary

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BEFORE L. AMINER STAMETS
OIL CONSERVATION DIVISION

FILE NO. 6

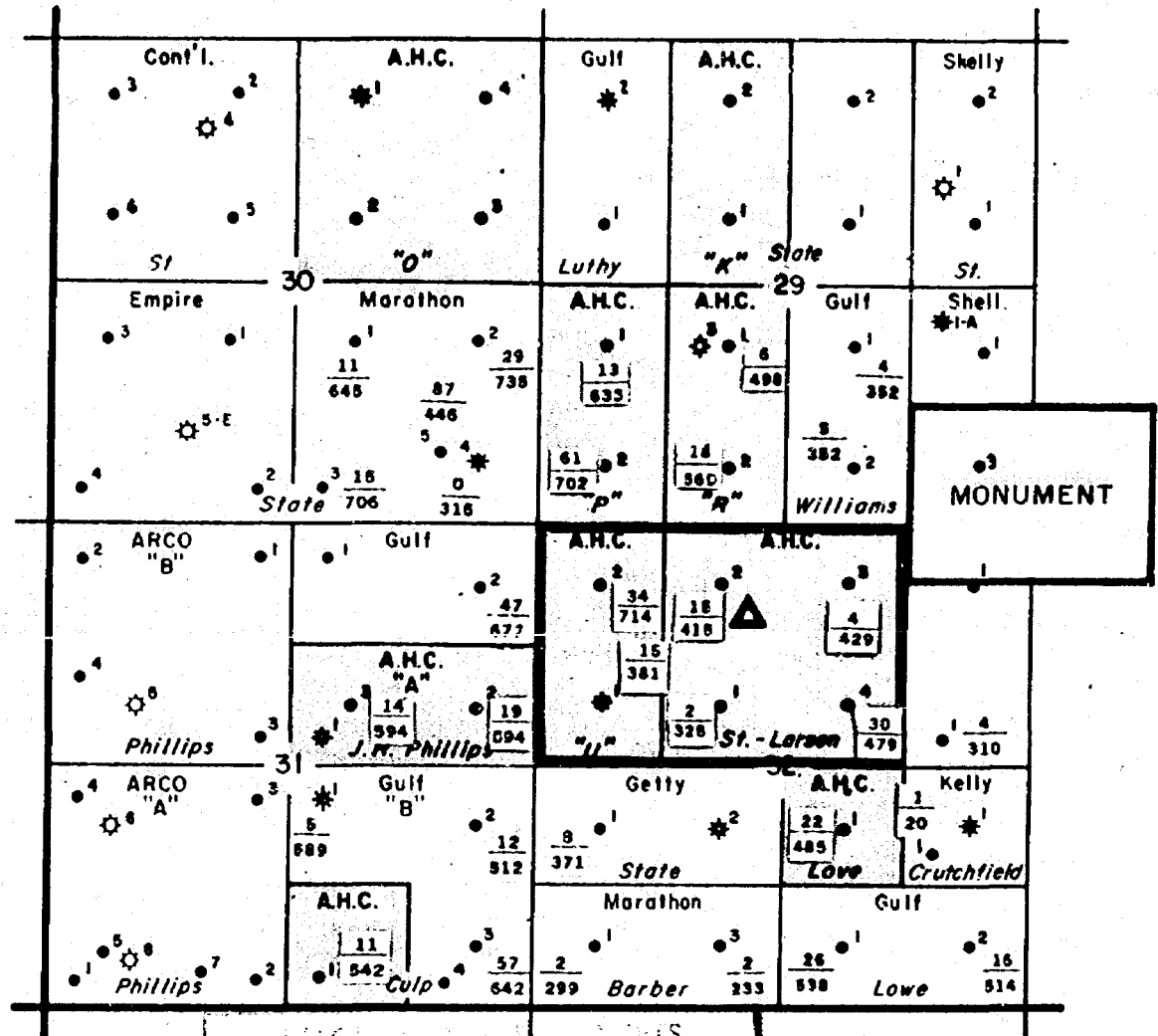
CASE NO. 6436

Submitted by
LEGEND

<p>Location Map</p>	<p>Oil Gas Dry & Abn Injection</p>	<p>Hearing Date</p> <p>Proposed Location</p> <p>Gas Com Outline</p> <p>000 MCFPD 0000 Cum MMCF</p>	<p>SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico</p>	
			<p>STATE 'U' GAS COM.</p> <p>0 2000' 4000'</p> <p>AMERADA HESS</p> <p>Date: _____ Page No: _____</p> <p>Originator: _____ Met No: _____</p>	

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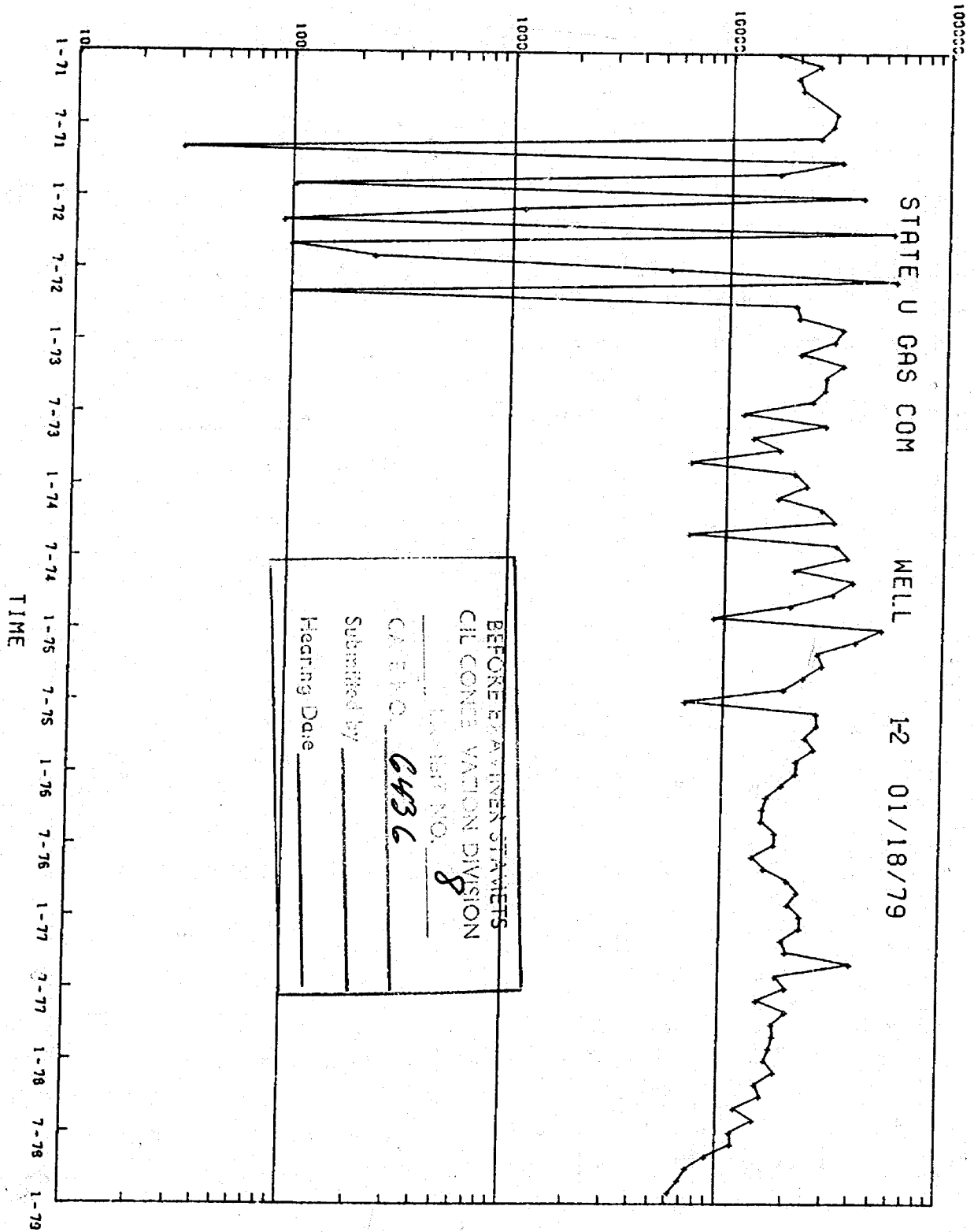


UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
EXHIBIT NO. 7
CASE NO. 6436

<p>Location Map</p>	<p> <input type="radio"/> Oil <input type="radio"/> Gas <input type="radio"/> Dry & Abn. <input type="radio"/> Injection </p>	<p>SW ENGINEERING</p>	<p>SOUTHWEST PRODUCTION REGION</p>	
		<p>Hearing Date _____</p> <p><input type="checkbox"/> Proposed Location</p> <p>Gas Com. Outline</p> <p>MCFPD Cum MMCF</p> <p>00 BOPD 000 Cum. MBBLS</p>	<p>EUMONT FIELD</p> <p>Lea County, New Mexico</p> <p>STATE 'U' GAS COM.</p> <p>0 2000' 4000'</p> <p>AMERADA HESS</p> <p>Date: _____ Page No: _____</p> <p>Originator: _____ Ref. No: _____</p>	

**EUMONT FIELD
LEA COUNTY, NEW MEXICO**

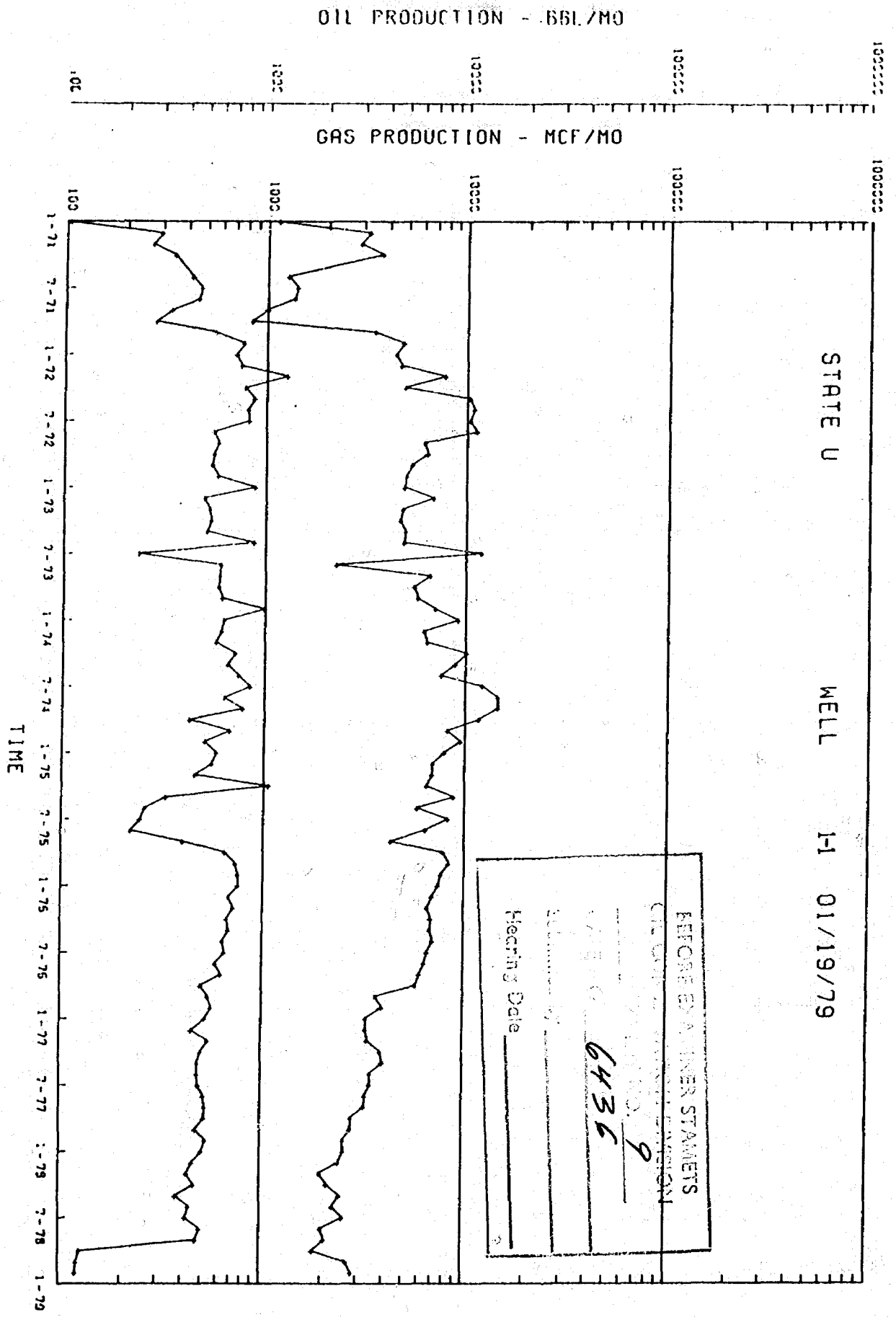
GAS PRODUCTION - MCF/MO



PLOT NO. 2

EUNICE-MONUMENT (G-SA) FIELD
LEA COUNTY, NEW MEXICO

STATE U WELL H-1 01/19/79

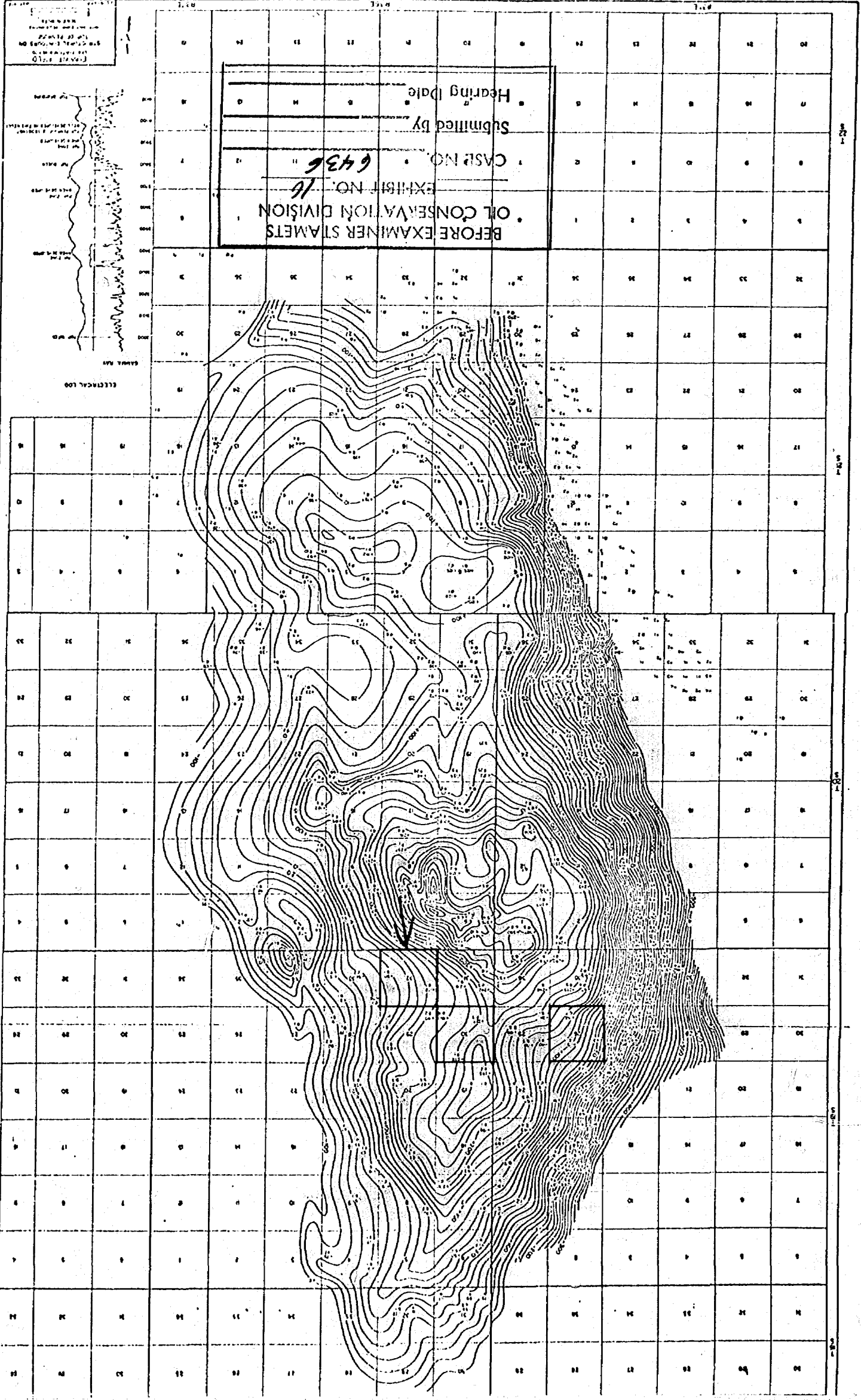


BEFORE EXAMINER SIGNATURES

DATE 9

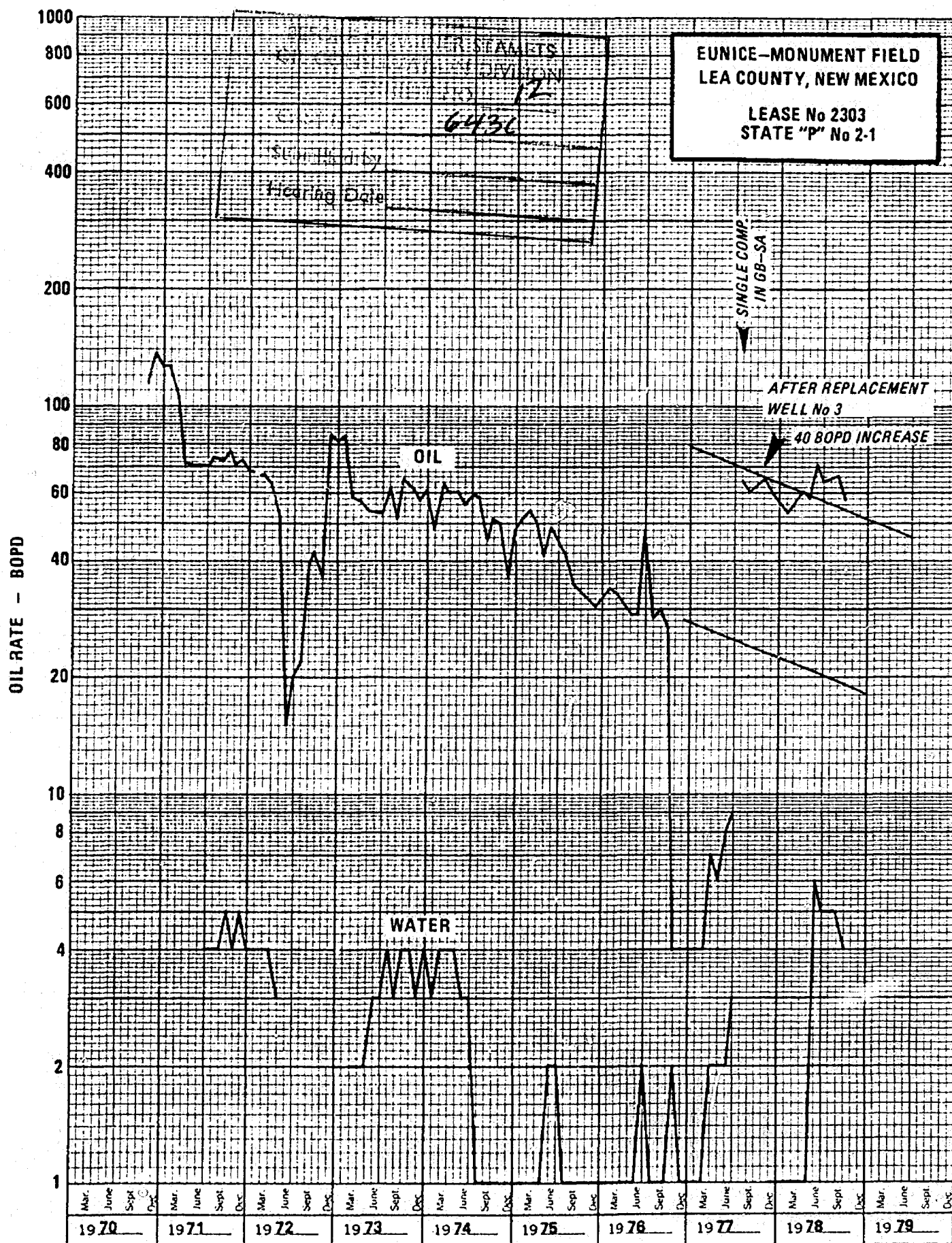
6436

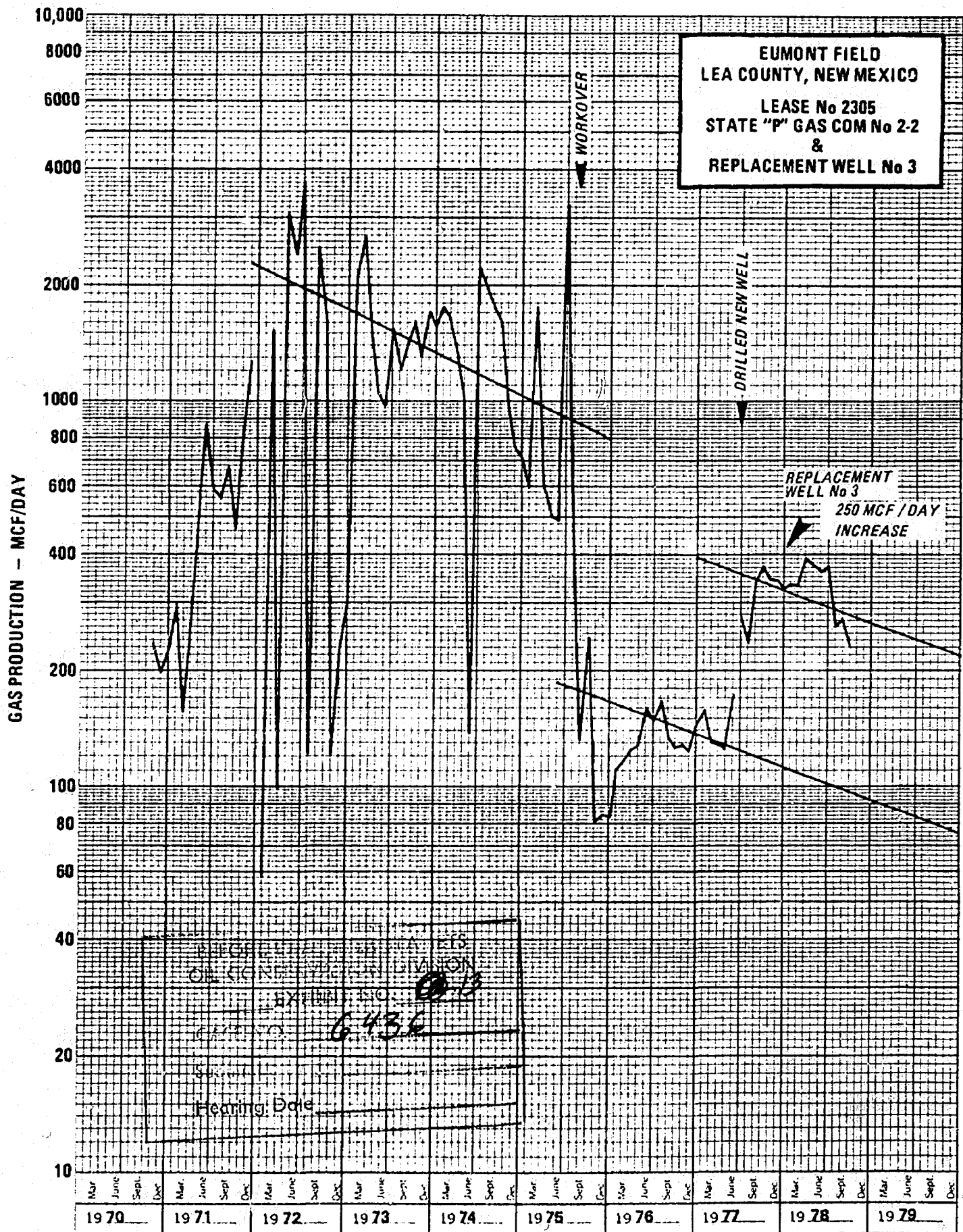
Heating Date _____

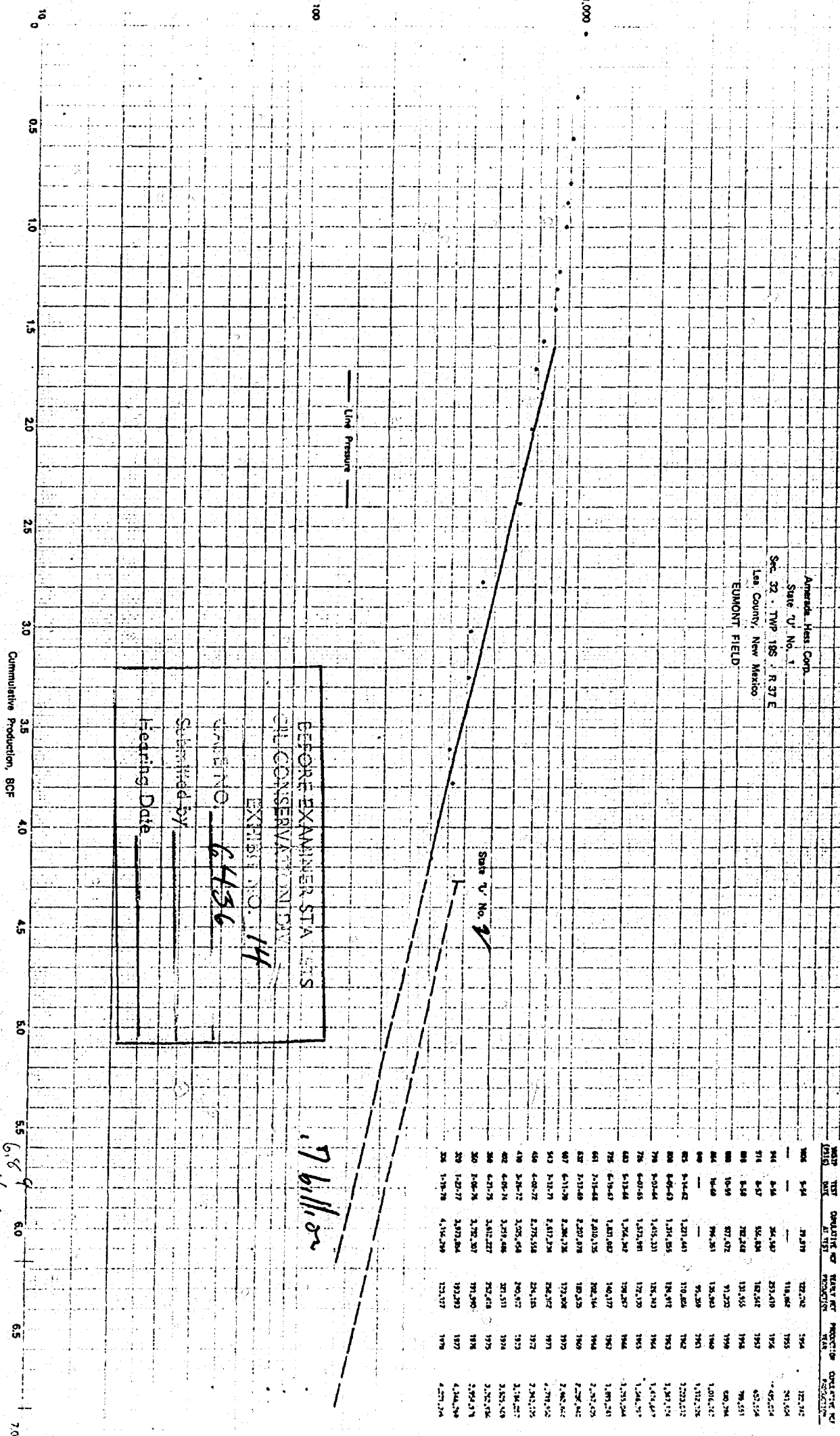


BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 16
CASE NO. 6436
Submitted by
Hearing Date

STANDARD MAP
ELECTRIC LUG
CASE NO. 6436
EXHIBIT NO. 16
Submitted by
Hearing Date

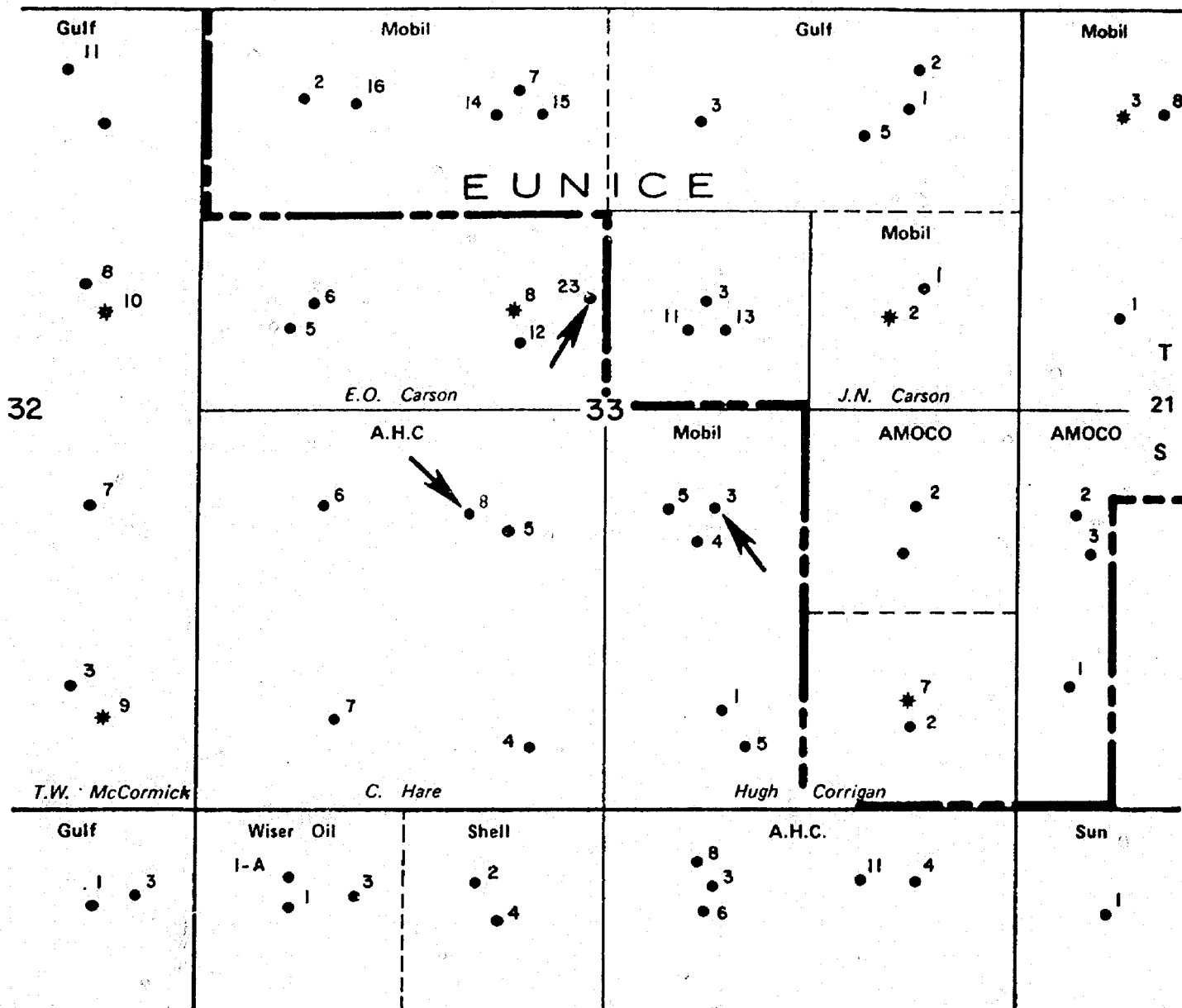






7/6/11

$$\frac{6.16}{73}$$



<p>Location Map</p>	<p>BEFORE THE ENGINEER STAMETS</p> <p>OIL CONSERVATION DIVISION</p> <p>EXHIBIT NO. <u>13</u></p>		<p>SOUTHWEST PRODUCTION REGION</p> <p>EUMONT FIELD</p> <p>Lea County, New Mexico</p>	
	<p>CASE NO. <u>6436</u></p>		<p>AMERADA</p> <p>HESS</p>	
	<p>Submitted by _____</p>		<p>0 1000' 2000'</p>	
	<p>Hearing Date _____</p>		<p>Date: Feb., 1979</p>	
		<p>Originator: _____</p>		<p>Page No. _____</p> <p>Ref. No. _____</p>

K-E
5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

46 6690

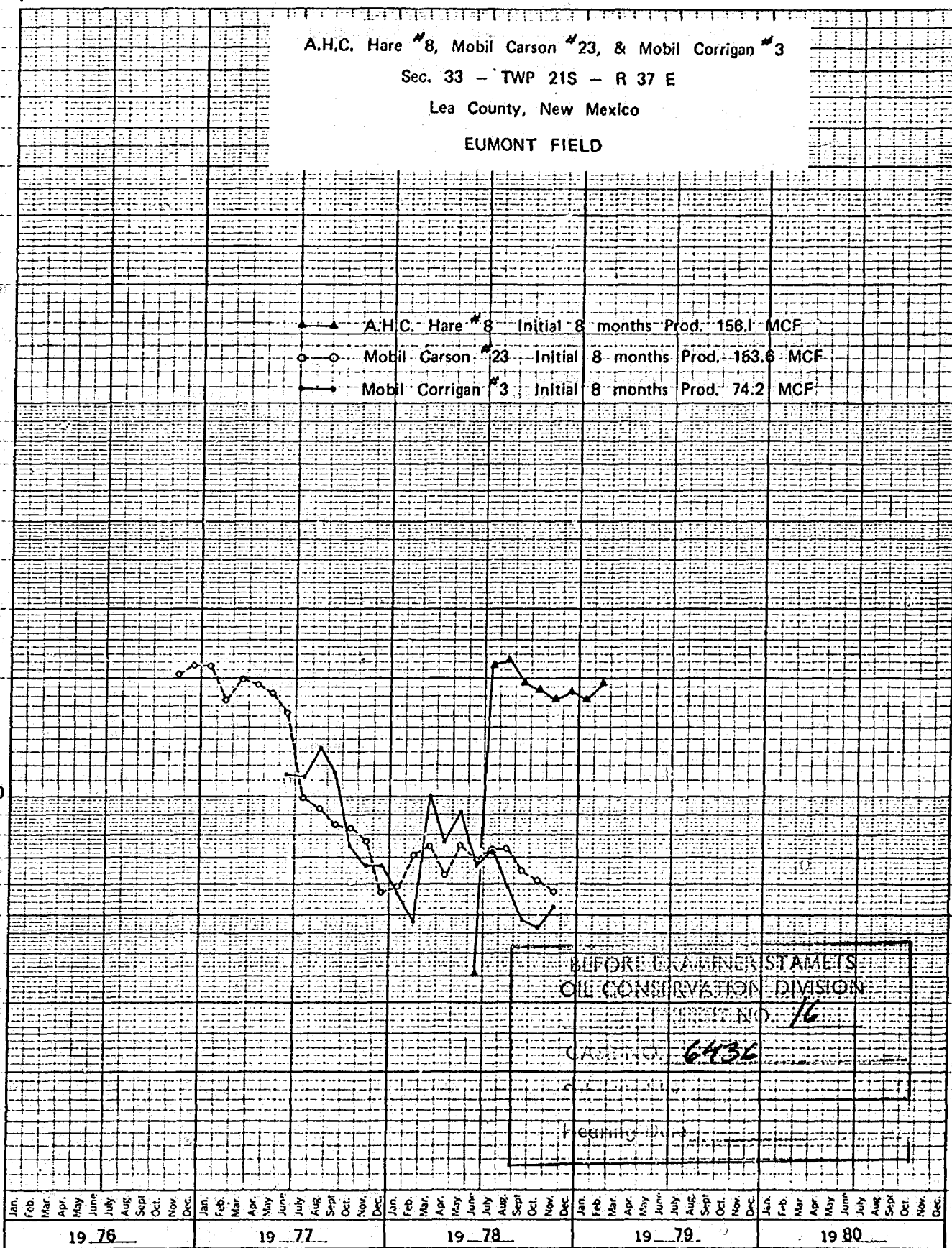
Monthly Production, MCF

10,000

1,000

A.H.C. Hare #8, Mobil Carson #23, & Mobil Corrigan #3
Sec. 33 - TWP 21S - R 37 E
Lea County, New Mexico
EUMONT FIELD

A.H.C. Hare #8 Initial 8 months Prod. 156.1 MCF
Mobil Carson #23 Initial 8 months Prod. 163.6 MCF
Mobil Corrigan #3 Initial 8 months Prod. 74.2 MCF



A.H.C. Hare #8, Mobil Carson #23, & Mobil Corrigan #3
 Sec. 33 - TWP 21S - R 37 E
 Lea County, New Mexico
 EUMONT FIELD

—▲— A.H.C. Hare #8 Initial 8 months Prod. 156.1 MCF
 —○— Mobil Carson #23 Initial 8 months Prod. 153.6 MCF
 —●— Mobil Corrigan #3 Initial 8 months Prod. 74.2 MCF

405493

Monthly Production, MCF

100,000

10,000

1,000

BEFORE EXAMINER STAMETS
 OIL CONSERVATION DIVISION

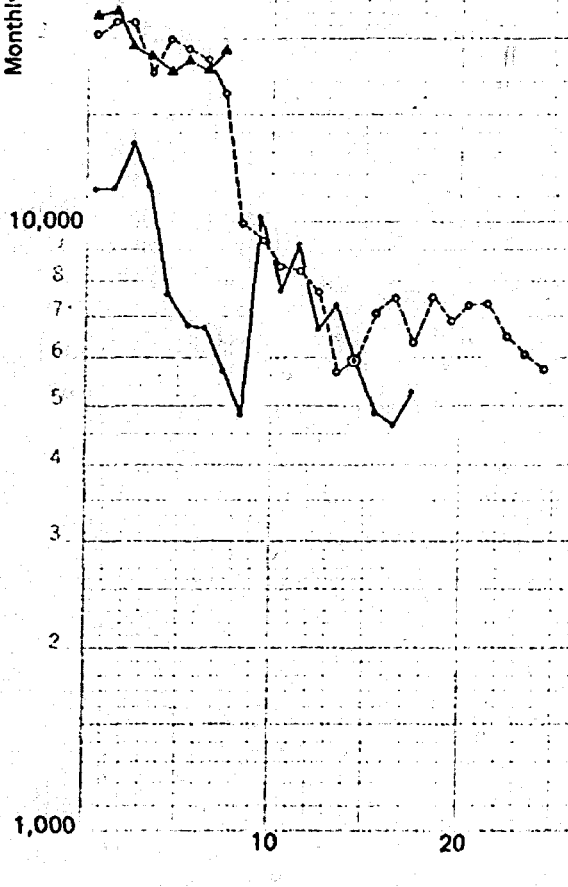
ORBIT NO. 17

CASE NO. 6436

Submitted by

Hearing Date

Months





HALLIBURTON SERVICES

P. O. BOX 1889, MIDLAND, TEXAS 79702

J. R. (BUDDY) REDDEN, JR.
Sales Manager
Midland Division

December 8, 1978

GENERALIZED STIMULATION PROCEDURE TECHNIQUE FOR STIMULATING LOW
BOTTOM HOLE PRESSURE OIL AND GAS WELLS IN THE PERMIAN BASIN

The purpose of this report is to give a generalized procedure of a stimulation technique used in the Permian Basin for stimulating low bottom hole pressure oil and gas wells (113 lbs. up). This technique has been utilized in the Seven Rivers, Yates, Queens, Grayburg, Penrose, Tubbs, and Cisco formations with very impressive results.

The following procedure and outline of a typical stimulation job incorporating this technique is shown, but it should also be pointed out that the volumes have varied from 10,000 gallons to 60,000 gallons of the 50-50 gelled water and CO₂ mixture depending upon the desired frac length to be obtained.

We have been recommending the selected zone of interest used with this procedure be acidized with 100 gallons per net foot of pay with 15% MCA acid with sufficient amount of ball sealers to open and treat all existing perforations. The spent acid should then be swabbed back and the well can then be evaluated. At this point, the proper chemicals and surfactants should be determined for the fracturing fluid on the particular lithology of the formation to be treated. This is extremely important with the compatability of the system to assure minimal damage during and after stimulating the zone of interest.

An important consideration is to determine the proper depth to place the tubing. The main factor of course is the bottom hole pressure, the lower the pressure the lower the tubing should set. This should allow the well to clean up and produce at this point saving the damage a well might receive from loading the hole with water to move the tubing.

A typical 40,000 gallon 50/50 water and CO₂ frac for example would consist of 20,000 gallons gelled water and 20,000 gallons CO₂ carrying 40,000 pounds 20-40 sand and 62,000 pounds 10-20 sand. The treatment is usually done down tubing and tubing-casing annulus at 20 BPM at 2,300 psi surface treating pressure. A 2,000 gallon pre-pad containing selected surfactants should be pumped ahead of the frac treatment for scale or paraffin control. All fluid should contain 2 to 3% KCl.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 18

CASE NO. 6436

Submitted by

Hearing Date

(18)

A Halliburton Company

The fluid used is designed to be as compatible as possible with the lithology found in each well. A majority of the sand formations have been found to contain a high percentage of clays. To keep the clays from swelling, 3% KCl water is used in conjunction with a high concentration of CO₂ which makes a weak acid solution that provides a low pH environment that is advantageous to the compatibilities of the clays.

GENERAL PROCEDURE:

1. After perforating, circulate hole with 2% KCl water containing 1 gallon Morflo II per 1,000 gallons and spot acid over the perforated interval in the same operation.
2. Raise the tubing approximately 50 feet above the top perforations.
3. Acidize with the remaining acid injecting sufficient amount of ball sealers to ball-off perforations.
4. Lower tubing to desired depth.
5. Swab and evaluate zone.
6. Rig up Halliburton to frac down tubing and both sides of the casing as follows:

	Fluid Vol./Gal.	CO ₂ Vol./Gal.	Total Vol./Gal.	-----Sand Concentration-----		
				@ Blender Lbs./Gal.	Sand Mesh	@ Perfs. Lbs./Gal.
a.	2,000	- 0 -	2,000	-----P R E- P A D-----		
b.	2,000	2,000	4,000	-----P A D-----		
c.	2,000	2,000	4,000	2.0	20-40	1.0
d.	3,000	3,000	6,000	4.0	20-40	2.0
e.	4,000	4,000	8,000	6.0	20-40	3.0
f.	4,000	4,000	8,000	5.0	10-20	2.5
g.	7,000	7,000	14,000	6.0	10-20	3.0
h.	Flush to bottom perforation with treated KCl water and CO ₂ which varies depending on well conditions.					
i.	Shut well in for a total of one (1) hour and flow back on a controlled choke setting.					

FLUID COMPOSITION: Additives Per 1,000 Gallons

Acid	15% MCA 1 gallon corrosion inhibitor
Pre-Pad	No CO ₂ 3% KCl Surfactant (for individual well)
CO ₂	50% frac fluid
Gelled Water	50% CO ₂ 3% KCl 50 pounds gel 50 pounds Adomite Aqua 10 pounds buffer 2 gallons surfactant "A" (individual well) 1 gallon surfactant "B" (individual well) Special breaker
Flush	% CO ₂ (ratio varies on individual well) 3% KCl 15 pounds gel 4 gallons surfactant "A"

Note: Clean tanks plus clean fresh water is essential to the success of this fracturing technique.

TYPICAL WELLS FRACED:

<u>No.</u>	<u>County</u>	<u>Formation</u>	<u>Prod. Before CFPD or BPD</u>	<u>Potential After CFPD or BPD</u>
a.	Lea	Yates	25 M	4.1 MM
b.	Lea	Queens	75 M	2.8 MM 12 oil
c.	Lea	Penrose	12M	800 M
d.	Lea	Queens	20M	7.2 MM
e.	Nolan*	Cisco	-0-	150 M 144 oil
* Surrounding wells producing 1 to 8 BOPD.				
f.	Lea	Grayburg	20 M 1 oil	5.0 MM 30 oil
g.	Lea	Tubbs	400 M	1.4 MM
h.	Lea	7 Rivers	8 M (trace oil)	600 MM 28 oil
i.	Lea	Yates	-0-	4.7 MM
j.	Lea	Yates	18 M	4.3 MM
k.	Lea	Queens	10 M	800 M

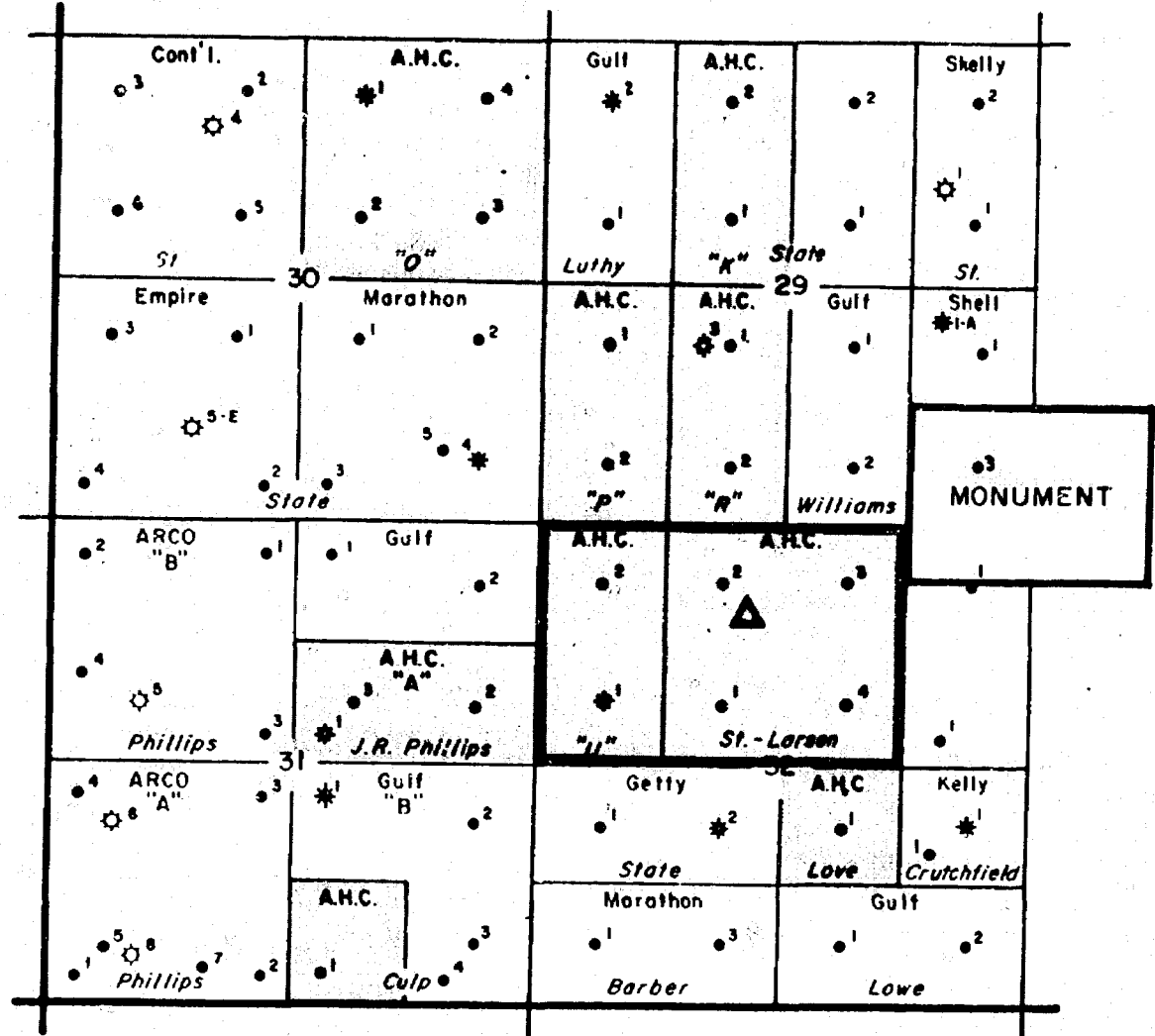
The example wells shown are a small percentage of the wells treated with the typical results. The impressive point is the surrounding wells that have not used this technique are producing noticeably less or not at all.

Prepared by:


R. W. Lansford, Service Sales Engineer

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(H) 1
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<p>Location Map</p>	<p>LEGEND</p> <ul style="list-style-type: none"> Oil Gas Dry & Abn Injection Proposed Location Gas Com Outline MCFPD Cum MMCF 	<p>SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico</p> <p>AMERADA HESS</p> <p>STATE 'U' GAS COM.</p> <p>Date: _____ Page No: _____</p> <p>Originator: _____</p> <p>Scale: 0 1000' 1000'</p>
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FILE	
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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

TULSA
RECEIVED
DEC 15 1978
OIL & GAS DIVISION

3A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. B1428
7. Unit Agreement Name
8. Firm or Lease Name State "U" Gas Comm.
9. Well No. 2
10. Field and Pool, or Wildcat Eumont
12. County Lea

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			
1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			
2. Name of Operator V Amerada Hess Corporation			
3. Address of Operator Box 2040 - Tulsa, Oklahoma 74102			
4. Location of Well UNIT LETTER <u>C</u> LOCATED <u>990</u> FEET FROM THE <u>North</u> LINE AND <u>2160</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>32</u> TWP. <u>19S</u> R4E. <u>37E</u> NEPA			
13. Proposed Depth 3650'		19A. Formation Queen	
21. Elevations (Show whether DE, RI, etc.) 3594.1 GL		22. Approx. Date Work will start 1/10/79	

21. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	32#	300'	200	Surf.
7-7/8"	5-1/2"	14 & 15.5#	3450'	750	Surf.

Plan to drill 12 1/4" hole from surface to 300', set and cement 8-5/8" csg. at 300' with 200 sx', WOC and drill 7-7/8" hole out from under 8-5/8" csg. to 3450', set and cement 5-1/2" csg. at 3450' and cmt. with 750 sx., WOC, drill out from under 5-1/2" csg. with tbg. to 3650'. or sufficient depth to test Eumont Queen and log. If indicates productive, will complete as a Eumont Queen Gas Well. (No cores or DST are anticipated at this time.) Blowout Equipment, consists of 10" Cameron Tube "F" series 900 Dbl. Hyd. w/Payne closing Unit, Gas Separator and de-gasser complete w/Auto Choke. All BOP equipment will be checked periodically by a Cactus Drilling Company driller and Amerada Hess well site drilling supervisor.

Gas dedicated to purchaser.

APPROVAL VOID
TOP SO DATE BUSINESS
DRILLING COMMENCED,

EXPIRES March 12, 1979

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed H.O. Porter H.O. Porter Title Supv. Drilling Admin. Svcs. Date 12/8/78

(This space for State Use)
APPROVED BY John W. Runyan TITLE Geologist DATE DEC 12 1978
CONDITIONS OF APPROVAL, IF ANY:

Exhibit 2
Case 6436

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section

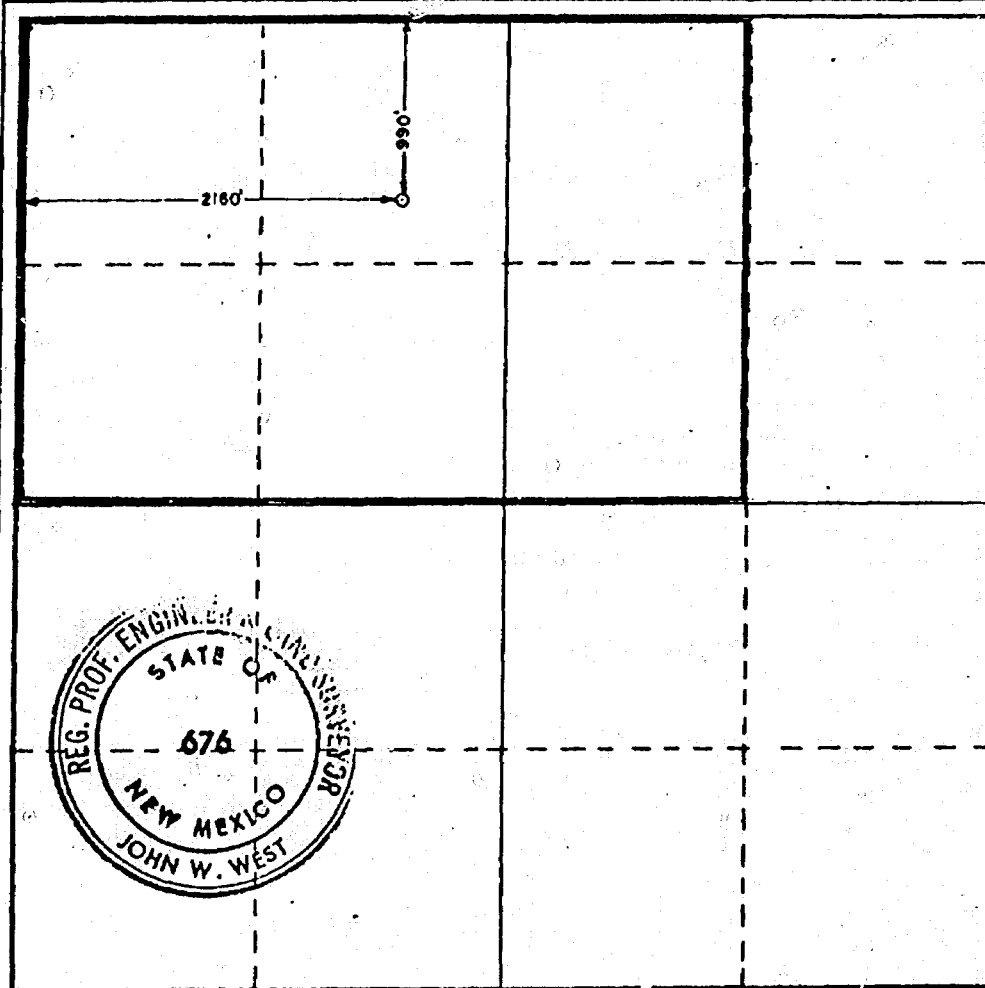
Operator Amerada Hess Corp.			Lease State U Gas Com.		Well No. 2
Unit Letter C	Section 32	Township 19 South	Range 37 East	County Leo	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 990 feet from the North line and 2160 feet from the West line </div>					
Ground Level Elev. 3594.1	Producing Formation Queen	Pool Eumont	Dedicated Acreage: 240 Acres		

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

☐ Yes ☐ No If answer is "yes" type of consolidation N/A

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

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



CERTIFICATION

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

H.O. Porter **H.O. Porter**

Name

Supv. Drlg. Admin. Svcs.

Position

Amerada Hess Corporation

Company

December 8, 1978

Date

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

Date Surveyed

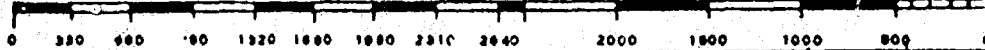
November 30, 1978

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **John W. West** **676**

Ronald J. Eiden **3239**



APPLICATION FOR WELLHEAD
PRICE CEILING CATEGORY DETERMINATION

1. FOR DIVISION USE ONLY

DATE OF: APPLICATION _____
DETERMINATION _____
CONTESTED _____
PARTICIPANTS _____

Kind of Lease
State, Federal or Free STATE
5. State Oil & Gas Lease No.
B1428
7. Unit Agreement Name
8. Name of Lease Tract
State "U" Gas Comm
9. Well No.
2
10. Field and Pool, or Wellbore
Eumont
12. County
Lea

Name of Operator
Amerada Hess Corporation
Address of Operator
P. O. Box 2040, Tulsa, Oklahoma 74102
Location of Well
UNIT LETTER C, 990 FEET FROM THE North LINE AND 2160 FEET FROM THE West LINE, SECTION 32 TOWNSHIP 19S RANGE 37E N.M.P.S.

11. Name and Address of Transporter(s) Northern Natural Gas Co.
2223 Dodge St., Omaha, Neb. 68102

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NGPA Section No.) _____
2. All Applications must contain:
 - ☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
 - ☐ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT
 - ☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
 - ☐ d. AFFIDAVITS OF MAILING OR DELIVERY
3. NEW NATURAL GAS UNDER SEC. 102(c) (1) (B) (using 2.5 Mile or 1000 Feet Deeper Test)
 - ☐ a. Location Plat
4. NEW NATURAL GAS UNDER SEC. 102(c) (1) (C) (new onshore reservoir)
 - ☐ a. C-122 Multipoint and one point back pressure test
5. NEW ONSHORE PRODUCTION WELL
 - ☒ a. C-102 WELL LOCATION AND ACREAGE DEDICATION PLAT
 - ☐ b. No. of order authorizing infill program _____
6. STRIPPER GAS
 - ☐ a. C-116 GAS-OIL RATIO TEST
 - ☐ b. PRODUCTION CURVE FOR 12-MONTH PERIOD
 - ☐ c. PRODUCTION CURVE FOR THE 90-DAY PERIOD ON WHICH THE APPLICATION IS BASED

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

Gilbert E. Miller
NAME OF APPLICANT (Type or Print)
Title Conservation Supervisor
Date January 31, 1979
Signed *Gilbert E. Miller*

DIVISION USE ONLY

- ☐ Approved
☐ Disapproved

The information contained herein includes
all of the information required to be
filed by the applicant under Subpart B
of Part 274.

EXAMINER

Exhibit 3
case 6436

State 'U' No. 1
Sec. 32 Twp 19S - R37E
Lea County, New Mexico

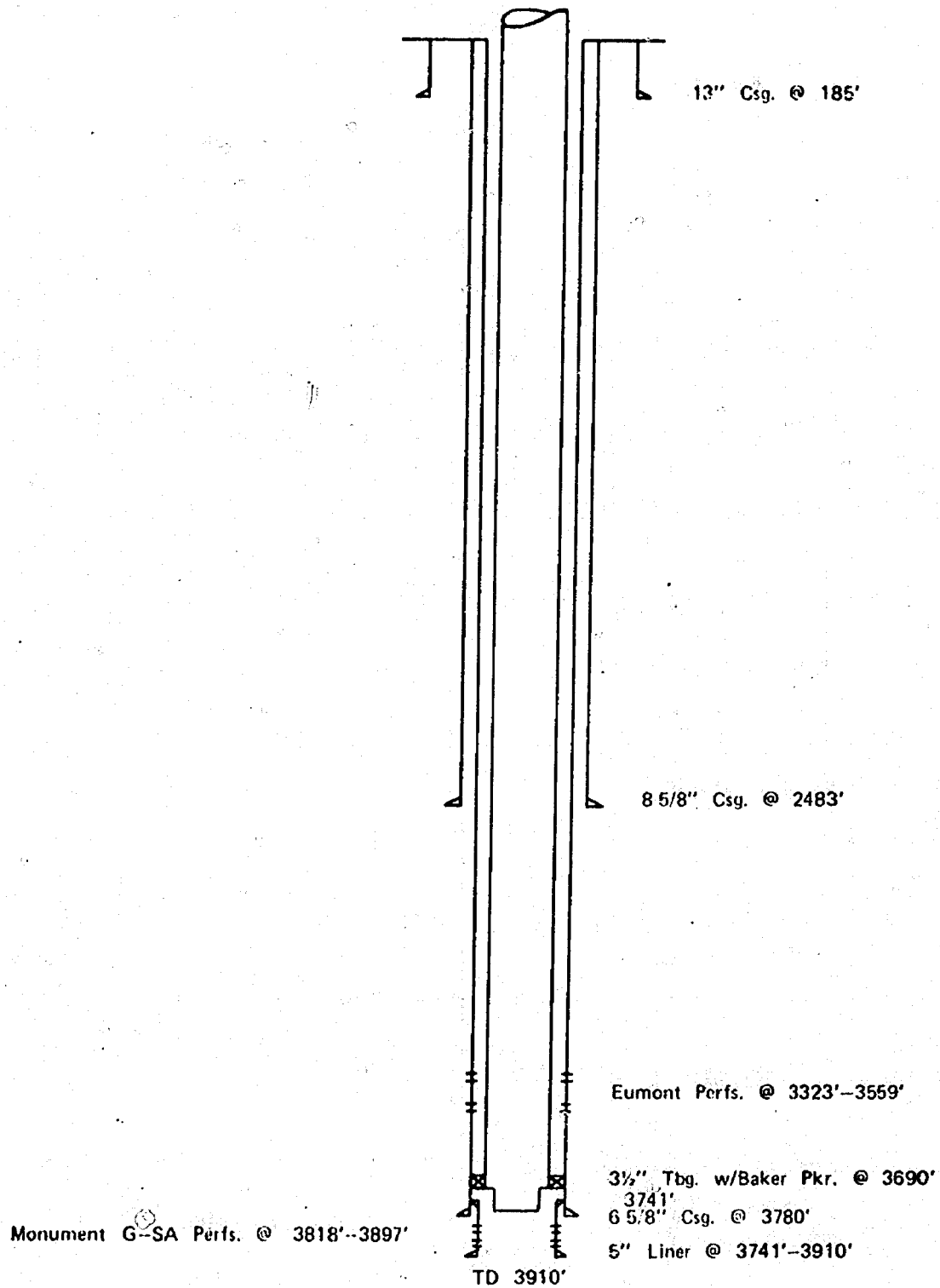


Exhibit 4
Case 6436

Dual Completion Eumont Gas & Monument G-SA Oil

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. 512
ORDER No. R-301

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR AN
ORDER GRANTING PERMISSION TO
DUALY COMPLETE AND PRODUCE
ITS STATE 'U', WELL NO. 1, LOCATED
IN THE SW/4 NW/4 OF SECTION 32,
TOWNSHIP 19 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO.

Exhibit 5
Case 6436

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 31ST day of MARCH, 1953, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That the applicant's State 'U', Well No. 1, SW/4 NW/4 Section 32, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, was completed in August 1937 as an oil well producing from the Grayburg formation of the Eunice-Monument Pool in the open-hole interval 3780-3912, having drilled through the Seven Rivers-Queen formation of the Eumont Gas Pool at an approximate depth of 3250-3570.

(3) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission is unconvinced of the soundness as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That the applicant herein, Amerada Petroleum Corporation, be, and it hereby is authorized to dually complete and produce its State 'U', Well No. 1, SW/4 NW/4 Section 32, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Seven Rivers-Queen formation of the Eumont Gas Pool may be produced through the annular space between the casing and the tubing, and oil from the Grayburg formation of the Eunice-Monument Pool through the tubing by proper perforations and the installation of a proper packer;

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on these forms by existing Rules and Regulations.

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

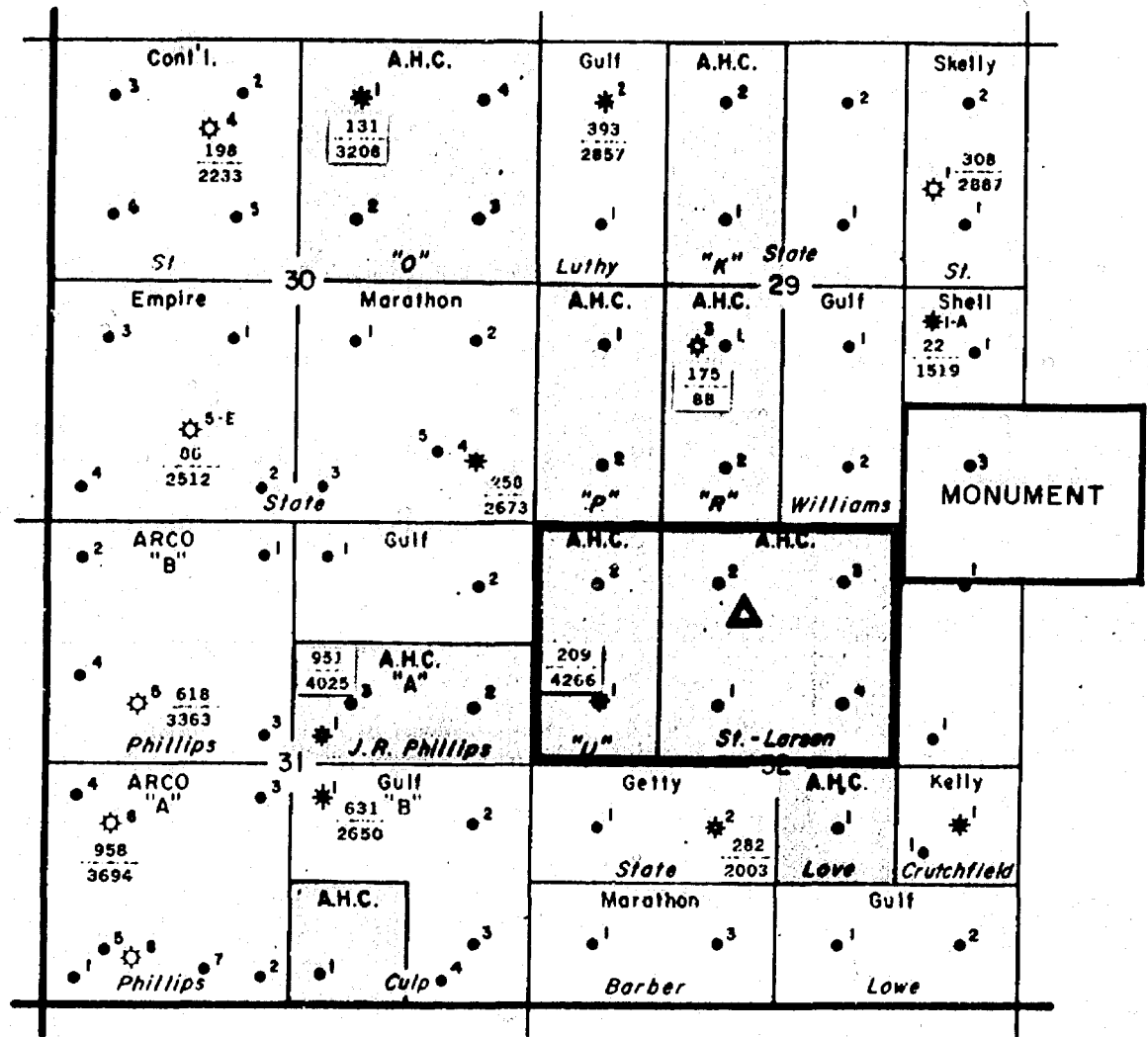
E. S. Walker
E. S. WALKER, Member

R. R. Spurrier
R. R. SPURRIER, Secretary

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<p>Location Map</p>	<p>LEGEND</p> <ul style="list-style-type: none"> Oil Gas Dry & Abn Injection Proposed Location Gas Com Outline <p>000 MCFPD 0000 Cum MMCF</p>	<p>SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico</p> <p>AMERADA HESS</p> <p>STATE 'U' GAS COM.</p> <p>Date: _____ Page No: _____</p> <p>Originator: _____ Ref No: _____</p> <p>0 2000' 4000'</p>
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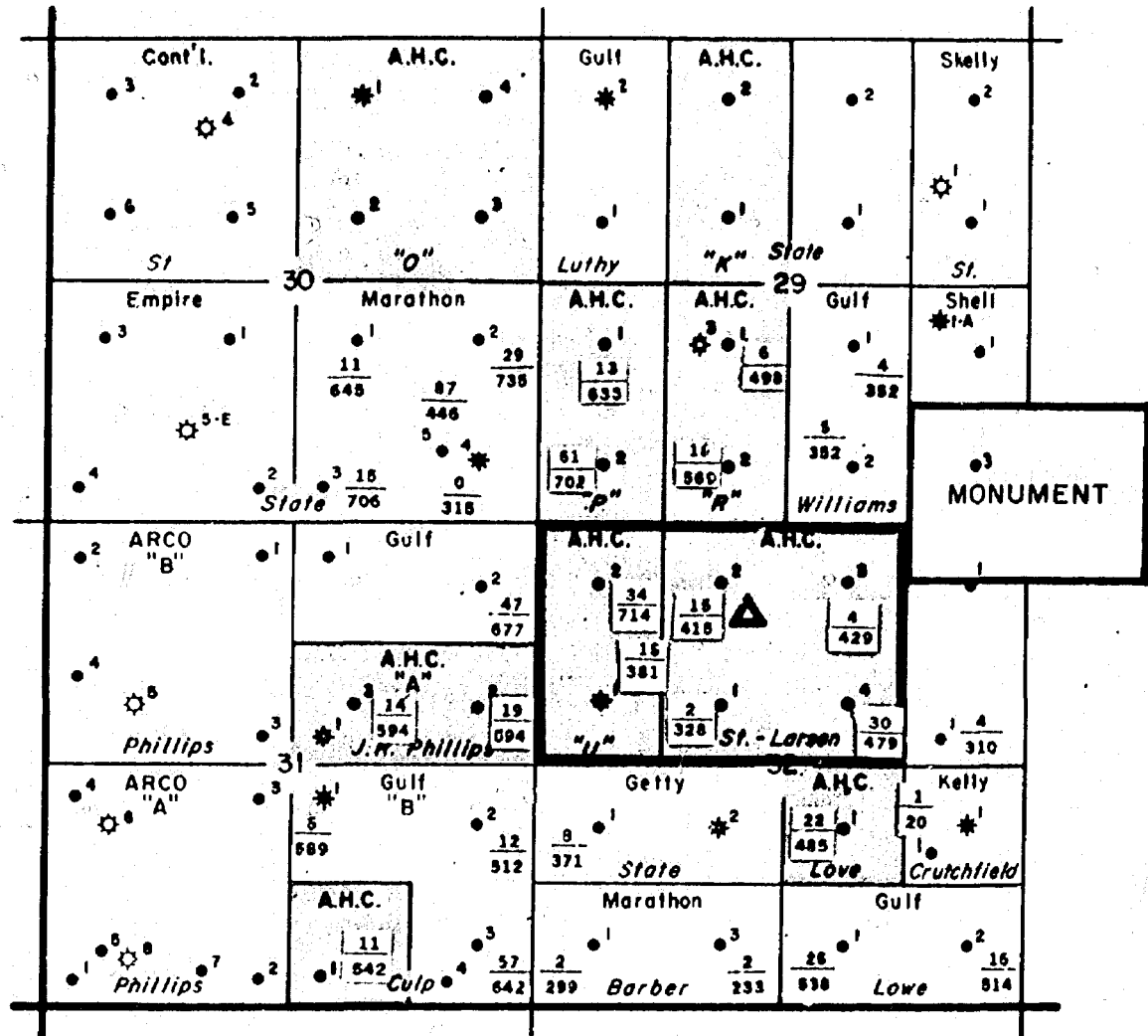
Exhibit 6
Case 6436

1.0 API well number: (If not available, leave blank. 14 digits.)	<u>0-025-26169</u>				
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	<u>103</u> Section of NGPA		<u>Category Code</u>		
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	<u>3650</u> feet				
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	<u>Amerada Hess Corporation</u> Name <u>P. O. Box 2040</u> Street <u>Tulsa,</u> <u>Okla.</u> <u>74102</u> City State Zip Code				<u>000459</u> Seller Code
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	<u>Eumont</u> Field Name <u>Lea</u> <u>New Mexico</u> County State				
(b) For OCS wells:	Area Name _____ Block Number _____ Date of Lease: Mo. Day Yr. _____ OCS Lease Number _____				
(c) Name and identification number of this well: (35 letters and digits maximum.)	<u>State "U" Gas Comm. No. 2</u>				
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	<u>Queen</u>				
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	<u>Northern Natural Gas Company</u> Name				<u>013767</u> Buyer Code
(b) Date of the contract:	<u>06/21/74</u> Mo. Day Yr.				
(c) Estimated annual production:	<u>183</u> MMcf.				
		(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices (Indicate (+) or (-).)	(d) Total of (a), (b) and (c)
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)		<u>1.980</u>	<u>.134</u>	<u>---</u>	<u>2.114</u>
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)		<u>1.980</u>	<u>---</u>	<u>---</u>	<u>---</u>
9.0 Person responsible for this application:	<u>Gilbert E. Miller</u> <u>Conservation Supvr.</u> Name Title <u>Gilbert E. Miller</u> Signature <u>January 31, 1979</u> <u>918-584-5554</u> Date Application is Completed Phone Number				
Agency Use Only					
Date Received by Juris. Agency					
Date Received by FERC					

R 37 E

67

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Location Map 	LEGEND ● Oil ⊙ Gas ⊙ Dry & Abn ▽ Injection ▲ Proposed Location — Gas Com Outline MCFPD Cum MMCF BOPD Cum. MMBLS		SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico AMERADA HESS STATE 'U' GAS COM. 0 2000' 4000' Date: _____ Page No: _____ Originator: _____ Ref No: _____	
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Exhibit 7
Case 6436

Ex 8

EUMONT FIELD
LEA COUNTY, NEW MEXICO

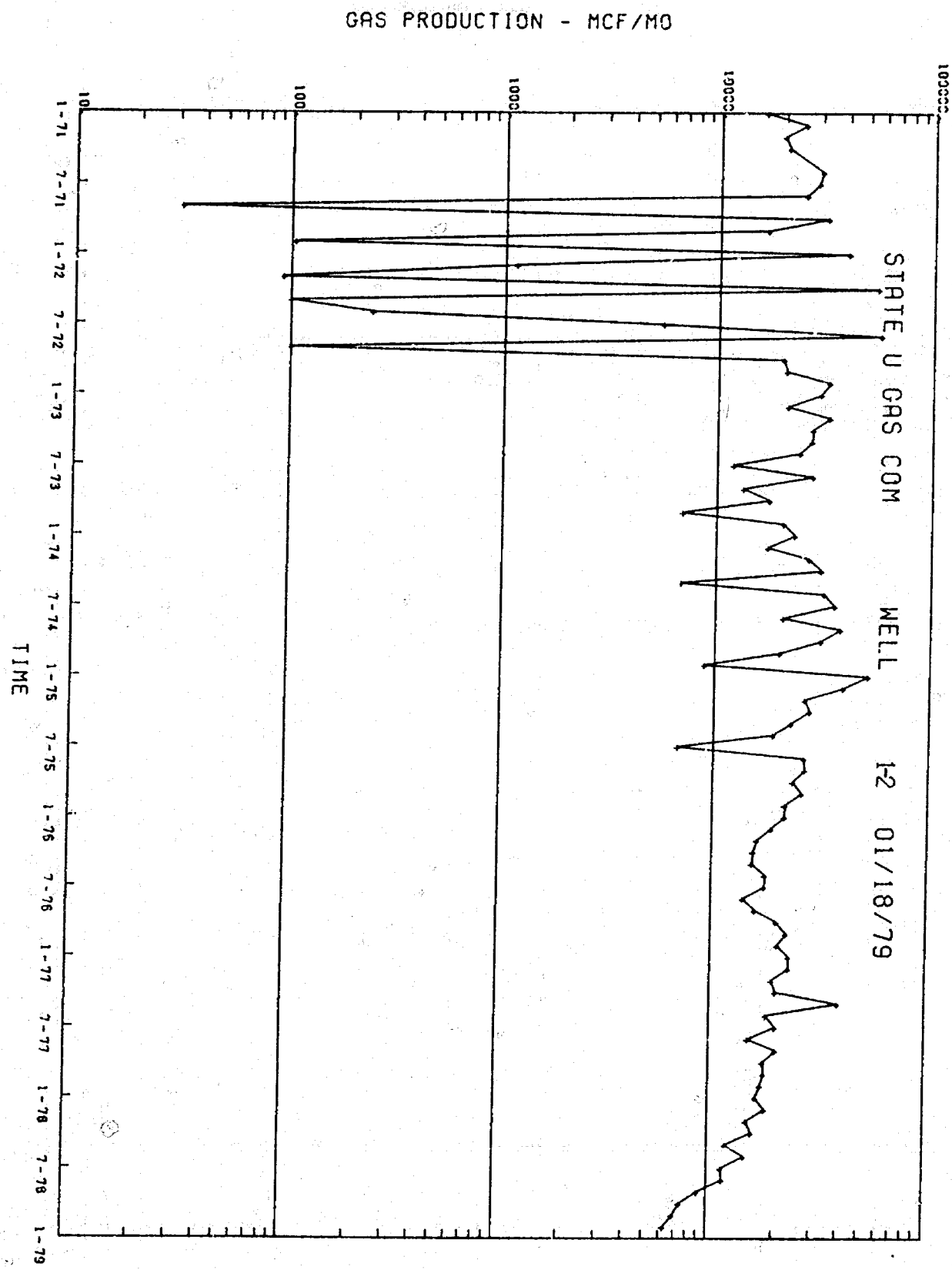


Exhibit 8
Case 6436

7

EUNICE-MONUMENT (G-SA) FIELD
LEA COUNTY, NEW MEXICO

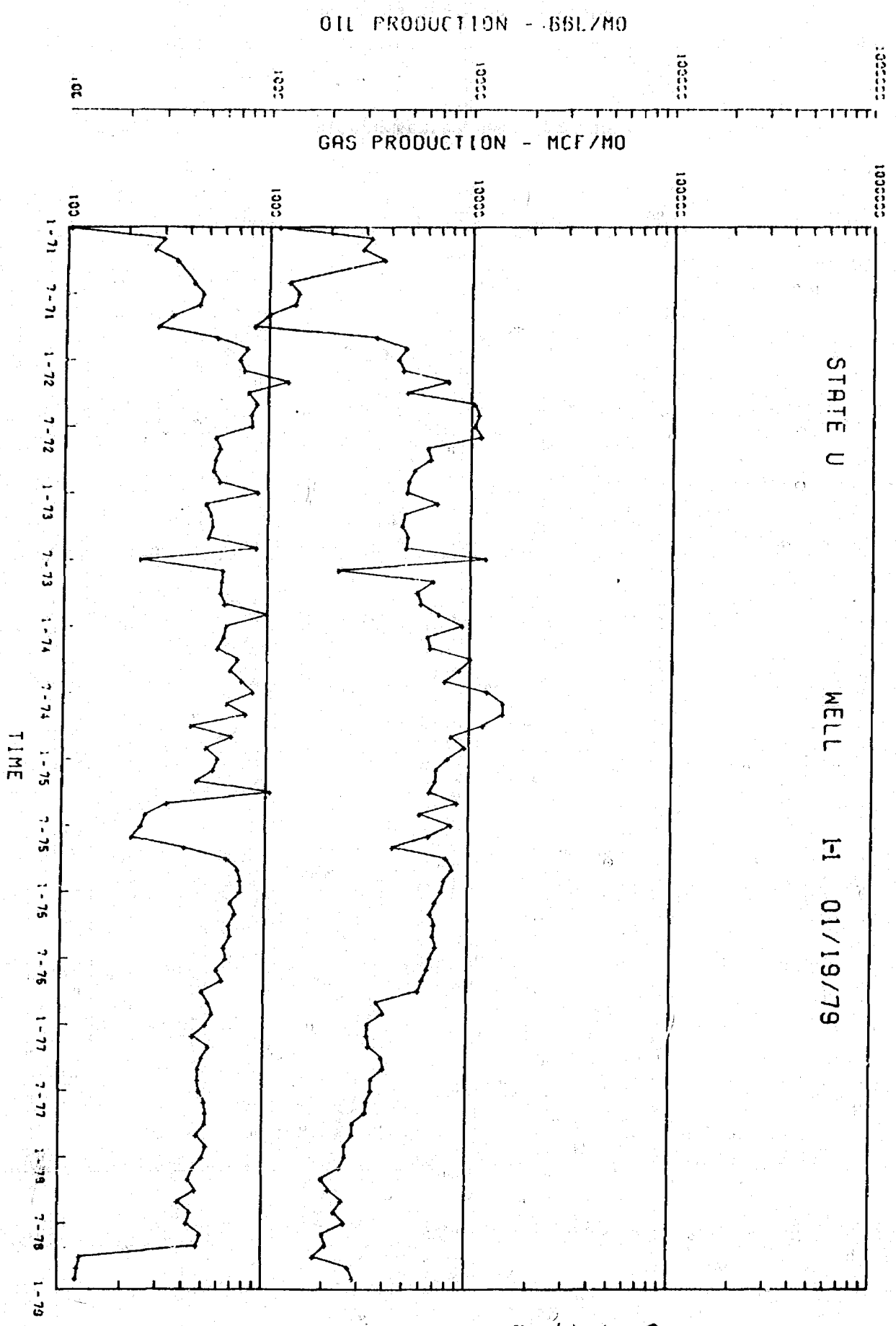
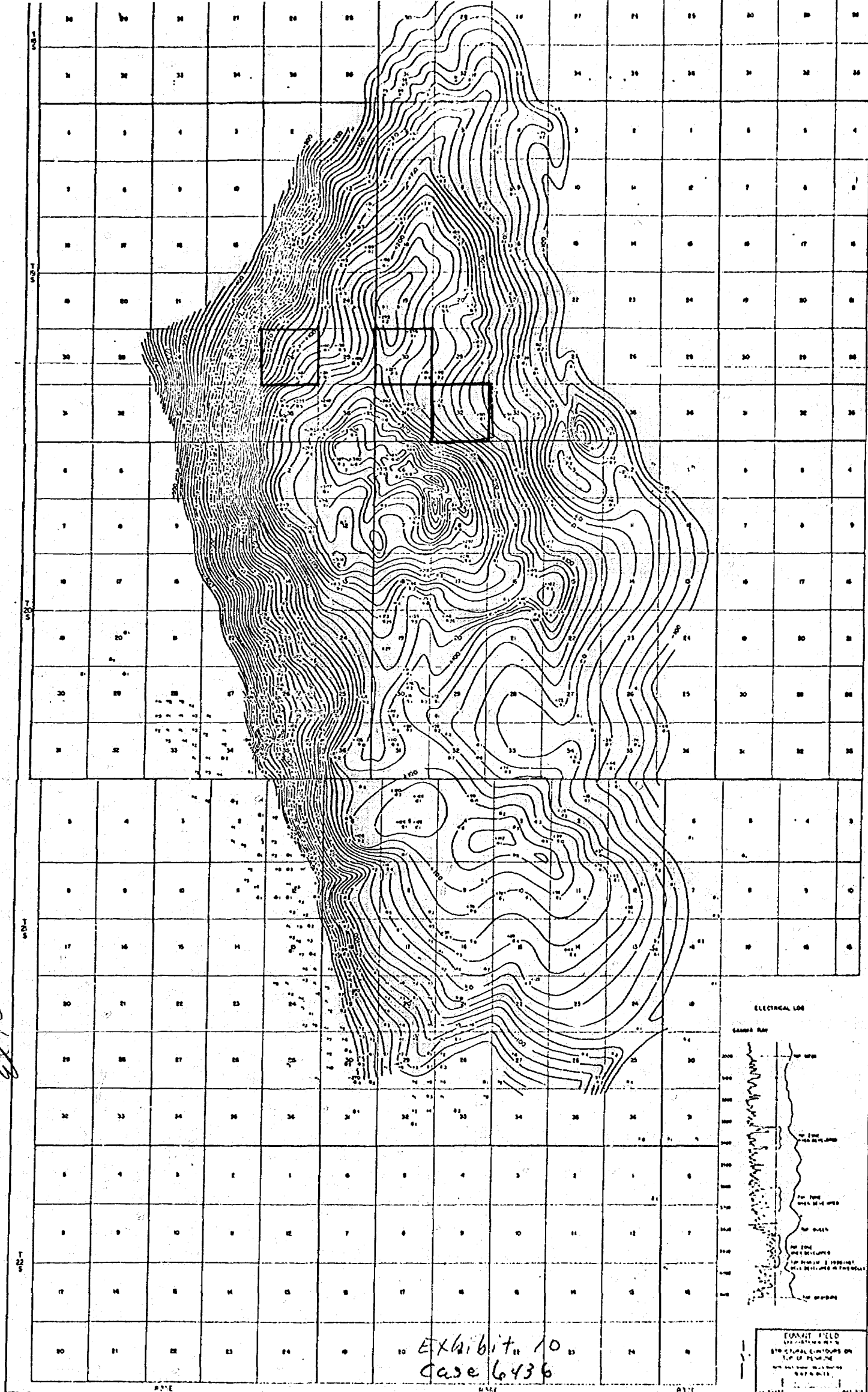


Exhibit 9
Case 6436

EX 10



ELECTRICAL LOG

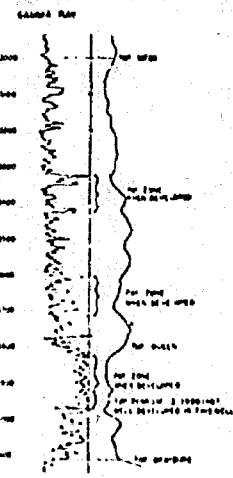
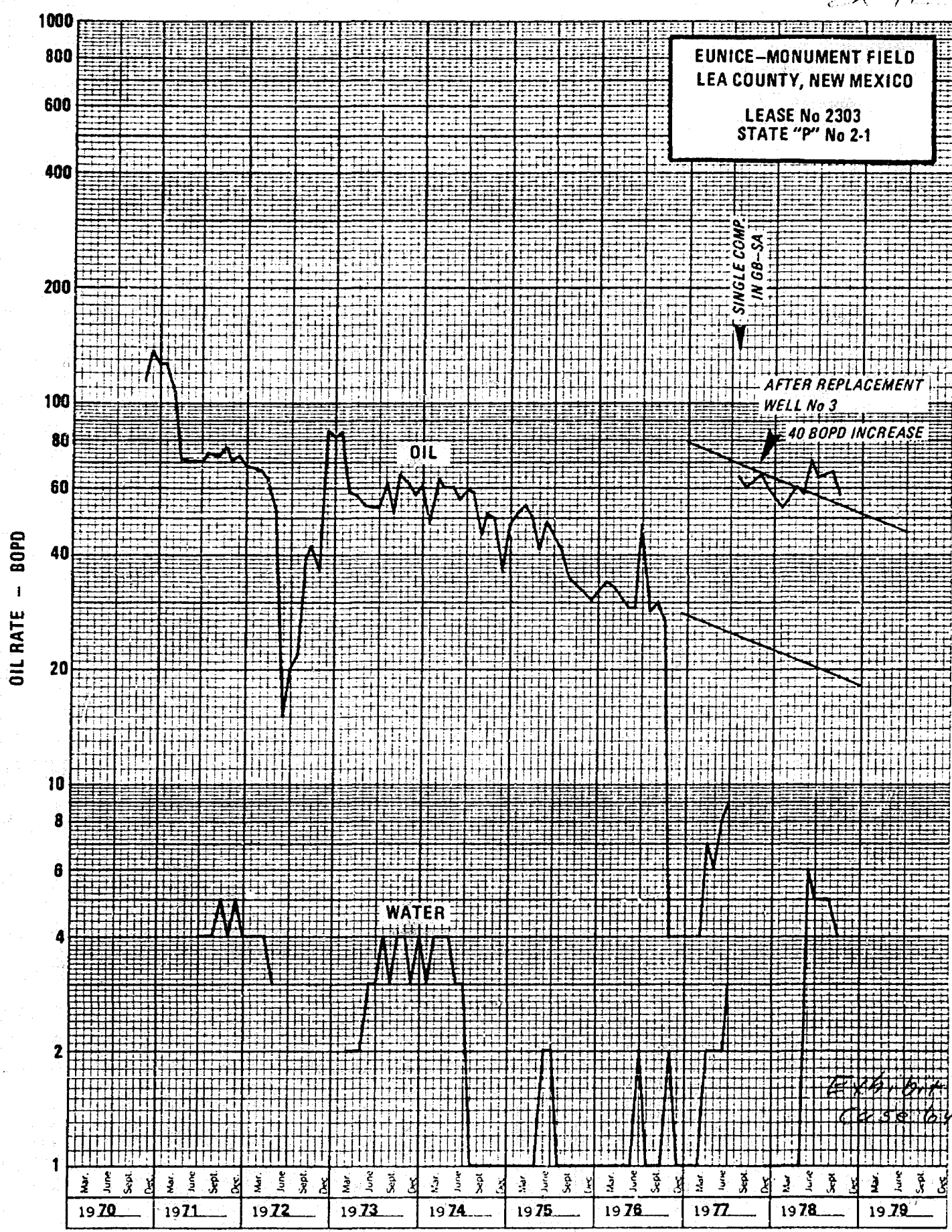


EXHIBIT 10
Case 6436

EXHIBIT 10
Case 6436

EX 12



**EUMONT FIELD
LEA COUNTY, NEW MEXICO**

**LEASE No 2305
STATE "P" GAS COM No 2-2
&
REPLACEMENT WELL No 3**

GAS PRODUCTION - MCF/DAY

WORKOVER

DRILLED NEW WELL

**REPLACEMENT WELL No 3
250 MCF / DAY INCREASE**

*Exhibit 13
Case 6456*

Year	Mar	June	Sept	Dec
1970	200	300	600	500
1971	800	600	500	1000
1972	2500	3000	2000	1500
1973	2500	1000	1500	1200
1974	1500	1800	1000	2000
1975	600	500	1500	800
1976	150	120	150	100
1977	150	120	150	100
1978	350	300	350	250
1979	350	300	250	200

10.0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0
5.5
6.0
6.5
7.0

Cumulative Production, BCF

Line Pressure

Amenda Hess Corp.
State 'U' No. 1
Sec. 32, TWP 10S, R 37 E
Lee County, New Mexico
EUMONT FIELD

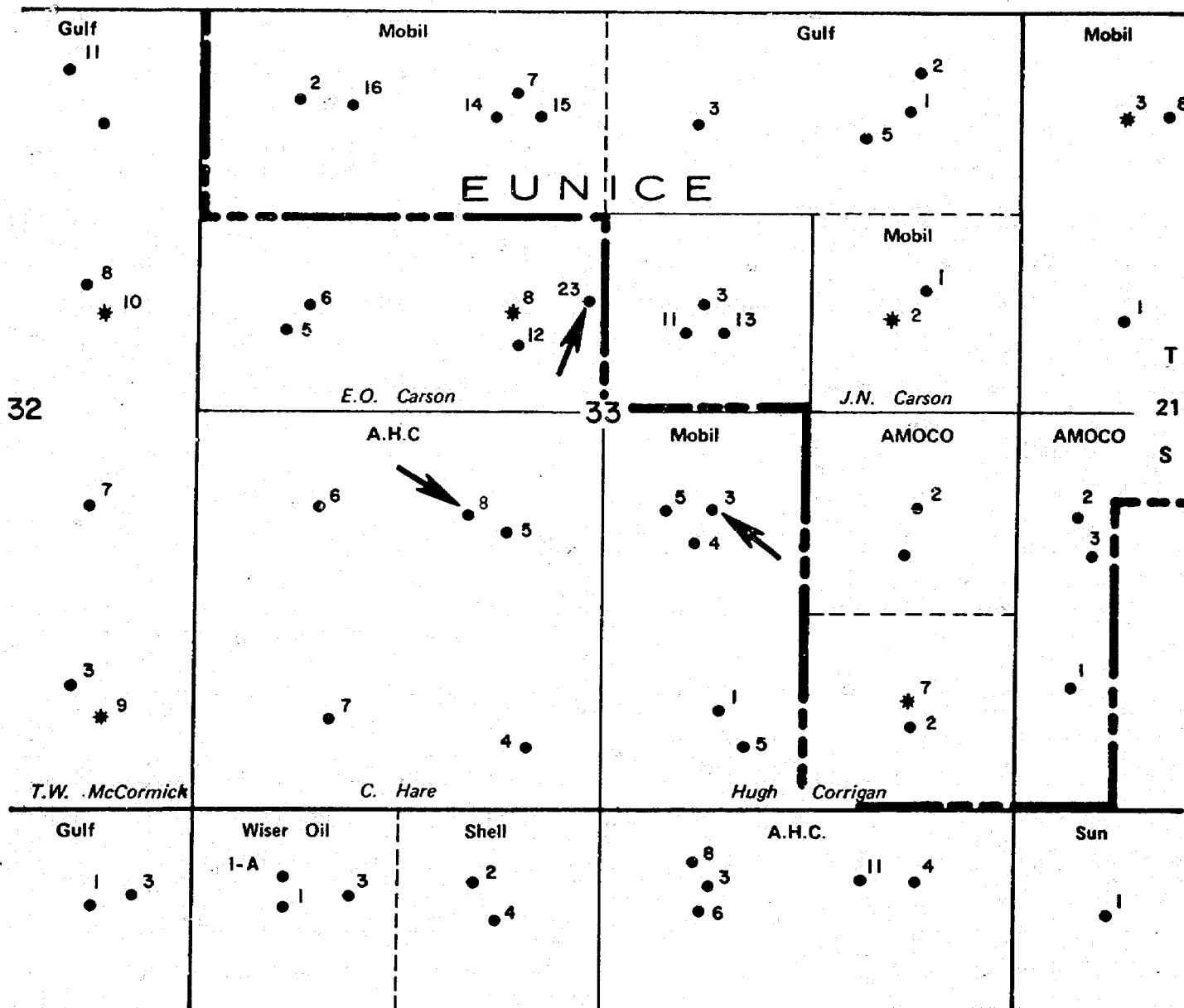
State 'U' No. 3

DATE	TIME	QUALITY	WT	WATER	PRODUCTION	CUMULATIVE
DATE	TIME	WT	WT	WT	WT	WT
1964	5-24	29.919	122.742	1964	122.742	
---	---	---	118.882	1965	241.624	
944	8-26	26.487	253.010	1966	495.034	
914	8-27	556.636	168.242	1967	663.276	
898	8-28	702.448	131.955	1968	795.231	
880	10-29	877.472	91.273	1969	886.504	
864	10-30	996.351	138.583	1969	1,025.087	
840	---	---	79.359	1961	1,104.446	
826	5-16-62	1,221.461	110.886	1962	1,215.332	
808	6-05-62	1,210.855	124.912	1963	1,340.244	
798	6-07-64	1,415.331	126.241	1964	1,466.485	
776	6-07-65	1,527.981	122.130	1965	1,588.615	
683	5-13-66	1,706.342	108.257	1966	1,696.872	
725	6-13-67	1,831.087	140.177	1967	1,837.049	
661	7-13-68	2,010.136	207.164	1968	2,044.213	
632	3-17-69	2,207.078	189.535	1969	2,233.748	
607	6-11-70	2,384.736	173.908	1970	2,407.656	
543	7-12-71	2,617.234	224.122	1971	2,631.778	
490	4-02-72	2,778.558	224.185	1972	2,855.963	
410	3-26-73	3,028.458	246.972	1973	3,102.935	
402	4-05-74	3,359.486	207.511	1974	3,310.446	
350	4-21-75	3,612.227	251.418	1975	3,561.864	
300	4-04-76	3,782.307	191.990	1976	3,753.854	
200	1-23-77	3,973.864	192.293	1977	3,946.147	
206	1-19-78	4,156.269	123.127	1978	4,069.274	

Exhibit 14
Case 6436

Ex 14

R 37 E



<p>Location Map</p>	<p>LEGEND</p> <ul style="list-style-type: none"> Oil Gas Dry & Abn Injection <p><i>Exhibit 15</i> <i>Case 6436</i></p>	<p>SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico</p> <p>AMERADA HESS</p> <p>J.G. HARE LEASE</p> <p>0 1000' 2000'</p> <p>Date: Feb., 1979 Originator:</p> <p>Page No. Ref. No.</p>
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K-E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

46 6690

Monthly Production, MCF

1,000

10,000

100,000

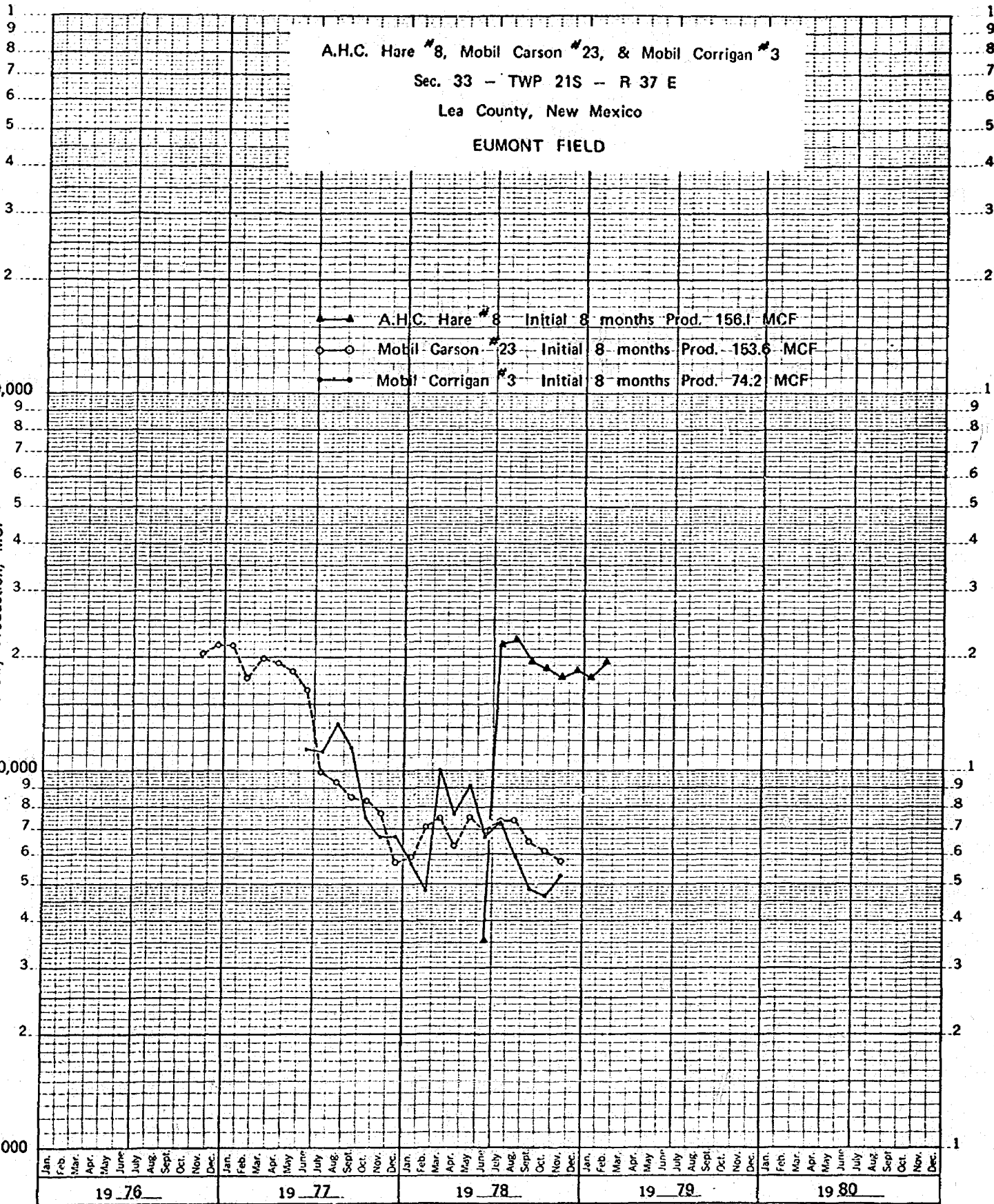


Exhibit 16
Case 6436

A.H.C. Hare #8, Mobil Carson #23, & Mobil Corrigan #3
 Sec. 33 - TWP 21S - R 37 E
 Lea County, New Mexico
 EUMONT FIELD

46 5493

K-E SEMI-LOGARITHMIC - 3 CYCLES X 70 DIVISIONS
 MOUFEL A ENSEIP CO. MADE IN U.S.A.

- ▲ A.H.C. Hare #8 Initial 8 months Prod. 156.1 MCF
- Mobil Carson #23 Initial 8 months Prod. 153.6 MCF
- Mobil Corrigan #3 Initial 8 months Prod. 74.2 MCF

100,000

Monthly Production, MCF

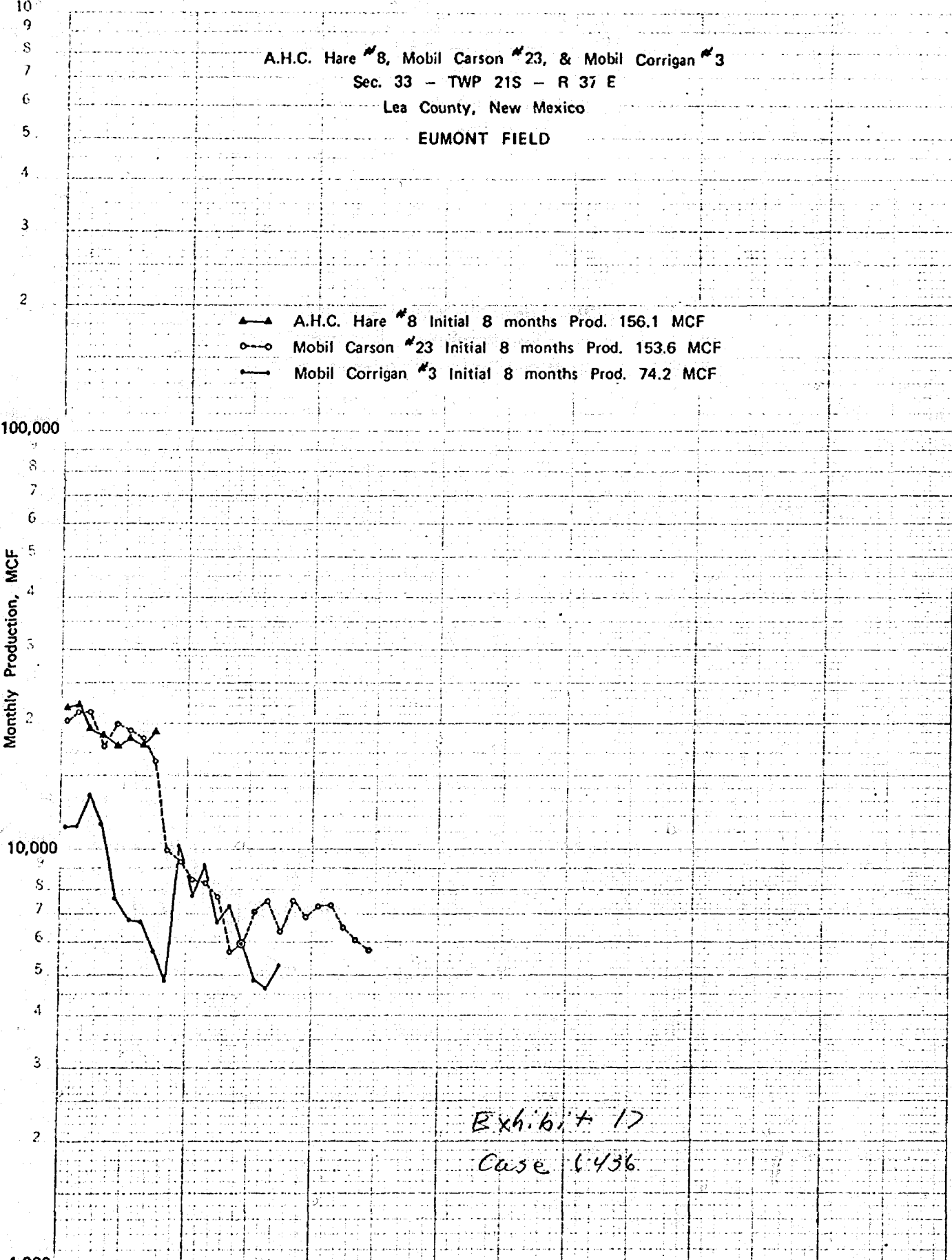
10,000

1,000

Exhibit 17
 Case 6436

Months

10 20 30 40 50 60 70



DOCKET: COMMISSION HEARING - FRIDAY - FEBRUARY 23, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6461: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mayor Eddie Armenta, the Village of Jemez Springs, and all other interested parties to appear and show cause why the Jemez Well No. 1 located in Unit A of Section 26, Township 18 North, Range 2 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Docket No. 8-79

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 28, 1979

9 A.M. - OIL CONSERVATION DIVISION 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:

CASE 6422: (Continued from January 31, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6434: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6435: (Continued from February 14, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6436: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6462: Application of McClellan Oil Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlisue State Well No. 3 to be located 1155 feet from the North line and 1485 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L" Queen Associated Pool, Chaves County, New Mexico, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6463: Application of Orville Slaughter for pool and lease commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

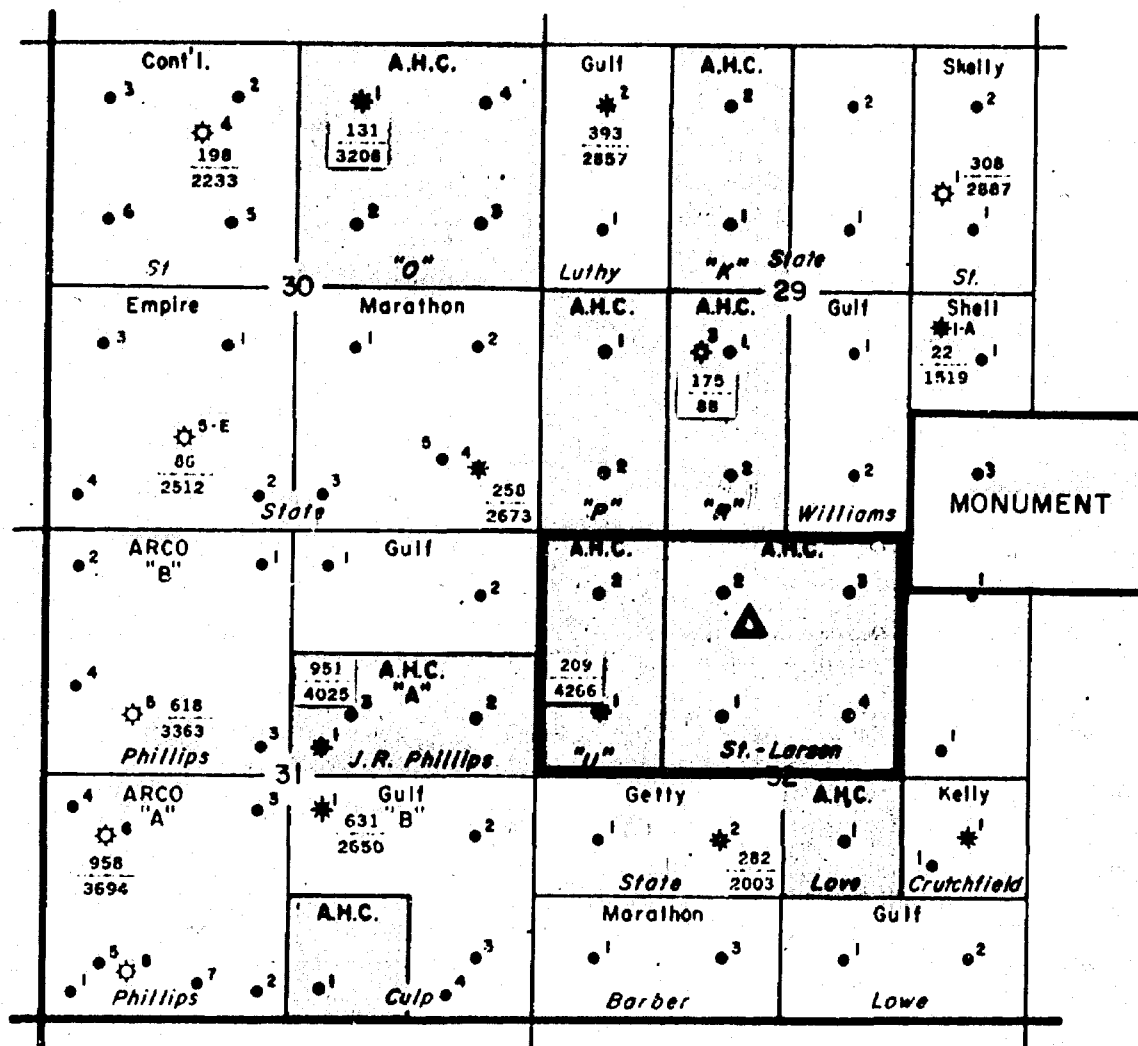
- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- CASE 6465: Application of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, E/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Range 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- CASE 6470: Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well. Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6472: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6473: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6474: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

- CASE 6475:** Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6476:** Application of Pennzoil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the South line and 990 feet from the West line of Section 24, Township 17 South, Range 28 East, Aid-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 24 to be dedicated to the well.
- CASE 6477:** Application of Sun Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Millman Pool Unit Area by the injection of water into the Queen and Grayburg formations through eleven wells located in Sections 12 and 13 of Township 19 South, Range 28 East, East Millman Pool, Eddy County, New Mexico.
- CASE 6437:** (Continued and Readvertised)
- Application of Curtis Little for compulsory pooling, approval of infill drilling, and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-4556 and approval of an order pooling all mineral interests in the Dakota formation underlying all of Section 11 and Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, to form a 344.36-acre non-standard gas proration unit to be dedicated to a well to be located 1085 feet from the South line and 285 feet from the West line of said Section 12. 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.
- Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6478:** Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 of Section 26, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6479:** Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 SE/4 of Section 5, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6480:** Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6481:** Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6482:** Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6483:** Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 8, Township 14 South, Range 36 East, 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 6484: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the E/2 of Section 28, Township 16 South, Range 37 East, 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 6485: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 13, Township 18 South, Range 28 East, Eddy 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 6486: Application of Depco Inc. for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and East lines of Section 21, Township 13 South, Range 30 East, undesignated Morrow pool, Chaves County, New Mexico, the E/2 of said Section 21 to be dedicated to the well.
- CASE 6487: Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

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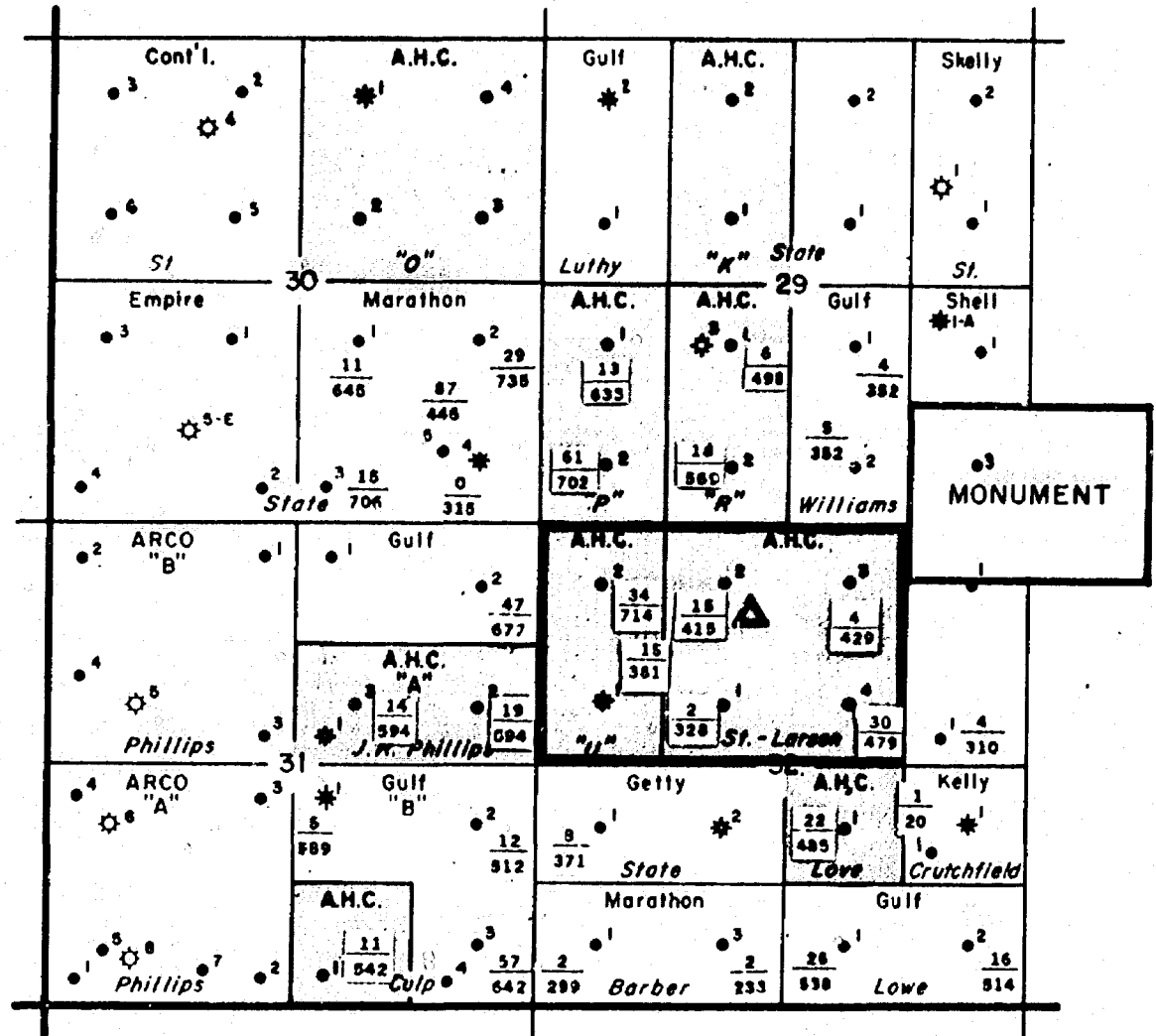


<p>Location Map</p>	<p>LEGEND</p> <ul style="list-style-type: none"> Oil Gas Dry & Abn Injection Proposed Location Gas Com Outline <p>000 MCFPD 0000 Cum MMCF</p>	<p>SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico</p> <p>AMERADA HESS</p> <p>STATE 'U' GAS COM.</p> <p>Date: _____ Page No: _____</p> <p>Originator: _____ Ref No: _____</p>
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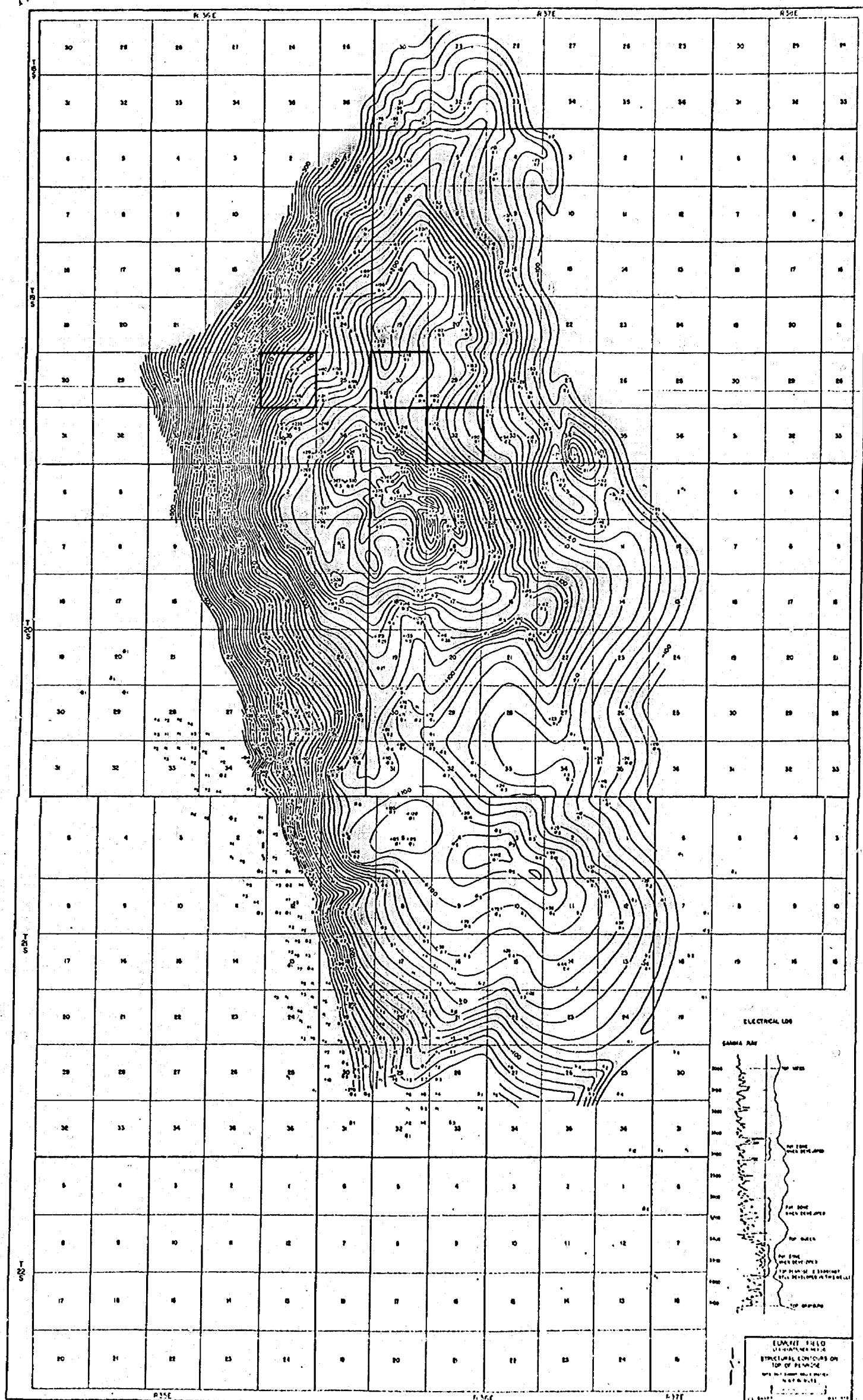
Exhibit 1
Case 6436

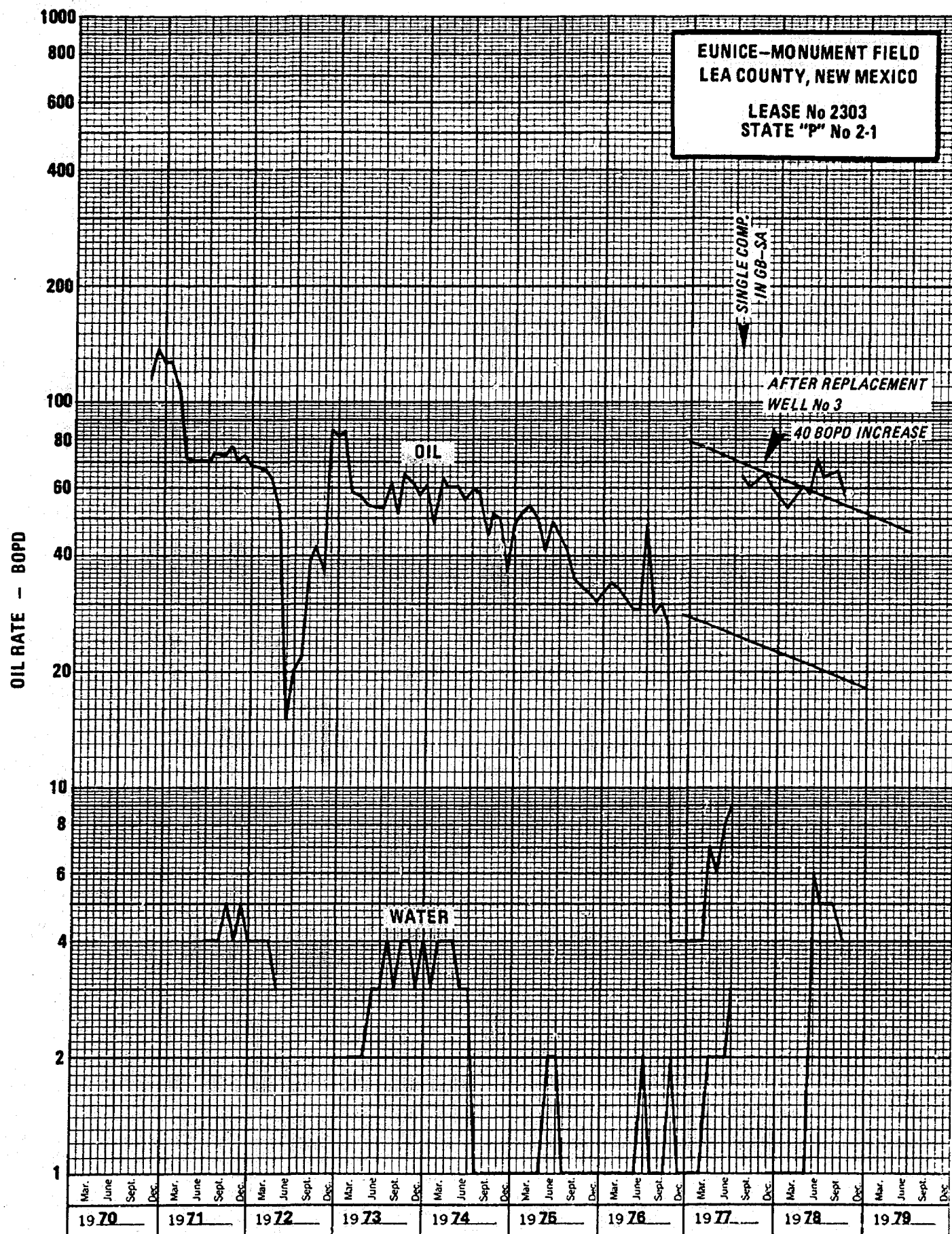
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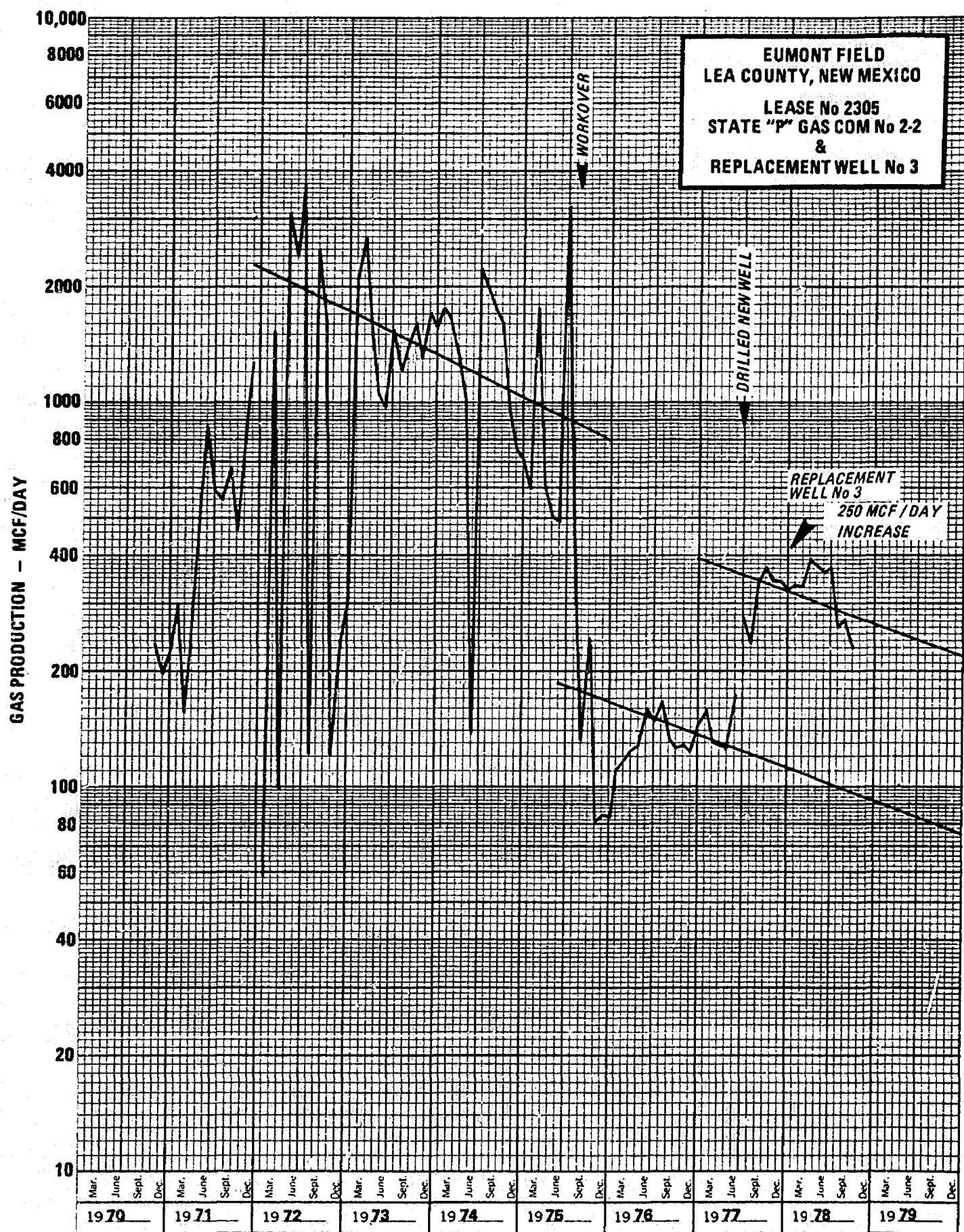
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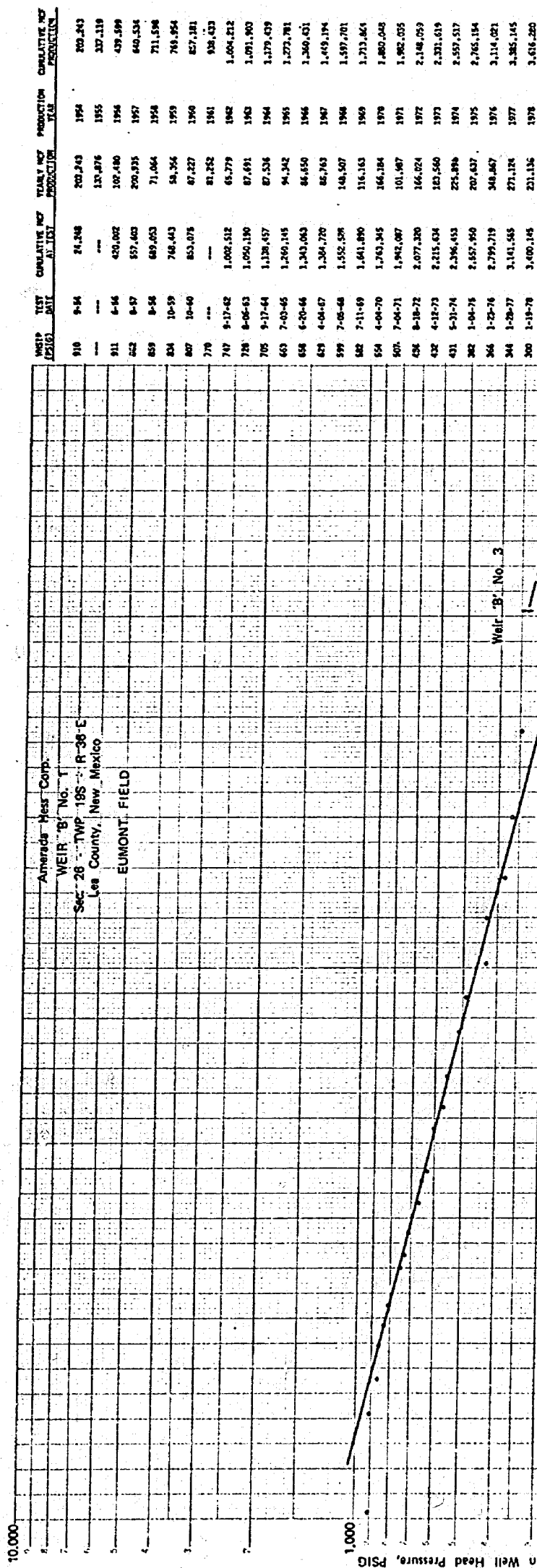


<p>Location Map</p>	<p>LEGEND</p> <ul style="list-style-type: none"> Oil Gas Dry & Abn Injection Proposed Location Gas Com Outline <p>MCFPD Cum MMCF</p> <p>00 BOPD 000 Cum. MBBLs</p>	<p>SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico</p> <p>AMERADA HESS</p> <p>STATE 'U' GAS COM.</p> <p>0 2000' 4000'</p> <p>Date: _____ Page No. _____</p> <p>Originator: _____ Ref. No. _____</p>
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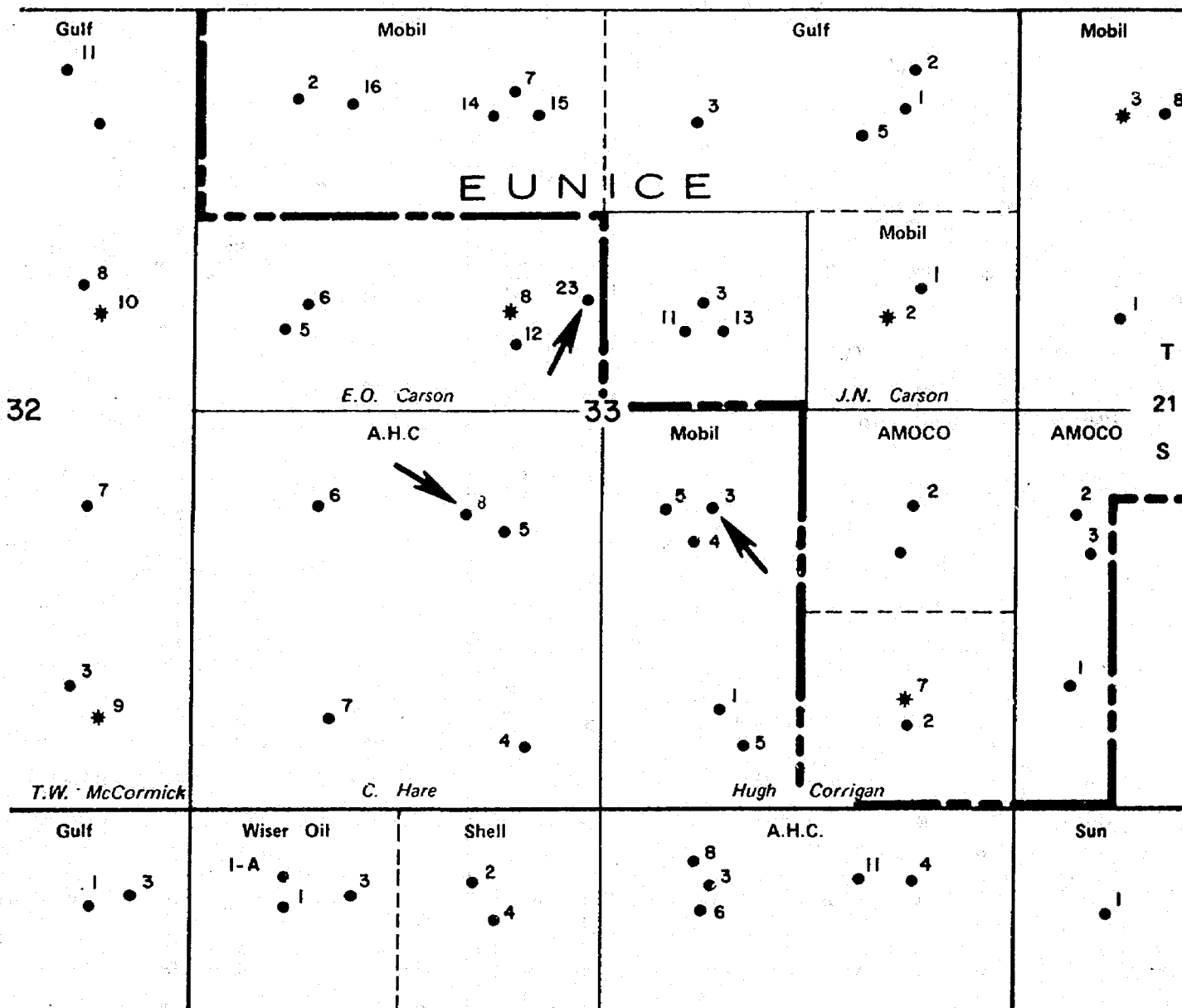






WELL (2510)	TEST DATE	CUMULATIVE PRODUCTION TO DATE	YEARLY PRODUCTION TUB	PRODUCTION TUB	CUMULATIVE PRODUCTION TUB
910	9-14	24,248	203,243	194	203,243
---	---	---	127,876	195	331,119
911	8-16	420,002	102,480	196	433,599
912	8-17	557,403	200,335	197	640,534
913	8-18	689,053	71,064	198	711,598
914	10-19	748,443	54,366	199	765,954
915	10-20	853,078	87,227	200	853,078
916	---	---	81,252	201	934,330
917	9-17-02	1,002,512	65,779	202	1,000,112
918	8-06-03	1,050,190	87,491	203	1,091,900
919	9-17-04	1,138,457	87,536	204	1,179,439
920	7-03-05	1,260,145	94,342	205	1,273,781
921	6-20-06	1,343,063	86,650	206	1,360,431
922	4-04-07	1,504,770	85,743	207	1,446,174
923	7-05-08	1,552,598	148,507	208	1,597,701
924	7-11-09	1,641,890	116,163	209	1,713,864
925	4-04-10	1,743,345	166,184	210	1,880,048
926	7-04-11	1,942,087	101,487	211	1,982,035
927	8-18-12	2,077,320	166,024	212	2,148,059
928	4-12-13	2,215,434	153,560	213	2,301,619
929	5-31-14	2,396,453	225,896	214	2,527,517
930	1-04-15	2,657,950	207,437	215	2,735,154
931	1-25-16	2,799,719	348,867	216	3,114,021
932	1-26-17	3,141,565	271,124	217	3,385,145
933	1-19-18	3,400,146	231,136	218	3,616,280

R 37 E



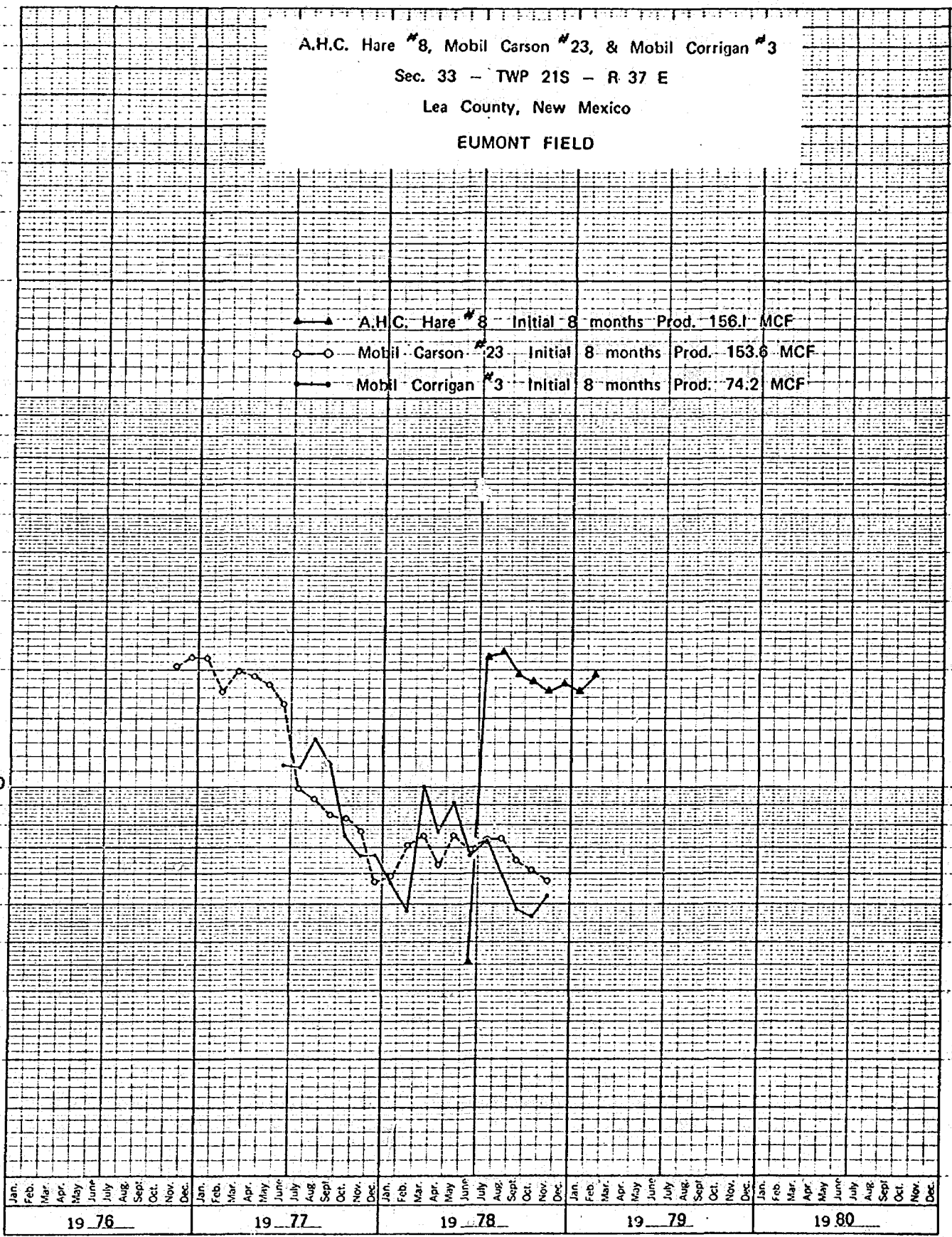
<p>Location Map</p>	<p>LEGEND</p> <ul style="list-style-type: none"> Oil Gas Dry & Abn Injection 	<p>SOUTHWEST PRODUCTION REGION EUMONT FIELD Lea County, New Mexico</p> <p>AMERADA HESS</p> <p>J.G. HARE LEASE</p> <p>0 1000' 2000'</p> <p>Date: Feb., 1979</p> <p>Originator:</p> <p>Page No.</p> <p>Ref. No.</p>
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K-E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

46 6690

Monthly Production, MCF

1,000



A.H.C. Hare #8, Mobil Carson #23, & Mobil Corrigan #3
 Sec. 33 - TWP 21S - R 37 E
 Lea County, New Mexico
 EUMONT FIELD

▲ A.H.C. Hare #8 Initial 8 months Prod. 156.1 MCF
 ○ Mobil Carson #23 Initial 8 months Prod. 153.6 MCF
 — Mobil Corrigan #3 Initial 8 months Prod. 74.2 MCF

46 5493

100,000

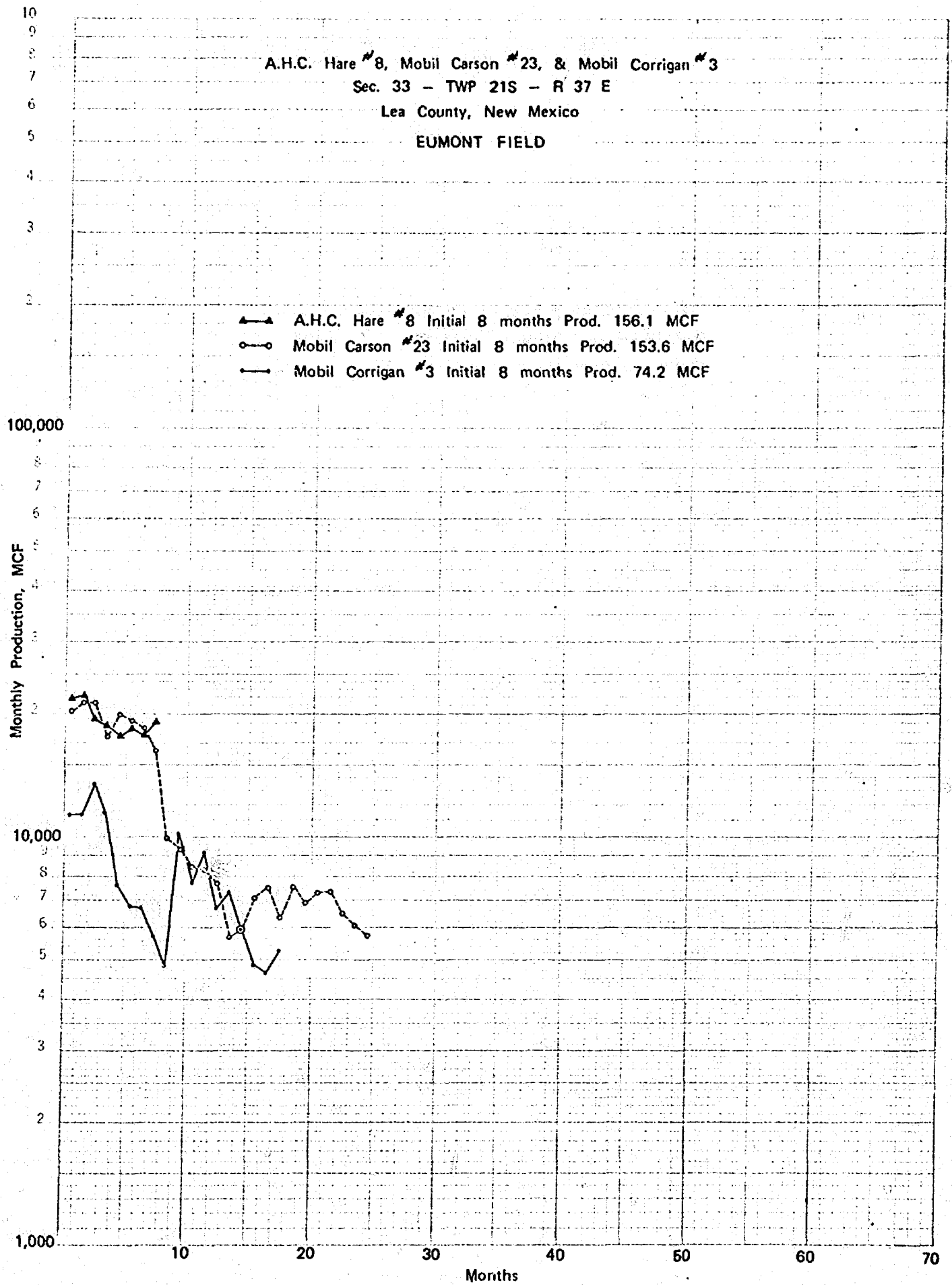
Monthly Production, MCF

10,000

1,000

Months

SEMI-LOGARITHMIC - 3 CYCLES X 70 DIVISIONS
 PLU FILE A 65-119 50 - KAL NW 1/4



Dockets Nos. 5-79 and 6-79 are tentatively set for hearing on February 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 31, 1979

9 A.M. - OIL CONSERVATION DIVISION 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:

- CASE 6422: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6415: (Continued from January 17, 1979, Examiner Hearing)
Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Devonian formations underlying the W/2 of Section 20, Township 14 South, Range 36 East, 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 6419: (Continued from January 17, 1979, Examiner Hearing)
Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing annulus and from the Morrow formation through tubing.
- CASE 6423: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jackson AT Well No. 9 located 660 feet from the South and West lines of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Wolfcamp, Pennsylvanian, and Mississippian formations, the S/2 of said Section 13 to be dedicated to the well.
- CASE 6424: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Superior Fed. KJ Well No. 1 located 990 feet from the North and West lines of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 7 to be dedicated to the well.
- CASE 6425: Application of T. B. Knox Estate for exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit its Lucia Brookes Well No. 2 located in Unit K of Section 14, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed in the following manner: set surface casing and circulate cement; eliminate salt protection string; and do not circulate cement on production casing.
- CASE 6426: Application of C. W. Trainer for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and West lines of Section 24, Township 20 South, Range 32 East, South Salt Lake-Morrow Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.
- CASE 6427: Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caribou/Kirtland Well No. 1 to be located 1214 feet from the North line and 650 feet from the East line of Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Pool, San Juan County, New Mexico, the E/2 NE/4 to be dedicated to the well.
- CASE 6428: Application of Mobil Oil Corporation for the amendment of Order No. R-5801, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5801 to delete the requirements for lined tubing in injection wells in the North Vacuum Abo East Pressure Maintenance Project, Lea County, New Mexico.

- CASE 6429: Application of Zia Energy, Inc., for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Elliott State Well No. 2 to be located in Unit B of Section 34, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6430: Application of Phoenix Resources Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Buckhorn Canyon Unit Area comprising 23,009 acres, more or less, of Federal and state lands in Township 19 South, Ranges 19 and 20 East, Chaves County, New Mexico.
- CASE 6431: Application of HNG Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 35, Township 23 South, Range 28 East, Eddy 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 6432: Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the NE/4 NW/4 and the SE/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to form two 40-acre units, each 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 wells 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 wells and a charge for risk involved in drilling said wells.
- CASE 6433: Application of Cities Service Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the S/2 of Section 8, Township 23 South, Range 28 East, Eddy 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 6434: Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6435: Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6436: Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6437: Application of Curtis Little for approval of infill drilling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of a well to be located 1085 feet from the South line and 285 feet from the West line of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well. Applicant further seeks rescission of Order No. R-4556 and approval of a 344.36-acre non-standard gas proration unit comprising all of Section 11, and Lot 4 and the SW/4 SW/4 of Section 12 for said well.
- CASE 6438: Application of Caulkins Oil Company for dual completions and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech Well No. 812 located in Unit N of Section 18, Township 26 North, Range 6 West, and its Breech Well No. 224-A located in Unit B of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, to produce gas from the Dakota formation through a separate string of tubing and to commingle Chacra and Mesaverde production in the wellbores of said wells.

- CASE 6439: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbore of its Breech A Well No. 229 located in Unit D of Section 17, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6440: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech F Well No. 8 located in Unit A of Section 34, Township 27 North, Range 6 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6441: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Mesaverde production in the wellbore of its Breech F Well No. 12 located in Unit A of Section 35, Township 27 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6442: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech E Well No. 109 located in Unit M of Section 3, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6443: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Breech B Well No. 220-R located in Unit B of Section 14, Township 26 North, Range 7 West, to produce gas from the Dakota formation through a separate string of tubing and to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of said well.
- CASE 6444: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs, Mesaverde, Chacra and Greenhorn production in the wellbore of its Breech Well No. 224 located in Unit A of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Case 6436

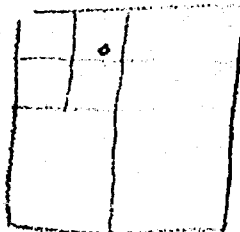
Comes now Amerada Hess Corporation and applies to the New Mexico Energy and Minerals Department, Oil Conservation Division, and applies to the Division for an order for well-head price ceiling category determination pursuant to the Special Rules of the Division, and Part 271.305 (b) Federal Energy Regulatory Commission's Regulations Implementing the Natural Gas Policy Act of 1978, and in support thereof would show the Division:

1. Applicant proposes to drill its State "U" Gas Com Well No. 2, to be located in Unit ^C Section 32, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, spudding said well after a well classification determination has been made. The subject well will be located 990 feet from the North line and 2160 feet from the West line of Section 32.

2. The well will be projected to the Queen formation, at an approximate depth of 3,650 feet.

3. Applicant seeks a determination pursuant to the F.E.R.C. rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of the Eumont-Queen reservoir covered by the proposed proration unit which cannot be effectively and efficiently drained by any existing well within the proration unit and will offer evidence in support of that determination.

4. In the alternative applicant seeks determination of wellhead price ceiling category determination pursuant to the provisions of Part 271.305 (c) of the F.E.R.C. Regulations



Implementing the Natural Gas Policy Act of 1978, based upon a review of the records of the Division affecting the area and producing formation involved, as provided by the above section of the Regulations.

WHEREFORE Applicant respectfully requests that this matter be set for hearing at the January 17, 1979 Examiner hearing, and that after notice and hearing as required by law, the Division enter its order making the wellhead price ceiling category determination as requested.

Respectfully submitted,

AMERADA HESS CORPORATION

By Jason Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

DEC 20 1978

Case 6436

Comes now Amerada Hess Corporation and applies to the New Mexico Energy and Minerals Department, Oil Conservation Division, and applies to the Division for an order for well-head price ceiling category determination pursuant to the Special Rules of the Division, and Part 271.305 (b) Federal Energy Regulatory Commission's Regulations Implementing the Natural Gas Policy Act of 1978, and in support thereof would show the Division:

1. Applicant proposes to drill its State "U" Gas Com Well No. 2, to be located in Unit ^C~~P~~, Section 32, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, spudding said well after a well classification determination has been made. The subject well will be located 990 feet from the North line and 2160 feet from the West line of Section 32.

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By Jason Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT DEC 25 1978
OIL CONSERVATION DIVISION

Comes now Amerada Hess Corporation and applies to the New Mexico Energy and Minerals Department, Oil Conservation Division, and applies to the Division for an order for wellhead price ceiling category determination pursuant to the Special Rules of the Division, and Part 271.305 (b) Federal Energy Regulatory Commission's Regulations Implementing the Natural Gas Policy Act of 1978, and in support thereof would show the Division:

1. Applicant proposes to drill its State "U" Gas Com Well No. 2, to be located in Unit ^C~~P~~, Section 32, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, spudding said well after a well classification determination has been made. The subject well will be located 990 feet from the North line and 2160 feet from the West line of Section 32.
2. The well will be projected to the Queen formation, at an approximate depth of 3,650 feet.
3. Applicant seeks a determination pursuant to the F.E.R.C. rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of the Eumont-Queen reservoir covered by the proposed proration unit which cannot be effectively and efficiently drained by any existing well within the proration unit and will offer evidence in support of that determination.
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Respectfully submitted,
AMERADA HESS CORPORATION

By Jason Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6436

Order No. R-5956

APPLICATION OF AMERADA HESS CORPORATION
FOR APPROVAL OF INFILL DRILLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 28
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of March, 1979, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof. Corporation,

(2) That the applicant, Amerada Hess/ . . seeks a finding
No. 2
that the drilling of its State "U" Gas Com Well / to be
located in Unit C of Section 32 Township 19 South, Range 37 East, ~~N.M.~~

Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain ^a ~~that~~ portion ~~of~~ ^{of the reservoir covered by} the proration unit which cannot be so drained by the existing well.

Applicant

(3) That the applicant further seeks approval of a waiver of existing well-spacing requirements.

(4) That the standard spacing unit in the Eumont Gas Pool is 640 acres.

Corporation

(5) That Amerada Hess/ is the operator of an ~~acre~~

a 240-acre non-standard proration unit consisting of the NW/4 and W/2 NE/4 of said Section 32 in said Eumont Gas Pool.

~~extensively~~
worked over, being cleaned out, having additional zones perforated, and being acid fraced.

(10) That said workover was unsuccessful and in fact production declined to an average rate of ___ MCF per month or a figure equal to about ___ percent of its preworkover rate.

(6) That said 240-acre non standard proration unit is dedicated to the applicant's State "U" Gas Com Well No 1 located in Unit E of said Section 32.

... as ^{would} a new well to be drilled thereon (said State "U" Com Well No. 2) which may be completed and stimulated using modern techniques and processes.

(7) That the evidence presented demonstrated that said State "U" Com Well No. 1 cannot ^{as} ~~is no longer~~ effectively and efficiently drain ~~ing~~ said dedicated ²⁴⁰ ~~160~~-acre non-standard proration unit.

(8) ~~(13)~~ That the evidence presented further demonstrated that the drilling and completion of applicant's said State "U" Gas Com Well No. 2 should result in the production of an additional ^{said nonstandard proration unit} 730,000 MCF of gas from applicant's ~~acreage~~ which would not otherwise be recovered from the proration unit.

(9) ~~(13)~~ That such additional recovery ~~from the nonstandard proration unit~~ will result in ^{said} ~~such~~ unit being more efficiently and economically drained.

No. 2

(10) ~~(14)~~ That said State "U" Gas Com Well / is to be drilled as an "infill" well on the existing ²⁴⁰ ~~160~~-acre non-standard proration unit.

(11) ~~(15)~~ That in order to permit the drainage of a portion of the reservoir covered by said ²⁴⁰ ~~160~~-acre non-standard proration unit which cannot be effectively and efficiently drained by the existing well thereon, the subject application for infill drilling should be approved as an exception to the standard well spacing requirements for said Eumont Gas Pool.

IT IS THEREFORE ORDERED:

Corporation

(1) That the applicant, Amerada Hess ^{No. 2} ~~/~~, is hereby authorized to drill its State "U" Gas Com Well / to be located in Unit C of Section 32, Township 19 South, Range 37 East, ^{NMPH,} as an infill well on an existing ²⁴⁰ ~~160~~-acre non-standard proration unit being the ^{NW/4 and W/2 NE} of said Section 32, Eumont Gas Pool, Lea County, New Mexico. ~~That~~ The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by the existing ²⁴⁰ ~~160~~-acre non-standard proration unit which cannot efficiently and economically be drained by any existing well thereon.

(2) Jurisdiction

END OF ROLL

1504

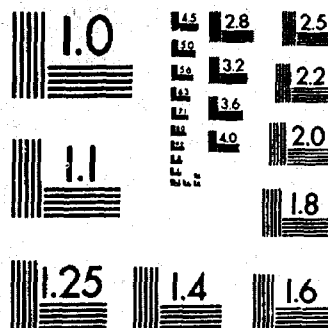
ROLL NUMBER

DOCUMENT TYPE Oil Conservation Division

DATE OF FILMING Sept 23, 1985

CAMERA OPERATOR Gary W Campbell

ENDING DOCUMENT CASE 6436 Amerado Hess Corp / Infill Drilling
Lea County



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

STATEMENT OF DOCUMENT CERTIFICATION

All microphotographic images of documents following this certificate are of authorized documents in the possession of this Agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

R. David Ortiz
SUPERVISOR

STATE OF NEW MEXICO)
) SS.
COUNTY OF VALENCIA)

Sworn and Subscribed to me, A Notary Public,

This 1st day of December, 19 83

Lyndee Aragon
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-86

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this Roll of Film are accurate and complete reproductions of the records of the, N.M. Oil Conservation Div. as delivered in the regular course of business for Micro Filming.

David Thomas Gualtieri
CAMERA OPERATOR

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R. David Ortiz
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) SS.
COUNTY OF VALENCIA)

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This 1st day of December, 19 93

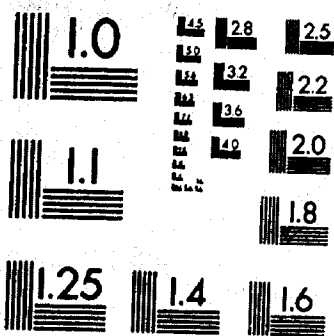
Agustin Aragon
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Edward Thomas Galien
CAMERA OPERATOR



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

START OF ROLL

150 ^B

ROLL NUMBER

DOCUMENT TYPE

N.M. Oil Conservation Div.

DATE OF FILMING

9/24/85

CAMERA OPERATOR

Edward Thomas Cavalier

BEGINNING DOCUMENT

File - 6437