

NSL 10/2/96

SEP 12 1996

CONSERVATION

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

September 9, 1996

Mr. Michael Stogner
Chief Hearing Officer/Engineer
New Mexico - Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Dear Mr. Stogner:

**SUBJECT: APPLICATION FOR APPROVAL OF AN UNORTHODOX LOCATION
WILDCAT MORROW POOL - 320 ACRE GAS UNIT
STATE "A", WELL NO. 10
SECTION 31, T17S, R35E
LEA COUNTY, NEW MEXICO
CASE : 11609**

In response to your letter dated August 19, 1996 and pursuant to State of New Mexico - Oil Conservation Division General Rule 1207, attached please find a copy of Shell Western E&P Inc.'s notification to the affected parties, of the hearing scheduled for the subject application, being Case: 11609. The certified mail cards will be forwarded to your attention, upon receipt.

Should you need any additional information, please do not hesitate to give me a call at (713) 544-3226.

Thank you for your attention to this matter.

Yours very truly,

A handwritten signature in cursive script that reads "Yvonne T. Iverson".
Yvonne T. Iverson
Western Asset - Asset Administration
Continental Division

Enclosures



Shell Western E&P Inc.

An affiliate of Shell Oil Company

P. O. Box 576
Houston, TX 77001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 9, 1996

Arco Permian
P. O. Box 1610
Midland, TX 70702

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Chevron U.S.A. Inc.
Box 1635
Houston, TX 77251

Texaco, Inc.
Box 3109
Midland, TX 79702-3109

Marathon Oil Company
Box 552
Midland, TX 79702-0552

Dear Affected Parties:

**SUBJECT: APPLICATION FOR APPROVAL OF AN UNORTHODOX LOCATION
WILDCAT MORROW POOL - 320 ACRE GAS UNIT
STATE "A", WELL NO. 10
SECTION 31, T17S, R35E
LEA COUNTY, NEW MEXICO
CASE : 11609**

Pursuant to State of New Mexico - Oil Conservation Division General Rule 1207, Shell Western E&P Inc. hereby provides notice of the coming hearing for the subject application, scheduled for September 26, 1996. Enclosed is a partial copy of the September 26, 1996 docket, reflecting this application under Case: 11609. Please be advised that this application will also be continued on the October 3, 1996 docket.

Please note that a copy of the subject application was previously forwarded to you under cover letter dated August 8, 1996. For your convenience, enclosed is a copy of the Forms C-101 and C-102 from this application.

Should you have any questions, please give me a call at (713) 544-3226.

Yours very truly,

Yvonne T. Iverson
Western Asset - Asset Administration
Continental Division

Enclosures

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 26, 1996

8:15 A.M. - 2040 S. Pacheco
Santa Fe, New Mexico

The following cases will be heard by an Examiner:

CASE 11609: Application of Shell Western E & P Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks authority to deepen its State "A" Well No. 10 (API No. 30-025-32844), located at a previously approved unorthodox oil well location for the Undesignated Vacuum-Upper Pennsylvanian Pool, Vacuum-Wolfcamp Pool, and North Vacuum-Abo Pool (see Division Administrative Order NSL-3516, dated April 16, 1995) 940 feet from the North and East lines (Unit A) of Section 31, Township 17 South, Range 35 East, in order to test the Morrow formation for gas production at an unorthodox gas well location within a standard 320-acre gas spacing and proration unit to comprise the E/2 of said Section 31. Said unit is located approximately 1 mile southeast of Buckeye, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 11610: Application of Texaco Exploration and Production, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Skaggs-Abo Gas Pool for its existing C. H. Weir "B" Well No. 10 (API No. 30-025-30317), located 1790 feet from the South line and 410 feet from the East line (Unit I) of Section 11, Township 20 South, Range 37 East, to be recompleted from the Skaggs-Drinkard Pool. The SE/4 of said Section 11 is to be dedicated to said well to form a standard 160-acre spacing and proration unit for the Skaggs-Abo Gas Pool. Said unit is located approximately 4 miles southeast of Monument, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 11611: Application of Pogo Production Company for an exception to the salt protection casing string requirements of Division Order No. R-111-P, Eddy County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Division Order No. R-111-P in the "Oil-Potash Area" from its proposed Amax "24" Federal Well No. 13 to be drilled at a standard oil well location 990 feet from the South line and 330 feet from the West line (Unit M) of Section 24, Township 23 South, Range 31 East, to test the Ingle Wells-Delaware Pool. Said well site is located approximately 3 miles south of State Highway 128 at Mile Marker No. 18.

CASE 11612: Application of Fasken Oil and Ranch, Ltd. for creation of a new oil pool with special rules, Lea County, New Mexico. Applicant seeks an order creating a new oil pool to be designated the Mustang-Devonian Pool for production from the Devonian formation with the promulgation of special pool rules and regulations for the pool including 80-acre oil spacing and proration units and the assignment of a discovery allowable for the discovery well being its Grande Well No. 1 located 990 feet from the South line and 768 feet from the West line (Unit M) of Section 3, Township 13 South, Range 38 East, with the W/2 SW/4 of said Section 3 to be dedicated to the subject well. Said pool is located approximately 13 miles east of Tatum, New Mexico.

CASE 11613: Application of Burlington Resources Oil & Gas Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NW/4 SE/4 of Section 24, Township 22 South, Range 32 East, forming a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre oil spacing within said vertical extent, including but not limited to the West Red Tank Delaware Pool and the Red Tank-Bone Spring Pool. Said unit is to be dedicated to Burlington Resources Oil & Gas Company's Checkmate 24 Federal Well No. 1 which is to be drilled at a standard well location. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing said well and the allocation of those costs as well as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 13 1/2 miles southeast of the intersection of State Highway 176 and U.S. Highway 180, Lea County, New Mexico.

CASE 11542: (Continued from September 5, 1996, Examiner Hearing.)

Application of Meridian Oil Inc. for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks an order pooling certain mineral interests in the Blanco Mesaverde Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (the E/2 equivalent) of Section 23, Township 31 North, Range 9 West, forming a 313.63-acre gas spacing and proration unit. Said unit is to be dedicated to Meridian Oil Inc.'s proposed Seymour Well No. 7A which is an "Infill Blanco-Mesaverde Well" to be drilled at an unorthodox gas well location 1615 feet from the South line and 2200 feet from the East line of said Section 23 to test for production from the Mesaverde formation. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing, the allocation of those costs and income therefrom as well as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 9 miles southeast of Cedar Hills, New Mexico.

District I
PO Box 1960, Hobbs, NM 88241-1960
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address Shell Western E&P Inc. P.O. Box 576 Houston, TX 77001		² OGRID Number 020676
		³ API Number 30-0 30-025-32844
⁴ Property Code 10120	⁵ Property Name STATE "A"	⁶ Well Number 10

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	31	17S	35E		940	NORTH	940	EAST	LEA

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

⁹ Proposed Pool 1

¹⁰ Proposed Pool 2

WILDCAT MORROW POOL - POOL CODE 96589

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3973'GR
¹⁶ Multiple NO	¹⁷ Proposed Depth 11,850'	¹⁸ Formations MORROW	¹⁹ Contractor NORTON DRLG. CO.	²⁰ Spud Date 8/28/96

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
24"	20"	CONDUCTOR	40'	60 SX	SURFACE
17-1/2"	13-3/8"	54.50#	1478'	1350 SX	SURFACE
12-1/4"	9-5/8"	36#	3706'	1250 SX	SURFACE
8-3/4"	7"	23# & 26#	10,700'	2880 SX	4230' (CBL)
6 1/8"	5" LINER	15#	10,450-11,850	550 SX	TOC 10,450'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

PROPOSED PROGRAM: DEEPEN THE EXISTING WELLBORE TO A TOTAL DEPTH OF 11,850' AND TEST THE MORROW FORMATION.

BOP PROGRAM: 2000# RAM PREVENTER

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Yvonne T. Iverson</i>		Approved by:	
Printed name: YVONNE T. IVERSON		Title:	
Title: LAND REPRESENTATIVE		Approval Date:	Expiration Date:
Date: 8/8/96	Phone: (713) 544-3226	Conditions of Approval: Attached <input type="checkbox"/>	

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32844	Pool Code 96589	Pool Name WILDCAT-MORROW POOL
Property Code 10120	Property Name STATE "A"	Well Number 10
OGRID No. 020676	Operator Name SHELL WESTERN E & P INC.	Elevation 3973

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	17 S	35 E		940	NORTH	940	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1 37.50 ACRES</p> <p>LOT 2 37.51 ACRES</p> <p>LOT 3 37.42 ACRES</p> <p>LOT 4 37.42 ACRES</p>			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Yvonne T. Iverson</i> Signature</p> <p>YVONNE T. IVERSON Printed Name</p> <p>LAND REPRESENTATIVE Title</p> <p>8-8-96 Date</p>
	SHELL	SHELL	<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>JANUARY 19 1995 Date Surveyed</p> <p>JLP Professional Surveyor</p> <p>No. 3739 1-24-95</p> <p>W.O. No. 94-02-2288</p> <p>Certificate No. 676 EDSON, 3239</p>
	SHELL	SHELL	
	PHILLIPS	MOBIL	