

Rule 111. Deviation Tests and Directional Drilling (Cont.)

The Commission, at the request of an offset operator, may require any operator to make a directional survey of any well. Said directional survey and all associated costs shall be at the expense of the requesting party and shall be secured in advance by a \$5,000 indemnity bond posted with and approved by the Commission. The requesting party may designate the well survey company, and said survey shall be witnessed by the Commission.

(b) No well shall be intentionally deviated in a predetermined direction without special permission from the Commission. Permission to deviate toward the vertical to straighten an excessively deviated well bore as defined in (a) above; or to sidetrack junk in the hole in an indeterminate direction or toward the vertical; or to drill a relief well to control a blow-out shall be obtained from the appropriate District Office of the Commission on Commission Form C-102 with copies of said Form C-102 being furnished to all offset operators. Permission to deviate a well in any other manner or for any other reason will be granted only after notice and hearing. Upon completion of any well that was deviated in a predetermined direction, except toward the vertical, a directional survey of the entire well bore must be run and filed with the Commission. In addition, all directional surveys run on any well that was intentionally deviated in any manner for any reason must be filed by the operator with the Commission upon completion of the well. Prior to the assignment of an allowable, operator shall submit a sworn notarized statement to the effect that all directional surveys run on the well have been filed.

CASE 2618:

Application of El Paso Natural Gas Company for a revision of Rule 314. Applicant, in the above-styled cause, seeks the revision of Rule 314 pertaining to the gathering, transporting and sale of drip to provide for the redefinition of drip also to include condensate; to further regulate the transportation of drip, as redefined; and to require the reporting of such transportation on Forms C-110-A and C-110-B.

CASE 2503:

Application of the Oil Conservation Commission, on its own motion, to consider the establishment of minimum gas allowables in the Blanco-Mesaverde, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, and West Kutz-Pictured Cliffs Gas Pools, San Juan, Rio Arriba and Sandoval Counties, New Mexico.

DOCKET: REGULAR HEARING - WEDNESDAY - AUGUST 15, 1962

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

- ALLOWABLE:**
- (1) Consideration of the oil allowable for September, 1962.
 - (2) Consideration of the allowable production of gas for September, 1962, from ten prorated pools in Lea and Eddy Counties, New Mexico, also consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for September, 1962.

CASE 2504: (REHEARING)
Application of Consolidated Oil & Gas, Inc. for an amendment of Order No. R-1670-C, changing the allocation formula for the Basin-Dakota Gas Pool, San Juan, Rio Arriba and Sandoval Counties, New Mexico.

NOTICE

CASE 2504 has been continued by the Commission to the September 13, 1962 regular hearing, at 9 o'clock a.m., Morgan Hall, State Land Office Building, Santa Fe, New Mexico. All parties who entered a formal appearance have been notified of the continuation by certified mail.

CASE 2561: (Continued)
In the matter of the hearing called on the motion of the Oil Conservation Commission to consider revising Rule 111, Deviation Tests and Whipstocking. The Commission will consider the report and recommended rule of the Industry Committee appointed by the Commission after the May, 1962 hearing. The proposed rule, as stated in the Committee Report, reads in its entirety as follows:

Rule 111. Deviation Tests and Directional Drilling

(a) Any well which is drilled or deepened with Rotary Tools shall be tested at reasonably frequent intervals not to exceed 500 feet or at the next subsequent bit change to determine the deviation from the vertical. A sworn notarized tabulation of all tests run shall be filed with Form C-105, Well Record. When such deviation averages more than five degrees in any 500 foot interval, the Commission may request that a directional survey be run to establish the location of the producing interval(s).

El Paso Natural Gas Company

El Paso, Texas

July 30, 1962

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

I have enclosed three (3) copies of proposed Rule 314 and Proposed Forms C-110-A and C-110-B to be attached to the Application that Dick Morris filed with the Commission Friday, July 27, 1962.

Yours very truly,


Garrett C. Whitworth *by AK*

Enclosures (3)
GCW/ck
cc: file

El Paso Natural Gas Company

1002 JUL 31 PM 1 El Paso, Texas

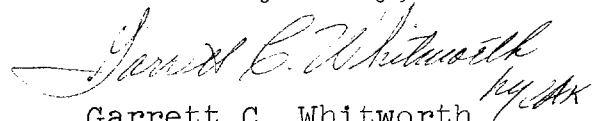
July 30, 1962

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

I have enclosed three (3) copies of proposed Rule 314 and Proposed Forms C-110-A and C-110-B to be attached to the Application that Dick Morris filed with the Commission Friday, July 27, 1962.

Yours very truly,


Garrett C. Whitworth

Enclosures (3)
GCW/ck
cc: file

SETH, MONTGOMERY, FEDERICI & ANDREWS

ATTORNEYS AND COUNSELORS AT LAW

301 DON GASPAR AVENUE

SANTA FE, NEW MEXICO

August 15, 1962

J. O. SETH
COUNSEL

POST OFFICE BOX 828
TELEPHONE YU 3-7315

A. K. MONTGOMERY
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
GEORGE A. GRAHAM, JR.
RICHARD S. MORRIS

Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Case 2618

Gentlemen:

Please consider this letter as this firm's entry of appearance on behalf of El Paso Natural Gas Company in Case 2618, Application of El Paso Natural Gas Co. for a revision of Rule 314, to be heard before the Commission on August 15, 1962.

Mr. Ben Howell and Mr. Garrett Whitworth, both members of the Texas Bar will present the case for El Paso.

Very truly yours,



M

TEXACO
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



B. L. FRANCIS, ASSISTANT DIVISION MANAGER

P. O. BOX 3109
MIDLAND, TEXAS

August 10, 1962

File Case

2618

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr.

Gentlemen:

Reference is made to Case No. 2618 set for hearing on the August 15, Regular Hearing Docket. Texaco Inc. has received the revised Rule 314 as proposed by El Paso Natural Gas Company and we believe that it is equitable for all parties concerned.

Texaco would like to go on record as concurring with the proposed revision and urges the Commission to adopt the rule as submitted.

Yours very truly,

B. L. Francis

CRB-MM

MAIN OFFICE *El Paso Natural Gas Company*
1962 JUL 19 AM 8:16 *El Paso, Texas*
July 17, 1962

TO WHOM IT MAY CONCERN:

Re: Meeting Concerning Proposed Statewide Rule 314

As a result of our meeting in Albuquerque on June 27, 1962, there is attached a revised draft of proposed statewide rule 314 and forms C-110-A and C-110-B. We are scheduling another meeting at the Western Skies Motel in Albuquerque for 9:00 a. m., Tuesday, July 24 in hopes that the problem may be finally resolved to such an extent that we may file an application for a new hearing in the near future.

We are looking forward to seeing all of you in Albuquerque at that time.

Very truly yours,

PRORATION DEPARTMENT



D. H. Rainey
Administrative Assistant

DHR:br
Attachment

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

MEMORANDUM

TO: ALL DISTRICT SUPERVISORS

FROM: A. L. PORTER, JR., SECRETARY-DIRECTOR

SUBJECT: RULE 314 REVISION

I am attaching a rough draft of a revision of Rule 314 which I would like for each of you to go over very carefully, preferably with your staff. This has been a most difficult rule to write and we want to be sure that it can be understood.

Please return the proposed rule with any comments you care to make within the next three days.

October 23, 1962

ix/

C
O
P
Y