

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 23, 1965

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

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

CASE 3294 (Continued from the September 22, 1965, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Harold J. Sechler, dba S. & S. Oil Producers, and all other interested parties to show cause why the Bond Well No. 1 located in the SW/4 NE/4 of Section 17, Township 9 North, Range 14 West, Valencia County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 3333: Application of William A. and Edward R. Hudson for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Queen formation through six wells in Sections 10, 11, and 15, Township 18 South, Range 31 East, Shugart Yates-Seven Rivers-Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 3334: Application of Felmont Oil Corporation for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Federal 9 Well No. 1 at an unorthodox location 660 feet from the North and East lines of Section 9, Township 8 South, Range 37 East, Bluitt-San Andres Gas Pool, Roosevelt County, New Mexico.

CASE 3335: Application of Monsanto Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1200 feet from the South line and 660 feet from the West line of Section 32, Township 16 South, Range 33 East, West Kemnitz-Lower Wolfcamp Pool, Lea County, New Mexico.

CASE 3336: Application of Shell Oil Company for special rules for the East Hightower-Upper Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Hightower-Upper Pennsylvanian Pool in Section 25, Township 12 South, Range 33 East, Lea County, New Mexico, including a provision for 80-acre proration units.

CASE 3337: Application of Shell Oil Company for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Morrow production in Sections 3 and 4, Township 22 South, Range 34 East, and Section 34, Township 21 South, Range 34 East, Lea County, New Mexico, and the establishment of special pool rules, including a provision for 640-acre spacing units.

November 23, 1965, Examiner Hearing

- CASE 3338: Application of Socony-Mobil Oil Company, Inc. for pool-lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Glorieta, Blinebry, Upper-Pennsylvanian, Lower-Pennsylvanian, Devonian, Abo and Wolfcamp production from its State Bridges (Military Institute) Lease in Section 25, Township 17 South, Range 34 East, and from its State Bridges (Common School) Lease in Sections 3, 10 through 15, 22, 23, 24, and 26 and 27, Township 17 South, Range 34 East, Lea County, New Mexico, after separately metering the Military Institute production, allocating production to each lease by means of the subtraction method.
- CASE 3339: Application of Socony-Mobil Oil Company, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Denton North Wolfcamp Unit Area comprising 2,640 acres, more or less, of Federal and fee lands in Township 14 South, Range 37 East, Lea County, New Mexico.
- CASE 3340: Application of Socony-Mobil Oil Company, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Denton North Wolfcamp Unit by the injection of water into the Wolfcamp formation through twelve wells located in Sections 25, 26, 27, 34, 35, and 36, Township 14 South, Range 37 East, Lea County, New Mexico.
- CASE 3341: Application of Tenneco Oil Company for an administrative procedure, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an administrative procedure whereby wells presently completed in the Blanco-Mesaverde Pool could, without notice and hearing, be recompleted in the Blanco-Mesaverde and/or Basin-Dakota Gas Pools by means of setting a whipstock above the Mesaverde producing interval and directionally drilling around the old interval of completion which was originally shot. Operators utilizing such administrative procedure would be required to conduct appropriate deviation tests to ensure that no well would be completed nearer than 200 feet to the outer boundary of its proration unit.
- CASE 3342: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Keeley zone of the San Andres formation through four wells in Sections 22 and 23, Township 17 South, Range 29 East.
- CASE 3343: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Metex zone of the Grayburg formation through four injection wells in Sections 14 and 15, Township 17 South, Range 29 East.

J. R. MODRALL
AUGUSTUS T. SEYMOUR
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.

JAMES A. PARKER
HENRY G. COORS
JOHN R. COONEY
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LAW OFFICES OF
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

SIMMS BUILDING
P. O. BOX 466
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)

TELEPHONE 243-4511
AREA CODE 505

October 28, 1965

3340

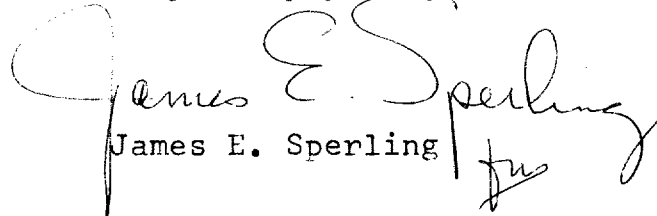
Commissioner, Oil Conservation
Commission
State Land Office Building
Santa Fe, New Mexico

Dear Sir:

We submit herewith Application of Socony-Mobil Oil Company, Inc. for authority to institute a waterflood project within the Denton North Wolfcamp Unit Area, containing 2640 acres, more or less, in Lea County, New Mexico, said waterflood project to be operated in accordance with Rule 701 of the Commission; a copy of this Application has been forwarded to the Office of the State Engineer.

We also submit herewith Application of Socony-Mobil Oil Company, Inc. for approval of Unit Agreement for the Denton North Wolfcamp Unit, Lea County, New Mexico, with copy of Unit Agreement attached thereto.

Very truly yours,


James E. Sperling

JES:fm
Enclosures
cc: Office of State Engineer
Attention: Mr. Frank Irby

DOCKET MAILED

Date 1-10-65



STATE OF NEW MEXICO
STATE ENGINEER OFFICE
SANTA FE

S. E. REYNOLDS
STATE ENGINEER

November 4, 1965

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, NEW MEXICO 87501

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

Dear Mr. Porter:

Reference is made to the application of Socony-Mobil Oil Company, Inc., for authority to institute a waterflood project within the Denton North Wolfcamp Unit Area.

This office offers no objection to the granting of the application, provided each well is constructed and equipped as indicated by the appropriate diagrammatic sketch submitted with the application and the packers are set well below the top of the cement surrounding the production casing in each well.

FEI/ma

cc-Mr. J. E. Sperling
Mr. J. C. Gordon, Jr.
Mr. F. H. Hennighausen

Yours truly,

S. E. Reynolds
State Engineer

By: *Frank E. Irby*
Frank E. Irby
Chief
Water Rights Div.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

December 17, 1965

C
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P
Y
Mr. James E. Sperling
Modrall, Seymour, Sperling, Reehl & Harris
Attorneys at Law
Post Office Box 466
Albuquerque, New Mexico

Dear Mr. Sperling:

Reference is made to Commission Order No. R-3301, recently entered in Case No. 3340, approving the Socony Mobil's Denton North Wolfcamp Waterflood Project.

Injection is to be through the 12 authorized water injection wells, which shall be equipped with cement-lined tubing and packers, with the casing-tubing annulus loaded with corrosion-inhibited water.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, and when all of the Wolfcamp wells in the waterflood project area have been returned to production, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 6809 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

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December 17, 1965

Mr. James E. Sperling
Modrall, Seymour, Sperling, Roehl & Harris
Attorneys at Law
Post Office Box 466
Albuquerque, New Mexico

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allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Mr. Joe Gordon
Mr. Frank Irby
OCC - Hobbs

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

November 29, 1965

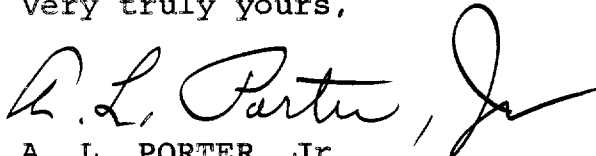
Re: Case No. 3340
Order No. R-3001
Applicant: Socony Mobil Oil Company, Inc.

Mr. James E. Sperling
Modrall, Seymour, Sperling, Roehl &
Harris
Attorneys at Law
Post Office Box 466
Albuquerque, New Mexico

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,


A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other Mr. Joe Gordon - Mr. Frank Irby