

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



November 25, 1986

Mr. David R. Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: State 157 'D' No. 11
Arrowhead Grayburg/Drinkard Pools
Amendment of Order #R-6318
Unorthodox Oil Well Location

Dear Mr. Catanach:

ARCO Oil and Gas Company respectfully requests that Order #R-6318, granting an unorthodox oil well location in the Drinkard Pool, be administratively amended to include the Arrowhead Grayburg Pool. The well is located 2123' FSL and 1644' FEL of Section 12, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. The NW/4 SE/4 of Section 12 is dedicated to the well, as illustrated on the attached C-102 acreage dedication plat. Due to an error in surveying, this location is six feet too close to the quarter-quarter section line. The location is, however, 507 feet from the nearest lease line. The unorthodox location was previously approved for the Drinkard Pool by Order #R-6318. The current completion in the Drinkard is producing at an uneconomical rate, and it is our intention to recomplete the well to the Arrowhead Grayburg Pool.

ARCO Oil and Gas Company believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of Arrowhead Grayburg reserves from the subject acreage.

Chevron, the only offset operator, has been sent a copy of this request by registered mail. Thank you for your prompt consideration.

Yours very truly,

Cindy W. Ellis
Sr. Operations/Analytical Engineer

CWE:sc
Attachment

cc: Chevron U.S.A. Inc.
1923 North Dal Paso
Hobbs, New Mexico 88240

cc: Jerry Sexton
NMOCD - Hobbs
ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

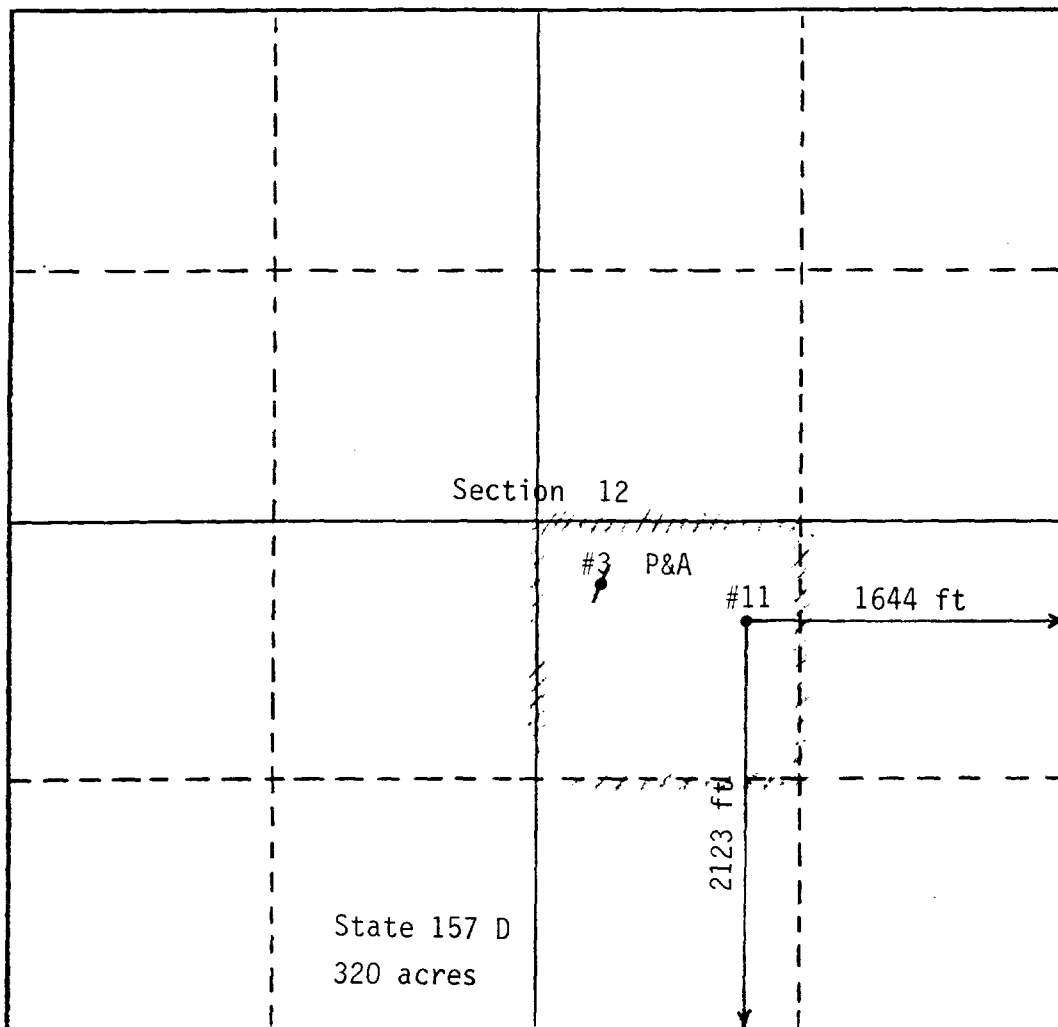
| | | | | | | | | |
|--|---------------|---------------------------------|------------------------|-------------------|---------------|--------------------------------|--|--|
| Operator ARCO Oil & Gas Company | | | Lease State 157 'D' | | | Well No. 11 | | |
| Unit Letter J | Section 12 | Township 22 South | | Range 36 East | County Lea | | | |
| Actual Footage Location of Well: 2123 feet from the South line and 1644 feet from the East line | | | | | | | | |
| Ground Level Elev. 3461.9 | | Producing Formation Grayburg | | Pool Arrowhead | | Dedicated Acreage: 40 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 _____

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 Division.



CERTIFICATION

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

Cindy W. Ellis

Name

Cindy W. Ellis

Position

Engineer

Company

ARCO Oil & Gas Co.

Date

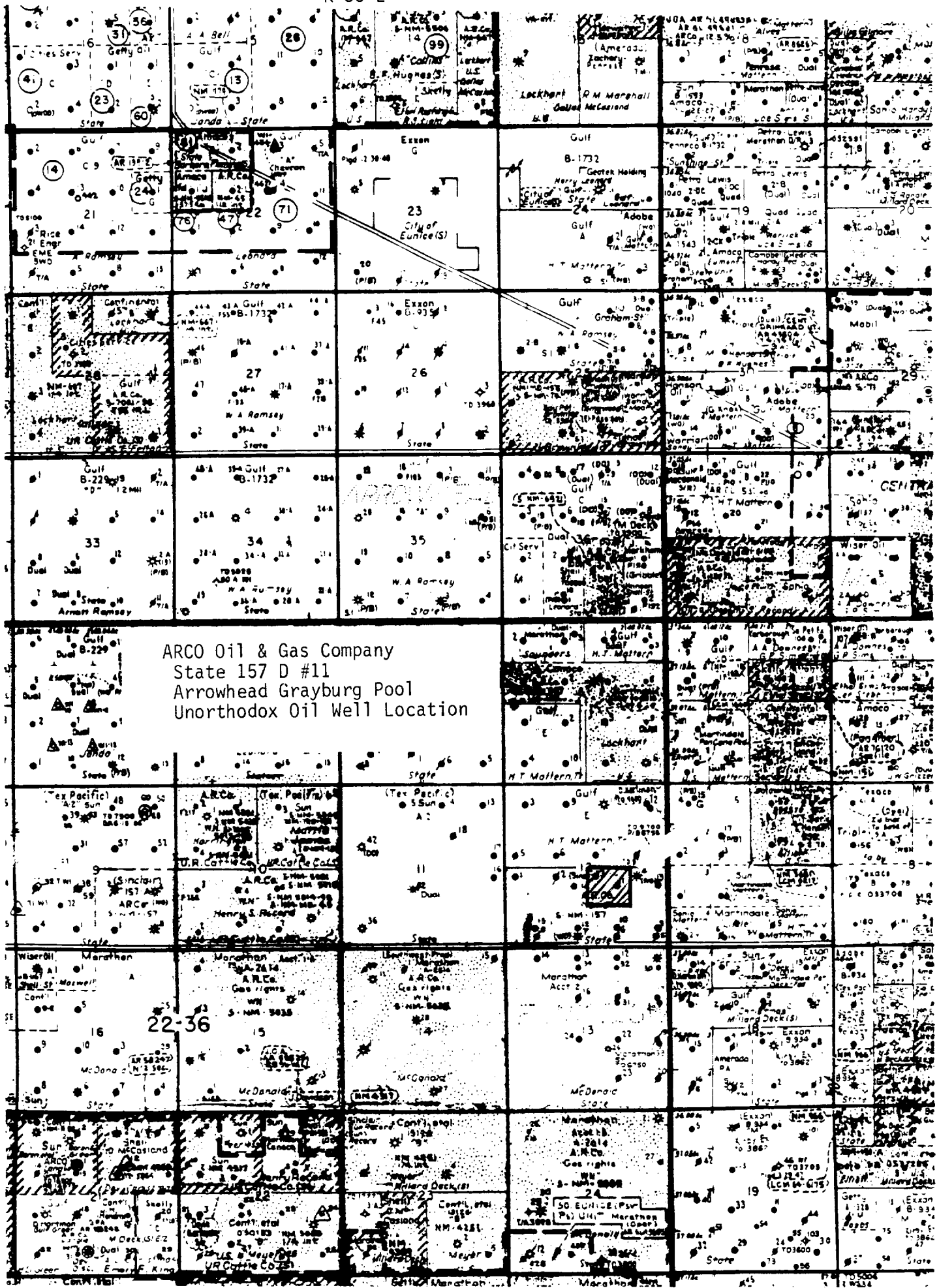
November 25, 1986

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

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

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22
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONY ANAYA
GOVERNOR

November 10, 1986

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

ARCO Oil & Gas Company
P.O. Box 1610
Midland, TX 79702

Attn: Ken Gosnell

Re: State 157 D #11-J
Section 12, T22S, R36E

Gentlemen:

We have received your intention to plug back and recomplete the above referenced well in the Grayburg formation. The location of this well is six feet too close to the quarter quarter section line and the non-standard location for the Drinkard was approved by Division Order R-6318. Before the Grayburg can be produced, you will need to have the NSL order amended to include the Grayburg.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

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Orig - CF
XC - S. Smith - Hobbs
- D. Douglas - 120
- Dry File
- KWG - 1445

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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. 6862
Order No. R-6318

APPLICATION OF ARCO OIL AND GAS COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 9, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of April, 1980, 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, ARCO Oil and Gas Company, seeks
approval of an unorthodox oil well location for its State 157
"D" Well No. 11 drilled at a point 2123 feet from the South line
and 1644 feet from the East line of Section 12, Township 22 South,
Range 36 East, NMPM, Drinkard Pool, Lea County, New Mexico.
- (3) That the NW/4 SE/4 of said Section 12 is to be dedi-
cated to the well.
- (4) That due to an error in surveying, the subject well
was drilled six feet closer to the proration unit boundary than
is permitted by the Division Rules and Regulations.
- (5) That no offset operator objected to the proposed un-
orthodox location.

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

IT IS THEREFORE ORDERED:

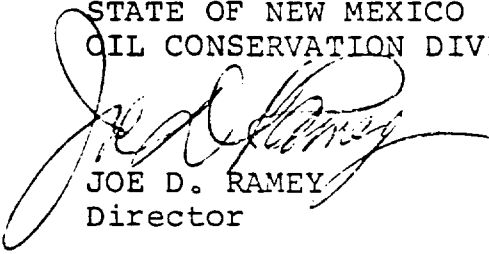
(1) That an unorthodox oil well location for the Drinkard formation is hereby approved for the ARCO Oil and Gas Company State 157 "D" Well No. 11 drilled at a point 2123 feet from the South line and 1644 feet from the East line of Section 12, Township 22 South, Range 36 East, NMPM, Drinkard Pool, Lea County, New Mexico.

(2) That the NW/4 SE/4 of said Section 12 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-101
Revised 10-1-78

| | |
|------------------------|--|
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| LAND OFFICE | |
| OPERATOR | |

| |
|--|
| 5A. Indicate Type of Lease |
| STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |

5. State Oil & Gas Lease No.
157

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|---|--|--|--|
| 1a. Type of Work | | 7. Unit Agreement Name | |
| b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. Farm or Lease Name State 157 "D" | |
| 2. Name of Operator ✓ ARCO OIL AND GAS COMPANY | | 9. Well No. 11 | |
| 3. Address of Operator P. O. Box 1610, Midland, Texas 79702 | | 10. Field and Pool, or Wildcat Arrowhead | |
| 4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE 1644 AND 1650 FEET FROM THE East LINE OF SEC. 12 TWP. 22S RGE. 36E NMPM | | 12. County Lea | |
| 19. Proposed Depth | | 19A. Formation Grayburg | |
| 21. Elevations (Show whether DF, RT, etc.) 3461.9' GR | | 22. Approx. Date Work will start 11-24-86 | |
| 21A. Kind & Status Plug. Bond GCA #8 | | 21B. Drilling Contractor | |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| | 9-5/8" | 36# | 1209' | 550 | circ'd |
| | 5-1/2" | 15.5# | 6800' | 2025 | circ'd |

PROCEDURE

1. MIRU. Remove production equipment from well.
2. Set CIBP @ 6470' and spot 35' cmt on top. P Pressure test.
3. Perf Grayberg w/1 JSPF @ 3640-3644', 3646-3652', 3662-3672', 3686-3730' & 3740-3786'.
4. Acidize Grayberg perfs f/3640-3786' w/5800 gals 15% NEFE HCL.
5. Swab test.
6. RIH w/production equipment and return well to pumping.

Orig - DF
xc - D. Douglas - 120
- S. Smith Hobbs
- RWG - 1445

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 Ken W. Gosnell Title Engr. Tech. Spec. Date 11-4-86

(This space for State Use)
ORIGINAL FILED

APPROVED BY _____ TITLE _____ DATE NOV 12 1986

CONDITIONS OF APPROVAL, IF ANY: