HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW 500 MARQUETTE N.W., SUITE 740 ALBUQUERQUE, NEW MEXICO 87102-2121 (505) 768-1500

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218 MONTEZUMA POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554

OF COUNSEL O. M. CALHOUN MACK EASLEY JOE W. WOOD STEPHEN L. ELLIOTT CLARENCE E. HINKLE (1901-1985) W. E. BONDURANT, J.P. (1913-1973) ROY C. SNODGRASS, JR. (1914-1987)

DAVID T. MARKETTE* MARK C. DOW KAREN M. RICHARDSON*

FRED W SCHWENDIMANN

DAVID MORAN

DAVID MORAN JAMES R. MCADAMS' JAMES R. HUDSON MACDONNELL GORDON REBECCA.NIC-OLS JOHNSON PAUL R. NEWTON WILLIAM R. JOHNSON ELLEN S. CASEY MARGARET C. LJDEWIG PATRICA A WATTS' MARTIN MEYERS GREGOPY S. WHEELER

GREGORY S. WHEELER ANDREW J. CLOUTIER IWANA RADEMAEKERS*

*NOT LICENSED IN NEW MEX CO

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LEWIS C. COX

PAUL W. EATON CONRAD E. COFF/ELD HAROLD L. HENSLEY, JR. STUART D. SHANOR C. D. MARTIN

C. D. MARTIN PAUL J. KELLY JR. OWEN M. LOPEZ DOJGLAS L. LUNSFORD JOHN J. KELLY T. CALDER EZZELL, JR. WILLIAM B. BURFORD' R:CHARD E. OLSON R:CHARD R. WILFONG' STEVEN D. ARNOLD JAMES I. WECHSIEP

STEVEN D. ARNOLD JAMES J. WECHSLER NANCY S. CUSACK JEFFREY L. FORNACIARI JEFFREY D. HEWETT*

RECEIVED

Ms. Florene Davidson New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

MAY 22 1989

OIL CONSERVATION DIV. SANTA FE

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Re: Case No. 9663, The Application of The Petroleum Corporation of Delaware for Downhole Commingling, etc.

Dear Florene:

The above case is scheduled for the June 7th Examiner Hearing. Please continue this hearing to the June 21, 1989 Hearing. I believe this will be the Examiner final cortinuance in this case.

Very truly yours,

The Bree

JAMNS BRUCE

JB:le

May 19, 1989

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW
 LEWIS C. COX
 ALBERT _ PTTS

 PAUL W. EATON
 THOMAS M. HNASKO

 CONRAD E. COFFIELD
 JOHN C. CHAMBERS'

 HAROLD L. HENSLEY JR
 THOMAS D. HAINES, JR.

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 PAUL J. KELLY JR.
 DAVID T. MARKETTE*
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 DAVID
 MARKETE

 DOUGLAS L. LUNSFORD
 FRED.W.SCHWENDIMANN

 CALDER EZZELL, R.
 JAMES R. MCADAMS*

 WILLAM B. BURFORD
 JAMES R. MCADAMS*

 WILLAM B. BURFORD
 JAMES M. HUDSON

 RICHARD L. GLSON
 MACDONNELL SORDON

 RICHARD A. SIMMS
 REBECCA NICHOLS JOHNSON

 RICHARD A. SIMMS
 REBECCA NICHOLS JOHNSON

 JAMES J. WCHSLER
 KAREN M. MICHAROSON*

 JAMES J. MCCHSLER
 KAREN M. NICHAROSON*

 JEFFREY L. FORNACIAR
 JAMES G. BROCKMANN

 JEFFREY D. HEMET*
 SJAM L. NESER*

 JERRY E. SHACKELEORD
 ANDRW J. CLOUTER*
 1700 TEXAS AMERICAN BANK BUILDING (505) 982-4554 POST OFFICE BOX 9238 AMARILLO, TEXAS 29105 (806) 372-5569 700 UNITED BANK PLAZA POST OFFICE BOX 10 ROSWELL, NEW MEXICO 88202 April 26, 1988 (505) 622-6510 RECEIVED CF COUNSEL O. M CALHOUN MACK EASLEY LOE N WOOD STEPHEN L ELLIOTT APR 20 1988

CLARENCE E. HINKLE (1901-985) W. E. BONDURANT, JR. (1913-973) ROY C. SNODGRASS, JR. (1915-1987)

OIL CONSERVATION DIVISION

*NOT LICENSED IN NEW MEXICO

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Michael E. Stogner New Mexico Oil Conservation Division State Land Office Building Santa Fe, New Mexico 87504

HAND DELIVERED

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Re: Case No. 9342, the Application of The Petroleum Corporation of Delaware for Simultaneous Dedication and Amendment of Administrative Order No. NSP-1290, Eddy County, New Mexico

Dear Mike:

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This letter is in response to two requests you made at the hearing on this matter, which was held on March 30, 1988.

First, an Amended Application was filed, and additional notice was sent to all offset operators. Copies of the letters of notification and certified return receipts are attached to this letter as Exhibit A.

Second, an issue arose at hearing regarding whether the Superior Federal Well No. 6 located in Unit N, Section 6, Township 20 South, Range 29 East was completed in the Morrow or Atoka formation. Mark Poppendeck, our geological witness at the hearing, contacted Darryl Moore in the OCD's Artesia office regarding this problem. Mr. Poppendeck's letter to me summarizing the results of his discussions is attached hereto as Exhibit B. A portion of the well log is attached hereto as Exhibit C. Based on the foregoing, I believe that we will have to amend NSP-1290 to include not only the Strawn pool but the Atoka pool. Depending upon the completion of the proposed Superior Federal Well No. 7, the order should also be broad enough to permit simultaneous dedication of production from the Morrow, Strawn, and Atoka pools in the S $\frac{1}{2}$ of Section 6.

Please call me if you have any questions about this matter. This matter was readvertised for April 27, 1988, but it may have Michael E. Stogner April 26, 1988 Page 2

to be readvertised a second time. Also, please let me know if you need any additional testimony submitted on this case.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

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Gentlemen:

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Be advised that The Petroleum Corporation of Delaware has filed Application for Simultaneous Dedication concerning the referenced concerns the same matter of which you were notified in our letter 4, 1988. The hearing concerning the original application was held 1988, and you are hereby being re-notified due to certain errors in application. The amended application is being submitted Comnservation Division for clarification of our intent in this matter

Please find attached a copy of the amended application for your : matter will come for hearing again on April 27, 1988.

Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy, Inc. Presidio Exploration. Inc. The Desana Corporation The Petroleum Corp. of Delaware

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March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

Mobil Oil Company P. O. Box 633 Midland, Texas 79702

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

Be advised that The Petroleum Corporation of Delaware has filed an Amended Application for Simultaneous Dedication concerning the referenced lands. This concerns the same matter of which you were notified in our letter dated March 4, 1988. The hearing concerning the original application was held on March 30, 1988, and you are hereby being re-notified due to certain errors in the original The amended application is being submitted to the Oil application. Comnservation Division for clarification of our intent in this matter.

Please find attached a copy of the amended application for your review. This matter will come for hearing again on April 27, 1988.

If you should need any additional information, please do not hesitate to contact us.

Very truly yours,

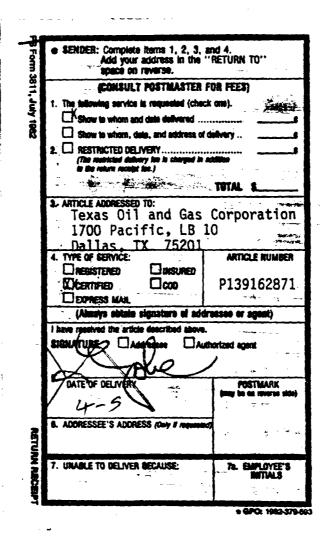
THE PETROLEUM CORPORATION OF DELAWARE

M. H. Canale

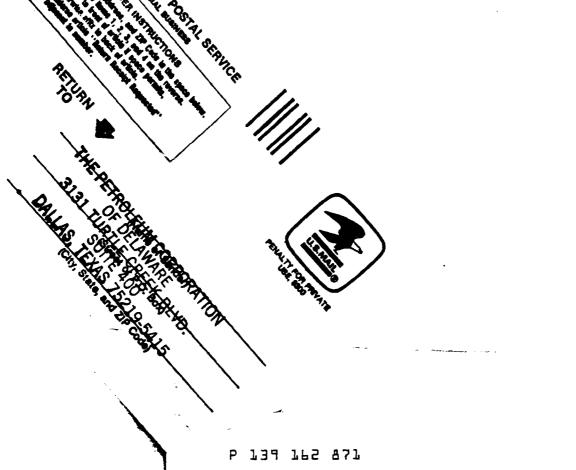
Division Landman







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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy, Inc Presidio Exploration Inc The Desana Corporation The Petroleum Corp. of Delaware

3131 Turtle Creek Blvd. • Suite 400 • Dailas, Texas 75219-5415 • (214) 528-5898 • Facsimile (214) 528-2160

March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

Texas Oil and Gas Corporation 1700 Pacific, LB10 Dallas, TX 75201

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

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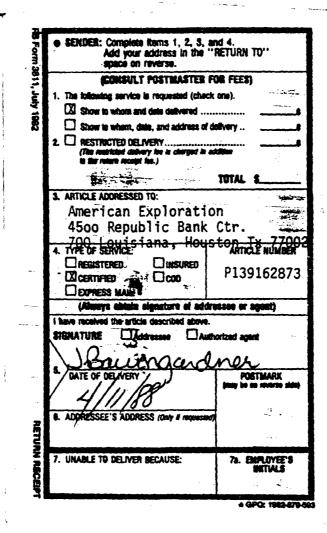
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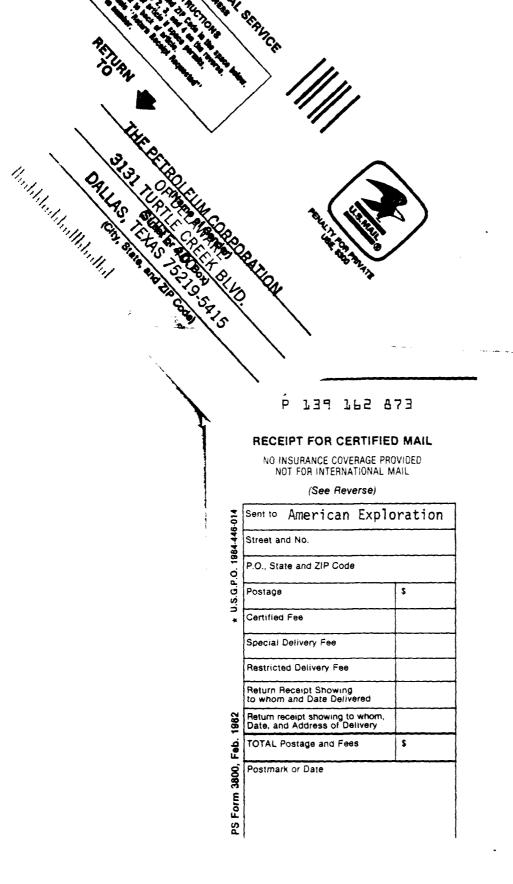
THE PETROLEUM CORPORATION OF DELAWARE

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M. H. Canale Division Landman

MHC/ds





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Presidio Oil Company

SUBSIDIARIES. Peake Operating Company Presidio Energy Inc Presidio Exploration. Inc The Desana Corporation The Petroleum Corp of Delaward

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3131 Turtle Creek Blvd. • Suite 400 • Dallas, Texas 75219-5415 • (214) 528-5898 • Facsimile (214) 528-2160

March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

American Exploration 4500 Republic Bank Center 700 Louisiana Houston, Texas 77002

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

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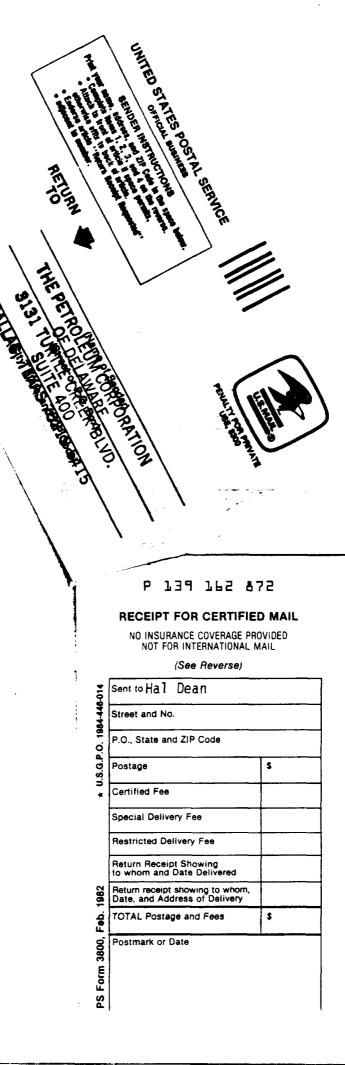
Very truly yours,

THE PETROLEUM CORPORATION OF DELAWARE

M. H. Canale Division Landman

MHC/ds

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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy, Inc Presidio Exploration, Inc The Desana Corporation The Petroleum Corp, of Delaware

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March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

Hal Dean One First City Ctr., Suite 1400 Midland, Texas 79701

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

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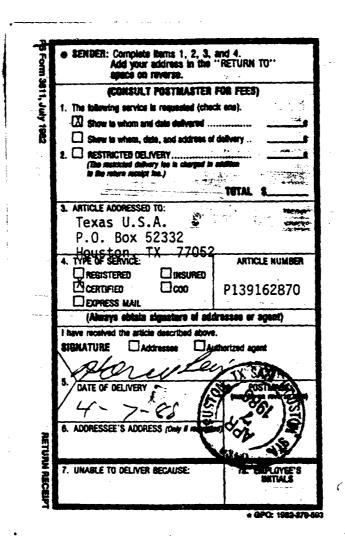
Very truly yours,

THE PETROLEUM CORPORATION OF DELAWARE

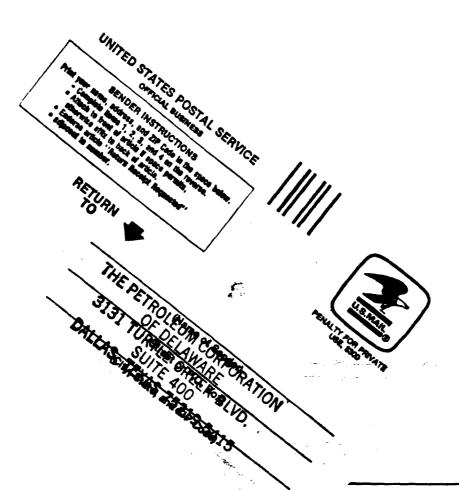
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M. H. Canale Division Landman

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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy Inc Presidio Exploration Inc The Desana Corporation The Petrojeum Chast of Coloward

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March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

Texas U. S. A. P. O. Box 52332 Texaco Building Houston, Texas 77052

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

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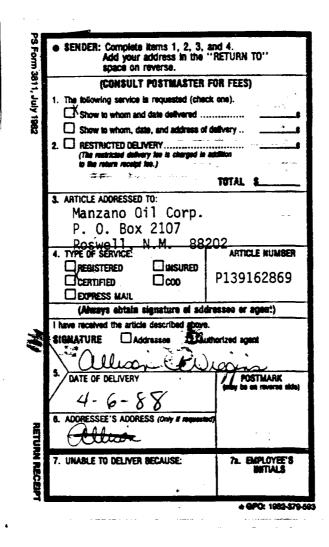
Very truly yours,

THE PETROLEUM CORPORATION OF DELAWARE

M. H. Canale

Division Landman

MHC/ds Attachment



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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy lind Presidio Exploration In The Desana Corporation The Petroleum Corplicat Delaward

3131 Turtle Creek Blvd. • Suite 400 • Dallas, Texas 75219-5415 • (214) 528-5898 • Facsimile (214) 528-2160

March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

Manzano Oil Corporation P. O. Box 2107 Roswell, N. M. 88202

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

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Very truly yours,

THE PETROLEUM CORPORATION OF DELAWARE

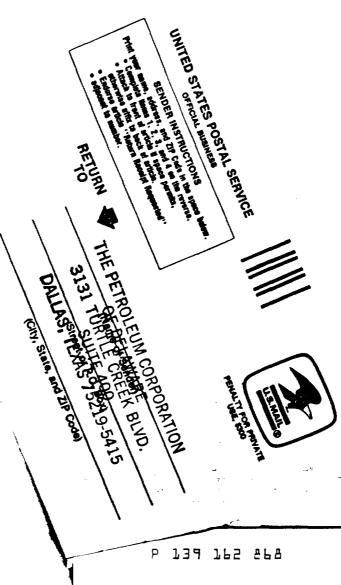
M. H. Canale

Division Landman

MHC/ds

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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy inc Presidio Exploration I & The Desana Corporation The Petroloum Corp of Delaware

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March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

Yates Petroleum Corporation Yates Building 105 South 4th Street Artesia, N. M. 88210

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

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Very truly yours,

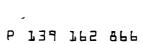
THE PETROLEUM CORPORATION OF DELAWARE

M. H. Canale Division Landman

MHC/ds

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Presidio Oil Company

3131 Tunte Creek Blvd. • Suite 400 • Dallas, Texas 75219-5415 • (214) 528-5698 • Facs mile (214) 528-2160

SUBSIDIARIES Peake Operating Company Presidio Exploration in The Desana Corporation The Petroloum Corplice De Sware

March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

Marathon Oil Company 539 S. Main Street Findlay, Ohio 45840

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

Be advised that The Petroleum Corporation of Delaware has filed an <u>Amended</u> Application for Simultaneous Dedication concerning the referenced lands. This concerns the same matter of which you were notified in our letter dated March 4, 1988. The hearing concerning the original application was held on March 30, 1988, and you are hereby being re-notified due to certain errors in the original application. The amended application is being submitted to the Oil Comnservation Division for clarification of our intent in this matter.

Please find attached a copy of the amended application for your review. This matter will come for hearing again on April 27, 1988.

If you should need any additional information, please do not hesitate to contact us.

Very truly yours,

THE PETROLEUM CORPORATION OF DELAWARE

M. H. Canale

Division Landman

MHC/ds

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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy Inc Presidio Exploration The Desana Omentum The Petroleum Corplict Delaware

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3131 Turtie Creek Bivd • Suite 400 • Darias, Texas 75219-5415 • (214) 528-5898 • Facsimile (214) 528-2160

March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

HNG Oil Company P. O. Box 2267 Midland, Texas 79702

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

Be advised that The Petroleum Corporation of Delaware has filed an <u>Amended</u> Application for Simultaneous Dedication concerning the referenced lands. This concerns the same matter of which you were notified in our letter dated March 4, 1988. The hearing concerning the original application was held on March 30, 1988, and you are hereby being re-notified due to certain errors in the original application. The amended application is being submitted to the Oil Comnservation Division for clarification of our intent in this matter.

Please find attached a copy of the amended application for your review. This matter will come for hearing again on April 27, 1988.

If you should need any additional information, please do not hesitate to contact us.

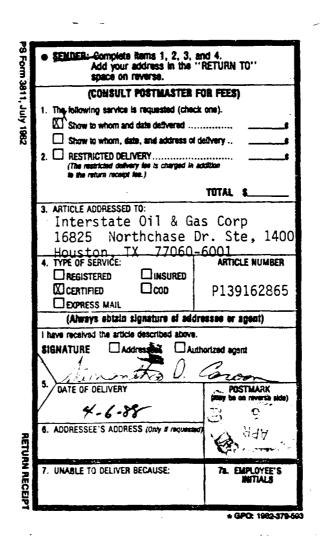
Very truly yours,

THE PETROLEUM CORPORATION OF DELAWARE

H. Canale

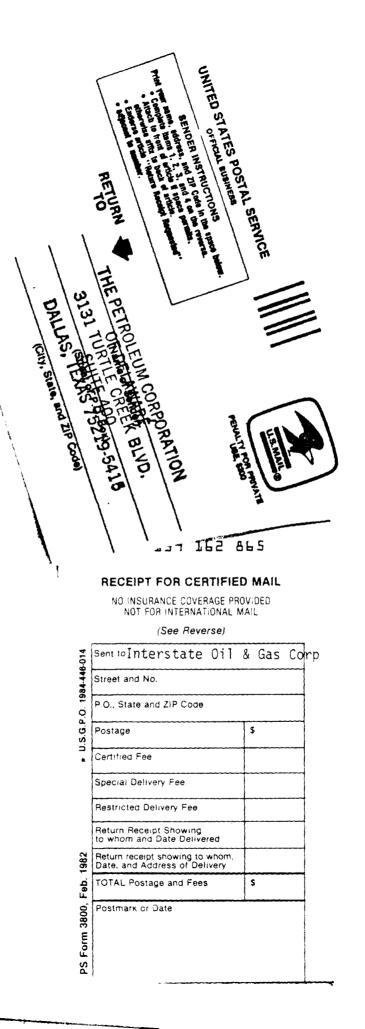
Division Landman

MHC/ds



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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy Into Presidio Exploration Infr The Desana Corporation The Petroleum Corporation

3131 Turtie Creek Bivo • Suite 400 • Dailas, Texas 75219-5415 • (214) 528-5898 • Facsimile 214 528-2160

March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

International Oil and Gas Corporation 16825 Northchase Dr., Ste. 1400 Houston, Texas 77060-6001

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

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THE PETROLEUM CORPORATION OF DELAWARE

PH

M. H. Canale Division Landman

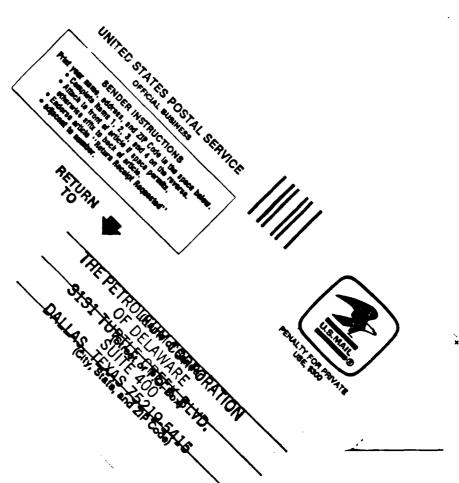
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Presidio Oil Company

SUBSIDIARIES Peake Operating Company Presidio Energy inc Presidio Exploration inc The Desana Corporation The Petro Burn Corporation

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March 31, 1988

CERTIFIED RETURN RECEIPT REQUESTED

William Moss 3811 Turtle Creek Blvd. Suite 700 Dallas, Texas 75219

Re: East Burton Flat Morrow Gas Pool and East Burton Flat Strawn Gas Pool Amended Application for Simultaneous Dedication S/2 Section 6-T20S-R29E Eddy County, New Mexico

Gentlemen:

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Very truly yours,

THE PETROLEUM CORPORATION OF DELAWARE

MAL M. H. Canalé

Division Landman

MHC/ds

Presidio Oil Company

3131 Turtie Creek Blvd • Suite 400 • Darias Texas 75219-5415 • (214) 528-5898 • Facsimile (214) 528-2160

SUBSIDIARIES Peake Operating Complexit Presido Expeription The Desard Complexitor The Petro sum Complexitor The Petro sum Complexitor Assam

April 5, 1988

Jim Bruce Hinkle, Fox, Eaton, Coffield & Hensley 218 Montezuma Santa Fe, New Mexico 87504-7068

Dear Jim:

On April 4, I spoke with Darryl Moore with the New Mexico Oil and Gas Commission in Artesia concerning the Atoka/Morrow problem on the Superior Federal #6 well. New Mexico recognizes the top of the Atoka at 10488' and the top of the Morrow at 10990'. Originally, the well was completed below New Mexico's Morrow top. In May, 1987 the well was recompleted in several shallow zones, one of which was from 10952'-10958'. This zone is in the Atoka Formation. The well was producing 475 Mcf per day prior to the recompletion and 600 Mcf per day after. I don't feel that the Atoka zone is contributing a large volume of gas but is probably contributing some.

Presidio is allowed to produce from the Morrow and Strawn but the Atoka may be questionable. Any help you could give to rectify this situation would be greatly appreciated.

Sincerely,

PRESIDIO ØIL COMPANY

spachich mh

Mark C. Poppendeck Geologist

MCP/ds



- Presidio Oil company

LEWIS C. COX	JOHN C. CHAMBERS*	ATTORNEYS AT LAW	700 UNITED BANK PLAZA	
PAUL & EATON CONRAD E. COFFIELD	THOMAS D. HAINES, JR. FRANKLIN H. MCCALLUM*	500 MARQUETTE N.W., SUITE 740	POST OFFICE BOX 10	
HAROLD L HENSLEY JR. STUART D. SHANOR C. D. MARTIN	GREGORY J. NIBERT DAVID T. MARKETTE*	ALBUQUERQUE, NEW MEXICO 87102-2121	ROSWELL, NEW MEXICO 88202 (505) 622-65:0	
C. D. MARUN PAUL J. KELLY JR. OWEN M. LOPEZ DOJGLAS L. LUNSFORD JOHN J. KELLY T. CALDER EZZELL JR. WILLIAM B. BURFORD* RICHARD E. OLSON	MARK C, DOW FRED W, SCHWENDIMANN DAVID MORAN JAMES R, MCADAMS* JAMES M, HUDSON MACDONNELL GOROON REBECCA JICHOLS JOHNSON	(505) 768-1500	2800 CLAYDESTA NATIONAL BANK BUILDING POST OFFICE BOX 3580 MIDLAND, TEXAS 79702 (915) 683-4691	
RICHARD R. WILFONG* STEVEN D. ARNOLD JAMES J. WECHSLER NANCY S. CUSACK JEFFREY L. FORNACIARI JEFFREY D. HEWETT* JAMES BRUCE	ABBECCA NICHOLS JUNNSON PAUL R. NEWTON WILLIAM, R.JCHNSON KAREN M. RICHARDSON* ELLEN S. CASEY MARGARET C LUDEWIG SUSAN _ NIESER* MARTIN MEVERS		1700 TEXAS AMERICAN BANK BUILDING POST OFFICE BOX 9238 AMARILLO, TEXAS 79105 (806) 372-5569	
JERRY F SHACKELFORD" JEFFREY W HELLBERG" ALBERT L PITTS THOMAS M. HNASKO	GREGORY S WHEELER ANDREW J. CLOUTIER IWANA RADEMAEKERS* S. BARRY PAISNER	November 30, 1988	218 MONTEZUMA POST OFFICE BOX 2068	
CLARENCE W.E. BON	OF COUNSEL	CIL CONSERVATION DAVISION	5ANTA FE, NEW MEXICO 87504 (505) 982-4554	

In Active, is spoke with Carrow Month with the west wester of and its commission in Artesia concerning the Atoka Worrow problem on the substant careful Michaele Astognerognizes the top of the Atoka at 10488 and the top MemeMexico, Qill Genservatianly, the well was completed below thew Mexico Division on May, P37 the well was recompleted in several status tone319n010 Santa Fas Trial 10952'-10958'. This zone is to the toka formation. 206e well was producing 475 Month ber day prior to the recomplation and Santa Fas Mexico at 75087 ber that the Atoka zone is contribution.

Re: Case No. 9342, The Application of the Petroleum Preside s Generation of Delaware for Simultaneous Dedication constitution and Amendment of Administrative Order No. NSP-1290, trail, appleddy County, New Mexico

#### Dear Mike:

requested the following three items:

1. An Amended Application to clear up exactly what relief Mark J. Podderde applicant. An Amended Application was Geologist filed, but it may have to be amended again due to item three below.

- ACP 2. A copy of the Dual Completion Order for the Superior Federal Well No. 6. This Order, No. R-7269, was previously provided to you. This order may have to be amended due to item three below.
  - 3. You wanted my client to further inquire as to what formations or pools the Superior Federal Well No. 6 was producing from. This was done, and the results of this inquiry are contained in a letter from the second me dated April 5, 1988. This letter was second you last dated April, and a copy is attached by the second

It appears from the foregoing that the Survey well No. 6 may be producing from the Morrow, Survey and Schooka.

**ILLEGIBLE** 

NY THE ARTER OF THE HEADING TALLED BY THE SIL CONSERVATION Mr. Michael ESStogners November 30, 1988 Page Two

(学会室) パイト・オイト 

As a result of the foregoing, we may need to request an amendment of NSP-12907 to include the Strawn, Morrow, and Atoka, Me may also need to ask for the amendment of Order No. R-7269 to include the Atoka formation, and also to request similar relief for the proposed Superior Federal Well No. 7. I have drafted a Second Amended Application, and it vistenchosed with this letter. Please call me about this matter so that we can determine how to proceed and conclude this case sure on for nearing it & provore sure on

CE NEW MEXIC

tterbor 1, 1982, at Santa Sa, Mew Rewlook refoto Strong - Very truly yours .

MX Diaconis 23th day of April 1983, the Symposium TAMES BRUCEving considered the testimony, the recould, and the MANES BRUCE of the Examiner, and being fully wivesed in the JB:le 1.2S. Enclosure

That due public notice having been given has series. by law, the Division has jurisdiction of this sause and the subject matter thereof.

(2) That the applicant, Petroleum Jorp. of Jelawsces seeks authority to complete its Superior Federal Well No. . located in Unit N of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual ompletion (conventional) to produce gas from the Strawn formation Chrocin the casing tubing annulus and gas from the Morrow formation through tubing with separation of the two zones to be achieved. by teans of a packer.

That the mechanics of the proposed lual completion (3)are feasible and in accord with good conservation practices.

(4) That approval of the subject application will previou waste and protect correlative rights.

#### IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corp. of Celaware is nareby authorized to complete its Superior Federal Well No. -

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15141 (S. R-1163

Last, BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION last, 1

<u>ial completion (conventional) to produce gas from the St.</u> APPEICATION OF THE PETROLEUM - Juding annulus and gas from the CORPORATION OF DELAWARE FOR Dains with separation of the long SIMULITANEOUS DEDICATION; THE acker set at an Case No. 9342 AHENDMENT OF ADMINISTRATIVE

ORDER NO. NSP-1290, AND THE

AMENDMENT OF BRDHN WER R-7269, ine applicant shall vizplavi EDDY COUNTY, NEW MEXICO. said wall in accordance with the provisions of Rule 112-A of the Division Rules and 4-julyti Lastfar as said rule is not inconsistent with this product

# SECOND AMENDED APPLICATION

PROVIDED FURTHER, that the applicant shall take topic leakage test upon completion and annually thereafted from Mexico.

Amended Application requesting simultaneous Second 2) That jurisdiction of this cause is retained or dedicat bon, suche amendmentorder Administrativel Sinder mNSP-1-290, necessary. and the amendment of Division Order No. R-7269, and in

DONE at Santa Fe, New Mexico, on the day and west supportable edes statesd.

Amendment of Division Order Mart OF262 M MEXICO

IL CONSERVATION DIVISION Applicant is the operator of the Superior 1. Federal Well No. 6 located in the SWY of Section 6, which is RAMEY OE D. completed in and is producing from cthe East Burton Flat-Morrow Gas Pool, East Burton Flat-Atoka Gas Pool, and the East Burton Flat-Strawn Gas Pool.

The S1 of Section 6, Township 20 South, Range 2. 29 East, N.M.P.M. (Eddy County, New Mexico), containing 299.84 acres, is dedicated to the Superior Federal Well No. 6.

By Order No. R-7269, entered April 25, 1983, 3. The Division approved the dual completion of the Superior Federal Well No. 6 to produce from the Strawn and Morrow formations.

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4. In May 1987 the Superior Federal Well No. 6 was recompleted, and one of the producing zones is in the Atoka formation.

WHEREFORE, Applicant requests the Division to enter its order amending Order No. R-7269 to permit production from the Atoka formation, retroactive to May 1987.

Amendment of Administrative Order NSP-1290:

5. The Superior Federal Well No. 6 is the subject of Administrative Order No. NSP-1290 as to the Morrow pool.

6. Applicant seeks the amendment of NSP-1290 to include the Strawn pool and the Atoka pool.

WHEREFORE, Applicant requests the Division to enter its order amending Administrative Order NSP-1290 to include the Strawn and Atoka pools.

#### Simultaneous Dedication:

7. Applicant proposes to drill its Superior Federal Well No. 7 in the SEŁ of Section 6, at a standard location, to test the Strawn, Atoka, and Morrow formations.

8. The primary target of the Superior Federal Well No. 7 is the Strawn formation, but the well may be completed in the Morrow and Atoka formations.

9. Applicant seeks authority to simultaneously dedicate production from the subject Morrow, Atoka and Strawn pools in the S1 of said Section 6 to the Superior Federal Well Nos. 6 and 7.

WHEREFORE, Applicant requests the Division to enter its order permitting the simultaneous dedication of production from the Superior Federal Well Nos. 6 and 7 in the  $S^{\frac{1}{2}}$  of said Section 6.

Dated this _____ day of December, 1988.

HINKLE, COX, EATON, COFFIELD & HENSLEY

By__

James Bruce 500 Marquette, N.W. Suite 740 Albuquerque, New Mexico 87102 (505) 768-1500

Attorneys for The Petroleum Oil Corporation of Delaware

Presidio Oil Company

3131 Turtie Creek Blvd. • Suite 400 • Dalias, Texas 75219-5415 • (214) 528-5898 • Facsimile (214) 528-2160

SUBSIDIARIES Peake Operating Compony Presid o Energy lind Prefilm Exploration lind Ting Cell and Corporation wile Petroleum Corpliot Detaware

April 5, 1988

Jim Bruce Hinkle, Fox, Eaton, Coffield & Hensley 218 Montezuma Santa Fe, New Mexico 87504-7068

Bear Jim:

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10495

Presidio is allowed to produce from the Morrow and Strawn but the Atoka may be questionable. Any help you could give to rectify this situation would be greatly appreciated.

Sincerely,

PRESIDIO OIL COMPANY

Sprich

Mark C. Poppendeck Geologist

MCP/ds

* Spoke ul Darry Moore 12/12/88 1001. Accords do not show Record letion.



ENERGY AND MINERALS DEPA MENT OIL CONSERVATION DIVISION

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

> CASE NO. 7568 Order No. R-7269

APPLICATION OF PETROLEUM CORP. OF DELAWARE FOR A DUAL COMPLETION, EDDY COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on September 1, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of April, 1983, 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, Petroleum Corp. of Delaware, seeks authority to complete its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn formation through the casing tubing annulus and gas from the Morrow formation through tubing with separation of the two zones to be achieved by means of a packer.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

#### IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corp. of Delaware is hereby authorized to complete its Superior Federal Well No. 6 -2-CASE NO. 756 Order No. R-7269

located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, East Burton Flat Field, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing with separation of the zones to be achieved by means of a packer set at an approximate depth of 10,710 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take a packer leakage test upon completion and annually thereafter during the Annual Shut-In Test Period for gas wells in Southeastern New Mexico.

(2) 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 QIL CONSERVATION DIVISION

JOE D. RAMEY

Director

SEAL

LEW-S C. COX PAUL W. EATON CONRAD E. COFFIELD HAROLD L. HENSLEY JR. STUART D. SHANOR C. D. MARTIN PAUL J. KELLY JR. OWEN M. COPE2 POUGLAS L. LUNSERDD FRED W SCHWEND MANN DAVID MORAN JAMES R, MCADAMS' JAMES N, HJJSON MACDONIELL GORDON REBECCA NICHOLS JOHNSON PAUL R, NEXTON WILLIAM R JOHNSON ELLEN S, CASEY MARGARET C, JUDEWIG PATRICIA A, WATTS' MARIN MEYERS GPRGORY S, WHEELER ANDREW J, CLOJTIER IWANA RADEMAEKERS' S, BARRY PAISNER OWEN M. LOPEZ DOUGLAS L. LUNSFORD JOHN J. KELLY T. CALDER EZZELL, JR. T. CALDER EZZELL, JR. WILLIAM B. BURFORD RICHARD E. OLSON RICHARD R. WILFONG STEVEN D. ARNOLD JAMES J. WECHSLER NANCY S. CUSACK JEFFREY D. HEWETT MARS BUILTE MARS BUILTE IAMES BRUCE JERRY E SHACKELFORD* JERRY & SHACKELFORD* S. BARRY PAISNEH W. CRAIG BARLOW* ALBERT L PITTS ROBERT W. CASE THOMAS M. HNASKO JAMES A GILLESPIE JOHN C. CHAMBERS* KAREN L COLLER* THOMAS D. HANES, J.P. GARY W. JAPSON FRANKLIM H. MCCALLUM* SPEGORY J. NIBERT

OF COUNSEL O. M. CALHOUN MACK EASLEY JOE W. WOOD STEPHEN L. ELLIGTT CLARENCE E. HINKLE ( 901-965) W. E. BONDURANT, JR. (19 3-1973) ROY C. SNOOGRASS, JR. (1914-1987

DAVID T. MARKETTE* MARK C. DOW KAREN M. RICHARDSON*

S. BARRY PAISNER W. CRAIG BARLOW

*NOT LICENSED IN NEW MEXICO

ATTORNEYS AT LAW 500 MARQUETTE N.W., SUITE 740 ALBUQUERQUE, NEW MEXICO 87102-2121 (505) 768-1500

700 UNITED BANK PLAZA POST OFFICE BOX 10 ROSWELL, NEW MEXICO 88202 (505) 622-6510 2800 CLAYDESTA NATIONAL BANK BUILDING POST OFFICE BOX 3580 MIDLAND, TEXAS 79702 (9:5) 683-4691

1700 TEXAS AMERICAN BANK BUILDING POST OFFICE BOX 9238 AMARILLO, TEXAS 79105 (806) 372-5569

218 MONTEZUMA POST OFFICE BOX 2068 SANTA FE. NEW MEXICO 87504 (505) 982-4554

RECEIVED

JUL 12 1989

OIL CONSERVATION ON. SANTA FF

Florene Davidson New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504

Case #9663; Application of The Petroleum Corporation of RE: Delaware for Downhoe Commingling, etc.

July 7, 1989

Dear Florene:

The applicant hereby requests that the above case be continued to the July 26th Examiner Hearing. The items required to be filed with the Division under Rule 303 have been sent out, but we would like the Division to have them a sufficient time before hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

ames Bruce

JB:Amtz



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ATTORNEYS AT LAW 500 MARQUETTE N.W., SUITE 740 ALBUQUERQUE, NEW MEXICO 87102-2121 (505) 768-1500

July 25, 1989

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> 218 MONTEZUMA POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554

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OF COUNSEL O. M. CALHOUN MACK EASLEY JOE W. WOOD STEPHEN L ELLIOTT CLARENCE E. HINKLE (190-1985) W. E. BONDURANT, JR. (1913-1973) ROY C. SNODGRASS, _R. (1914-1987)

*NOT LICENSED IN NEW MEXICO

#### HAND DELIVERED

Mr. Uillian Lemay Director New Mexico Oil Conservation Division Santa Fe, New Mexico 87503

Re: Case No. 9663, The Application of The Petroleum Corporation of Delaware for Downhole Commingling, etc.

Dear Mr. Lemay:

Please continue this matter to the August 23, 1989 Examiner Hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

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JUL 25 1989

OIL CONSERVATION DIVISION

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ATTORNEYS AT LAW 500 MARQUETTE N.W., SUITE 740 ALBUQUERQUE, NEW MEXICO 87102-2121 .505, 768-500

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February 28, 1989

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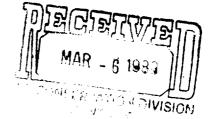
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DE COUNSEL DIM DALHOUN MACH EASLEY UCE M MOOD STEPHEN LI ELLOTT

DLARENCE E MINUE 90 985/ M.E. BONDURANI, UR. 19(3-1973) RCY C. SNODGRASS, UR. 19(4-987)

"NOT - CENSED IN NEW MEX CO

Mr. Michael E. Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504



Re: OCD Case No. 9342; The Application of the Petroleum Corporation of Delaware

Dear Mike:

We're making progress on the above matter, and I will be filing an amended application in March, looking toward an April hearing. Basically, we will be dropping the simultaneous dedication portion of the application, and requesting downhole commingling of production from the Morrow and Atoka formations. Relief from the requirement for separate testing of zones will be requested. We will also file, prior to hearing, the information requested by statewide Rule 303(C).

Please call if you have any questions.

Very truly yours,

Alle 'M JAMES BRUCE

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ATTORNEYS AT LAW

GREGORY J. NIBERT DAVID T. MARKETTE* MARK C. DOW KAREN M. RICHARDSON* LEWIS C. COX PAUL W. EATON CONRAD E. COFFIELD HAROLD L. HENSLEY, JR. STUART D. SHANOR STUART D. SHANOR C. D. MARTIN PAUL J. KELLY, JR. OWEN M. LOPEZ DOUGLAS L. LUNSFORD JOHN J. KELLY T. CALDER EZZELL, JR. FRED W SCHWENDIMANN DAVID MORAN JAMES R. MCADAMS* JAMES M. HUDSON MACDONNELL GORDON REBECCA NICHOLÓ JOHNSON PAUL, R. NEWYON WILLIAM R. JOHNSON ELLEN S. CASEY MARGARET C. LUDEWIG PATRICIA A. WATTS* FRED W SCHWENDIMANN I. CALDER EZZELL, JR. WILLIAM B. BURFORD* RICHARD E. OLSON RICHARD R. WILFONG* RICHARD R. WILDON'S WILDIA'S JOANSON STEVEN D. ARNOLD STEVEN D. ARNOLD LELEN S. CASEY MARGAREY C. LUDEWIN JEFFREY L. FORNACIARI JEFFREY D. HEWETT JAMES BRUCE JARKS BRUCE JARKS BRUCE JARKS BRUCE JEFFREY W. HELLBERG N. GLARSON JEFFREY W. HELLBERG THOMAS M. HNASKO KAREN L. COLLER JOHN C. CHAMBERS' FRANKLIN H. MCCALLUM

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August 16, 1989

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#### FEDURAL EXPRESS

Mr. David Catanach New Mexico Oil Conservation Division 310 Cld Santa Fe Trail Room 206 Santa Fe, New Mexico 87501

9663; Application of The Petroleum Re: UCD Case No. Corporation of Delaware for Downhole Commingling, etc.

Dear David:

The above matter is set for hearing on August 23rd. Theenclosed materials are submitted to you pursuant to Division Rule 303(c). Offset operators were previously notified of the hearing in this matter. The materials do not contain an acreage dedication plat, since there is one in the well file already.

Very tiuly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

James Bruce

JB: Le Enclosures

cc w/enc: OCD - Artesia

CASE FRE GG63



STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

**OIL CONSERVATION DIVISION** 

GARREY CARRUTHERS

POST OFFICE BOX 2000 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 97504 ISO51827-5800

December 2, 1988

Hinkle, Cox, Eaton, Coffield & Hensley 500 Marguette, NW Suite 740 Albuquergue, NM 87102-2121

Attention: James Bruce

RE :

Case No. 9342, The application of the Petroleum Corporation of Delaware for Simultaneous Dedication and to amend Division Administrative Order NSP-1290, Eddy County, New Mexico.

Dear Mr. Bruce:

I am in receipt of your letter dated November 30, 1988 concerning the subject case heard on March 30, 1988 and taken under advisement on April 27, 1988. I am still in eved of additional information before further action can be considered.

For the existing Superior Federal Well no. 6, it is my understanding that this well is presently completed in and producing from the East Burton Flat-Strawn Gas Pool, the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Horrow Gas Pool all of which are or should be dedicated to Lots 6 and 7, the W/2 SW/4, and the SE/4 of Section 6, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Please submit to me information, preferably a detailed schematic, showing how this well is completed; are all three zones downhole completed separately, or are the two lower zones downhole zones are presently downhole commingled. If any zones are presently downhole commingled, please refer to the Division Order authorizing such, if there is no order, authorization for such should be obtained when this case is reopened.

Also, please submit data, preferably a schematic, showing the proposed completion of the Superior Federal Well No. 7; any proposal for multiple completion and/or downhole commingling can be sought at the reopened hearing.

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Hinkle, Cox, Eaton, Coffield & Hensley December 2, 1988 Page No. 2

In conclusion, there has been a strict policy change at the Division concerning simultaneous dedication of wells in unprorated pools, see attached copy of the July 27, 1988 Memorandum. Please be prepared to submit adequate testimony concerning this matter for all of the zones involved. If you decide to drop the idea of drilling the second well on the subject non-standard proration unit, please contact me.

We can decide at that time what requirements are needed to bring the existing well into compliance with the Division's Rules and Regulations.

Sincerely. in the

Michael E. stogner Chief Hearing Officer

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

**OIL CONSERVATION DIVISION** 

GARREY CARRUTHERS

POST OFFICE 80X 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: JULY 27, 1988

There has been some confusion about interpretation of the subject rule. In each paragraph of sections (a), (b) and (c) the rule states:

"Unless otherwise provided in special pool rules, each development well for a defined gas pool shall be located on a tract..."

My interpretation of this sentence is that each well is to be located on its own individual specified unit and an additional well is <u>not</u> authorized simply by meeting the set back requirements of the rule.

This interpretation is necessary to prevent waste from the drilling of unnecessary wells and to protect correlative rights of all parties in the pool. Since the prorated pools have special pool rules the subject rules have greater impact on unprorated gas. Unprorated does not mean unregulated. Allowables are not issued in unprorated pools and the only method available to protect correlative rights is the control of well density and locations. Added well density required because of special geological situations can be addressed by special pool rules after notice and hearing.

Applications for additional wells on existing proration units will be approved <u>only</u> on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

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April 11, 1989

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218 MONTEZUMA POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554

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OF EQUINSEL O MI CALHOUN MACK EASLEY UCE MI WOOD STEPHEN LI ELUIOTT CLARENCE E HINKLE (90)-985/ M. E. BONDURANT, JP (1913-1973) ROY C. SNODGRASS, JR (1914-987)

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Mr. Michael E. Stogner New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504

Re: Case No. 9342

Dear Mike:

Enclosed is an original and two copies of the Second Amended Application of the Petroleum Corporation of Delaware in the above matter. Please set this case for the next available examiner hearing, which I believe is May 10, 1989. Please call me if you have any questions.

Very truly yours,

JAMES BRUCE

JB:le Enclosures

LEWIS C COX	ALBERT _ PTTS	ATTORNEYS AT LAW	2800 CLAYCESTA NATIONAL BANK BUILDING
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STEVEN D. ARNOLO LAMES J. WECHSLEP NANCY S. CUSACK	WILLAM RIJCHNSON Karen M. Richardson/ Ellen S. Casek		POST OFFICE BOX IO
JEFFREY L FORNAC ARI JEFFREY D. HEWETT* JAMES BRUCE JERRY E SHACKELFORD*	LAMES C BROCHMANN - SUSAN L. NIESER* MARK A. WILSON* GREGORY S. WHEELER	April 5, 1988	ROSWELL, NEW MEXICO 88202 (505) 622-6510
JEFFREY W HELLBERG	ANDREW J CLOUT ER*		

OF COUNSEL O M CALHOUN MACK EASLEY STEPHEN _ ELLIOTT CLARENCE E. H NKLE (190-985) W. E. BONDUPANT, UR. (1913-1973) ROY C. SNODGRASS, UR. (1915-987)

NOT LICENSED N NEW MEX CO

Mr. Michael E. Stogner New Mexico Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87504-2088

> Re: Case No. 9342, Application of the Petroleum Corporation of Delaware for Simultaneous Dedication

Dear Mike:

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Enclosed is a copy of OCD Order No. R-7269 approving the dual completion of the Superior Federal Well No. 6, which you requested at the hearing.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

ĸ James Bruce

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JGB:jr Enclosure

STATE OF NEW MEXIC 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. 7568 Order No. R-7269

APPLICATION OF PETROLEUM CORP. OF DELAWARE FOR A DUAL COMPLETION, EDDY COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

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This cause came on for hearing at 9 o'clock a.m. on September 1, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>25th</u> day of April, 1983, 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, Petroleum Corp. of Delaware, seeks authority to complete its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn formation through the casing tubing annulus and gas from the Morrow formation through tubing with separation of the two zones to be achieved by means of a packer.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corp. of Delaware is hereby authorized to complete its Superior Federal Well No. 6

-2-CASE NO. 7568 Order No. R-7269

located in Unit N of Section 6, Township 20 South, Range 29 East, NMPM, East Burton Flat Field, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing with separation of the zones to be achieved by means of a packer set at an approximate depth of 10,710 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take a packer leakage test upon completion and annually thereafter during the Annual Shut-In Test Period for gas wells in Southeastern New Mexico.

(2) 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 QIL CONSERVATION DIVISION

JOE D. RAMEY

Director

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3131 Turtle Creek Blvd. • Suite 400. • Dailas Texas 75219-5415. • (214) 528-5898. • Facsimire (214) 528-2160

SUBSIDIARIES Peake Operating Crompany Presidio Energy, Inc. Presidio Exploration Inc. The Desana Corporation The Petroleum Corp. of Delaware

#### SUPERIOR FEDERAL WELL NO. 6 PRODUCTION ALLOCATION EAST BURTON FLAT ATOKA GAS

Prior to adding the perforations in May of 1987, the well was flow tested. The 33 days before the workover the Morrow perfs from 11,177'-11,314' tested an average of 482 MCFGPD. On May 7, 1987 three sets of perforations were added from 11,118'-11,122'; 11,006'-11,011' + 10,951'-10,956'. The perforated interval from 10,951'-10,956' is designated by the State as an Atoka interval. A copy of the Compensated Neutron-Formation Density log with perforated intervals is attached. The following is a tabular presentation of log interpretation in each perforated interval.

Perforated Interval	Net Feet of Pay (ft)	Average Porosity (%)	Net Cacl. Porosity-Feet	% Gas from Pay
10,951'-56'	6	6.2	0.372	41.15
11,006'-11'	8	3.5	0.280	30,97
11,118'-22'	6	4.2	0.252	27.88

#### 100.00

The total gross increase in production from the workover on May 7, 1987 was Using a weighted average of net porosity feet of pay to 62 MCFGPD. determine the percentage of the increased gas volume that came from the Atoka pay shows that 41.15% of the 62 MCFGPD increase came from the 10,951'-56' Atoka interval. This is a total volume of 25.5 MCFGPD from Atoka pay. The total volume from both Atoka and Morrow pay after the workover was an Therefore, the percentage of Atoka gas from the average of 544 MCFGPD. total stream of combined production is 25.5/544 = .0469 or approximately 4.7% of total daily production. The allocation of Atoka gas production is based on these calculations. The allocations of produced reserves is 4.7% of total production after the May, 1987 workover and future production will be allocated in the same manner. Total produced Atoka reserves is 19,677 MCFG + 65 BO through July of 1989; 4.7% of all future tubing side production will be allocated to the East Burton Flat Atoka Gas Pool.



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SUBSIDIARIES Peake Operating Company Presidio Energy Inc Presidio Exploration inc The Desana Corporation The Petroleum Corpliat De tware

#### SUPERIOR FEDERAL NO. 6 WORKOVER DETAIL

A graph of the 33 days production prior to the May 7, 1987 perforating is attached. The tests averaged 482 MCFGPD with a 530 psi flowing tubing pressure.

On May 7, 1987 perforations were added via a 1-11/16" through tubing perforating gun. The intervals 10,951'-56'; 11,006'-11' and 11,118'-22' were perforated with 2 shots per foot with no fluid cushion. At this time there was no stimulation performed and the well was returned to production immediately.

The well was flow tested for 32 days and averaged 544 MCFGPD from all perforations old and new. This was a 62 MCFGPD increase in production.

On June 9th the entire Morrow/Atoka interval was acidized. This included both the old and new perforations. The acid job consisted of 4250 gallons of 7-1/2% MS acid pumped with 500 SCF/bbl nitrogen and 122 RCN ball sealers spaced evenly throughout the job.

The zones were production tested for 35 days after acidizing and the zones produced an average of 630 MCFGPD.

# Presidio Oil Company

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SUBSIDIARIES Peake Operating Company Presidio Energy, Int. Presidio Exploration inc The Desana Corporation The Petroleum Corport Defaware

#### SUPERIOR FEDERAL NO. 6 GAS CHROMATOGRAPHIC TEST DATA

Obtained from El Paso Natural Gas Company's measurement department in El Paso, Texas. (Meter Station # 58-624-012)

#### Normal Mole %

2/28/87	9/1/87	2/16/89
0.67	0.59	0.73
0.0	0.0	0.0
0.40	0.56	0.38
91.01	91.29	91.01
5.01	4.87	4.97
1.71	1.58	1.67
0.28	0.29	0.28
0.40	0.35	0.38
0.15	0.15	0.15
0.12	0.09	0.11
0.25	0.23	0.32
0.626	0.622	0.627
o 1.296	1.296	1.296
1102	1095	1103
2.236	2.131	2.236
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