

KELLAHIN, KELLAHIN and AUBREY
Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Santa Fé, New Mexico 87504-2265

June 28, 1988

RECEIVED
JUN 8
OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Application of Meridian Oil Inc.
for Approval of a Non-Standard
Gas Proration and Spacing Unit
and Amendment to Aorder R-4208,
Eddy County, New Mexico

Case 9441


Dear Mr. LeMay:

On behalf of Meridian Oil Inc. please find enclosed our application to add the Atoka Formation to the previously approved Morrow Formation in the referenced non-standard proration and spacing order. We would appreciate it being set on the docket scheduled for July 20, 1988.

We suggest the following for an advertisement for the docket and newspaper.

Application of Meridian Oil Inc. for a 320-acre non-standard gas proration and spacing unit and to amend Division Order R-4208, Eddy County, New Mexico. Applicant in the above-styled cause seeks to include the Atoka formation for production from its Leonard State "COM" Well No. 1 in the 320 acre gas proration and spacing unit previously approved by Division Order R-4208 for Morrow production and consisting of the NW/4, NW/4NE/4, N/2SW/4, and SW/4SW/4 of Section 22, T17S, R29E, NMPM, Eddy County, New Mexico. Said location is approximately _____ miles from _____, New Mexico.

Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
June 28, 1988
Page 2

cc: Mr. Gene Carlson
Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

"Certified" Return-Receipt Requested

Marbob Energy Corporation
P. O. Drawer 217
Artesia, New Mexico 88210

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

JUN 28 1988

IN THE MATTER OF THE
APPLICATION OF MERIDIAN OIL INC.
FOR APPROVAL OF A NON-STANDARD
GAS PRORATION AND SPACING UNIT
AND AMENDMENT OF ORDER R-4208,
EDDY COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 9441

A P P L I C A T I O N

Comes now MERIDIAN OIL INC., by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for an Amendment to Order R-4208 to provide that the Atoka formation be substituted for the Morrow formation to allow for the dedication of the Atoka production to the subject previously approved non-standard proration and spacing unit containing 320 acres but consisting of the NW/4, N/2SW/4, SW/4SW/4 and NW/4NE/4 of Section 22 T17S, R29E, NMPM, Eddy County, New Mexico, and in support thereof would show:

1. Applicant is the operator of the Leonard State "COM" Well No. 1 located in the SW/4NW/4 of Section 22, T17S, R29E, NMPM, Eddy County, New Mexico.

2. That the subject non-standard proration and spacing unit was approved by the Division in Case 4600 by Order R-4208, copy attached as Exhibit "A".


3. Applicant proposes to plug back the subject well and complete it for production in the Atoka Formation as shown on Exhibit "B" and desires to dedicate the same non-standard 320 acre spacing and proration unit to the subject well as shown on the attached Exhibit "C".

4. The balance of Section 22 is operated by Marbob Energy Corporation, P. O. Drawer 217, Artesia, New Mexico 88210, and a copy of this application has been provided to Marbob as required by Division notice rules.

5. Applicant requests that this application be set for hearing at the Examiner's docket now scheduled for July 20, 1988.

WHEREFORE, after notice and hearing, the applicant requests that this application be granted.

Respectfully Submitted:

By 
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4600
Order No. R-4208

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR A NON-STANDARD
GAS PRORATION UNIT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of October, 1971, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, El Paso Natural Gas Company, seeks approval for a 320-acre non-standard gas proration unit comprising the NW/4, N/2 SW/4, SW/4 SW/4, and NW/4 NE/4 of Section 22, Township 17 South, Range 29 East, NMPM, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to its Leonard State "Com" Well No. 1 located in the SW/4 NW/4 of said Section 22.

(3) That the entire non-standard gas proration unit requested by the applicant may reasonably be presumed to be productive of gas from the Grayburg-Morrow Gas Pool and can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the 320-acre non-standard gas proration unit as requested by the applicant will afford the applicant the opportunity to produce its just and equitable share of the gas in the Grayburg-Morrow Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Grayburg-Morrow Gas Pool comprising the NW/4, N/2 SW/4, SW/4 SW/4, and NW/4 NE/4 of Section 22, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to the El Paso Natural Gas Company Leonard State "Com" Well No. 1 located in the SW/4 NW/4 of said Section 22.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

EXHIBIT "B"

Cora Carlson

B. Carlson

J. Carlson

Well file

Hunter Malson

Land

Bobby Day

Earlene Parker

Form C-101
Revised 1-1-65

| | | |
|------------------------|--|--|
| NO. OF COPIES RECEIVED | | |
| DISTRIBUTION | | |
| SANTA FE | | |
| FILE | | |
| U.S.G.S. | | |
| LAND OFFICE | | |
| OPERATOR | | |

NEW MEXICO OIL CONSERVATION COMMISSION

| | |
|---|------------------------------|
| 5A. Indicate Type of Lease | |
| STATE <input checked="" type="checkbox"/> | FEE <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. | |
| B-1266 | |

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"/> | | 8. Farm or Lease Name | |
| OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | Leonard State Com | |
| 2. Name of Operator | | 9. Well No. | |
| Meridian Oil Inc. | | 1 | |
| 3. Address of Operator | | 10. Field and Pool, or Wildcat | |
| 21 Desta Drive, Midland, Texas 79705 | | Grayburg (Atoka) | |
| 4. Location of Well | | 12. County | |
| UNIT LETTER E LOCATED 1980 FEET FROM THE North LINE | | Eddy | |
| AND 660 FEET FROM THE West LINE OF SEC. 22 TWP. 17S RGE. 29S NMPM | | | |
| 19. Proposed Depth | | 19A. Formation | |
| 10,360' | | Atoka | |
| 20. Rotary or C.T. | | -- | |
| 21. Elevations (Show whether DF, RT, etc.) | | 22. Approx. Date Work will start | |
| 3547.6' GL | | 6-13-88 Critical | |
| 21A. Kind & Status Plug. Bond | | 21B. Drilling Contractor | |
| | | | |
| 23. PROPOSED CASING AND CEMENT PROGRAM | | Date | |

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|-------------|
| 17 1/2" | 13 3/8" | 54.5# | 750' | 800 sx. | Circ. |
| 12 1/4" | 9 5/8" | 40# | 3400' | 1400 sx. | Circ. |
| 8 3/8" | 7" | Unknown | 11,060' | 600 sx. | TOC @ 5845' |

MIRUPU. Open & blow dwn tbq & csg. ND Wellhead. NU BOP (5000 psi). Test to \pm 5000#. POH w/ tbq (strap out). RU wireline truck. RU pack off. RIH w/gauge ring & junk basket to \pm 10,630'. POH. RIH w/CIBP & set @ \pm 10,630'. POH. RIH w/dump bailer & place 35' cmt on top of CIBP. POH. RD Wireline. RIH w/tbg openended to \pm 10,400'. Cir hole clean w/treated/filtered 2% KCl wtr. Close in BOP pipe rams & pressure test CIBP & csg to \pm 1000#. POH. RIH w/perf assembly on tbq while hydrostatic testing to 8500#. Load tbq w/minimum filtered wtr with additives for slowing detonating bar so to have maximum underbalance of \pm 4600#. Run GR-CCL to correlate position of radio active marker with respect to GR on open hole log. POH w/log tools. Space out tbq to place guns on depth. Set pkr w/ \pm 12,000# compression. Press test pkr by dropping a special sleeve to open the vent assembly while watching annulus. ND BOP. Press test tree valves with tbq tester. Install WH. Press test WH to \pm 5000# w/tbg tester. RD PU. Connect & stake flowline to pit. Drop detonating bar dwn tbq & perf Atoka @ 10,342-60' w/4"00 hollow steel carrier guns with premium charges @ 4 JSPF & spiral phasing. Flow to pit until cleaned up. SI. Connect to separator. -----OVER-----

4. 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 Cathy Hakes Title Operations Tech III Date 5/31/88

This space for State Use:

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Open & flow at a stable rate for minimum 2 days. RU slickline & RIH with tandem BHP tools. Obtain ± 2 hours of flowing BHP. SI for 72 hours. POH w/BHP tools. Run 4 pt test. SI well & await sales contract & allowable.

EXHIBIT "C"

NEW MEXICO
OIL CONSERVATION COMMISSION

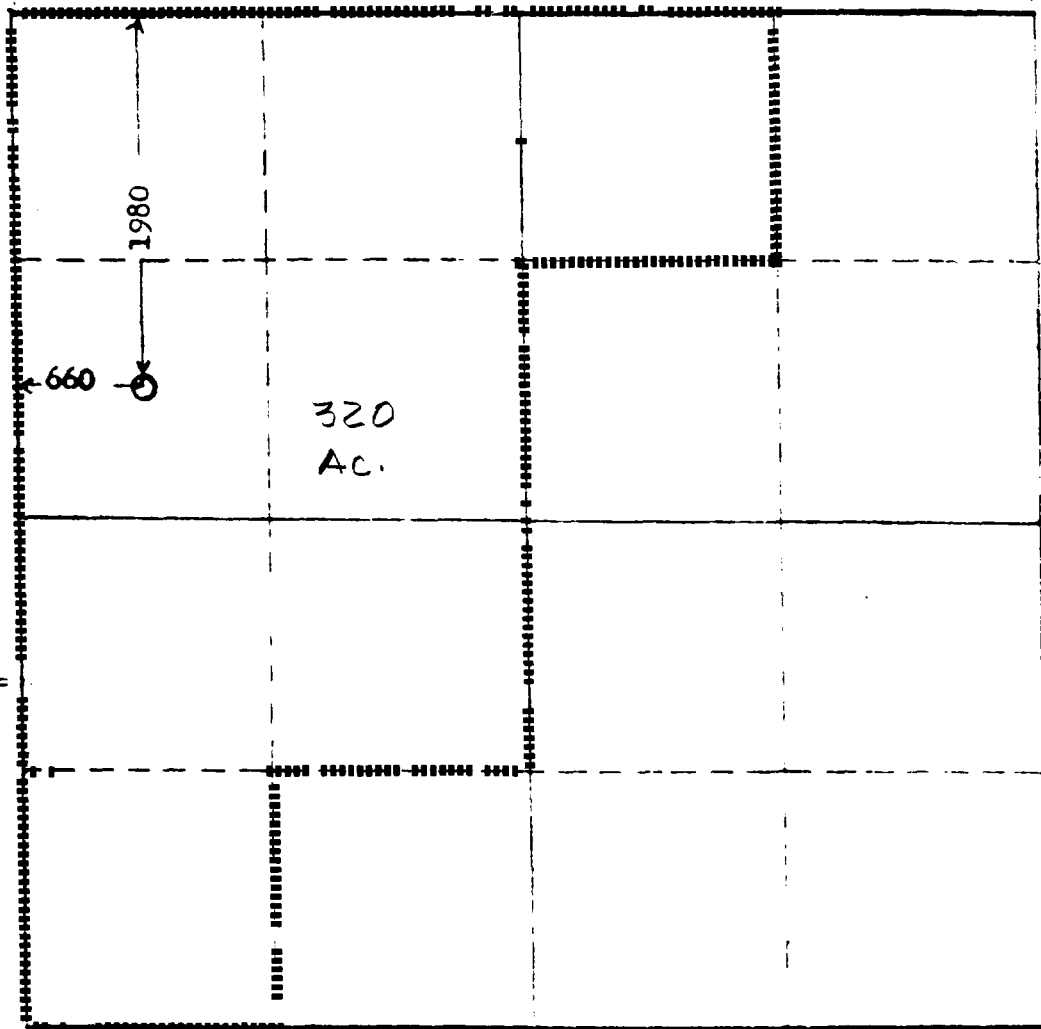
Form C-128

Well Location and/or Gas Proration Plat

Date 5 - 15 - 57Operator El Paso Natural Gas CompanyLease Leonard StateWell No. 1 Section 22 Township 17 South Range 29 East NMPMLocated 1980 Feet From North Line, 660 Feet From West Line,Eddy County, New Mexico. G. L. Elevation 3547.6

Name of Producing Formation _____ Pool _____ Dedicated Acreage _____

(Note: All distances must be from outer boundaries of Section)



SCALE: 1" = 1000'

NOTE

This section of
form is to be
used for gas
accreage only.

1. Is this Well a Dual Comp.? Yes No
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes No

Name _____
Position _____
Representing _____
Address _____

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 5 - 15 - 57

William J. Gorman
Registered Professional Engineer and/or