

CASE 4285: Application of SOUTH-  
WESTERN NATURAL FOR UNORTHODOX  
GAS WELL LOCATION, LEA COUNTY.

Case Number

4285

Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
December 17, 1969

EXAMINER HEARING

-----  
IN THE MATTER OF: )

Application of Southwestern )  
Natural Gas Inc., for an unorth- )  
odox gas well location, Lea )  
County, New Mexico. )  
-----

CASE NO. 4285

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Case No. 4285.

MR. HATCH: Case 4285. Application of Southwestern Natural Gas Inc., for an unorthodox gas well location, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant & Christy in Roswell, appearing on behalf of the Southwestern Natural Gas, Incorporated. We have one witness, and I believe, three exhibits.

(Whereupon, Exhibits 1 through 3  
were marked for identification.)

(Witness sworn.)

MONTY J. GIST,

called as a witness, having been first duly sworn, was  
examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, your residence, and by whom you're  
employed.

A I am Monty Gist. I live in Midland, Texas. I'm  
employed by Southwestern Natural Gas, Incorporated.

Q Are you a geologist by profession?

A Yes, sir.

Q Have you previously testified before the Oil  
Conservation Commission?

A I have.

Q And your qualifications as a geologist are a matter of record with the Commission?

A That is correct.

Q Are you familiar with the application of Southwestern Natural Gas in this case?

A Yes, sir; I am.

Q What is Southwestern seeking to accomplish by this application?

A Southwestern Natural Gas, Inc., seeks approval to drill a well in the North Osudo-Morrow Gas Pool at an unorthodox location 660 feet from the east line, 1980 feet from the south line of Section 19, Township 20 South, Range 36 East, in Lea County.

Q Have you prepared, or has there been prepared under your direction, certain exhibits for introduction in this case?

A Yes, sir.

Q Refer to Exhibit Number 1 and explain to the Commission what this is.

A Exhibit Number 1 is a lease ownership plat in the North Osudo area, emphasizing Section 19, which is Southwestern Natural Gas acreage. The relationship to that to the wells, the three Osudo, North Osudo gas wells being in Section 17, Section 20, and Section 30 of Township 20 South,

Range 36 East.

Q Now, you have colored or indicated in yellow here Section 19 and referred to that as the acreage of the Southwestern Natural Gas?

A That is correct.

Q The indication on the plat is that their other owners appear there. Is this a farmout arrangement?

A Yes. Southwestern Natural Gas obtained this acreage through a farmout.

Q And the acreage which is now in the North Osudomorrow Pool is a working interest unit, is it not?

A That is correct.

Q And this is part of that acreage arrangement?

A That is correct.

Q Now, refer to Exhibit Number 2 and explain what this shows.

A Exhibit Number 2 is a structural map on top of the Morrow plastic sand with the net sand isopach<sub>n</sub> superimposed on the map. Circled in red are the Morrow gas wells that are producing in the area. The symbols in the legend in the lower lefthand corner indicate wells producing from other formations in the vicinity.

Q Does this also show by the arrow your proposed unorthodox location?

A Yes, sir. It does in Section 18.

Q Now, from the isopach plat, which is superimposed over the structure, would that indicate that all of Section 19 is productive of gas?

A Yes, sir.

Q Are the other three wells, producing wells, in the North Osudo-Morrow Pool located at standard locations, or are they irregular nonstandard locations?

A No, sir. The three wells are unorthodox locations. The three wells that we have reference to here are all operated by Hayman. They are in Section 17, Section 20, and Section 30.

Q Do you know whether or not these wells have been accepted by orders of the Commission as unorthodox locations?

A Yes, sir. They have.

Q Does the plat Exhibit 2 indicate the exact location by the footage from the section lines?

A Yes, it does.

Q Do you have any further testimony with respect to this exhibit?

A No, sir.

Q Now, refer to Exhibit Number 3 and explain what this shows.

A Exhibit Number 3 is a stratographic cross-section, extending through the three Morrow producing wells in the North

Osudo field and starts with the Hayman Number 1, Amerada Federal at the left, which is the northernmost well. It extends south to the Hayman Number 1, State, Section 20. On down to the Hayman Number 1, Union State in Section 30.

Q There is an index plat in the southeast corner; is there not?

A Yes, sir.

Q That shows the cross section?

A The cross section also shows the, colored in yellow, the zones of gross sand in the Morrow. The arrow between the Hayman Number 1, State, and the Hayman in Section 20 and the Hayman Number 1, Union State in Section 30, is the approximate location of the proposed drill site.

Q This does show continuity of the Morrow formation producing formation throughout the area of the cross section?

A It shows continuity in some zones. There are other zones that lack continuity due to the stratified nature of the sand.

Q Do you have any further remarks with respect to this exhibit?

A No, sir.

Q In your opinion, if the Commission should approve this unorthodox location, would it tend to violate any correlative rights?



A No, sir.

MR. HINKLE: We would like to offer Exhibits 1 through 3.

MR. NUTTER: Applicant's Exhibits 1 through 3 will be admitted into evidence.

MR. HINKLE: That's all direct.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Gist, what is the standard location for a gas well in this pool?

A A standard location is 1865 from the nearest lease line, as I understand; is that correct?

MR. HINKLE: I believe it's 1650 from the section line.

Q (By Mr. Nutter) At least 1650, I believe, so, in other words, with respect to the south boundary of Section 19, the well is a standard location. The only way it's nonstandard is that it's too close to the eastern side; is that correct?

A That is correct.

Q And who is the offset owner to the immediate east?

A That is in the working unit, working interest unit that is owned by Hayman. The owners of this unit are Hayman, Pan American, Perry R. Bass.

Q I see. That entire Section 20 is dedicated to the

well that is located in the northwest quarter of Section 29?

A Yes, sir.

Q As a working interest unit?

A Yes, sir.

MR. HINKLE: Mr. Examiner, I overlooked something. He does have waivers from the offset operators, which I would like to make a part of the record at this time. You might indicate there and read into the record the way the persons or companies you have waivers from.

THE WITNESS: We have waivers from Amerada Division, Amerada-Hess Corporation, John L. Hammond, Gulf Oil Company, Lillian Hinkle Call, McAlister Fuel Company, Atlantic Richfield Company, Perry R. Bass, Texaco Company, Phillips Petroleum Company, Superior Oil Company, Humble Oil and Refining Company, Pan American Petroleum Corporation, and Shell Oil Company.

MR. HINKLE: Are those all of the offset operators?

A Yes, sir. They are.

MR. HINKLE: That's all.

Q (By Mr. Nutter) Well, then, Mr. Gist, I presume that these various operators and individuals that you have mentioned, then, are interest owners in the sections that have these producing wells on them; is this correct?

A That is correct.

Q Then, how many wells are currently completed in the

North Osudo-Morrow Gas Pool?

A There are three.

Q And how many of those three wells conform to the well location requirements of the pool rules?

A None of the three.

Q So you propose a fourth well and it wouldn't conform either?

A Right.

MR. NUTTER: Are there any further questions of Mr. Gist? You may be excused. Do you have anything further, Mr. Hinkle?

MR. HINKLE: That's all.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4285? We'll take the case under advisement and call Case 4277.

I N D E X

## WITNESS

## PAGE

## MONTY GIST

Direct Examination by Mr. Hinkle  
Cross Examination by Mr. Nutter

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7

E X H I B I T S

Applicant's Exhibits 1 through 3

2

STATE OF NEW MEXICO     )  
                                       )  
 COUNTY OF BERNALILLO    )

I, DAVID BINGHAM, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

David Bingham  
 COURT REPORTER

I do hereby certify that the foregoing is  
 a correct record of the proceedings in  
 the hearing of Case No. 4285,  
 held by me on 12/17, 1969.  
James H. [Signature], Examiner  
 New Mexico Oil Conservation Commission



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87801

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMUJO  
MEMBER

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

December 18, 1969

Mr. Clarence Hinkle  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: Case No. 4285  
Order No. R-3896  
Applicant:  
SOUTHWESTERN NATURAL GAS INC.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC       x      

Artesia OCC           

Aztec OCC           

Other                     Mr. Max Coll

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. 4285  
Order No. R-3896

APPLICATION OF SOUTHWESTERN NATURAL  
GAS, INC., FOR AN UNORTHODOX GAS WELL  
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on December 17, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of December, 1969, 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, Southwestern Natural Gas, Inc., seeks an exception to Rule 4 of the Special Rules and Regulations governing the North Osudo-Morrow Gas Pool as promulgated by Orders Nos. R-3305 and R-3305-A to drill its Osudo-State Unit Well No. 1 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line of Section 19, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the evidence indicates the entire subject section is productive of gas in the North Osudo-Morrow Gas Pool.

(4) That the entire subject section can be efficiently and economically drained and developed by the subject well.

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CASE No. 4285  
Order No. R-3896

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the North Osudo-Morrow Gas 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 otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southwestern Natural Gas, Inc., is hereby granted an exception to the well location requirements of Rule 4 of the Special Rules and Regulations governing the North Osudo-Morrow Gas Pool as promulgated by Orders Nos. R-3305 and R-3305-A and is hereby authorized to drill its Osudo-State Unit Well No. 1 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line of Section 19, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(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

  
DAVID F. CARGO, Chairman

  
ALEX J. ARMIJO, Member

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

  
esr/



- CASE 4280: Application of J. M. Huber Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Wolfcamp formation in the perforated interval from 10,358 feet to 10,419 feet in its Stoltz State Well No. 1 located in Unit M of Section 6, Township 15 South, Range 35 East, Morton-Wolfcamp Pool, Lea County, New Mexico.
- CASE 4281: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its SEMU Well No. 21 located in Unit O of Section 19, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from an undesignated Blinbry oil pool and gas from an undesignated Drinkard gas pool through parallel strings of tubing.
- CASE 4282: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the East E-K Unit Area by the injection of water into the upper Queen formation through two wells located in Units N and P of Section 22, Township 18 South, Range 34 East, East E-K Queen Pool, Lea County, New Mexico.
- CASE 4283: Application of Continental Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East E-K Unit Area comprising 400 acres, more or less, of state lands described as the NW/4, E/2 SW/4 and SE/4 of Section 22, Township 18 South, Range 34 East, East E-K Queen Pool, Lea County, New Mexico.
- CASE 4284: Application of Continental Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in its Springs SWD Wells Nos. 1 and 2, located in Unit F of Section 3 and Unit A of Section 4 respectively, Township 21 South, Range 25 East, Springs-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Disposal into Well No. 1 would be into the Bone Springs Wolfcamp and Upper Pennsylvanian formations in the openhole interval from 2700 feet to 8350 feet. Disposal into Well No. 2 would be into the Upper Pennsylvanian formation in the perforated interval from 8300 feet to 8400 feet.

CASE 4265: (Readvertised):

Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates, San Andres and other formations in the open-hole interval from approximately 4450 feet to 6067 feet in its Midway State Well No. 3 located in Unit J, Section 12, Township 17 South, Range 36 East, Lovington Field, Lea County, New Mexico.

CASE 4285: Application of Southwestern Natural Gas Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the North Osudo-Morrow Gas Pool to permit the drilling of a well at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line of Section 19, Township 20 South, Range 36 East, Lea County, New Mexico.

December 17, 1969 - Examiner Hearing

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Docket No. 34-69

CASE 4263: (Continued from the November 25, 1969 Examiner Hearing)

Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "E" Well No. 3, to be located 590 feet from the South line and 1590 feet from the West line of Section 13, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 4264: (Continued from the November 25, 1969, Examiner Hearing)

Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "J" Well No. 1, to be located 2390 feet from the South line and 2410 feet from the East line of Section 11, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 4278: Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Gissler B Wells Nos. 11 and 12, located, respectively, in Units J and I of Section 23, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits in the vicinity of said wells.

CASE 4279: Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Gissler B Well No. 4 located in Unit B of Section 8, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit in the vicinity of said well.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 17, 1969

9:30 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 4276: Application of Humble Oil & Refining Company for a special  
gas-oil ratio limitation, Lea County, New Mexico. Applicant,  
in the above-styled cause, seeks an exception to Rule 506 of  
the Commission Rules and Regulations to provide for a limiting  
gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in  
the Oil Center-Blinebry Pool, Lea County, New Mexico.

CASE 4277: Application of Pan American Petroleum Corporation for two un-  
orthodox gas well locations, Rio Arriba County, New Mexico.  
Applicant, in the above-styled cause, seeks approval of two  
unorthodox gas well locations in Township 26 North, Range 4  
West, Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico,  
as follows:

Jicarilla Apache 102 Well No. 15 located  
790 feet from the South line and 1190 feet  
from the East line of Section 9;

Jicarilla Apache 102 Well No. 16 located 1070  
feet from the South line and 1450 feet from  
the East line of Section 10.

CASE 3455: (Reopened) Continued from the November 5, 1969 Examiner  
Hearing

In the matter of Case No. 3455 being reopened pursuant to the  
provisions of Order No. R-2565-B, which order, among other  
things, established 320-acre spacing units for the West Puerto  
Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, for  
a period of three years. All interested parties may appear  
and show cause why said pool should not be developed on 40-acre  
spacing units.

CASE 4257: (Continued from the November 19, 1969 Regular Hearing)

Application of Sohio Petroleum Company for salt water disposal,  
Lea County, New Mexico. Applicant, in the above-styled cause,  
seeks authority to dispose of produced salt water into the  
San Andres formation in the open-hole interval from 4920 feet  
to 4995 feet in its Phillips Lea SWD Well No. 4 located in  
Unit M of Section 31, Township 17 South, Range 34 East, Vacuum  
Grayburg-San Andres Pool, Lea County, New Mexico.



western union

# Telegram

KA026 NSA120

(953)•

1969 DEC 4 AM 9 12

NS FWA107 HN PDB=FAX FORT WORTH TEX 4 947A CST:

=NEW MEXICO OIL CONSERVATION COMMISSION=

POST OFFICE BOX 871 SANTA FE NMEX:

=PAN AMERICAN PETROLEUM CORPORATION HEREBY WAIVES NOTICE  
OF HEARING ON MAX COLL AND SOUTHWESTERN NATURAL GAS  
COMPANY'S REQUEST FOR AN UNORTHODOX LOCATION FOR A  
MORROS GAS WELL, NORTH OSUDO-MORROW POOL, LEA COUNTY,  
NEW MEXICO. UNDERSTAND PROPOSED LOCATION IS 1980' FSL AND  
660' FEL, SECTION 19 T20S R36E, LEA COUNTY, NEW MEXICO=  
D L RAY DIVISION ENGINEER PAN AMERICAN PETROLEUM  
CORP FORT WORTH TEXAS=

DOCKET MAILED

Date 12-5-69

WU 1201 (R 5-00)



western union

# Telegram

KA090 NSC282

(300)

NS MDA071 NP PD=MIDLAND TEX 2 235P CST=

NEW MEXICO OIL CONSERVATION COMM. ATTN A L PORTER=

PO BOX 2083 SANTA FE NMEX=

1969 DEC 2 PM 2 22

REGARDING APPLICATION FOR UNORTHODOX GAS WELL LOCATION  
NORTH OSUDO FIELD LEA COUNTY NEW MEXICO BY SOUTHWESTERN  
NATURAL GAS INC.

9 DEAR SIR: SOUTHWESTERN NATURAL GAS INC.  
REQUEST A HEARING BEFORE THE COMMISSION IN SANTA FE NEW  
MEXICO ON OR BEFORE DECEMBER 17 1969 FOR THE PURPOSE  
OF OBTAINING APPROVAL TO DRILL A MORROW SAND TEST IN  
THE NORTHOSUDO FIELD AT AN UNORTHODOX LOCATION

DOCKET MAILED

Date 12/5/69

WU 1201 (R 5-00)



**Telegram**

PROPOSED DRILLSITE IS TO BE 660 FEET FEL AND 1980 FSL  
OF SECTION 19 T-20-S R-36-E LEA COUNTY NEW MEXICO  
YOURS VERY TRULY=

SOUTHWESTERN NATURAL GAS INC MONTY J GIST=

17 1969 660 1980 19 T-20-S R-36-E=





Telegram

NSB095 KA514

(455)。

K TUB216 SA PDB=FAX TULSA OKLA 3 449P CST 1969 DEC 3 PM 5 57  
SOUTHWESTERN NATURAL GAS CO=

900 BUILDING OF THE SOUTHWES MIDLAND TEX=

=MR MONTY GIST=

=AMERADA DIVISION AMERADA HESS CORPORATION AS OWNER OF A  
NONOPERATING INTEREST IN THREE WELLS IN THE NORTH OSUDO  
MORROW POOL WAIVES NOTICE OF HEARING AND OBJECTION TO  
THE DRILLING OF A WELL AT AN UNRTODOX LOCATION IN THIS  
POOL ON THE APPLICATION OF SOUTHWESTERN NATURAL GAS CO.  
LOCATION WAIVED IS 60' FEL AND 1980' FSL OF SEC 19-208-36E  
LEA COUNTY NEW MEXICO=

R L HOCKER=

WU 1201 (R 5-60)





# Telegram

==NSBO53 DC180

=(1234).

D TNA011 LB PDB=TN DALLAS TEX 3 1230P CST DEC 3 PM 12 46  
SOUTHWESTERN NATURAL GAS INC=ATTENTION: MR. MONTE GIST=  
900 BANK OF THE SOUTHWEST BLDG MIDLAND TEX=

REFERENCE YOUR APPLICATION TO DRILL A MORROW SAND TEST  
AT A LOCATION 660 FEET FEL AND 1980 FEET FSL SECTION  
19. TOWNSHIP 20 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW  
MEXICO. JAKE L. HAMON HEREBY GRANTS APPROVAL ON THE  
CONDITION THAT APPROVAL OF THIS LOCATION IS ALSO  
OBTAINED FROM PAN AMERICAN PETROLEUM=

JAKE L HAMON BY W T LAGRONE=

660 FEL 1980 FSL 19 20 36

WU 1201 (R 5-69)



# Telegram

==NSBO43 KA235

=(1053),

K RWAO20 BM PD=ROSWELL NMEX 3 1052A MST=  
SOUTHWESTERN NATURAL GAS INC ATTN MONTY GIST=  
900 BANK OF THE SOUTHWEST BLDG MIDLAND TEX=

GULF OIL COMPANY= U.S. HAS NO OBJECTION TO THE DRILLING  
OF A MORROW WELL LOCATED 1980 FEET FSL AND 660 FEET FEL  
SECTION 19-20S-36E, LEA COUNTY, NEW MEXICO. CONTINGENT  
UPON THE APPROVAL OF ALL WORKING INTEREST OWNERS IN THE  
NORTH WILSON UNIT=

GULF OIL COMPANY US M I TAYLOR=

=1980 FSL 660 FEL 19-20S-36E

WU 1201 (R 5-69)



# Telegram

=NSB045 KC109

(1006)

K RWA011 HO PDF=ROSWELL NMEX 2 1000A MST  
MONTY GIST= SOUTHWESTERN NATURAL GAS INC  
900 BANK OF THE SOUTHWEST BLDG MIDLAND TEX=

I APPROVE LOCATION 1980 FEET FROM THE SOUTH 660 FEET FROM  
THE WEST SECTION 19 TOWNSHIP 20 SOUTH RANGE 36 EAST LEA  
COUNTY NEW MEXICO FOR DRILLING A MORROW TEST=  
LILLIAN HINKLE COLL=

=1980 660 19 20 36=

WU 1201 (R 5-69)



# Telegram

=NSB106 SSJ340

(408).

NS MAA008 PDB=MAGNOLIA ARK 2 404P CST= 1969 DEC 2 PM 4 20  
MR MONTY GIST= MIDLAND TEX=  
SOUTHWEST NATURAL GAS CO=900 BANK OF THE SOUTHWEST

BLDG=

AS ADJACENT LEASEHOLD OWNER, MCALESTER FUEL CO HAS NO  
OBJECTION TO YOUR PROPOSED LOCATION 1980 FSL AND 660 FEL  
SECTION 19-20-36 LEA COUNTY NEW MEXICO=

MCALESTER FUEL CO=

M C JONES VICE PRESIDENT=

=1980 660 19-20-36

WU 1201 (R 5-69)

PERRY R. BASS  
2 FLOOR FT. WORTH NATL BANK BLDG.  
FORT WORTH, TEXAS  
76102



Southwest Natural Gas, Inc.  
900 Building of the Southwest  
Midland, Texas 79702

tn: Mr. Monty Gist



Telegram

(825)

NSB026 KB210

K RWA003 HO PDB=ROSWELL NMEX 2 823A MST=  
SOUTHWESTERN NATURAL GAS INC, ATTN MONTY GIST= 900 BLDG 2 AM 9 45  
900 BANK OF THE SOUTHWEST BLDG MIDLAND TEX=

ATLANTIC RICHFIELD CO WAIVES ITS RIGHTS OF OBJECTION TO  
YOUR NON STANDARD LOCATION FOR A MORROW TEST LOCATED 1980  
FEET FSL AND 660 FEET FEL SECTION 19 TOWNSHIP 20 SOUTH  
RANGE 36 EAST LEA COUNTY NEW MEXICO=

ATLANTIC RICHFIELD CO JACK BIARD==

1980 FSL 660 FEL 19 20 36=

WU 1201 (R 5-69)

PERRY R. BASS  
12th FLOOR FT. WORTH NATL BANK BLDG.  
FORT WORTH, TEXAS  
76102

December 1, 1969

Southwest Natural Gas, Inc.  
900 Building of the Southwest  
Midland, Texas 79702

Attention: Mr. Monty Gist

Re: Farmout Agreement  
Section 19, T-20-S, R-36-E  
Lea County, New Mexico

Gentlemen:

By this letter, we hereby approve of  
your location under the terms of the above Farmout  
Agreement being '1980' FSL and 660' FEL of Section 19.

Yours very truly,

PERRY R. BASS

  
W. P. Duncan, Jr.

/jdb



PETROLEUM PRODUCTS

P.O. Box 1270 Midland, Texas 79701 December 3, 1969  
230427 - State of New Mexico "DB"  
Lea County, New Mexico

Southwestern Natural Gas, Inc.  
900 Building of the Southwest  
Midland, Texas

Attention: Mr. Monty J. Gist

Gentlemen:

Your letter of December 2, 1969, requested waiver of objection to your proposed non-standard location being 660' FEL and 1980' FSL of Section 19, T-20-S, R-36-E, Lea County, New Mexico.

This letter will serve as your notice that Texaco has no objection to the above location, and you may consider this letter our waiver.

We trust that this waiver will now allow you to obtain approval to drill your well.

Yours very truly,

K. R. Good  
District Landman

KRG/jah



**PHILLIPS PETROLEUM COMPANY**

MIDLAND, TEXAS 79701  
BOX 791 PERMIAN BUILDING

EXPLORATION AND PRODUCTION DEPARTMENT

December 3, 1969

DEC 04 REC'D

Southwestern Natural Gas, Inc.  
900 Building of the Southwest  
Midland, Texas 79701

Attention: Mrs. Jan Groves


Re: G.F. 16337 - Farmout - Section  
19, T20S, R36E, Lea County,  
New Mexico

Gentlemen:

We understand the obligation well to be drilled under the terms of the farmout agreement dated June 27, 1969, covering the captioned tract, is located 660' FEL and 1980' FSL, Section 19, T20S, R36E.

This is to advise that Phillips Petroleum Company has no objection to such location.

Yours very truly,

  
E. M. Gorence  
District Landman

EMG:jhd

**THE SUPERIOR OIL COMPANY**

P.O. BOX 1800  
MIDLAND, TEXAS 79701

December 3, 1969

DEC 04 REC'D

Southwestern Natural Gas Inc.  
900 Building of the Southwest  
Midland, Texas 79701

Attn: Mr. Monty Gist

Gentlemen:

We are advised that you propose the drilling of a test well for oil or gas at a location 1980' FSL and 660' FEL of Section 19, T-20-S, R-36-E, Lea County, New Mexico.

As a leasehold owner in the area you are advised that we have no objection to your proposed location.

Yours very truly,

  
J. Stewart Martin  
District Geologist

JSM:gf

# HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS 79701  
December 2, 1969

PRODUCTION DEPARTMENT  
SOUTHWESTERN DIVISION  
E. C. BARFIELD  
OPERATIONS MANAGER

DEC 05 REC'D

POST OFFICE BOX 1800

Osado State Com #1  
Lea County, New Mexico

22-2

Southwestern Natural Gas, Inc.  
Bank of the Southwest Building  
Midland, Texas

Gentlemen:

Humble, as offset operator, waives any objections to the proposed location of your Osado State Com #1 660' FEL and 1980' FSL of Section 19, Township 20, R-36E, Lea County, New Mexico.

Yours very truly,

*E. C. Barfield*  
E. C. Barfield

EWP/aw



TELEGRAM

DECEMBER 4, 1969

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

MESSAGE:

PAN AMERICAN PETROLEUM CORPORATION HEREBY WAIVES NOTICE OF HEARING ON MAX  
COLL AND SOUTHWESTERN NATURAL GAS COMPANY'S REQUEST FOR AN UNORTHODOX LOCATION  
FOR A MORROW GAS WELL, NORTH OSUDO - MORROW POOL, LEA COUNTY, NEW MEXICO.  
UNDERSTAND PROPOSED LOCATION IS 1980' FSL & 660' FEL OF SECTION 19, T-20-S,  
R-36-E, LEA COUNTY, NEW MEXICO.

SIGNED:

D. L. RAY  
DIVISION ENGINEER  
PAN AMERICAN PETROLEUM CORPORATION  
FT. WORTH, TEXAS



# SHELL OIL COMPANY

PETROLEUM BUILDING

P.O. BOX 1509

MIDLAND, TEXAS 79701

December 10, 1969

DEC 11 1969

Southwestern Natural Gas Company  
900 Building of the Southwest  
Midland, Texas 79701

Attention Mr. Monty Gist

Gentlemen:

Shell Oil Company has no objection to your nonstandard location for an 11,500' test to be located at 1980 feet from the south line and 660 feet from the east line of Section 19, Township 20 South, Range 36 East, Lea County, New Mexico. This will confirm verbal concurrence of this location given by Mr. J. D. Duren.

Yours very truly,

J. L. Mahaffey, Manager  
Production Department - West  
Midland Division

JDD:lb

SOUTHWESTERN NATURAL GAS, INC.

900 BUILDING OF THE SOUTHWEST  
MIDLAND, TEXAS 79701

L. N. DUNNAVANT  
VICE PRESIDENT AND  
MANAGER OF OPERATIONS

Can 4285

December 4, 1969

Oil Conservation Commission  
State of New Mexico  
P. O. Box 2083  
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter

RE: Application for Unorthodox Gas Well Location  
North Osudo Field, Lea County, New Mexico by  
Southwestern Natural Gas, Inc.

Dear Sir:

Southwestern Natural Gas, Inc. requests a hearing before the Commission in Santa Fe, New Mexico, on or before December 17, 1969, for the purpose of obtaining approval to drill an 11,600' Morrow Sand test in the North Osudo Field at an unorthodox location.

Proposed drillsite is to be 660 feet from the east line and 1980 feet from the south line of Section 19, T-20-S, R-36-E, Lea County, New Mexico.

Yours very truly,

SOUTHWESTERN NATURAL GAS, INC.

*Monty J. Gist*

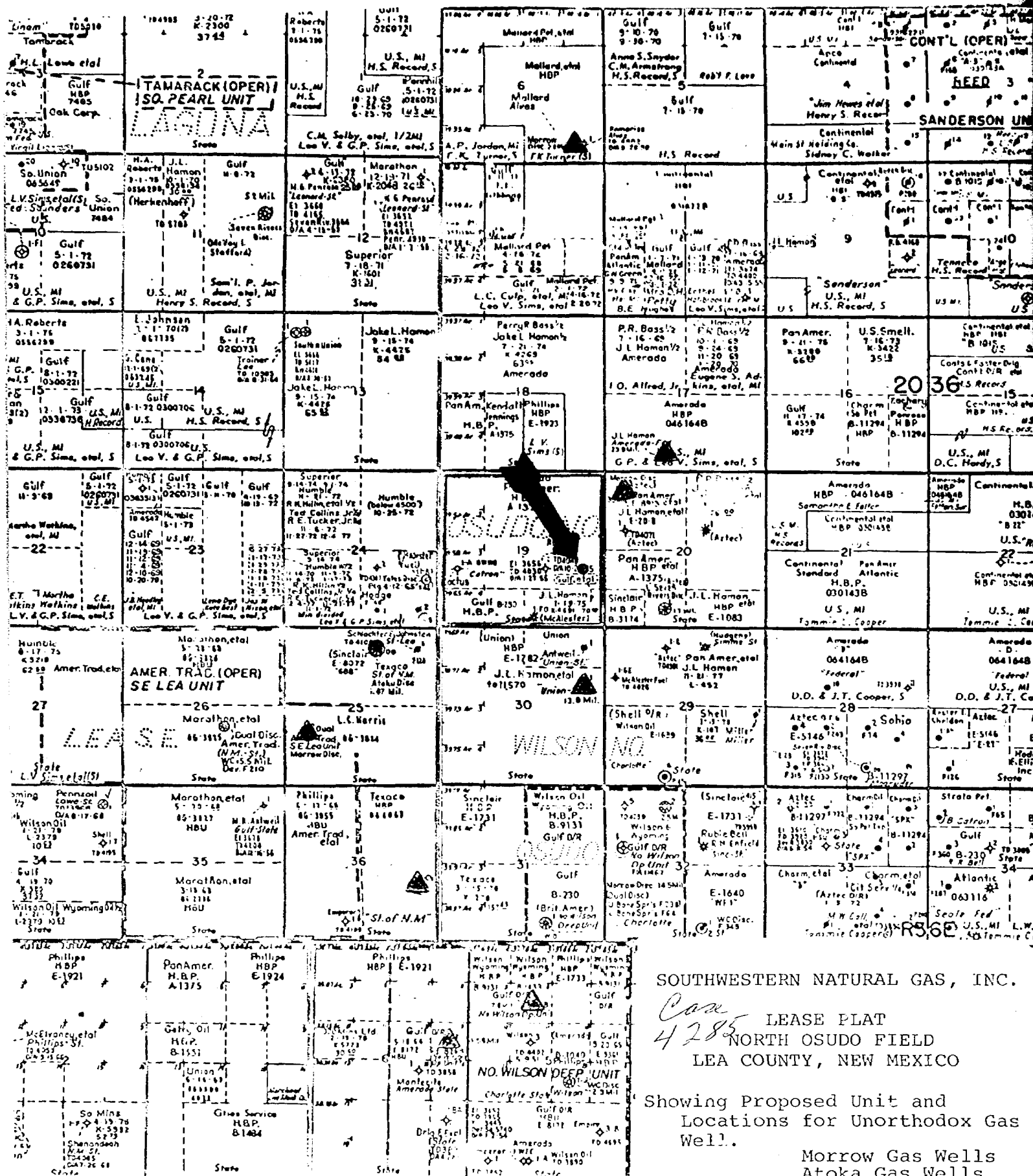
MONTY J. GIST  
Chief Geologist

MJG:jan

Enclosure: Lease Ownership Plat

DUCKET MAILED

Date 12-5-69



DRAFT

GMH/esr

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. 4285

Order No. R-3896

APPLICATION OF SOUTHWESTERN NATURAL  
GAS, INC., FOR AN UNORTHODOX GAS WELL  
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

9:30

This cause came on for hearing at 9 a.m. on December 17, 1969,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of Dec, 1969, 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, Southwestern Natural Gas, Inc.,  
seeks an exception to Rule 4 of the Special Rules and Regulations  
governing the North Osudo-Morrow Gas Pool as promulgated by Orders  
Nos. R-3305 and R-3305-A to drill its Osudo-State Unit Well  
No. 1 at an unorthodox gas well location 1980 feet from the  
South line and 660 feet from the East line of Section 19, Town-  
ship 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the evidence indicates the entire  
subject section is productive of gas in  
the North Osudo-Morrow Gas Pool.

(4) That the entire subject section can be  
efficiently and economically drained and  
developed by the subject well.

(514) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the North Osudo-Morrow Gas 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 otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southwestern Natural Gas, Inc., is hereby granted an exception to the well location requirements of Rule 4 of the Special Rules and Regulations governing the North Osudo-Morrow Gas Pool as promulgated by Orders Nos. R-3305 and R-3305-A and is hereby authorized to drill its ~~Osudo-Morrow Gas Pool~~ Well No. 1 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line of Section 19, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(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.

Southwestern Natural Gas Company

- Lea - NSL

1980 <sup>FSL</sup> ~~FAT~~ 660 FEL

- Sec. 19 T 20 R 36 -

CASE 4286: Application of GULF  
FOR AN EXCEPTION TO ORDER NO.  
R-3221, AS AMENDED, EDDY COUNTY.