

CASE 7269: ALPHA TWENTY-ONE PRODUCTION *in Co.*
COMPANY FOR AN UNORTHODOX GAS WELL LOCA-
TION AND A NON-STANDARD PRORATION UNIT,
LEA COUNTY NEW MEXICO

Case No.

7269

Application

Transcripts

Small Exhibits

ETC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7269
Order No. R-6711

APPLICATION OF ALPHA TWENTY-ONE
PRODUCTION COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION AND A NON-STANDARD
PRORATION UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1981, 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, Alpha Twenty-One Production Company,
seeks approval of a 120-acre non-standard proration unit com-
prising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township
21 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New
Mexico, to be dedicated to its Lansford Well No. 4 at an un-
orthodox location 810 feet from the South line and 1880 feet
from the East line of said Section 21.
- (3) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration
unit.
- (4) That no offset operator objected to either the pro-
posed unorthodox location or non-standard proration unit.

-2-

Case No. 7269

Order No. R-6711

(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 subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard proration unit comprising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, is hereby approved and dedicated to applicant's Lansford Well No. 4 at an unorthodox location, hereby approved, 810 feet from the South line and 1880 feet from the East line of said Section 21.

(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
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

td/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 June 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Alpha Twenty-One
Production Company for an unorthodox) CASE
gas well location and a nonstandard) 7269
proration unit, Lea County, New)
Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

WILLIAM P. AYCOCK

Direct Examination by Mr. Carr

Cross Examination by Mr. Stamets

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E X H I B I T S

Applicant Exhibit One, Map

Applicant Exhibit Two, Resume

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MR. STAMETS: Call next Case 7269.

MR. PADILJA: Application of Alpha
Twenty-One Production Company for an unorthodox gas well
location, and a nonstandard proration unit, Lea County, New
Mexico.

MR. CARR: May it please the Examiner,
my name is William F. Carr, with the law firm Campbell, Byrd,
and Black, P. A., Santa Fe, New Mexico, appearing on behalf
of the applicant.

I have one witness who needs to be
sworn.

(Witness sworn.)

WILLIAM F. AYCOCK

being called as a witness and being duly sworn upon his oath,
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q. Will you state your full name and place
of residence?

A. William P. Aycock, Midland, Texas.

Q. By whom are you employed and in what

1
2 capacity?

3 A. By Alpha Twenty-One Production Company
4 in connection with the application under Case 7269.

5 Q. Have you previously testified before
6 this Commission and had your credentials accepted and made a
7 matter of record?

8 A. Yes, I have.

9 Q. Are you familiar with the application
10 of Alpha Twenty-One Production Company in this case?

11 A. Yes, I am.

12 Q. Are you familiar with the acreage which
13 is the subject of the case?

14 A. Yes, I am.

15 Q. Were you previously qualified as a
16 petroleum engineer?

17 A. Yes, I have been.

18 MR. CARR: Are the witness' qualifica-
19 tions acceptable?

20 MR. STAMETS: They are.

21 Q. Mr. Aycock, will you briefly state what
22 Alpha Twenty-One seeks with this application?

23 A. Alpha Twenty-One, in connection with
24 the application published under Case 7269, seeks an unortho-
25 dox gas well location and nonstandard proration unit for a

1 120-acre nonstandard proration unit, comprising the east half
2 southwest quarter and southwest quarter southeast quarter of
3 Section 21, Township 21 South, Range 37 East, in Lea County,
4 New Mexico, in the Eumont Gas Pool; this acreage to be dedi-
5 cated to its Lansford Well No. 4 at an unorthodox location
6 810 feet from the south line and 1880 feet from the east line
7 of Section 21.

8 Q. Will you please briefly summarize the

9 events which have resulted in this hearing?

10 A. Alpha Twenty-One Production Company has
11 secured the entire 120-acre, the operating rights under the
12 entire 120-acre lease by a farm-in, and we came before the
13 Commission, I don't remember the case number, about a month
14 ago to request the similar type findings for their Lansford
15 No. 3 Well, which is completed in the Hare-San Andres Pool.

16 This well is a re-entry of the Nelson
17 Bunker Hunt-Mary Wantz No. 3 Well in an attempt to complete
18 it from the Eumont Gas Pool interval.

19 Q. Will you please refer to what has been
20 marked for identification as Alpha Twenty-One Exhibit Number

21 One and explain what it is and what it shows?

22 A. Exhibit Number One is a land map of the
23 area containing the lease and the immediately surrounding
24 area that is intended to show where the nearest wells, whether
25

1
2 currently active or not, are or were classified in the Eumont
3 Gas Pool, are located, and I'd call the Examiner's attention
4 to the fact that it is approximately one mile to one and a
5 half miles to the nearest well that has, is or has been active
6 in the Eumont Gas Pool from the proposed location.

7 Q And I believe you stated that Alpha
8 Twenty-One has all the ownership interest in the proposed
9 nonstandard proration unit.

10 A Yes, sir, they do, and the reason that
11 the --- recognizing that the pool rules for the Eumont Pool
12 specify 640-acre gas units rather than anything smaller,
13 Alpha Twenty-One requests the nonstandard proration unit
14 because it is unable to secure any more acreage than what it
15 has in this 120-acre lease.

16 Q And the well is at an unorthodox
17 location because of the nonstandard proration unit?

18 A Yes, sir. And because the proposed
19 economics do not appear to justify the drilling of a well
20 at a different location. In other words, there's a high
21 degree of risk associated with being able to establish Eumont
22 gas production from this lease, and being able to re-enter
23 the existing well gives an incentive to attempt to do that.
24 If one were to have to drill one, I think that they would not --
25 the venture would not be a business risk that would be ac-

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ceptable to the operator.

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Q Are there other nonstandard Eumont
4 proration units in this area?

5

A Yes, sir.

6

Q Will you please refer to what has been
7 marked for identification as Exhibit Number Two and review
8 this for Mr. Stamets?

9

A Exhibit Number Two is a resume of all
10 of the pertinent information for the nine nearest wells to
11 the proposed location. They're all indicated on the map and
12 they're all indicated here in what they were originally
13 completed in, what they're completed in now, and when they
14 were recompleted.

15

I think the Examiner will note that
16 many of them were originally in the Penrose-Skelly, the
17 Drinkard, or the Paddock and Wantz-Abo. Very few of them,
18 there's only one of them that was originally a -- well, two
19 of the wells listed were originally Eumont, while the rest
20 of them were plugged back to the Eumont later after they had
21 depleted the lower zones.

22

Q Mr. Aycock, in your opinion will granting
23 this application result in the production of hydrocarbons
24 that otherwise would not be recovered, thereby preventing
25 waste?

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A. Yes, sir, it will if it's successful in establishing production from the Eumont zones.

Q. Will granting this application be in the best interest of conservation and the protection of correlative rights?

A. I would adjudge that it would be, yes.

Q. Do you have anything further to add to your testimony?

A. Only that the original well was filed under the name, as the operator, Nelson Bunker Hunt, the Mary Wantz No. 3. The first report was May 21st, 1980. It was plugged and abandoned June 11th, 1980, at a total depth of 4250 feet, after testing the Lower Queen and/or San Andres on three different occasions with either indefinite or noncommercial indications.

Q. Were Exhibits One and Two prepared by you?

A. Prepared under my supervision.

Q. And can you testify as to their accuracy?

A. Yes, sir, I can.

MR. CARR: At this time, Mr. Stamets, we would offer Alpha Twenty-One Exhibits One and Two.

MR. STAMETS: These exhibits will be

1
2 admitted.

9

3
4 direct.

MR. CARR: I have nothing further on

5
6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q
9 Hunt well?

What was the original lease name of the

10 A.
11 Mary Wantz, W-A-N-T-Z.

12 Q
13 that there?

Okay, and the well number, do you have

14 A.
15 by Nelson Bunker Hunt.

It was originally Well NO. 3, as filed

16 Q
17 location will be a re-entry of that well?

18 A.
19 Yes, sir.

20 Q
21 Okay.

22 MR. STAMETS: Anything further in this
23 case?

24 A.
25 We have filed, the operator has filed,
Mr. Stamets, a C-101 with the proposed, the plugged depths
and what the proposal is by the operator to drill them out
and how the blowout preventers will be set up, et cetera.

Q.
Okay.

MR. STAMETS: The witness may be excused.

If there is nothing further, the case
will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7269, heard by me on 6-3-81.

Richard H. Stenut, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 June 1981.

EXAMINER HEARING

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proration unit, Lea County, New
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CASE
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BEFORE: Richard L. Stamets

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For the Applicant:

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WILLIAM P. AYCOCK

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Direct Examination by Mr. Carr

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Cross Examination by Mr. Stamets

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EXHIBITS

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Applicant Exhibit One, Map

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Applicant Exhibit Two, Resume

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25 MR. STAMETS: These exhibits will be

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2 admitted.

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6 CROSS EXAMINATION

7 BY MR. STAMETS:

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9 Hunt well?

10 A Mary Wantz, W-A-N-T-Z.

11 Q Okay, and the well number, do you have
12 that there?

13 A It was originally Well NO. 3, as filed
14 by Nelson Bunker Hunt.

15 Q Okay, so this well at the unorthodox
16 location will be a re-entry of that well?

17 A Yes, sir.

18 Q Okay.

19 MR. STAMETS: Anything further in this
20 case?

21 A We have filed, the operator has filed,
22 Mr. Stamets, a C-101 with the proposed, the plugged depths
23 and what the proposal is by the operator to drill them out
24 and how the blowout preventers will be set up, et cetera.

25 Q Okay.

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MR. STAMETS: The witness may be excused.

If there is nothing further, the case
will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Alpha 21 EXHIBIT NO. 2

CASE NO. 7369

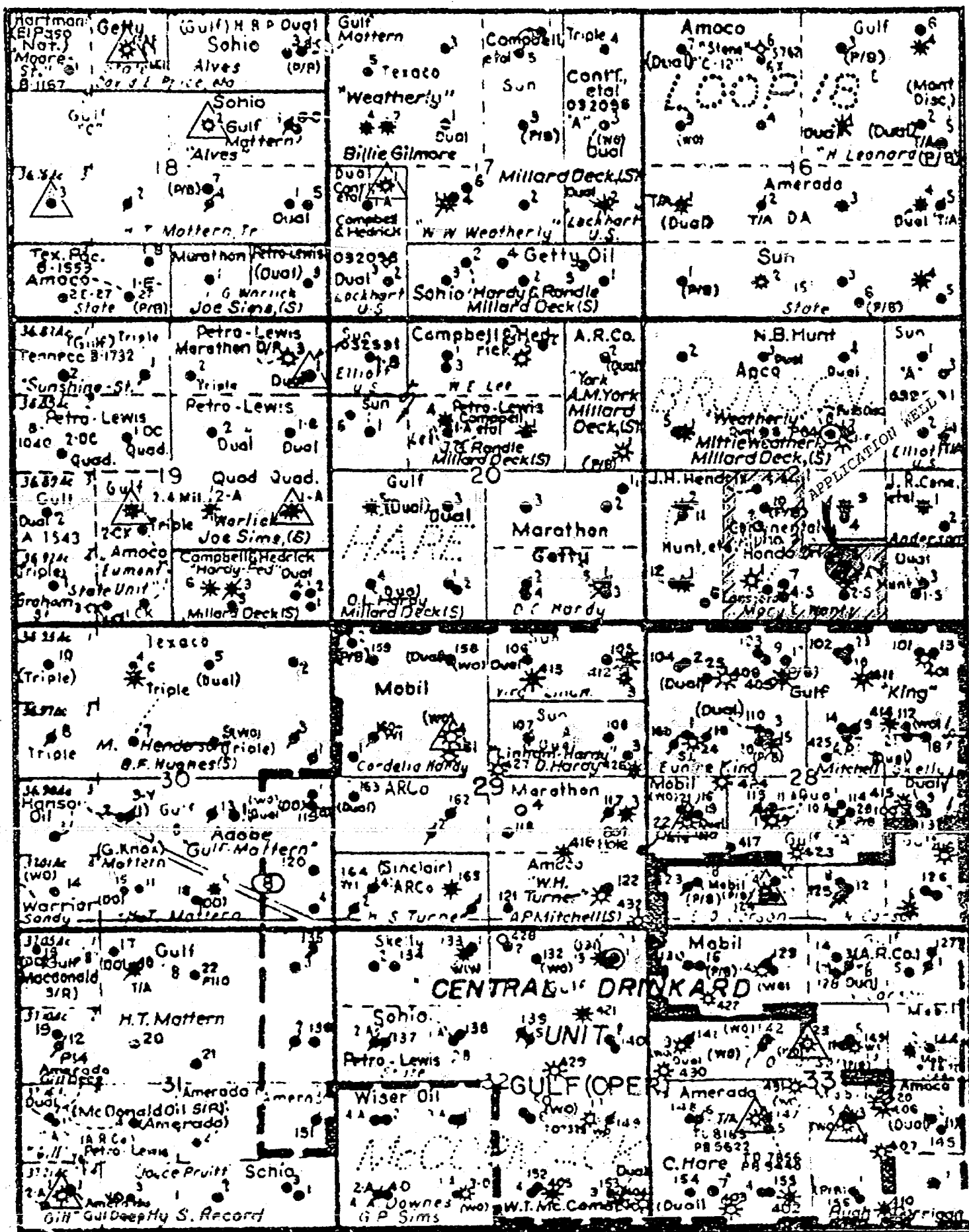
Submitted by Agard

Hearing Date June 3, 1981

SUMMARY OF INDIVIDUAL WELL INFORMATION FOR WELLS IN
THE VICINITY OF ALPHA 21 CORP.'S LANSFORD NO. 4
SECTION 21(0), T-25-S, R-37-E, 810' FSL & 1880' FEL
EUMONT (QUEEN) POOL - LEA COUNTY, NEW MEXICO

7215

	Mobil Oil Carson #4	Mobil Oil Carson #22	Mobil Oil Hardy #4	Amerada Hess ST "DA" Com #1	Campbell & Hendrick Lee #4	Conoco, Lock- hart A-17 Com AC/2 #2	Gulf Hardy #1	N. B. Hunt Weatherly #1	Texaco Weatherly #4
Location of Well	28(N)-21-37	28(L)-21-37	29(F)-21-37	16(L)-21-37	20(F)-21-37	17(I)-21-37	20(N)-21-37	21(E)-21-37	17(E)-21-37
Distance & Direction From Lansford #4	6000' SSW	5200' SW	7500' WSW	7000' NNW	7200' WNW	7500' NW	6600' W	3600' NW	11,000' NW
Original Spud Date	5-5-37	9-2-60	3-1-47	3-24-47	6-1-57	4- -47	8-8-37	12-12-38	1-3-59
Original Completion Date	7-9-37	9-26-60	4-22-47	5-5-47	6-19-57	6-12-47	6-4-38	1-04-39	1-12-59
Original Completion Zone	Penrose- Skelly	Paddock & Wantz Abo	Drinkard	Drinkard	Penrose- Skelly	Drinkard	Penrose- Skelly	Eumont	Eumont & Penrose(Oil)
Original Completion Interval	3627-3773	7059-7224 5175-5180	6585-6630	6565-6649	3700-3815 OH	6565-6629	3650-3810 OH	3502-3790 OH	3705-3792 P 3492-3528 E
Time of Completion to Eumont	11-20-72	12-23-75	7-11-74	9-19-61	7-31-57	4-9-59	8-25-60	1-04-39	1-12-59
Production of Completion	Gas Producer	Gas Producer	Gas Producer	Oil & Gas Dual Completion	Oil & Gas Dual Completion	Gas Producer	Gas Producer	Gas Producer	Oil & Gas Dual Completion
Original Completion Interval	3352-3589	3370-3578	3366-3620	3552-3594	3570-3590	Dual Comple. 3525-3565	2640-3536	3502-3790 OH	3492-3528
Time of First Prod. Eum. Gas	12-72	12-75	9-74	-	-	-	-	-	-
Relative Eumont Gas, MCF:									
1-1-81	277,399	1,000,991	357,184	373,452	1,214,446	13,877,449	93,232	1,590,750	245,332
3-1-81	282,008	1,008,708	366,418	373,452	1,214,446	13,877,449	93,232	1,590,750	245,332
				1-75 P&A Eumont 12-75 TA Drinkard	Last Prod. 5-80 Per NM Mo. Prod.	T&A 5-11-73 10-79 Compl. in Blinchry 5556-5948	9-24-75 Inten. To P&A in 1976	Not listed in monthly NM Prod. For 1980	Eumont Abandoned 4-10-75



- Queen Prod.

LAND MAP

T-21-S, R-37-E

Pool	EUMONT (Queen)	County	LEA	State	N. MEX.
Engineer	W. P. A.	Drwn. By	H's	Date	6-3-81
RADTKE, AYCOCK, & ASSOC., INC.				Ref. No.	EXHIBIT NO.
310 WALL TOWERS WEST				171	

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Alpha 21 EXHIBIT NO. 2

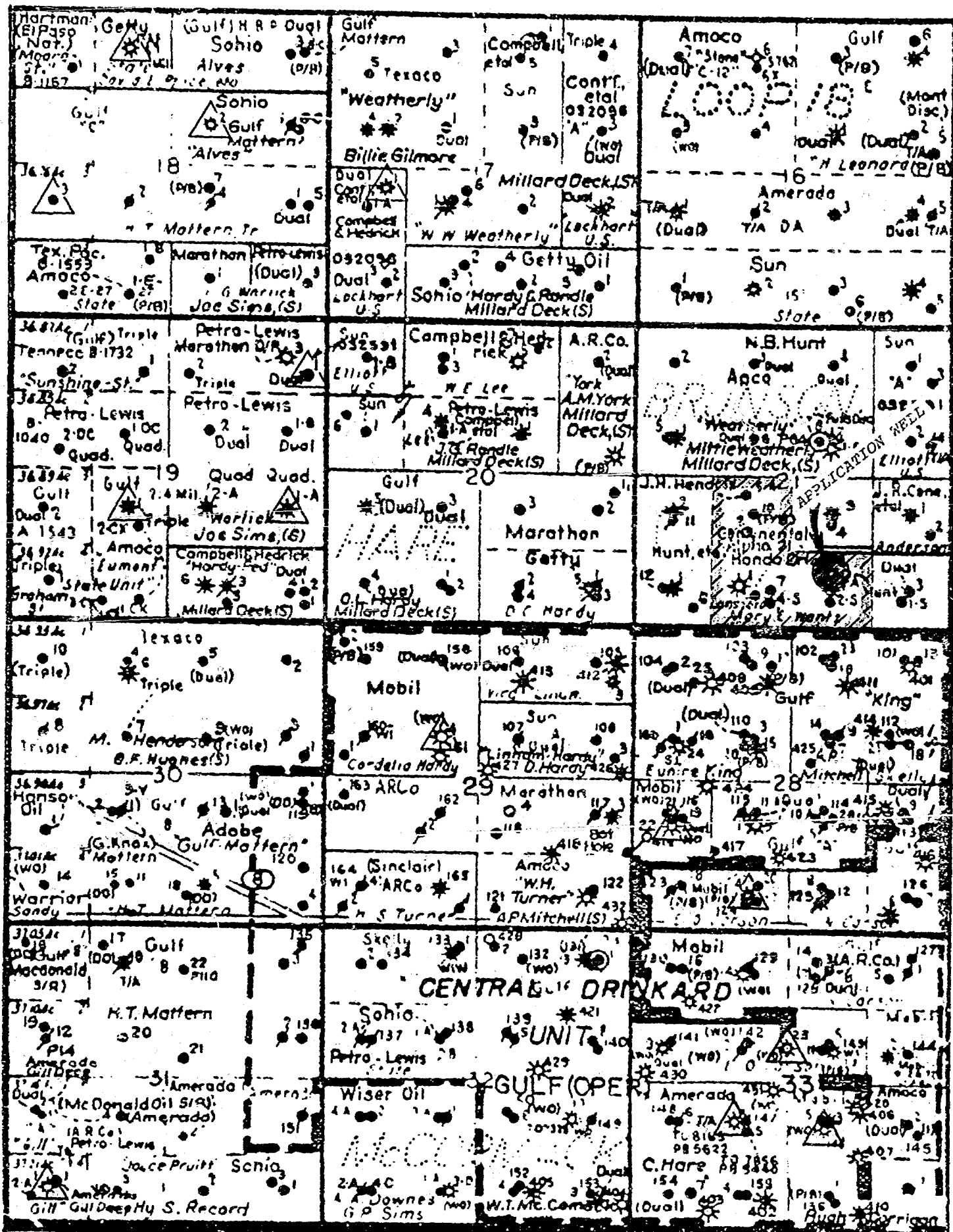
CASE NO. 7269


Submitted by Alpha

Hearing Date June 3, 1981

SUMMARY OF INDIVIDUAL WELL INFORMATION FOR WELLS IN
THE VICINITY OF ALPHA 21 CORP.'S LANSFORD NO. 4
SECTION 21(O), T-25-S, R-37-E, 810' FSL & 1880' FEL
EUMONT (QUEEN) POOL - LEA COUNTY, NEW MEXICO

	Mobil Oil Carson #4	Mobil Oil Carson #22	Mobil Oil Hardy #4	Amerada Hess ST "DA" Com #1	Campbell & Hendrick Lee #4	Conoco, Lock- hart A-17 Com AC/2 #2	Gulf Hardy #1	N. B. Hunt Weatherly #1	Texaco Weatherly #4
Location of Well	28(N)-21-37	28(L)-21-37	29(F)-21-37	16(L)-21-37	20(F)-21-37	17(I)-21-37	20(N)-21-37	21(E)-21-37	17(E)-21-37
Size & Direction From Lansford #4	6000' SSW	5200' SW	7500' WSW	7000' NNW	7200' WNW	7500' NW	6600' W	3600' NW	11,000' NW
Initial Spud Date	5-5-37	9-2-60	3-1-47	3-24-47	6-1-57	4- -47	8-8-37	12-12-38	1-3-59
Initial Completion Date	7-9-37	9-26-60	4-22-47	5-5-47	6-19-57	6-12-47	6-4-38	1-04-39	1-12-59
Initial Completion Zone	Penrose- Skelly	Paddock & Wantz Abo	Drinkard	Drinkard	Penrose- Skelly	Drinkard	Penrose- Skelly	Eumont	Eumont & Penrose(Oil)
Initial Completion Interval	3627-3773	7059-7224 5175-5180	6585-6630	6565-6649	3700-3815 OH	6565-6629	3650-3810 OH	3502-3790 OH	3705-3792 P 3492-3528 E
Initial Completion to Eumont	11-20-72	12-23-75	7-11-74	9-19-61	7-31-57	4-9-59	8-25-60	1-04-39	1-12-59
Initial Completion of Completion	Gas Producer	Gas Producer	Gas Producer	Oil & Gas Dual Completion	Oil & Gas Dual Completion	Gas Producer	Gas Producer	Gas Producer	Oil & Gas Dual Completion
Initial Completion Interval	3352-3589	3370-3578	3366-3620	3552-3594	3570-3590	Dual Comple. 3525-3565	2640-3536	3502-3790 OH	3492-3528
Initial First Prod. Eum. Gas	12-72	12-75	9-74	-	-	-	-	-	-
Initial Cumulative Eumont Gas, MCF:									
-1-81	277,399	1,000,991	357,184	373,452	1,214,446	13,877,449	93,232	1,590,750	245,332
-1-81	282,008	1,008,708	366,418	373,452	1,214,446	13,877,449	93,232	1,590,750	245,332
				1-75 P&A Eumont 12-75 TA Drinkard	Last Prod. 5-80 Per NM Mo. Prod.	T&A 5-11-73 10-79 Compl. in Blinbry 5556-5948	9-24-75 Inten. To P&A in 1976	Not listed in monthly NM Prod. For 1980	Eumont Abandoned 4-10-75



 - Queen Prod.		LAND MAP			
		T-21-S, R-37-E			
Pool EUMONT (Queen)		County LEA		State N. MEX.	
Engineer W. P. A.		Drwn. By H's	Date 6-3-81	File ALPHA 21 CORP.	
RADTKE, AYCOCK, & ASSOC., INC.				Ref No.	EXHIBIT NO.
310 WALL TOWERS WEST				171	
MIDLAND, TEXAS					

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

ALPHA 21 EXHIBIT D. 2

CASE NO. 7269

Submitted by Albarr

Hearing Date June 3, 1981

SUMMARY OF INDIVIDUAL WELL INFORMATION FOR WELLS IN

THE VICINITY OF ALPHA 21 CORP.'S LANSFORD NO. 4

SECTION 21(0), T-25-S, R-37-E, 810' FSL & 1880' FEL
EUMONT (QUEEN) POOL - LEA COUNTY, NEW MEXICO

	Mobil Oil Carson #4	Mobil Oil Carson #22	Mobil Oil Hardy #4	Amerada Hess ST "DA" Com #1	Campbell & Hendrick Lee #4	Conoco, Lock- hart A-17 Com AC/2 #2	Gulf Hardy #1	N. B. Hunt Weatherly #1	Texaco Weatherly #4
Location of Well	28(N)-21-37	28(L)-21-37	29(F)-21-37	16(L)-21-37	20(F)-21-37	17(I)-21-37	20(N)-21-37	21(E)-21-37	17(E)-21-37
Location & Direction From Lansford #4	6000' SSW	5200' SW	7500' WSW	7000' NNW	7200' WNW	7500' NW	6600' W	3600' NW	11,000' NW
Initial Spud Date	5-5-37	9-2-60	3-1-47	3-24-47	6-1-57	4- -47	8-8-37	12-12-38	1-3-59
Initial Completion Date	7-9-37	9-26-60	4-22-47	5-5-47	6-19-57	6-12-47	6-4-38	1-04-39	1-12-59
Initial Completion Zone	Penrose- Skelly	Paddock & Wantz Abo	Drinkard	Drinkard	Penrose- Skelly	Drinkard	Penrose- Skelly	Eumont	Eumont & Penrose(Oil)
Initial Completion Interval	3627-3773	7059-7224 5175-5180	6585-6630	6565-6649	3700-3815 OH	6565-6629	3650-3810 OH	3502-3790 OH	3705-3792 P 3492-3528 E
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Location of Completion	Gas Producer	Gas Producer	Gas Producer	Oil & Gas Dual Completion	Oil & Gas Dual Completion	Gas Producer	Gas Producer	Gas Producer	Oil & Gas Dual Completion
Initial Completion Interval	3352-3589	3370-3578	3366-3620	3552-3594	3570-3590	Dual Comple. 3525-3565	2640-3536	3502-3790 OH	3492-3528
Initial First Prod. Eum. Gas	12-72	12-75	9-74	-	-	-	-	-	-
Initial Eumont Gas, MCF:									
1-81	277,399	1,000,991	357,184	373,452	1,214,446	13,877,449	93,232	1,590,750	245,332
1-81	282,008	1,008,708	366,418	373,452	1,214,446	13,877,449	93,232	1,590,750	245,332
				1-75 P&A Eumont 12-75 TA Drinkard	Last Prod. 5-80 Per NM Mo. Prod.	T&A 5-11-73 10-79 Compl. in Blinbry 5556-5948	9-24-75 Inten. To P&A in 1976	Not listed in monthly NM Prod. For 1980	Eumont Abandoned 4-10-75

Docket No. 17-81

Dockets Nos. 19-81 and 20-81 are tentatively set for June 17 and July 2, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 3, 1981

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 7261: Application of Robert N. Enfield for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pecos River Bluff Unit Area, comprising 4789 acres, more or less, of State and Federal lands in Township 13 South, Range 27 East.

CASE 7262: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Berry State Unit Area, comprising 2,228 acres, more or less, of State lands in Township 21 South, Ranges 33 and 34 East.

CASE 7263: Application of Yates Petroleum Corporation for amendment of Order No. R-5527, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5527, which approved an unorthodox Morrow location, to permit the recompletion of its Blevins "IK" Well No. 1 in Unit D of Section 35, Township 17 South, Range 26 East, as an unorthodox gas well location in all Wolfcamp and Pennsylvanian formations.

CASE 7238: (Continued from May 6, 1981, Examiner Hearing)

Application of Holly Energy, Inc. for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 509 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.

CASE 7217: (Continued and Readvertised)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its Travis Ohio State Com Well No. 1 to be drilled 760 feet from the South line and 660 feet from the West line of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7251: (Continued from May 6, 1981, Examiner Hearing)

Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7264: Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Entrada formation at a depth of 5200 feet to 5350 feet in its Federal "E" Well No. 2 in Unit H of Section 28, Township 19 North, Range 5 West.

CASE 7265: Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2310 feet from the North line and 990 feet from the West line of Section 13, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 13 to be dedicated to the well.

CASE 7266: Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North line and 1650 feet from the East line of Section 14, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 14 to be dedicated to the well.

CASE 7237: (Continued and Readvertised)

Application of Conoco Inc. for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "F-1" Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Blinebry Pool and commingled Hardy-Drinkard and undesignated Tubb production.

CASE 7267: Application of Conoco Inc. for a dual completion and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SENU Burger Well No. 107 to produce oil from the Skaggs-Grayburg and an undesignated Paddock Pool at an unorthodox location 2615 feet from the South and East lines of Section 19, Township 20 South, Range 38 East.

CASE 7268: Application of Conoco Inc. for pool extension and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the upward extension of the vertical limits of the Skaggs-Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13, the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range 38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by deletion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Township 20 South, Range 38 East.

CASE 7248: (Continued from May 6, 1981, Examiner Hearing)

Application of Inesco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.

CASE 7269: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Eumont Gas Pool, to be dedicated to its Lansford Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from the East line of said Section 21.

CASE 7270: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7250: (Continued from May 6, 1981, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7271: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Drinkard formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7086: (Continued from May 20, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2209
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 14, 1981

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7269

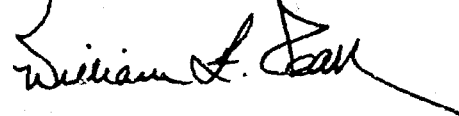
Re: Application of Alpha Twenty-One Production Company for an
Unorthodox Gas Well Location and a Non-Standard Proration
Unit, Lea County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the application of Alpha Twenty-One
Production Company in the above-referenced matter.

The applicant requests that this matter be included on the docket
for the examiner hearing scheduled to be held on June 3, 1981.

Very truly yours,



William F. Carr

WFC:lr

Enclosures

cc: Tommy Phipps
W.P. Aycock

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF ALPHA TWENTY-ONE PRODUCTION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND A NON-STANDARD
PRORATION UNIT, LEA COUNTY,
NEW MEXICO.

Case 7269

APPLICATION

Comes now, ALPHA TWENTY-ONE PRODUCTION COMPANY, by its undersigned attorneys, and hereby applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location and a non-standard gas proration unit, Lea County, New Mexico and in support of its application states:

1. Applicant owns or has obtained by voluntary agreement or farmout all working interest in and under the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicants Lansford No. 4 Well (previously the N.B. Hunt, Mary Wantz No. 3 Well) was drilled at a point 810 feet from the South line and 1880 feet from the East line of said Section 21 as a Eumont gas well but was abandoned without completion on June 11, 1980.
3. Applicant proposes to complete the Lansford No. 4 Well in the Eumont formation.
4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104-B-I(a) for said Lansford No. 4 Well.

5. Applicant further seeks authority to dedicate to said Lansford No. 4 Well a 120 acre non-standard proration unit to be comprised of the E/2 SW/4 and the SW/4 SE/4 of said Section 21.

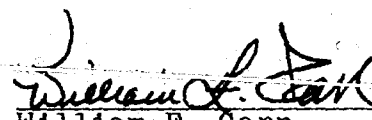
6. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Eumont formation and will protect correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before one of the Division's duly appointed examiners on June 3, 1981, and, that after notice and hearing as required by law, the Division enter its Order approving the application.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, NM 87501
Telephone: (505) 988-4421

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF ALPHA TWENTY-ONE PRODUCTION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND A NON-STANDARD
PRORATION UNIT, LEA COUNTY,
NEW MEXICO.

Case 7269

APPLICATION

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5. Applicant further seeks authority to dedicate to said Lansford No. 4 Well a 120 acre non-standard proration unit to be comprised of the E/2 SW/4 and the SW/4 SE/4 of said Section 21.

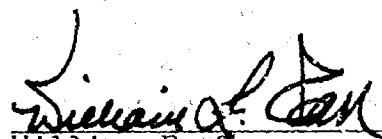
6. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Eumont formation and will protect correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before one of the Division's duly appointed examiners on June 3, 1981, and, that after notice and hearing as required by law, the Division enter its Order approving the application.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, NM 87501
Telephone: (505) 968-4421

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF ALPHA TWENTY-ONE PRODUCTION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND A NON-STANDARD
PRORATION UNIT, LEA COUNTY,
NEW MEXICO.

Case 7269

APPLICATION

Comes now, ALPHA TWENTY-ONE PRODUCTION COMPANY, by its undersigned attorneys, and hereby applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location and a non-standard gas proration unit, Lea County, New Mexico and in support of its application states:

1. Applicant owns or has obtained by voluntary agreement or farmout all working interest in and under the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicants Lansford No. 4 Well (previously the N.B. Hunt, Mary Wantz No. 3 Well) was drilled at a point 810 feet from the South line and 1880 feet from the East line of said Section 21 as a Eumont gas well but was abandoned without completion on June 11, 1980.
3. Applicant proposes to complete the Lansford No. 4 Well in the Eumont formation.
4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104-B-I(a) for said Lansford No. 4 Well.

5. Applicant further seeks authority to dedicate to said Lansford No. 4 Well a 120 acre non-standard proration unit to be comprised of the E/2 SW/4 and the SW/4 SE/4 of said Section 21.

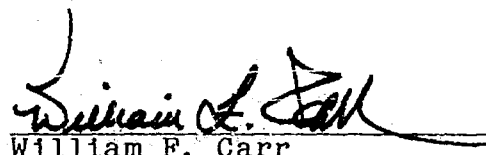
6. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Eumont formation and will protect correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before one of the Division's duly appointed examiners on June 3, 1981, and, that after notice and hearing as required by law, the Division enter its Order approving the application.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, NM 87501
Telephone: (505) 988-4421

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7269

ORDER NO. R- 6711

APPLICATION OF ALPHA TWENTY-ONE PRODUCTION COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION, AND A NON-STANDARD PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of June, 1981, 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, Alpha Twenty-One Production Company, a 120-acre non-standard proration unit comprising the seeks approval of an unorthodox gas well location E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM, 810 feet from the line and 1880 feet from the Eumont Gas Pool, to be dedicated to its Lansford Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from the East line of said Section 21, Lea County, New Mexico,

(3) That the said section is to be dedicated to the well.

(3)(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(4)(5) That no offset operator objected to the proposed unorthodox location or non standard proration unit.

-2-

Case No. _____
Order No. R- _____

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

IT IS THEREFORE ORDERED:

hereby approved
(1) That ~~an unorthodox gas well location for the~~ a 120-acre non-standard proration unit comprising the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM, ~~Enment~~ *Gas Pool,* ~~formation is hereby approved for a well to be located at a point~~ Lea County, New Mexico, is hereby approved and dedicated to applicant's ~~Lansford~~ *feet from the* ~~line and~~ *feet from the* Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from ~~line of Section~~ *line of Section* ~~Township~~ *Township* ~~Range~~ *Range* the East line of said Section 21. ~~NMPM,~~ *NMPM,* ~~Pool,~~ *Pool,* ~~County,~~ *County,* ~~New Mexico.~~ *New Mexico.*

(2) That the of said Section 21 shall be dedicated to the above-described well.

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

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