

CASE 7381: H. L. BROWN, JR. FOR AN
UNORTHODOX GAS WELL LOCATION, ROOSEVELT
COUNTY, NEW MEXICO

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DOCKET MAILED

Date 10/9/81

CASE NO.

7381

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of H. L. Brown, Jr.
for an unorthodox gas well loca-
tion, Roosevelt County, New Mexico.

CASE
7381

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

CLEM GEORGE

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Direct Examination by ME. Kellahin

E X H I B I T S

Applicant Exhibit One, Map

Applicant Exhibit Two, Production History

Applicant Exhibit Three, Cross Section

MR. STAMETS: We will call Case 7381.

MR. PEARCE: Application of H. L. Brown, Jr., for an unorthodox gas well location, Roosevelt County, New Mexico.

MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

CLEM GEORGE

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. George, would you please state your name and occupation?

A I'm Clem George. I'm a geologist, Midland, Texas.

Q Mr. George, have you previously testified before the Oil Conservation Division and had your qualifications as a geologist accepted and made a matter of record?

A Yes, I have.

1

4

2

Q

And what's your relationship with the applicant, H. L. Brown, Junior?

3

4

A

Well, I'm a partner in this entire area. It was my geology that the original discovery well was drilled in 1959. I've watched all the wells since the inception.

5

6

7

MR. KELLAHIN: We tender Mr. George as an expert geologist.

8

9

MR. STAMETS: He's considered qualified.

10

Q

Mr. George, let me direct your attention to what we've marked as Applicant Exhibit One, and have you identify that exhibit for us.

11

12

13

A

This is a structure contour map on the top of the Wolfcamp pay at approximately 8000 feet.

14

15

Q

You're seeking an unorthodox location, are you, Mr. George?

16

17

A

Yes.

18

Q

Where is the proration unit for that location?

19

20

A

It would be the east half of Section 34, Township 7 South, Range 37 East.

21

22

Q

And where is the location?

23

A

We propose 330 from the south and 2310 feet from the east line.

24

25

Q

What is the name of this pool?

1

2

A. The Bluitt Wolfcamp.

3

Q Does the Bluitt Wolfcamp have any

4

special pool rules with regards to well locations?

5

A. Yes, they are supposed to be 990 feet

6

from the proration unit line.

7

Q Okay, from either the side or the end

8

lines of the proration unit has to be 990 feet?

9

A. Yes, that's correct.

10

Q All right, sir. Why have you sought to

11

obtain an unorthodox location for this well?

12

A. Well, we feel at this time that we want

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to drill the safest location and to drain the particular

14

tract. At the present time the deepest sub-sea that we know

15

that gas is productive is in our No. 1-F Well in Section 3.

16

That well produces gas at -3998.

17

A well in Section 11, the General Ex-

18

ploration Kirkpatrick, attempted to complete in the Wolfcamp

19

zone at a -4035. This well produced only a very small amount

20

of gas, 4 barrels of oil, and 10 barrels of water. It actually

21

was produced in excess of 30 days or more on a pump, and this

22

was after fracturing the well.

23

So therefor, we really don't know pre-

24

cisely where the water table is in the field and we know that

25

it goes out somewhere between -3998 and -4035.

1
2 And from our 1-G Well, which is performing
3 quite well, producing about 900,000 cubic feet of gas per day,
4 this well was structurally about 20 feet higher than we had
5 anticipated, and it suggests that there is a nosing coming to
6 the east and covering a good portion of Section -- of the east
7 half of Section 34.

8 However, if you will notice the 1-F Well,
9 this well for some strange reason we had a tremendous reentrant
10 at this location, and there's always the possibility that, of
11 course, we may have had another slight reentrant at this
12 particular location and we just felt that this was our safest
13 location and that the erratic nature of the porosity in our
14 zone, that we possibly would not drain adequately this portion
15 of the field.

16 Q What is the producing capabilities of
17 this well in the west half of 34, which is your 1-E Well?
18 Does it compare --

19 A The 1-E Well --
20 -- to the well in the north half of
21 Section 3?

22 A Well, in our production history here,
23 why --

24 Q All right, let's look at that. That's
25 Exhibit Number Two?

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A. Yes. Well, the 1-E is apparently, apparently the permeability is not as good. It produces roughly 5600 -- 5 to 6 million cubic feet of gas per month, whereas the 1-G produces approximately 27 to 28 million per month.

Q. Is the ownership in the east half of Section 34 identical to the ownership in the north half of 3?

A. Yes, it is.

Q. And then H. L. Brown is the operator, also, of the offset well in the west half of 34?

A. Yes, he is.

Q. Let's turn to Exhibit Number Three, which is your cross section, and have you identify that for me.

A. We just simply made a cross section that indicates the producing zone in the field and we just simply put the three wells on there that are in the vicinity of our proposed location. We started with Well 1-E and came down to the 1-G, and then went over to the dry hole, and it's simply just to show that the zones are fairly uniform but apparently from our production history in all the wells in the field there is no question that our porosities and permeabilities are quite different in all the wells.

But this does show that the General Exploration was perforated and adequately tested in the Wolf-

1
2 camp zone and there is no question that it is not in the gas
3 column.

4 Q In conclusion, then, Mr. George, it
5 appears that you're moving to the west in order to minimize
6 the potential of contacting the oil/water contact somewhere
7 in the east half of Section 34.

8 A That is correct.

9 Q And that you're also moving to the south
10 because of the poor quality of the No. 1-E Well and the in-
11 creased risk as you move farther north of not getting a well
12 that's capable of production in paying quantities.

13 A That is correct.

14 Q All right, sir. Were Exhibits One, Two,
15 and Three prepared by you or compiled under your direction
16 and supervision?

17 A I prepared them myself.

18 Q And in your opinion will approval of
19 this application be in the best interests of conservation
20 and the prevention of waste and the protection of correlative
21 rights?

22 A Yes, it will.

23 MR. KELLAHIN: We move the introduction
24 of Exhibits One, Two, and Three.

25 MR. STAMETS: These exhibits will be

1
2 admitted.

3 Are there any questions of this witness?

4 He may be excused.

5 Anything further in this case?

6 MR. KELLAHIN: No, sir.

7 MR. STAMETS: The case will be taken
8 under advisement.

9
10 (Hearing concluded.)
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SALLY W. BOYD, C.S.R.

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

CERTIFICATE

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7381, heard by me on 10-21 1981.
Richard D. Starnes, Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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(505) 827-2434

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

November 19, 1981

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 7381
ORDER NO. R-6828

Applicant:

H. L. Brown, Jr.

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other

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. 7381
Order No. R-6828

APPLICATION OF H. L. BROWN, JR. FOR
AN UNORTHODOX GAS WELL LOCATION,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 21, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of November, 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, H. L. Brown, Jr., seeks approval of an unorthodox gas well location 330 feet from the South line and 2310 feet from the East line of Section 34, Township 7 South, Range 37 East, NMPM, to test the Wolfcamp formation, Blutt-Wolfcamp Gas Pool, Roosevelt County, New Mexico.

(3) That the E/2 of said Section 34 is to be dedicated to the well.

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

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable

-2-

Case No. 7381
Order No. R-6828

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.

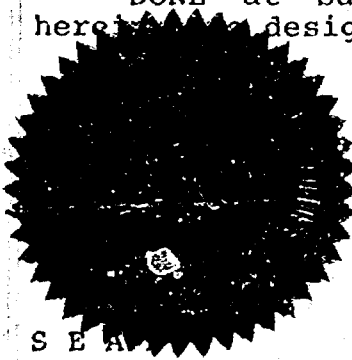
IT IS THEREFORE ORDERED:

(1) That the application of H. L. Brown, Jr. for an unorthodox gas well location for the Wolfcamp formation is hereby approved for a well to be located at a point 330 feet from the South line and 2310 feet from the East line of Section 34, Township 7 South, Range 37 East, NMPM, Bluit-Wolfcamp Gas Pool, Roosevelt County, New Mexico.

(2) That the E/2 of said Section 34 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 hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

S E A

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BLUITT FIELD

| WELL NAME | AUGUST PROD. MCF | BO | CUM. PROD. AS OF 9-1-81 MCF | BO |
|---------------|---------------------|-----|--------------------------------|--------|
| FEDERAL #1 | 4714 | 23 | 2,267,154 | 45,088 |
| FEDERAL A # 1 | 4893 | -0- | 1,841,009 | 48,021 |
| FEDERAL B # 1 | 5414 | 30 | 522,273 | 6,804 |
| FEDERAL C # 1 | 29,266 | 525 | 1,828,203 | 37,831 |
| FEDERAL D # 1 | 9932 | 89 | 616,283 | 10,733 |
| FEDERAL E # 1 | 5689 | 98 | 485,074 | 10,018 |
| FEDERAL F # 1 | 2618 | 17 | 231,480 | 5,818 |
| FEDERAL G # 1 | 27,622 | 461 | 503,419 | 7,965 |
| FEDERAL H # 1 | 13,515 | 107 | 818,919 | 11,101 |
| FEDERAL J # 1 | 16,090 | 482 | 400,978 | 8,139 |
| PERKINS # 1 | 9,771 | 122 | 1,042,717 | 19,862 |

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

BROWN EXHIBIT NO. 2

CASE NO. 7381

Submitted by

Hearing Date 21 Oct 81

Docket Nos. 34-81 and 35-81 are tentatively set for October 21 and November 4, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - OCTOBER 14, 1981

9 A.M. - OIL CONSERVATION COMMISSION - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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(The following cases are continued from the October 14, 1981, Commission hearing to October 16, 1981.)
CASE 7345: (Continued and Readvertised)

Application of Bass Enterprises Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres, Bone Springs and Pennsylvanian formations, Lovington Field, underlying the N/2 NE/4 of Section 13, Township 16 South, Range 36 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 7323: (DE NOVO)

Application of Clements Energy, Inc., for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 of Section 32, Township 15 South, Range 27 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of Southland Royalty Company, this case will be heard DE NOVO pursuant to the provisions of Rule 1220.

Docket No. 34-81

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 21, 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for November, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for November, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7373: Application of J. C. Williamson for Amendment of Division Order No. R-6738, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-6738, which approved an unorthodox location for a well 1560 feet from the North line and 1830 feet from the West line of Section 10, Township 23 South, Range 34 East. Applicant seeks the Amendment of said order to reflect the corrected location of said well at a point 1580 feet from the North line and 2614 feet from the West line of said Section 10.

CASE 7374: Application of Dugan Production Corporation for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Farmington formation well located 330 feet from the South line and 990 feet from the East line of Section 9, Township 28 North, Range 11 West, the E/2 of said Section 9 to be dedicated to the well.

- CASE 7375: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Angel Peak Gallup-Basin Dakota production in the wellbore of its McAdams Well No. 2 located in Unit P of Section 34, Township 27 North, Range 10 West.
- CASE 7376: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Bisti-Lower Gallup production in the wellbore of its Big 8 Well No. 1-E, located in Unit O of Section 8, Township 24 North, Range 9 West.
- CASE 7377: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Gallup and Basin-Dakota production in the wellbore of its July Jubilee Well No. 1 located in Unit G of Section 30, Township 24 North, Range 9 West.
- CASE 7378: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wildhorse-Gallup and Basin-Dakota production in the wellbore of his Apache E Well No. 1, located in Unit A of Section 18, Township 26 North, Range 3 West.
- CASE 7356: (Continued from September 23, 1981, Examiner Hearing)
- Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the W/2 SW/4 of Section 12, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, 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 7379: Application of JEM Resources, Inc., for vertical pool extension and special GOR limit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the vertical extension of the Cave-Grayburg Pool to include the San Andres formation, and the establishment of a special gas-oil ratio limit for said pool to 6000 to one or, in the alternative, the abolishment of the gas-oil ratio limit in said pool, all to be effective October 1, 1981.
- CASE 7380: Application of Bird Oil Corporation for an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Entrada location of a well to be drilled 2310 feet from the North line and 1325 feet from the East line of Section 10, Township 22 North, Range 9 West, the SW/4 NE/4 of said Section 10 to be dedicated to the well.
- CASE 7381: Application of H. L. Brown, Jr., for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the South line and 2310 feet from the East line of Section 34, Township 7 South, Range 37 East, Bluitt-Wolfcamp Gas Pool, the E/2 of said Section 34 to be dedicated to the well.
- CASE 7382: Application of TXO Production Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow well to be drilled 660 feet from the South and West lines of Section 20, Township 17 South, Range 28 East, the W/2 of said Section 20 to be dedicated to the well.
- CASE 7383: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying the NW/4 of Section 19, Township 19 South, Range 25 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 7384: 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 from the surface to the base of the Abo formation underlying the NE/4 SW/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 7385: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco-Mesaverde and Basin-Dakota production in the wellbore of its San Juan 27-5 Unit Well No. 59, located in Unit A of Section 6, Township 27 North, Range 5 West.
- CASE 7386: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its San Juan 27-5 Unit Well No. 54, located in Unit L of Section 31, Township 27 North, Range 5 West.
- CASE 7387: Application of Sun Oil Company for an unorthodox oil well location, Lea 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 and East lines of Section 32, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, the N/2 NE/4 of said Section 32 to be dedicated to the well.
- CASE 7388: Application of Sun Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled in the Northeast Lusk Yates Pool, 2500 feet from the North line and 1880 feet from the East line of Section 15, Township 19 South, Range 32 East the SW/4 NE/4 of said Section 15 to be dedicated to the well.
- CASE 7389: Application of Yates Petroleum Corporation for an Amendment to Division Order No. R-4365, Eddy County, New Mexico. Applicant, in the above-styled cause seeks the amendment of Division Order No. R-4365, which promulgated special rules and regulations for the Penasco Draw San Andres-Yaso Pool, by amending Rule 5 to permit the simultaneous dedication of gas wells and oil wells and amending Rule 9 to provide for annual gas-liquid ratio tests in lieu of semi-annual tests.
- CASE 7365: (Continued from October 7, 1981, Examiner Hearing)
- Application of Yates Petroleum Corporation for the amendment of Order No. R-6406, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6406, to permit recompletion of its State "JM" No. 2 Well, drilled at an unorthodox Morrow location 660 feet from the South line and 660 feet from the East line of said Section 25, Township 18 South, Range 24 East, in any and all Wolfcamp and Pennsylvanian pays in said well.
- CASE 7390: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the W/2 of Section 18, Township 9 South, Range 27 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 7391: Application of Harvey E. Yates Company for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in the Travis Penn Unit encompassing 480 acres, more or less, underlying all or portions of Sections 12 and 13, Township 18 South, Range 28 East, Eddy County, New Mexico.

The unitized interval would be the Cisco-Canyon formation between the depths of 9815 feet and 9935 feet in Harvey E. Yates Company's Travis Deep Unit No. 2 Well. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

- CASE 7392: Application of Sam H. Snoddy, for an unorthodox gas well location in the Oil-Potash Area, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the location of a Pennsylvanian well to be drilled 660 feet from the North and East lines of Section 26, Township 20 South, Range 32 East, Oil-Potash Area, the N/2 of said Section 26 to be dedicated to the well.
- CASE 7393: Application of Uriah Exploration Incorporated for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco, Canyon and Morrow formations underlying the W/2 of Section 13, Township 22 South, Range 24 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 7394: Application of Supron Energy Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian well to be drilled 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, the N/2 of said Section 13 to be dedicated to the well.
- CASE 7395: Application of Curtis J. Little for Designation of a Tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 25 and 26 North, Ranges 6 and 7 West containing a total of 14,400 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.
- CASE 7300: (Reopened and Readvertised)
- Application of Dome Petroleum Corporation for designation of a tight formation, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Townships 21 and 22 North, Ranges 5, 6, and 7 West, containing 73,018 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.
- CASE 7352: (Continued from September 23, 1981, Examiner Hearing)
- Application of Yates Petroleum Corporation for designation of a tight formation, Eddy County, New Mexico. Applicant, in the above-styled cause, pursuant to Section 107 of the Natural Gas Policy Act 18-CFR Section 271. 701-705, seeks the designation as a tight formation of the Permian formation underlying all of the following townships:

Township 17 South, Ranges 24 thru
26 East;

18 South, 24 and 25 East,

19 South, 23 thru 25 East;

20 South, 21 thru 24 East;

20 1/2 South, 21 and 22 East;

21 South, 21 and 22 East;

Also Sections 1 thru 12 in

22 South, 21 and 22 East,

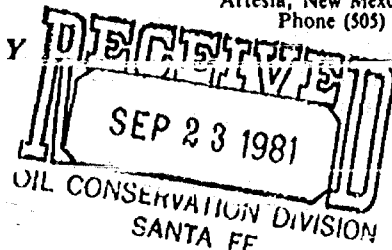
All of the above containing a total of 315,000 acres more or less.

ARTHUR R. BROWN
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September 22, 1981

Director
Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 7381

Gentlemen:

H. L. Brown, Jr., P. O. Box 2237, Midland, Texas 79702, pursuant to Rule 104 of the Oil Conservation Division's Rules and Regulations, hereby makes application for an unorthodox gas well location in Roosevelt County, New Mexico.


H. L. Brown, Jr. respectfully requests approval for the unorthodox location of well No. 1 Federal K to be drilled 330 feet from the South line and 2310 feet from the East line of Section 34, Township 7 South, Range 37 East, Undesignated Bluitt-Wolfcamp Gas Pool, the E/2 of said Section 34 to be dedicated to the well.

A plat showing wells in the Bluitt-Wolfcamp Gas Pool, dedicated acreage, and the proposed well location is attached.

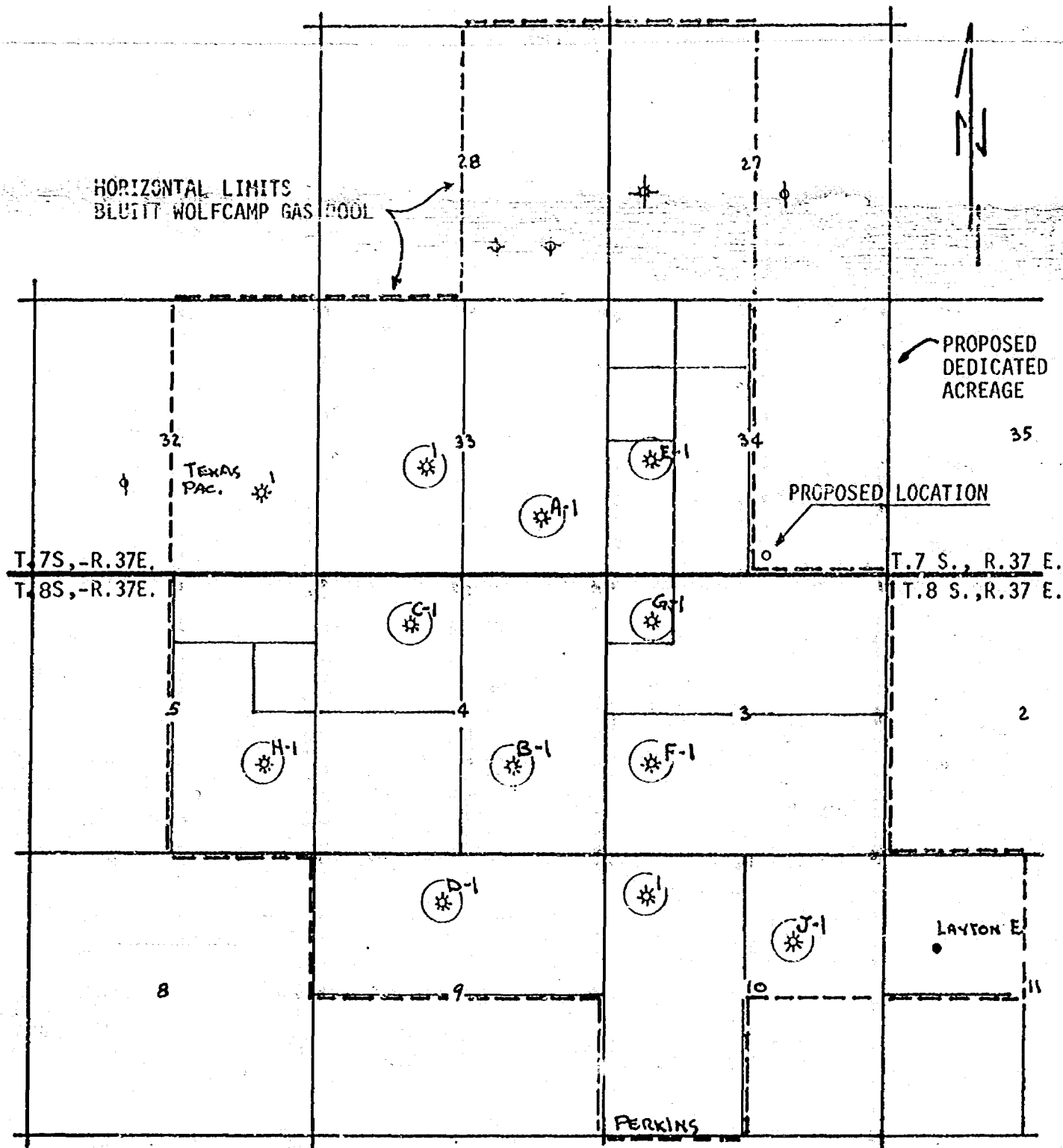
Inclusion of this application in Docket No. 32-81, set for hearing on October 21, 1981, will be satisfactory.

If there are any questions concerning this application, or if any additional information is needed, please let me know.

Sincerely,


Arthur R. Brown, Agent for
H. L. BROWN, JR.

ARB/bb



GAS WELL OPERATED BY
H. L. BROWN JR.

DEDICATED ACREAGE

H. L. BROWN, JR.
APPLICATION FOR UNORTHODOX LOCATION
WELL NO. 1 FEDERAL K
330' FSL & 2310' FEL SEC. 34, T. 7 S., R. 37 E.
UNDESIGNATED BLUITT WOLFCAMP GAS POOL
ROOSEVELT COUNTY, NEW MEXICO

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:

BEST AVAILABLE COPY

CASE NO. 7381

ORDER NO. R- 6828

APPLICATION OF H. L. BROWN, JR.
FOR AN UNORTHODOX GAS WELL LOCATION,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 21,
19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of October, 19 81, 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, H. L. Brown, Jr.,
seeks approval of an unorthodox gas well location 330
feet from the South line and 2310 feet from the
East line of Section 34, Township 7 South
Range 37 East, NMPM, to test the Wolfcamp
formation, Bluitt-Wolfcamp Gas Pool, Roosevelt
County, New Mexico.

(3) That the E/2 of said Section 34 is to be
dedicated to the well.

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

(5) That no offset operator objected to the proposed unorthodox
location.

Case No. _____
Order No. R- _____

(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:

(1) That ^{the application of H.L. Brown, Jr., for} an ~~un~~orthodox gas well location for the Wolfcamp formation is hereby approved for a well to be located at a point 330 feet from the South line and 2310 feet from the East line of Section 34, Township 7 South, Range 37 East NMPM, Bluitt-Wolfcamp Gas Pool, Roosevelt County, New Mexico.

(2) That the E/2 of said Section 34 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.