FOR AN UNORTHODOX GAS WELL LOCATION, FDDDY COUNTY, NEW MEXICO



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DOCKET MAILED

Case Mo

7398

Application

Transcripts.

Small Exhibits

BRUCE KING LARRY KEHOE SECRETARY

Mr. David Burleson

El Paso Natural Gas Company

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

Re:

OIL CONSERVATION DIVISION

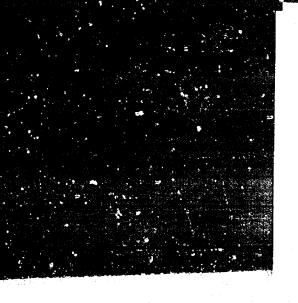
November 19, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING **BANTA FE, NEW MEXICO B7501** (505) 827-2434

7398

CASE NO. 7398 ORDER NO. 8-6816

P. 0. Box 1492 El Paso, Texas 79978	Applicant:
	El Paso Natural Gas Company
Dear Sir:	
Enclosed herewith are two copposition order recently enter	
Yours very truly,	
to Chewing	
JOE D. RAMEY Director	
JDR/fd	
Copy of order also sent to:	
Hobbs OCD X Artesia OCD X Aztec OCD	
Other_	



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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. 7398 Order No. R-6816

APPLICATION OF EL PASO NATURAL GAS COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

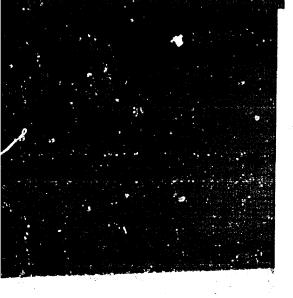
BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 4, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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, El Paso Natural Ges Company, seeks approval of an unorthodox gas well location 660 feet from the South line and 660 feet from the West line of Section 23, Town-ship 26 South, Range 30 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, Ross Draw Area, Eddy County, New Mexico.
- (3) That the S/2 of said Section 23 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.



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-2-Case No. 7398 Order No. R-6816

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable chare 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 El Paso Natural Gas Company for an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well to be located at a point 660 feet from the South line and 660 feet from the West line of Section 23, Township 26 South, Range 30 East, NMPM, Ross Draw Area, Eddy County, New Mexico.
- (2) That the S/2 of said Section 23 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.

STATE OF NEW MEXICO
OH CONSERVATION DIVISION

JCZ D. RAMEY Director

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	3 4 5	ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 4 November 1981
	ິນ	EXAMINER HEARING
	6	
	7	IN THE MATTER OF:
	8	Application of El Paso Natural Gas
	9	Company for an unorthodox gas well CASE location, Eddy County, New Mexico. 7398
	10	
	11	
	12	
	13	BEFORE: Daniel S. Nutter
•		BEFORE: Daniel S. Nutter
	14	
	15	TRANSCRIPT OF HEARING
	16	
	17	AFFEARAN CES
n news	13	
	1 9	For the Oil Conservation W. Perry Perroe, Esq. Legal Counsel to the Division
	2.8	State Land Office Bldg.
	i	Santa Fe, New Mexico 87501
- "	$\hat{\mathbf{Z}}_{i}^{i}$	
	,	David T. Burleson, Esq.
	737	EL PASO NATURAL GAS CO. El Paso, Texas
	24	

STATE OF NEW MEXICO



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9	Cross Examination by Mr. Nutter	20
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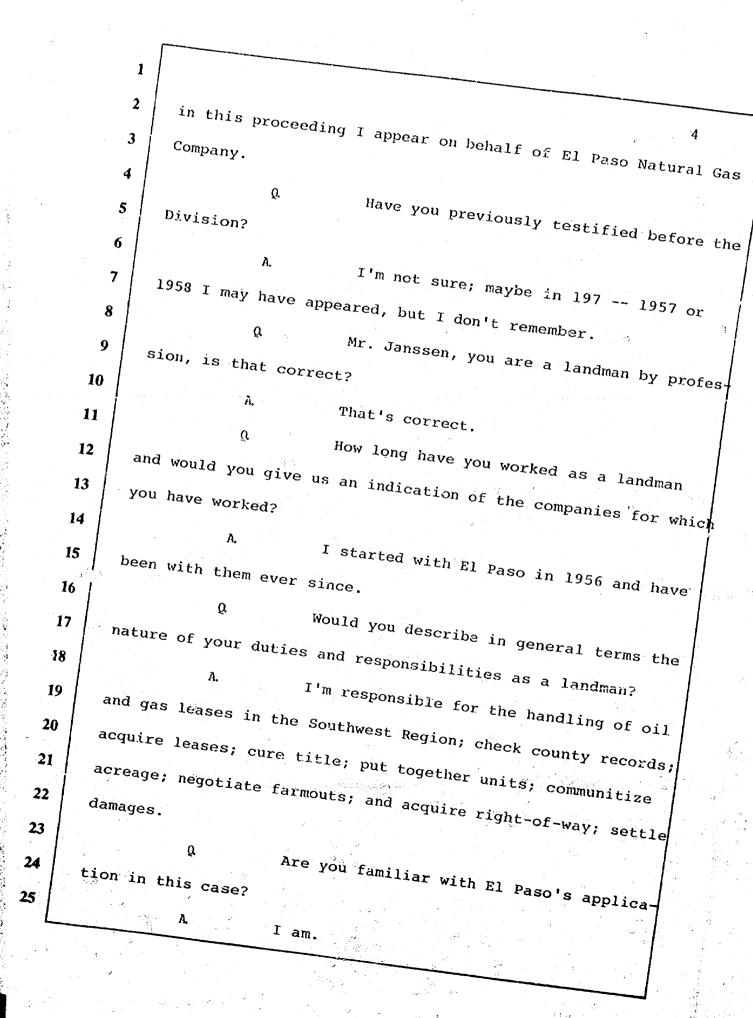


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1	3	
2	MR. NUTTER: Call Case Number 7398.	255
3	MR. PEARCE: Application of El Paso Na	itu
4	ral Gas Company for an unorthodox gas well location, Eddy	
5	County, New Mexico.	
6	MR. BURLESON: David Burleson with Ap-	
7	plicant, El Paso Natural Gas Company, in association with	
8	Montgomery and Andrews.	
9	We will have two witnesses.	
10		
11	(Witnesses sworn.)	
12		
13	R. D. JANSSEN	
14	being called as a witness and being duly sworn upon his oat	h.
	testified as follows, to-wit	
15	testified as follows, to-wit	
16		
17	DIRECT EXAMINATION	*
18	BY MR. BURLESON:	
19	Q Please state your name and where you	V-
19	Q Please state your name and where you	
20	reside.	
21	A. R. D. Janssen, Midland, Texas.	
22	Q By whom are you employed and in what	. 1 A
23	capacity?	•
24	A. I'm with El Paso Exploration Company a	s
		1
25	a petroleum landman. My title if Regional Land Manager, bu	C



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		5	Division?	
		6	А.	I'm
		7	1958 I may have app	eared,
en de la companya de La companya de la co		8	Q.	Mr.
		9	sion, is that corre	ct?
		10	A.	That
		11	Ğ.	How
		12	and would you give	us an
		13	you have worked?	+5
		14	А.	I st
	e e	15	been with them ever	since
***		16	Q	Woul
		17	nature of your duti	es and
		18	A.	I'm
		19	and gas leases in t	he Sou
	. 4.	20	acquire leases; cur	e titl
		21	acreage; negotiate	farmou
		22	damages.	•
	** 	23	Q	Are
	10 mm	24	tion in this case?	3 3
	er er	25	A. 1	I am
			.)	3
	with the second			

in this proceeding I appear on behalf of El Paso Natural Gas 2 3 Company. you previously testified before the not sure; maybe in 197 -- 1957 or but I don't remember. Janssen, you are a landman by profes-'s correct. long have you worked as a landman indication of the companies for which arted with El Paso in 1956 and have d you describe in general terms the responsibilities as a landman? responsible for the handling of oil thwest Region; check county records; e; put together units; communitize ts; and acquire right-of-way; settle you familiar with El Paso's applica-



BEST AVAILABLE COPY		6	rules for the Ross Draw Wolfcamp Gas Pool, which embrace th
		7	area we're dealing with here, that being the proposed unit
		8	which would be dedicated to the proposed well?
	• • • • • • • • • • • • • • • • • • •	9	A. There are no field rules.
		10	Q. What would an orthodox location be if
		11	the well were to be drilled at an orthodox location in this
		12	in this unit?
		13	A. Required to be located not closer than
	•	14	660 feet to the nearest side boundary of the dedicated trac
	en e	15	nor closer than 1980 feet to the nearest end boundary, or
		16	closer than 330 feet to any quarter quarter section or sub-
		17.	division inner boundary.
		18	Q ` Now where is El Paso proposing to loca
	÷	19	this well?
3		20	A. 660 feet from the end boundary, 660 fe
		21	from the lateral boundary.
		22	Q And that would be an unorthodox location
		23	would it not?
		24	A. That's correct
3		25	Q. And the well is proposed to be drilled
	:.		la de la composition de La composition de la

2

3

5

cations acceptable?

MR. BURLESON: Are the witness' qualifi-MR. NUTTER: They are. Have you determined if there are field which embrace the e proposed unit 11? es. location be if location in this not closer than e dedicated tract l boundary, or section or subcoposing to locate coundary, 660 feet northodox location



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1		6	,
2	to which formations	? ?	
3	A.	Wolfcamp.	
4	Q.	That's the primary objective and there	
5	are secondary object	tives, too, are there not?	
6	A.	Correct.	
7	Q.	And those secondary objectives are whic	h
8	formations?		
9	Δ.	The Atoka, Morrow.	
10	Q.	And the Strawn?	
11	A.	And the Strawn, that's correct.	
12	Q.	All right. What's the designated drill	inc
13	tract which El Paso	proposes?	,
14	Å.	The south half of Section 23, Township	
15	26 South, Range 30 E	Cast, Eddy County, New Mexico.	
16	Q	Would this be a standard unit?	
17	А.	Yes, it would.	
18	Q.	For all of the formations?	
19	A.	That is correct.	
20	Q.	Have you made a study to determine the	
21	lease ownership offs	etting the proposed spacing unit and	
22	Α.	I have.	
23	$\mathbf{\hat{Q}}$	And I believe you prepared an exhibit	
24	that indicates the s	pacing unit, the proposed location of the	e
25	well, and indicates	the location of the proposed unit in re-	



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lation to the surrounding acreage, is that correct? 3 I have. And that would be Exhibit Number One, 5 would it? Yes. 7 Would you please turn to that exhibit 8 and indicate what's displayed on it, and then, if you would, please, tell us who the offsetting owners are surrounding this 10 proposed unit? 11 All right. The plat shows in green our 12 proposed proration unit. The red circle is our proposed 13 location. To the west, Section 22, 27, and south of 26 is 14 the Ross Draw Federal Unit, which J. C. Williamson operates. 15 Florida Gas is the sub-operator, and also it shows in yellow 16 our lease. 17 Amoco owns the lease to the east. The 18 ownership in the Ross Draw Federal Unit, J. C. Williamson, 19 ARCO, Ralph Williamson, Florida Gas, Darrell Underwood, and 20 some minor parties. 21 And to the north it's Florida Gas Ex-22 ploration, J. C. Williamson, Ralph Williamson, D. W. Underwood, Estoril, Walter Duncan, III, Florida Exploration Com-23 24 pany, and Chessy Exploration Company.

And to the southeast?



		3	4.8	Q.	Okay. Now	those owners	that you las	t
BEST AVAILABLE COPY		4	named who l	nave an in	terest in th	e acreage imm	ediately nor	th
		5	of the prop	oosed dril	ling tract,	they are the	working inte	rest
		6	owners in t	the Ross D	raw Federal	Unit, is that	correct?	
	·	7		Λ.	That's corr	ect.		
		8.		Q.	Have you co	ntacted all o	these offs	et-
		9	ting lease	owners to	request wai	vers of the p	coposed unor	tho-
		10	dox location	on?				
		11		A.	I have.			
	•	12		Q	What has be	en the respons	se to that re	e-
		13	quest?					Se J
and the second of the second		14	RP C	A.	I have rece	ived a waiver	from every	A
		15	owner.					
		16		Q	Now you have	e an exhibit.	I believe, w	whici
		17 .,	collectivel	y indicat	es the execu	ted waivers by	all of thes	se
		18	offsetting	interest	owners, do y	ou not?		
		19		A.	That is cor	rect, Exhibit	Number Two.	
		20		Q.	All right.		. 4	
	a Tarangan	21			Do you have	anything furt	her to add -	to
		22	offer in th	is case?		97 		
	Section 18	23		A	No, I don'c	•		12
	en e	24:		Q.	Were Exhibit	ts One and Two	prepared by	Z .
\$	regund p	25	you or unde	r your di	rection?		erika di sebagai di di di kacamatan di sebagai di di s Sebagai di sebagai di di sebagai	

8

Southeast is also Amoco.



	4	nibits one and Two	2 THEO GAIDGING and char concludes out ex
BEST AVAILABLE COPY	5	amination of this	witness.
	6		MR. NUTTER: Exhibits One and Two will I
	7	admitted in eviden	nce.
	8		Are there any questions of the witness?
	9	He may be excused	
	10		MR. BURLESON: We now call Mr. Lester M
	11	Brooks.	
	12		
	13		LESTER M. BROOKS
	14	being called as a	witness and being duly sworn upon his oath
	15	testified as follo	ows, to-wit:
	16		
in the second se	17		DIRECT EXAMINATION
A	18	BY MR. BURLESON:	
	19	Q.	Please give your name for the record and
	¹²	where you reside.	You might spell your name, too.
	21	A.	It's Lester M. Brooks, B-R-O-O-K-S, Jr.
	22	And I reside in M	idland, Texas.
	23	Q	By whom are you employed and in what
	24	capacity?	

2

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They were.

MR. BURLESON: I move admission of Ex-

I'm employed by El Paso Exploration

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W.N.M.O.F.



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2	Company as a geologist and am the Southwest Regional Geologi-
3	cal Manager, and I appear in this case in behalf of El Paso
4	Natural Gas Company, an affiliated company.
5	Q. Have you previously testified before this
6	Division or one of its examiners?
7	n. No, I have not.
8	n Do you have a degree in geology?
9	A. Yes. I received a Bachelor of Science
10	degree from Louisiana State University in 1948 in geology.
11	Q. Have you worked subsequent to graduation
12	as a geologist?
13	A. Yes. Following graduation, for the most
14	part, I worked four years for Texaco in the Gulf Coast, and
15	then two years with a consulting firm, Blowing (sic) and
15 16	Claudet in New Orleans, and I've been with El Paso Natural
	Gas and other affiliated companies with the El Paso group for
17	approximately twenty-seven years in various capacities and
18	
19	work areas. Q And all of this work experience was as
20	
21	a geologist, is that correct?
22	A. Yes, geologist, or managerial work per-
23	taining to geological activities.
24	Are you a member of any professional or-
25	want maki ang?

10



	3	American Association of Petroleum Geologists since 1950, and
BEST AVAILABLE COL	4	I am a Certified Professional Geologist, Number 2604, of the
MAILLANDER COL	, 5	American Institute of Professional Geologists.
	6	Q Now, the Ross Draw area is within your
	7	geographical area of responsibility, is it not?
	8	A. That's correct, uh-huh.
	9	Q Are you familiar with El Paso's applica-
	10	tion in this case?
	11	A. I am. 1991
	12	MR. BURLESON: Mr. Examiner, we tender
	13	the witness as an expert witness.
	14	MR. NUTTER: Mr. Brooks is qualified.
	15	ρ What is El Paso seeking in Case Number
	16	7398?
	17	A We're seeking permission for an unortho-
	18	dox location for the drilling of a well at a location 660
	19	feet north of the south line and 660 feet east of the west
	20	line in Section 23, Township 26 South, Range 30 East, Eddy
	21	County, New Mexico.
	22	Our primary objective in this well would
	23	be the Wolfcamp decrital, which we would estimate encountering
	24	by measured depth of 12,500 let from the surface.
	25	Now should this formation not be pro-

11

Yes, I've been an active member of the



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d as a condary objectives for the vall of
ductive, we would have secondary objectives for the well of
the Strawn, Atoka, and Morrow formations, which we would an-
ticipate encountering between 13,500 feet to 15,500 feet.
Q. If hydrocarbons were encountered in any
of these formations, either the primary objective or the
secondary objectives, would you expect those hydrocarbons
would be gas and condensate?
A. Yes, we do, uh-huh.
Q Why is El Paso seeking permission to
drill at the proposed unorthodox location?
Q The proposed location appears to offer
us the highest structural position for the primary objective
the Wolfcamp detrital, in the proposed unit, the south half
of Section 23.
Also, the location would give us more
assurance of obtaining maximum porosity development in the
Wolfcamp detrital. Now, these conditions should maximize
the recovery of hydrocarbons from the unit.
Q Have you made a geological study, or
studies, upon which you base these conclusions that you've
expressed?
A. Yes, I have.

exhibits, please, and it would be Exhibit Number Three, I

Would you turn to the first of those

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believe, and tell us what that exhibit is? The significance

of that exhibit.

A. Exhibit Number Three is a structural interpretation on the top of the Wolfcamp detrital in the Ross Draw area of Eddy County, New Mexico, and Loving County, Texas.

This structural information shows us more or less a north/south strike of the beds on the Wolfcamp detrital with east dip.

Now our proposed location in Section 23 should encounter the primary objective at approximately -8900 feet. Now this structural position should be some 63 feet low to Florida Gas No. 8 Ross Draw that could be seen in the northeast quarter of Section 27, approximately 3200 feet southwest of our proposed well,

Now the No. 8 Ross Draw was completed in the Wolfcamp detrital and perforation intervals of 12,003 to 80 feet and 12,144 to 154 feet, for a CAOF of 30-million cubic feet of gas per day.

Also, the proposed location should be approximately 93 feet high to the Florida Gas No. 7 Ross Draw, located in the southeast quarter of Section 26 of Township 26 South, 30 East, and we feel that in this well, too, was a completion in the detrital, in the Wolfcamp detrital, from



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perforations 12,318 feet to 12,354 feet, for a CAOF of 12,473

And you'll note, too, on the structure map we have color coded formations that wells are completed in, with the purple being the Wolfcamp detrital, and this also shows us that farther to the east in a removed down-dip position wells have produced from the Wolfcamp detrital.

14

You'll note this is shown by the Texas Pacific No. 1 Phantom Draw Well in the southwest quarter of Section 20 of Township 26 South, Range 31 East, and the Texas Pacific No. 2 Phantom Draw in the southwest quarter of Section 30 of the same township. It had produced some 17-million cubic feet of gas from the Wolfcamp detrital prior to abandonment in January of 1980.

Now we feel that this formation in the No. 2 Phantom Draw was probably damaged from drilling operations.

I don't see any indication there are any Atoka or Strawn wells in the immediate area. I suppose that's correct, is it not?

That is correct. We do have a Morrow play. As you note, the Florida No. 10 Ross Draw has been recently completed in the Morrow, and the -- but we have no Atoka or Strawn gas.



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	2	Q Would you please turn to what has been
	3	marked Exhibit Four and tell us the significance of that ex-
reformation for the spirit of the sequence of	4	hibit?
A Company of the Comp	5	A. Exhibit Four is a net porosity Isopach
	6	of the Wolfcamp detrital in the same Ross Draw area and using
	7	the wells that we show for control on the structure map.
	8	This work has indicated to us two centers
	9	of maximum porcsity, two center areas with maximum porosity
	10	development, one of which appears to be in the vicinity of
	11	our proposed El Paso, No. 1 El Paso Federal 23 Well.
	12	It appears from this work that we may
	13	encounter a total of 50 feet of of net porosity developmen
	14	with porosities in excess of 5 percent.
	15	Q. Would you expect better porosity at the
	16	proposed location than would be encountered at an orthodox
	17	location?
	18	A. Yes, this work indicates that would be
	19	true.
	20	Q. Please turn to what has been marked as
	21	Exhibit Number Five and explain what that exhibit shows.
	22	A. Exhibit Five is a structural cross
	23	section of the Wolfcamp detrital. It's about five feet long

and may be a little unwieldy to show in its entirety here,

but I'd be happy to explain it and perhaps we could hold it

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up, if the Commission would like me to.

We have shown, the line of section, which is the A-A' section, is shown on both the structure map and the Isopach map and we have an index map in addition to that on the cross section.

And we show to correlative horizons on the cross section, one the Wolfcamp shale, as we call it, which is the approximate top of the Wolfcamp, and also the Wolfcamp detrital marker down more toward the basal portion of the Wolfcamp. And I do think that the cross section will show that the reliability of our correlations in these zones in the Wolfcamp.

Now, in addition to that we have shown areas of porosity in the Wolfcamp detrital by red color and we also show completion data at the bottom of the logs, the bottom of the well logs, the date of completion, perforations, the initial completion data, cumulative production, and the status of the well as of July of this year.

Mr. Brooks, referring to the structural map just a second, again, I'm not -- I don't believe I've asked you this question earlier. Would you expect that the more advantageous structural position that would be posed by the proposed location would permit the recovery of additional hydrocarbons that might not otherwise be recoverable?



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A. Yes, we do. We think we would have at least a 30 foot or so higher structural posion at the unorthodox location than the orthodox, which of course, would allow more drainage out of the recommended unit.

Q. Do your geological studies, including all the exhibits you've just described, indicate a well drilled at the proposed location would more efficiently and effectively drain hydrocarbons in the Wolfcamp formation underlying the proposed unit, being the south half of Section 23, Township 26 South, Range 30 East?

A. Yes, as I just mentioned, I think Exhibit One does show that we are drilling this well at a very -- at the highest structural position that we can in the south half of Section 23, and we also feel from our Isopach work on the porosities that we should encounter the maximum porosity development in the Wolfcamp detrital. Both of these conditions should support higher recoveries of hydrocarbons from the Wolfcamp detrital underlying the section -- underlying the proposed unit, I should say.

You've heretofore been discussing the merits of the proposed location with respect to the Wolfcamp formation. Would you give us your analysis of the -- whether this position would be favorable with respect to the secondary objectives or not?



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2	A. Well, as you can note, we have limited
3	Pennsylvanian information from wells in this area, but our
.4	regional work does show that we could expect similar struc-
5	
6	
7	well, let's say the lesser information does not allow us to
8	predict what the porosity developments in the areas of these
9	porosity developments might be in the deeper formations.
10	
	Q. But you don't have sufficient informa-
11	tion to determine what whether this location would be
12	favorable from the standpoint of porosity, is that correct?
13	A. As or more favorable than some other
14	area, that's right. We don't just don't have that inform-
15	ation to make that determination.
16	Q Have you been advised of the estimated
17	cost of the proposed test?
18	A. Yes, we have an estimate of for a 12,500
19	foot Wolfcamp test in the amount of \$2,150,000, and a 15,000
20	foot Morrow test at approximately \$3,660,900.
21	Q Now I suppose, if the well were drilled
22	down to the Wolfcamp formation and you encountered a very
23	good section there, that there's no question but what the

well would be completed in that zone, or at least a completion

would be attempted in that formation, is that correct?



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2	A. That's our present plan, right.
3	And you would probably drill down to the
4	secondary objectives only in the event that the Wolfcamp
5	didn't appear favorable.
6	A. That's correct.
7	Do you believe the granting of this
8	application is necessary to permit El Paso to recover its
9	just and equitable share of hydrocarbons underlying the
10	south half of Section 23?
11	Yes, T do.
12	Q Would the granting of this application
13	promote the prevention of waste and protection of correlativ
14	rights?
15	λ. Yes.
16	Q Were Exhibits Three, Four, and Five
17	prepared by you or under your supervision?
18	They were.
19	MR. BURLESON: We move the introduction
20	of Exhibits Three, Four, and Five, and that concludes our
21	examination of this witness and, we have nothing further to
22	present.
23	MR. NUTTER: El Paso Exhibits Three
24	through Five will be admitted in evidence.



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1	20
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3	CROSS EXAMINATION
4	BY MR. NUTTER:
5	Q. Mr. Brooks, looking at the logs of the
6	two wells on your cross section at the far right, being the
7	Phantom Draw 1 and Phantom Draw 2, there's not a whole lot
8	of difference in the logs of these wells, but there has beer
9	a remarkable difference in the cumulative production from
10	the two wells.
11	Did I hear you say something that
12	A. Yes, sir
13	Q mechanical problems had been en-
14	countered in one well that was plugged?
15	A. That's what we have been led to under-
16	stand. There could have been formation damage during the
17	drilling of the of the No. 2 Phantom Draw, because as you
18	said the appearance of the logs in both the wells are very
19	similar and there's no other way that we could explain why
20	that formation didn't produce as well as the No. 1 Phantom
21	Draw.
22	Q Do you know if any effort was ever made
23	to rework that well before it was plugged?

No, sir, I have no idea what -- what

Texas Pacific would have done or had any thoughts of doing.



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					2.1
	2	0	Well now, jou	r unorthodox lo	cation
	3	really isn't occa	sioned by the str	uctural positio	n, because
	4	there's not all t	hat much differen	ce in the struc	tural posi-
	5	tion or the top o	f the Wolfcamp de	trital, is there	e?
	6	A	I said it wou	ld be approxima	tely thirty
	7	feet above the pr	esent interpretat	ion.	
	8	Q	But then you'	ve got some goo	d wells that
	9	are lower as far	as the your Ex	hibit Number Th	ree indicate:
	10	that that well do	wn in Section26 w	ould be conside	rably lower
than a standard location, even.					
	12	А.	That's right.		
	13	Q.	And it's been	a pretty good v	well so far.
~ . ~ .	14	А.	Yes, sir, uh-	huh.	
	15	Q.	But then wilen	you look at the	e Isopach
	16	I can see the nec	essity for the un	orthodox locatio	on, then.
	17	A.	That's we	think the evide	nce for that
	18	is definitely mor	e related to our	obtaining a max	imum pero-
	19	sity situation at	the unorthodox 1	ocation.	
	20	Q	Now I remembe	r I had a heari	ng some
•	21	time back on this	well in Section	34 there. Appar	rently that
	22	was an unsuccessf	ul well.		
	23	, a. ,	Yes, sir, it	was. As you can	n see, it

only encountered 12 feet of porosity in the Wolfcamp detrital



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22 Structurally, yes. 3 But there seems to be a saddle of impermeability or --Well ---- low porosity or something in there. That's what it appears to be as depicted by the Isopach. MR. NUTTER: Are there any further ques-10 tions of Mr. Brooks? He may be excused. 11 Do you have anything further, Mr. Burle-12 son? 13 MR. BURLESON: No, sir. 14 MR. NUTTER: Does anyone have anything they wish to offer in Case Number 7398? 15 16 We'll take the case under advisement. 17 18 (Hearing concluded.) 19 20 21 22 23 24 25

WNMCF.



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ALLY W. BOYD, C.S.,F Rt. 1 Box 193-B Santa Fe, New Mexico 87301 Phone 5303, 455,7409

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23

24

Rt. 1 Box 19
Santa Fe, New Mes
Phone (505) 45;

Page 23

the foregoins for a script of Haaring before the Oil Conservation Division and reported by me; that the said transcript is a full, type, and correct record of the hearing, prepared by no to the first of fraction.

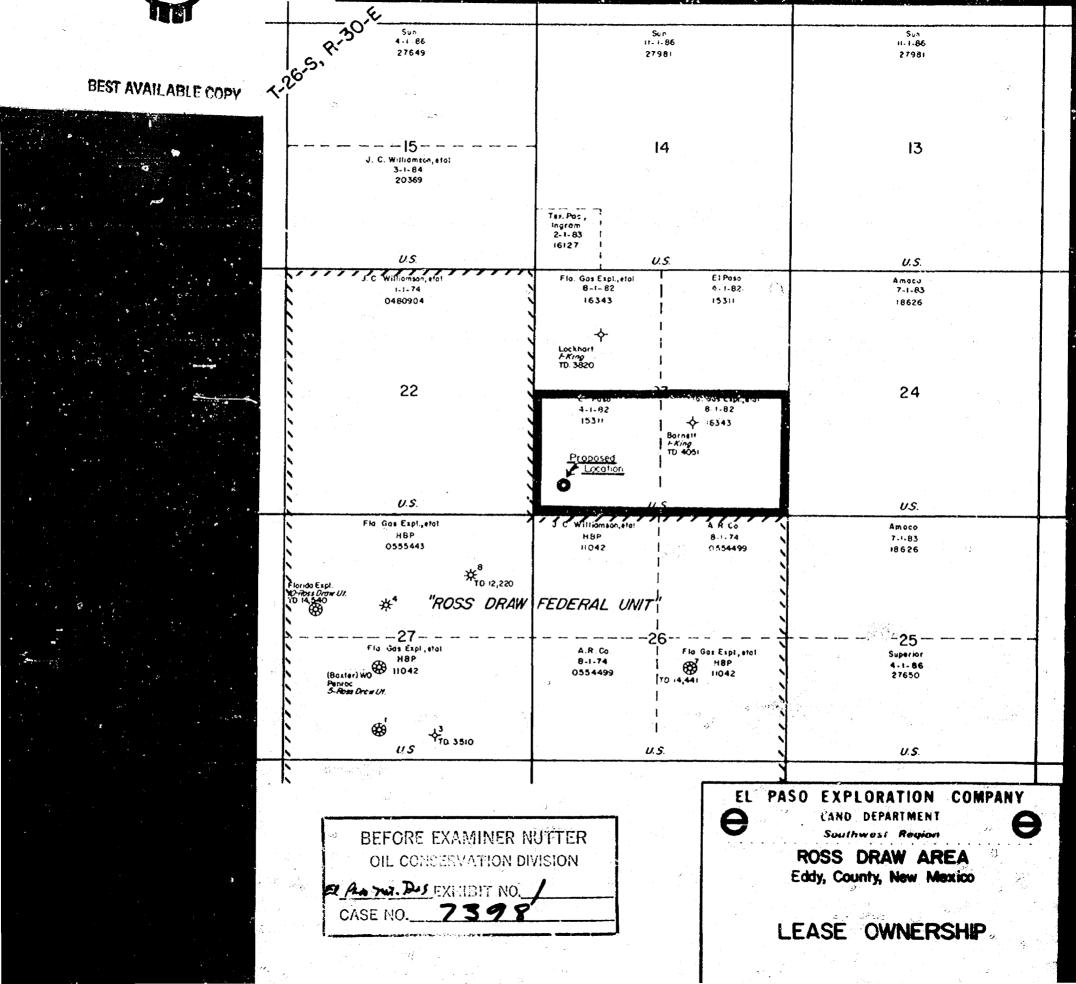
Soury W. Bayd COR

I do hereby certify that the foregoing is

othe had been a virg

239811/4

Oil Conservation Division





BEST AVAILABLE COPY

El Paso Exploration Company 1800 WILCO BUILDING MIDLAND, TEXAS 79701

PHONE: 915-684-7575

CASE NO. 7398

October 13, 1981

CEFORE ENAMEMER MUTTER
OF CONTINUATION DEVICTION

RAJONA DES EXPERT NO. 2

Amoco Production Company P. O. Box 3096 Houston, Texas 77001

Attn: Mr. Phillip Vasquez CHRIS RAPER

Re: No. 1 El Paso Federal 23 Well

T-26-S, R-30-E Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and 1f you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

Very truly yours,

R. D. Janssen

Regional Land Manager

RDJ:js Enclosure

AMOCO PRODUCTION COMPANY as an offset operator does not object to the drilling of the above-referenced unorthodox location.

By:

Duna.

Dete:

10-26-8



1800 WILCO BUILDING MIDLAND, TEXAS 79701

PHONE: 915-684-7575

October 13, 1981

Arco 0il & Gas Co. P. 0. Box 1610 Midland, TX 79702

Attn: Mr. Tom Mutranowski



Re: No. 1 El Paso Federal 23 Well

T-26-S, R-30-E Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

R. D. Janssen
Regional Land Manager

RDJ:js Enclosure

ARCO OIL & GAS COMPANY as an offset operator does not object to the drilling of the above-referenced unorthodox location.

By: HQ Pham / JLI

Title: ARea Enguneer

Date: 11/3/84

RECEIVED

OCT 1 5 1981

MIPLAND LAND DEPT.



1800 WILCO BUILDING MIDLAND, TEXAS 79701 PHONE: 915-684-7575

October 13, 1981

D. W. Underwood 1495 Midland Nat'l Bank Tower Midland, TX 79701

Re: No. 1 El Paso Federal 23 Well

T-26-S, R-30-E Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

R. D Janssen
Regional Land Manager

RDJ:js Enclosure

	D	. W.	UNDERWOO	D		as an offset operator does not
object	to	the	drilling	of	the	above-referenced unorthodox location.
						By: D. Th. Chanfiered
		*1.				Title:
						Nate



1800 WILCO BUILDING
MIDLAND, TEXAS 79701
PHONE: 915-684-7575

October 13, 1981

Walter Duncan, III 1300 Writers Center IV 1720 S. Bellaire St. Denver, Colorado 80222

> Re: No. 1 El Paso Federal 23 Well T-26-S, R-30-E

Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

Very truly yours,

. D. Janssen

Regional Land Manager

RDJ:js Enclosure

WALTER DUNCAN, III as an offset operator does not object to the drilling of the above-referenced unorthodox location.

ву:

Bruce E. Johnston

Title:

Land Manager

Date:

October 28, 1981

Sound

EIPaso Exploration Company

1800 WILCO BUILDING MIDLAND, TEXAS 79701

PHONE: 915-684-7575



October 13, 1981

Chessie Exploration, Inc. Suite 900, Vaughn Bldg. Midland, TX 79701

Attn: Mr. J. W. Rogers

Re: No. 1 E1 Paso Federal 23 Well T-26-S, R-30-E Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

R. D. Janssen
Regional Land Manager

RDJ:js Fnclosure

CHESSIE EXPLORATION, INC. as an offset operator does not object to the drilling of the above-referenced unorthodox location.

By: Richard N. Spence

Title: Sylvation Manager

Date: 10/21/8)



1800 WILCO BUILDING MIDLAND, TEXAS -79701 PHONE: 915-684-7575

October 13, 1981

Fiorida Exploration Company Suite 900, Vaughn Bldg. Midland, TX 79701

Attn: Mr. J. W. Rogers

Re: No. 1 El Paso Federal 23 Well T-26-S, R-30-E Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

Very truly yours,

R. D. Janssen

Regional Land Manager

RDJ:js Enclosure

FLORIDA EXPLORATION COMPANY as an offset operator does not object to the drilling of the above-referenced unorthodox location.

Title: Division Land MANAGER

Date: 10 26 81

711



1800 WILCO BUILDING MIDLAND, TEXAS 79701 PHONE: 915-684-7575

October 13, 1981

J. C. Williamson P. O. Box 16 Midland, TX 79701



Re: No. 1 El Paso Federal 23 Well

T-26-S, R-30-E Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

Very truly yours,

R. D. Yanssen

Regional Land Manager

RDJ: is Enclosure

J. C. WILLIAMSON as an offset operator does not object to the drilling of the above-referenced unorthodox location.



1800 WILCO BUILDING MIDLAND, TEXAS 79701

October 13, 1981

Ralph E. Williamson P. O. Box 16 Midland, TX 7070



No. 1 El Paso Federal 23 Well T-26-S, R-30-E

Section 23: S/2 Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

Very truly yours,

Janssen

Regional Land Manager

RDJ:js Enclosure

Ra'ph E. Williamson object to the drilling of the above-referenced unorthodox location. as an offset operator does not

Title: Dune1

10-16-81 Date:





1800 WILCO BUILDING MIDLAND, TEXAS 79701 PHONE: 915-684-7575

October 13, 1981

Estoril Producing Corp. 11th Floor, Vaughn Bldg. Midland, TX 79701 aso Federal 23 Well

Re: No. 1 El Paso Federal 23 Well

T-26-S, R-30-E Section 23: S/2

Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company plans to drill captioned well 660 feet FSL and 660 feet FWL Section 23, T-26-S, R-30-E, and designate the S/2 Section 23 as the 320-acre production unit.

This is an unorthodox location for the S/2 Section 23 and if you as an offset operator have no objection to the drilling of this location, please so signify by executing the waiver below and return two (2) copies in the enclosed self-addressed envelope. You may retain the third copy for your files.

R. D. Janssen
Regional Land Manager

RDJ:js Enclosure

Estoril Producing Corp. as an offset operator does not object to the drilling of the above-referenced unorthodox location.

By: <u>Flynthancellor</u>
Title: VP

Date: 10-19-81

MONTGOMERY & ANDREWS

PROFESSIONAL ASSOCIATION ATTORNEYS AND COUNSELORS AT LAW

SANTA FE OFFICE
325 PASEO DE PERALTA
POST OFFICE BOX 2307
SANTA FE, NEW MEXICO 87504-2307

TELEPHONE (505) 982-3873 TELECOPY (505) 982-4289

ALBUQUERQUE OFFICE
SUITE 9:6
FIRST INTERSTATE BANK BUILDING
4TH AND GOLD AVENUE, 5 W.
POST OFFICE BOX 1396
ALBUQUERQUE, NEW MEXICO 87:03:3396

TELEPHONE (505) 242-9677

October 30, 1981

REPLY TO SANTA FE OFFICE

New Mexico Energy and Minerals Department Oil Conservation Division Santa Fe, New Mexico 87503

> Re: NMOCD Case No. 7398 - Application of El Paso Natural Gas Company for Unorthodox Gas Well

Location, Eddy County, New Mexico

Gentlemen:

J. O. SETH (1883-1963) FRANK ANDREWS (1914-1981)

A. K. MONTGOMERY
SETH O. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR R. ORTEGA
JOHN E. CONWAY
JEFFREY R. BRANNEN
JOHN B. POUND
GARY R. KILPATRIC
THOMAS W. OLSON
WALTER J. MELENDRES
BRUCE L. HERR
MICHAEL W. BHENNAN
ROBERT R. WORCESTER
JOHN B. DRAPER
NANCY M. ANDERSON
RUDOLPH B. SACKS, JR.
JANET MCL. MCKAY
EDWAKD F. MITCHELL III
ALLEN H. BRILL
CARRIE L. PARKER
RANDALL GLOVER
MAUREEN A. SANDERS

Please be advised that David T. Burleson of the office of General Counsel of El Paso Natural Gas Company, El Paso, Texas, is associated with our firm for the presentation of evidence and argument in the above-referenced case.

Sincerely

Owen M. Lopez

eg

Dockets Nos. 36-81 and 37-81 are tentatively set for Hovember 19 and December 4, 1981. Applications for hearing must be filed at least 32 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNIESDAY - NOVEMBER 4, 1981

9 A.M. 2 OIL CONSERVATION DIVISION CONFERENCE ROOM STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- CASE 7396: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Sentry Oil Exploration Company and Lawyers Surety Corporation to appear and show cause why Farr Well No. 1, located in Unit G of Section 6, Township 31 North, Range 34 East, Union County, New Mexico, should not be ordered plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7380: (Continued and Readvertised)

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 2110 feet from the North line and 1120 feet from the East line of Section 10, Township 22 South, Range 9 West, the SE/4 NE/4 of said Section 10 to be dedicated to the well.

- CASE 7397: Application of Belco Petroleum Corporation for downhole commingling, Eddy County, New Mexico.
 Applicant. In the above-styled cause, seeks approval for the downhole commingling of Atoka and
 Strawn production in the wellbore of its Kimbley Well No. 1, located in Unit G of Section 21,
 Township 23 South, Range 28 East.
- CASE 7398: Application of El Paso Natural Gas 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 Wolfcamp
 Penn well, to be drilled 660 feet from the South and West lines of Section 23, Township 26 South,

 Range 30 East, Ross Draw Area, the S/2 of said Section 23 to be dedicated to the well.
 - CASE 7399: Application of Texaco, Inc. for a Unit Agreement, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the North Vacuum Abo West Unit Area, comprising 2000 acres, more or less, of state lands in Township 17 South, Range 34 East.
- CASE 7400: Application of Texaco, Inc. for a pressure maintenance project, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its North Vacuum Abo West Unit Area by the injection of water into the Abo formation through 13 wells located in Sections 15,21,22,27,28 and 34, Township 17 South, Range 34 East, North Vacuum Abo Pool.
- CASE 7401: Application of Morris R. Antweil for an unorthodoxoil well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well
 to be drilled 2410 feet from the North line and 330 feet from the West line of Section 21,
 Township 18 South, Range 38 East, Hobbs Grayburg-San Andres Pool, the SW/4 NW/4 of said
 Section 21 to be dedicated to the well.
- CASE 7384: (Continued from October 21, 1981, Examiner Hearing)

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 7402: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the NM/4 NM/4 of Section 5, Township 20 South, Range 39 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 7403: Application of Arco Oil and Gas Company for downhole commingling, Lea County, New Mexico.

 Applicant, in the above-styled causa, seeks approval for the downhole commingling of the

 Jalmat and Langlie Mattix production in the wellbore of its E. L. Steeler WN Well No. 5,

 located in Unit J of Section 19, Township 23 South, Range 37 East.
- CASE 7359: (Continued from October 7, 1981, Examiner Hearing)

Application of Energy Reserves Group for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico.

Applicant, in the above-styled cause, seeks creation of a new Cisco gas pool for its Miller Com Well No. 1, located in Unit M of Section 12, Township 6 South, Range 33 East.

Applicant further seeks approval for an unorthodox location for its Miller "A" Well No. 1-Y, to be drilled 1800 feet from the South 1; he and 1700 feet from the East line of Section 11 of the same township. The S/2 of said Section 11 to be dedicated to the well.

CASE 7383: (Continued from October 21, 1981, Examiner Hearing)

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 7404: Application of TXO Production Corporation for an unorthodox well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of an infill well to be drilled 2000 feet from the North line and 660 feet from the East line of Section 18, Township 21 South, Range 26 East, Catclaw Draw-Morrow gas pool.
- CASE 7405: Application of Carl Schellinger for dual completion and an unorthodox location, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion of his Campbell Station

 Unit Well No. 1, to produce gas from the Abo and Pennsylvanian formations. Applicant further seeks

 approval of the unorthodox Pennsylvanian location of said well 660 feet from the South and West

 lines of Section 34, Tormship 8 South, Range 27 East, the S/2 of said Section 34 to be dedicated

 to the Pennsylvanian and the SW/4 to the Abo.
- CASE 7406: Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 23, Township 5 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.
- Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo
 formation underlying the NE/4 of Section 23, Township 5 Scuth, 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 7408: Application of Doyle Hartman for directional drilling, a non-standard proration unit, an unorthodox well location and simultaneous dedication, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to directionally drill his Justis Well No. 10, the surface location of which is 1940 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, in such a manner as to bottom said well in the Jalmat Gas Pool at an unorthodox location 1980 feet from the North line and 330 feet from the East line of Section 19, Township 25 South, Range 37 East. Applicant further proposes to simultaneously dedicate said well and the Bettis, Boyle and Stovall Justis Well No. 1 to an 80-acre non-standard proration unit comprising the E/2 NE/4 of said Section 19.

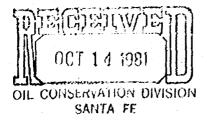


P. O. BOX 1492 EL PASO, TEXAS 75978

PHONE: 915-543-2600

DAVID T. BURLESON GENERAL COUNSEL

October 12, 1981



Ms. Florene Davidson
New Mexico Oil
Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 7348

Re: New Mexico Oil Conservation Division
Application for an Unorthodox Gas Well.
Eddy County, New Mexico

Dear Ms. Davidson:

Attached hereto for your necessary attention are an original and two copies of an application relating to the referenced action.

Very truly yours,

Carole Lindsey

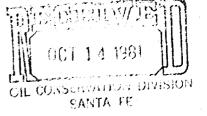
Secretary to David T. Burleson

c1

Attachment

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT



OIL CONSERVATION DIVISION

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

CASE NO. <u>378</u>

APPLICATION OF EL PASO NATURAL GAS COMPANY FOR AN UNORTHODEX GAS WELL, EDDY COUNTY, NEW MEXICO

El Paso Natural Gas Company, P. O. Box 1492, El Paso, Texas 79978, hereby makes application for Division approval of an unorthodox gas well location, and in support thereof shows:

- 1. That Applicant, El Paso Natural Gas Company, seeks approval of an unorthodox gas well location for a well which it proposes to drill in the Ross Draw area at a location 660 feet from the South line and 660 feet from the West line of Section 23, Township 26 South, Range 30 East, N.M.P.M. The primary objective formation is the Wolfcamp Formation, however, secondary objective formations are the Strawn, Atoka and Morrow. El Paso requests approval of the above-described unorthodox location for said well as to each of such formations.
- 2. Applicant proposes to dedicate the S/2 of said Section 23 to said well.
- 3. That the approval of the subject application will afford the Applicant the opportunity to produce its just and equitable share of the oil and gas and will prevent economic loss which would result from the drilling of unnecessary wells, avoid the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

Applicant requests a hearing before an Examiner at an early date, and prays that its application for an unorthodox gas well location above described will be approved.

Respectfully submitted,
EL PASO NATURAL GAS COMPANY

: Saul J. Bush

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:

dedicated to the well.

m 5

CONSIDERING:	
K	CASE NO. 7398
	ORDER NO. R- 1/8/6
APPLICATION OF EL PASO NATURAL	GAS COMPANY
FOR AN UNORTHODOX GAS WELL LOCAT	ION, Mu
EUDY COUNTY, NEW M	exico.
ORDER OF THE	DIVISION
BY THE DIVISION:	
This cause came on for hear	ing at 9 a.m. on November 4
19 81, at Santa Fe, New Mexico,	before Examiner Daniel S. Nutter
NOW, on thisday of	November , 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	on of this cause and the subject
matter thereof.	en e
(2) That the applicant,	El Paso Natural Gas Company
seeks approval of an unorthodox of	
feet from the South line ar	nd 660 feet from the
West line of Section 23	, Township 26 South
Range 30 East , NMPM, to	test the Wolfcampeland Parmy
formations, Ross Draw Area	xxxxxx1, Eddy
County, New Mexico.	
(3) That the S/2 of sa	aid Section 23 is to be

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

enable applicant to produce the gas underlying the proration unit.

That a well at said unorthodox location will better

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(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:

The application of a location for the Wolfcamp Denn (1) That in unorthodox gas well location for the Wolfcamp Denn (2) I location for the Wolfcamp Denn (2) I located at a point (3) formation is hereby approved for a well to be located at a point (60) feet from the South line and (60) feet from the West line of Section (23), Township (26) South (1), Range (30) East NMPM, Ross Draw Area (24) XXXPOOL, Eddy (2) County, New Mexico.

- (2) That the $\frac{S/2}{}$ of said Section $\frac{23}{}$ 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.