

CASE NO.

7460

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

20 January 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Northwest Pipeline Corporation for 13 nonstandard gas production units, San Juan County, New Mexico. CASE 7460

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: William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

KATHY MICHAEL

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PAUL THOMPSON

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MR. STAMETS: We will call next Case
7460.

MR. PEARCE: Application of Northwest
Pipeline Corporation for 13 nonstandard gas proration units,
San Juan 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., of Santa Fe, appearing on behalf of the
applicant.

I have two witnesses.

(Witnesses sworn.)

KATHY MICHAEL

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

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of
residence?

A. My name is Kathy Michael. I reside in
Littleton, Colorado.

Q By whom are you employed and in what

1

2

capacity?

3

A

I'm employed by Northwest Exploration

4

Company as Associate Landman for Northwest Pipeline.

5

Q

Have you previously testified before this

6

Commission?

7

A

No, I have not.

8

Q

Would you briefly summarize for the

9

Examiner your educational background and your work experience?

10

A

I graduated from North Texas State Uni-

11

versity with a Bachelor of Science degree in education in

12

1972. I worked for the Tom Wheatley Company from 1975 to

13

1977 as a land secretary, and for a field college as a sub-

14

sidiary of Public Service Company of Colorado as a junior

15

landman from 1979 -- or '77 to '79, and I've been employed

16

by Northwest Exploration since 1979 as an associate landman.

17

Q

Are you familiar with the application

18

filed in this case?

19

A

Yes.

20

Q

Are you familiar with the subject lands?

21

A

Yes.

22

MR. CARR: Are the witness' qualifica-

23

tions acceptable?

24

MR. STAMETS: They are.

25

Q

Ms. Michael, will you briefly state what

1
2 Northwest Pipeline seeks with this application?

3 A We propose to establish 13 nonstandard
4 proration units for the Pictured Cliffs formation due to
5 variations in the legal subdivision.

6 Q Would you please refer to what has been
7 marked for identification as Northwest Exhibit Number One and
8 review this for Mr. Stamets?

9 A Exhibit Number One is a copy of Order
10 Number 1066. The case, Number 1307, was heard September 11th,
11 1957, and the order was entered October 9th, 1957. It ap-
12 proves 15 nonstandard proration units for the Mesaverde form-
13 ation and, again, the establishment of these nonstandard pro-
14 ration units results from the variations in legal subdivision.
15 This creates the Mesaverde Unit, and attempts to keep them
16 as nearly as possible to 320 acres without splitting quarter
17 quarter sections a lot.

18 Q Now, I'd like you to refer to what has
19 been marked for identification as Exhibit Number Two, and
20 I'd note for the Examiner that Exhibit Number Two is very
21 similar to the plat that was attached to the application.
22 There have been several very minor changes; however.

23 And I'd first ask you, Ms. Michael, to
24 point out to the Examiner how this exhibit has been changed.

25 A Okay, Section 7 of 31, 7, we did make

1
2 changes in the acreage figures for the tract outlined in
3 red, and this was as a result of advice from the BLM that
4 the acreage figures supplied to you earlier were not correct.

5 And this acreage figure which we have
6 inserted, which is 307.77 acres is in accordance with the
7 BLM survey.

8 MR. CARR: Mr. Stamets, this would not
9 in any way affect the legal advertisement and notice given
10 for this case, but there was that one change as -- in the
11 plat, as previously submitted.

12 Q Ms. Michael, would you now refer to this
13 exhibit and explain to Mr. Stamets what it shows?

14 A Okay. The blue outlines show the non-
15 standard proration units which were established for the Mesa-
16 verde formation in 1957.

17 The red outlines show how we have sub-
18 divided the Mesaverde proration unit in order to come as
19 close as possible to 160-acre units for the Pictured Cliffs
20 formation.

21 Q Now will the wells that will be drilled
22 on these units be dual completions?

23 A Very likely, because the dually com-
24 pleted wells are more economic.

25 Q And they would be dualled in both --

1

2

A. Mesaverde and Pictured Cliffs.

3

Q. Would you state why Northwest seeks to

4

obtain approval for the 13 nonstandard proration units at

5

this time in one hearing?

6

A. Basically, it's part of our plan for

7

unit development and will provide for orderly unit develop-

8

ment, so that we do not have to appear before the Commission

9

as each well is drilled.

10

And again, it also will facilitate the

11

drilling of dual wells.

12

Q. And what you're doing in this hearing,

13

then, is just seeking division of the previously approved

14

nonstandard Mesaverde units.

15

A. That's correct.

16

Q. How many Pictured Cliffs wells have

17

been drilled in this area to date?

18

A. In this area to date we have only one,

19

and it is the San Juan 32-7 Unit Comm No. 79. It's located

20

and it is spotted on the map in the northwest quarter of the

21

southeast quarter of Section 7.

22

Q. And that's in 31 North, 7 West?

23

A. That's right.

24

Q. Is this well at an orthodox location?

25

A. Yes, it is.

1
2 Q And do you anticipate that subsequent
3 wells would also be drilled at orthodox locations?

4 A Yes. If they are not, it will be due to
5 topographical considerations and we will apply for administra-
6 tive approval at that time.

7 Q Have all the lands involved in these
8 nonstandard proration units been committed to the San Juan
9 32-7 Unit?

10 A No, they have not.

11 Q So there are non-unit lands in these
12 proration units.

13 A That's correct. We have five of these
14 units which contain non-unit land, and of these five, two
15 of them are subject to an operating agreement which has al-
16 ready been signed by the working interest owners outside of
17 the unit, and Pictured Cliffs drilling rights have been de-
18 scribed in that operating agreement as they are shown on
19 Exhibit Two.

20 Q Now, when the Mesaverde units were ap-
21 proved, I assume there were also non-unit lands involved?

22 A Yes, there were.

23 Q And how was that handled?

24 A At that time the order was issued sub-
25 ject -- or contingent upon proof of communitization to be

1
2 obtained -- or to be submitted at the time the wells were
3 drilled.

4 Q Do you anticipate that any of these
5 would require forced pooling hearings?

6 A It's possible that they might. We don't
7 anticipate it, but that will be handled at the time of
8 drilling.

9 Q In your opinion will approval of the
10 proposed nonstandard proration units be in the best interest
11 of conservation, the prevention of waste, and the protection
12 of correlative rights?

13 A Yes.

14 Q Was Exhibit Number Two prepared by you?

15 A Yes.

16 MR. CARR: At this time, Mr. Stamets,
17 we would offer Northwest Exhibits One and Two into evidence.

18 MR. STAMETS: These exhibits will be
19 admitted.

20 MR. CARR: I have nothing further on
21 direct of this witness.

22
23 CROSS EXAMINATION

24 BY MR. STAMETS:

25 Q Ms. Michael, I'd like to refer to Sec-

1
2 tion 6 and 7. Now the -- run over for me once again the
3 meaning of the blue outlines and the red outlines on this.

4 A Okay. The blue outlines show the Mesa
5 verde nonstandard proration units which were established in
6 1957. And what we've attempted to do here is to subdivide
7 with the red outline these Mesaverde proration units as equal-
8 ly as possible to -- and to as nearly as possible provide
9 for 160-acre Pictured Cliffs drilling blocks.

10 Q Okay. In Section 7 on the Exhibit
11 Number Two there is a unit which we've already talked about,
12 identified as 307.77 acres.

13 A Yes.

14 Q And that is the northeast of the south-
15 east of section; northwest of the southeast; and the south-
16 west of the northeast; and then it appears that the rest of
17 that may cover parts of Section 6 and not full parts of Sec-
18 tion 7, is that correct?

19 A That's correct, and the reason for this
20 is that that is a resurvey tract and the ownership -- okay,
21 the resurvey tract, of course, was the resurvey. It's a fee
22 tract and it was -- the survey was not adjusted when it was
23 resurveyed because of the fee ownership there, and the tract
24 down in the south -- the very south part of Section 7 is
25 owned by a different lessee than the part on the west side

1
2 of the section. It's two separate fee leases here.

3 Q Now we have a -- what's identified as
4 143.21 acre proration unit for the Pictured Cliffs identified
5 there, which number on Exhibit A, which was part of this ap-
6 plication, which number is that unit?

7 A Okay, it's Block C, and it's described
8 as all of Tract 54 lying in Section 6 and 7, and that would
9 cover that entire resurvey.

10 Q I think you're -- okay, the application
11 came in identifying 13 units, and I was trying to identify
12 which of the 13 is represented by that 143.21 acres.

13 A Okay. Okay, I believe it would be
14 number nine.

15 Q Okay, now number nine doesn't mention
16 Section 6 at all, and yet it does appear that that proration
17 unit involves Section 6.

18 A That's correct.

19 Q And why is that?

20 I guess what I'm getting at is if we're
21 going to put out an order on this we have to have a fairly
22 accurate description of each of these proration units, and
23 there are proration units, it would appear, in Section --
24 involving Sections 5 and 6, maybe; 6 and 7; and 7 and 8,
25 which cross section lines and may or may not involve full

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subdivisions. I'm not certain of that.

It certainly would be helpful if you could supply the Examiner with a map that identified these by lot number or some such thing as that.

It would aid and assist in writing --
MR. CARR: Okay, we can do that.

A. Okay.

Q. The proposal here today has no effect whatsoever on those old Mesaverde proration units, but this will allow you to drill additional wells in there and recover Pictured Cliffs production.

A. That's correct.

Q. And all of this is in the San Juan 32-7 Unit?

A. Yes, it is.

Q. But you did indicate that some of these units will involve nonparticipating interests.

A. That's correct.

Q. So there can be some differences in the interest ownership in some of the Pictured Cliffs wells from the Mesaverde wells at the same location. Is that correct?

A. Yes.

MR. STAMETS: Any other questions of the witness? She may be excused.

1
2 MR. CARR: At this time I'd call Mr.
3 Paul Thompson.

4
5 PAUL THOMPSON

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

8
9 DIRECT EXAMINATION

10 BY MR. CARR:

11 Q Will you state your name and place of
12 residence?

13 A My name is Paul Thompson. I live at
14 2317 East 18th in Farmington.

15 Q And, Mr. Thompson, by whom are you em-
16 ployed and in what capacity?

17 A I am a drilling engineer for Northwest
18 Pipeline Corporation.

19 Q Have you previously testified before
20 this Commission or one of its examiners and had your cre-
21 dentials accepted and made a matter of record?

22 A No.

23 Q Would you briefly summarize your edu-
24 cational background and your work experience?

25 A I received my Bachelor of Science de-

1
2 gree in chemical engineering from New Mexico State University
3 in December of 1976, and went to work for Phillips Petroleum
4 after college, and worked for Phillips for three years in
5 Oklahoma before I moved to Farmington to work for Northwest
6 in December of 1979.

7 I've been employed as a drilling engineer
8 since that time.

9 Q Are you familiar with the application
10 filed in this case?

11 A Yes, I am.

12 Q And the subject lands?

13 A Yes.

14 MR. CARR: Are the witness' qualifica-
15 tions acceptable?

16 MR. STAMETS: They are.

17 Q Mr. Thompson, will you refer to what
18 has been marked for identification as Northwest Exhibit
19 Number Three and identify this and explain what it shows?

20 A Exhibit Number Three is a data sheet
21 for the well, the San Juan 32-7 Unit Com No. 79. This well
22 was drilled in the southwest quarter of Section 7, which is
23 included in this area of interest today.

24 The exhibit kind of outlines the in-
25 terest, working interest owners in both the Mesaverde and

1
2 the Pictured Cliffs formations. And I've taken some of the
3 information from the logs which would indicate that both the
4 Pictured Cliffs and the Mesaverde formation in this well
5 should be productive. Currently the well, we have completed
6 the well in both zones and it is being cleaned up, additional
7 clean up and is awaiting on the initial potential test, and
8 the gauges at the bottom of that exhibit indicate what it
9 gauged immediately after we landed the tubing.

10 Q Mr. Thompson, why did Northwest drill
11 this well?

12 A This well was drilled at the request of
13 Tenneco to hold their non-unit acreage lease.

14 Q Do you have plans to drill other Pic-
15 tured Cliffs Wells in the immediate future?

16 A Not in the immediate future, but since
17 we do have Pictured Cliffs and Mesaverde production offset-
18 ting this area of interest it would seem likely that in the
19 future, at some future date, we would drill wells, and for
20 economic reasons I would suspect that we would like to drill
21 dual wells.

22 Q Will approval of this application enable
23 you to do this without returning to the Commission?

24 A That's correct.

25 Q Do you have anything further to add to

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your testimony?

A. No.

Q Was Exhibit Number Three prepared by
you?

A Yes, it was.

MR. CARR: At this time, Mr. Stamets,
we would offer Exhibit Number Three.

MR. STAMETS: Exhibit Number Three will
be admitted.

Are there any questions of this wit-
ness? He may be excused.

Anything further in this case?

Take the case under advisement.

(Hearing concluded.)

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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 and correct transcript of the proceedings in the above hearing of Case No. 7460 heard by me on 1-29 1982.
Richard L. [Signature]
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
6 January 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Northwest Pipeline
Corporation for 13 nonstandard
gas proration units, San Juan
County, New Mexico.

CASE
7460

BEFORE: Daniel S. Nutter

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:

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MR. NUTTER: Call next Case Number 7460.

MR. PEARCE: Application of Northwest Pipeline Corporation for 13 nonstandard gas proration units, San Juan County, New Mexico.

MR. NUTTER: Applicant has requested continuance.

Case Number 7460 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 20, 1982.

(Hearing concluded.)

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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

SALLY W. BOYD, C.S.R.
Rt. 1 Box 192-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a correct and true transcript of the hearing in
the case of No. 7460
heard by me on 1/6 2/3 1982.
[Signature] Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

BRUCE KING
 GOVERNOR
 LARRY KEHOE
 SECRETARY

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87501
 (505) 827-2434

Mr. William F. Carr
 Campbell, Byrd & Black
 Attorneys at Law
 Post Office Box 2208
 Santa Fe, New Mexico

Re: CASE NO. 7460
 ORDER NO. R-6938

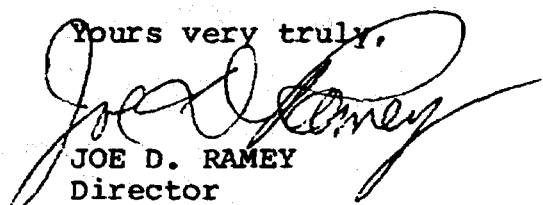
Applicant:

Northwest Pipeline Corporation

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 x

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. 7460
Order No. R-6938

APPLICATION OF NORTHWEST PIPELINE
CORPORATION FOR 13 NON-STANDARD GAS
PRORATION UNITS, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 20, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of April, 1982, 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, Northwest Pipeline Corporation, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, all as shown on Exhibit "A" attached hereto.

(3) That said proration units are necessitated by corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Pictured Cliffs formation under said proration units, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk

-2-

Case No. 7460
Order No. R-6938

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 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, are hereby established, all as shown on Exhibit "A" attached to this order.

(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 hereinafter designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY,
Director

S

TRACT DESIGNATION
ACRES

TRACT DESCRIPTION, ALL IN
TOWNSHIP 31 NORTH, RANGE 7 WEST

A-1 161.61 ac.	Section 18: Lots 8, 9, 10, SE/4 NW/4, and E/2 SW/4
B-1 164.06 ac.	Section 7: Lots 8 and 9 Section 18: Lots 5, 6, 7 and all of Resurvey Tract 55 lying in Sections 7 and 18
B-2 160.00 ac.	Section 7: SE/4 SE/4 Section 18: E/2 NE/4 and SW/4 NE/4
C-1 164.56 ac.	Section 7: Lot 7 and N/2 SE/4 and that part of Resurvey Tract 54 lying in the South Half of Section 7
C-2 143.21 ac.	Section 7: Lot 6 and SW/4 NE/4 and that part of Resurvey Tract 54 lying in Section 6 and the N/2 of Section 7
D-1 164.39 ac.	Section 6: Lots 12, 14, 15 and SW/4 SE/4 Section 7: Lot 5 and NW/4 NE/4
D-2 160.00 ac.	Section 5: SW/4 SW/4 Section 6: SE/4 SE/4 Section 7: E/2 NE/4
E-1 176.77 ac.	Section 6: Lots 9, 10 and 11, and NE/4 SW/4 and NW/4 SE/4
E-2 142.39 ac.	Section 5: Lot 9 Section 6: Lots 8, 13 and all that part of Resurvey Tract 53 lying in Sections 5 and 6
F-1 167.64 ac.	Section 5: Lots 7, 8, E/2 SW/4 and SW/4 SE/4
F-2 154.02 ac.	Section 5: Lot 6, N/2 SE/4 and SE/4 SE/4
G-1 174.26 ac.	Section 4: Lots 7, 8, and W/2 SW/4 Section 5: Lot 5
G-2 148.89 ac.	Section 4: Lot 5, NW/4 SE/4 and E/2 SW/4

ORDER NO. R-6938
Exhibit "A"

NORTHWEST PIPELINE CORPORATION

1125 Seventeenth Street, Suite 2100
(303) 670 3500

March 29, 1982

Mailing Address
P. O. Box 5500, Terminal Annex
Denver, Colorado 80217

Mr. William F. Carr
Campbell, Byrd & Black, P. A.
Jefferson Place
Suite 1 - 110 North Guadalupe
P. O. Box 2208
Santa Fe, New Mexico 87501

Re: Case #7460
January 20, 1982
San Juan County, NM


Dear Bill:

Pursuant to our telephone conversation this date, please find enclosed a copy of the USGS Oil and Gas Plat for Township 31 North, Range 7 West, which shows the acreage figure for Tract 54. No acreage figure is shown for Tract 53, but the Exhibit "B" for the San Juan 32-7 Unit shows this tract to contain 40.00 acres. I am also enclosing the appropriate page from Exhibit "B".

I trust that this information will be sufficient to satisfy Mr. Stamets, but if it should not be, please let me know and I will be happy to supply any additional information needed.

Thank you very much for your continued assistance in this matter.

Very truly yours,


Kathy Michael
Associate Landman

KM:bjt

Enclosure

NEW MEXICO OIL CONSERVATION COMMISSION
CASE NO. 7460
JANUARY 20, 1982

ORDER NO.
R-1066
BLOCK

DESCRIPTION OF PICTURED CLIFFS SUBDIVISIONS

Township 31 North, Range 7 West

A-1
161.61 ac. Section 18: Lots 8 (14.86), 9 (13.70), 10 (13.05),
SE/4 NW/4, E/2 SW/4

A-2
160.00 ac. Section 18: SE/4

B-1
164.06 ac. Section 7: Lots 8 (14.08) & 9 (34.30)
Section 18: Lots 5 (23.14), 6 (10.06), 7 (4.10) and
all of Resurvey Tract 55 lying in Section 7 & 18
(78.38)

B-2
160.00 ac. Section 7: SE/4 SE/4
Section 18: E/2 NE/4, SW/4 NE/4

C-1
164.56 ac. Section 7: Lot 7 (18.71), N/2 SE/4, That part of
Resurvey Tract 54 lying in the South half of Section 7
(65.85)

C-2
143.21 ac. Section 7: Lot 6 (18.53), SW/4 NE/4, That part of
Resurvey Tract 54 lying in Section 6 and the N/2 of
Section 7 (84.68)

D-1
164.39 ac. Section 6: Lots 12 (18.21), 14 (34.25), 15 (13.58),
SW/4 SE/4
Section 7: Lot 5 (18.35), NW/4 NE/4

D-2
160.00 ac. Section 5: SW/4 SW/4
Section 6: SE/4 SE/4
Section 7: E/2 NE/4

E-1
176.77 ac. Section 6: Lots 9 (39.30), 10 (40.62), 11 (16.85),
NE/4 SW/4, NW/4 SE/4

E-2
142.39 ac. Section 5: Lot 9 (38.14)
Section 6: Lots 8 (25.23), 13 (39.02), All that part
of Resurvey Tract 53 lying in Sections 5 and 6 (40.00)

F-1
167.64 ac. Section 5: Lots 7 (35.34), 8 (12.30), E/2 SW/4, SW/4
SE/4

F-2
154.02 ac. Section 5: Lot 6 (34.02), N/2 SE/4, SE/4 SE/4

G-1
174.26 ac. Section 4: Lots 7 (30.15), 8 (31.41), W/2 SW/4
Section 5: Lot 5 (32.70)

G-2
148.89 ac. Section 4: Lot 6 (28.89), NW/4 SE/4, E/2 SW/4

Description	No. of Acres	Number, Date and Term of Lease	Basic Royalty and Percentage	Lessee of Record	ORRI and Percentage	Working Interest and Percentage
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T-32-N, R-7-W Sec. 8: Lot 4, W/2 SW/4	99.41	6-16-51 10 yrs.	Clarley McCoy and Elva McCoy 1 1/2% All	El Paso Production Company	None	To Base of Mesaverde Formation El Paso Production Company All*
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NUP

250' over Base of Mesaverde
9' to 5' Side Mesaverde
Formation
El Paso Production
Company
All*

T-31-N, R-7-W Sec. 3: E/2 SW/4, S/2 SE/4	160.00		Mizel Brothers, a co- Partnership H. E. Galtup Corp Herman Yager Paul A. Yager Total	3.125% 3.125% 3.125% 3.125% 12.500%	None	Unleased Unleased Unleased Unleased Unleased
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Robert C. Whitten,
Trustee

Below 100' Salina
Formation
El Paso Production
Company
Unleased
Unleased
Unleased
Unleased
Unleased

T-31-N, R-7-W Tract 53	40.00	1-15-58 5 yrs.	Paul B. Martin and Kate F. Martin R. M. Martin and Ina C. Martin Total	6.250% 6.250% 6.250% 12.500%	Part American Petroleum Corporation Amoco Production Company	Part American Petroleum Corporation Amoco Production Company
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T-31-N, R-7-W
Sec. 10: NW/4

160.00

Robert C.
Whitten,
Trustee

Mizel Brothers, a co-
Partnership
H. E. Galtup Corp
Herman Yager
Paul A. Yager
Total

6.25

3.125%

3.125%

3.125%

3.125%

12.500%

Unleased

Spencer February 1, 1957
Released December 1, 1997

-5700

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE #7460
EXHIBIT 1

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

CASE NO. 1307
Order No. R-1066

APPLICATION OF PACIFIC NORTHWEST
PIPELINE CORPORATION FOR APPROVAL
OF SEVERAL UNORTHODOX GAS WELL
LOCATIONS AND NON-STANDARD GAS
DRILLING AND PRORATION UNITS IN
THE BLANCO MESAVERDE IN SAN JUAN
AND RIO ARRIBA COUNTIES, NEW MEXICO.

BEFORE EXAMINER DANIEL S. NUTTER OIL CONSERVATION COMMISSION
EXHIBIT 1
31-7-7460
Submitted by <u>NIELSEN</u>
Hearing Date <u>1/20/62</u>

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a. m. on September 11, 1957, at Farmington, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission" in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th day of October, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Pacific Northwest Pipeline Corporation, is the operator of the San Juan 32-7 Unit in Township 31 North, Range 7 West, Township 32 North, Range 7 West, and Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to establish fifteen non-standard gas drilling and proration units within the boundaries of the above-described San Juan 32-7 Unit due to variations in the legal sub-divisions of the United States Public Land Surveys.
- (4) That the applicant also seeks approval of six unorthodox gas well locations on certain of the above-described non-standard drilling and proration units.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of Pacific Northwest Pipeline Corporation for approval of the hereinafter described non-standard gas drilling and proration units in the Blanco Mesaverde Gas Pool be and the same is hereby approved.

TOWNSHIP 31 NORTH, RANGE 7 WEST

BLOCK "A"

Section 18: SE/4, E/2 SW/4, SE/4 NW/4, and
Lots 8, 9, 10.

BLOCK "B"

Section 18: E/2 NE/4, SW/4 NE/4, and
Lots 5, 6, 7.

Section 7: SE/4 SE/4, Lots 8 and 9, and
All of Tract 55 lying in Sections
18 and 19 as recorded on the Federal
Survey Plat approved November 13,
1917.

BLOCK "C"

Section 7: N/2 SE/4, SW/4 NE/4, Lots 6 and 7, and
All of Tract 54 lying in Sections
6 and 7.

BLOCK "D"

Section 5: SW/4 SW/4
Section 6: S/2 SE/4, and Lots 12, 14 and 15.
Section 7: E/2 NE/4, NW/4 NE/4, and Lot 5.

BLOCK "E"

Section 5: Lot 9
Section 6: Lots 8, 9, 10, 11, and 13, and
NW/4 SE/4, NE/4 SW/4, and
All Tract 53 lying in Sections
5 and 6.

BLOCK "F"

11-1-61
307.77
19.2

Section 5: Lots 6, 7, and 8, and SE/4, and E/2 SW/4.

BLOCK "G"

Section 4: SW/4, NW/4 SE/4, and Lots 6, 7, and 8.

Section 5: Lot 5.

BLOCK "H"

Section 3: NE/4 SW/4, W/2 SW/4, and
Lots 7 and 8.

Section 4: E/2 SE/4, SW/4 SE/4, and Lot 5.

BLOCK "I"

Section 2: W/2 SW/4

Section 3: SE/4, SE/4 SW/4, and Lots 5 and 6.

BLOCK "J"

Section 2: SE/4, E/2 SW/4, and Lots 5, 6, 7, and 8

TOWNSHIP 32 NORTH, RANGE 7 WEST

BLOCK "K"

Section 7: W/2 SE/4, E/2 SW/4, and Lots 2, 3, 4, 5,
and 6.

BLOCK "L"

Section 7: E/2 SE/4 and Lot 1

Section 8: SW/4 and Lots 3 and 4

BLOCK "M"

302.66 80
Reserved for use
4

Section 8: SE/4 and Lots 1 and 2.

Section 9: W/2 SW/4 and Lot 4.

BLOCK "N"

Section 23: SW/4

Section 26: NW/4

TOWNSHIP 32 NORTH, RANGE 6 WEST

BLOCK "Q"

Section 31: SW/4, S/2 NW/4 and S/2 SE/4

all in San Juan County, New Mexico.

Provided, however, that the approval of the non-standard units described above as "Block 'H' " and "Block 'I' " shall not become effective until proof of communitization of said blocks has been filed with the Commission.

2. That the application of Pacific Northwest Pipeline Corporation for approval of the hereinafter described unorthodox gas well locations in the Blanco Mesaverde Gas Pool be and the same is hereby approved.

NE/4 SE/4 Section 8, Township 32 North, Range 7 West.

NE/4 SE/4 Section 2, Township 31 North, Range 7 West.

NE/4 SE/4 Section 3, Township 31 North, Range 7 West.

NE/4 SE/4 Section 5, Township 31 North, Range 7 West.

NW/4 SW/4 Section 5, Township 31 North, Range 7 West.

NW/4 SE/4 Section 7, Township 31 North, Range 7 West.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

SEAL

Data Sheet for: San Juan 32-7 Unit Com #79

Location: NE/SW Sec 7, T31N, R7W

Spudded on 10-19-81 at the request of Tenneco to hold their non-unit acreage lease.

Owners:

	<u>Mesa Verde</u>	<u>Pictured Cliffs</u>
Northwest Pipeline	51.0001	59.9733
Tenneco	44.3246	36.2742
Jerome P. McHugh	1.5284	1.2508
Mesa Verde Gas & Oil Ltd	3.0569	2.5017
	<u>100.0</u>	<u>100.0</u>

Pictured Cliffs:

Porosity 18%
Induction 20 Ohms - meters
Pay Zone 16 ft.

Mesa Verde:

Porosity 12% average
Induction 20 Ohm - meters average
Pay Zone 75 ft

After completion:

PC - Gauged 54 MCF/D of dry gas
MV - Gauged 2237 MCF/D with a heavy mist.

Well is currently waiting on the Initial Potential Test.

NORTHWEST	3
Case No.	7460
Sub.	THOMPSON
Hearing Date	1/20/82

Dockets Nos. 4-82 and 5-82 are tentatively set for February 3 and February 17, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

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 February, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for February, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7462: Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinebry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.
- CASE 7463: Application of Texaco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its C. H. Weir "A" Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, to produce oil from the Skaggs-Drinkard and an undesignated Abo pool.
- CASE 7464: Application of Exxon Corporation for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two unorthodox oil well locations in Section 4, Township 19 South, Range 35 East, Scharb-Bone Spring Pool, as follows: State DD Well No. 1 to be drilled in the center of the SE/4 SW/4 and State DD Well No. 3 to be drilled in the center of the NW/4 NE/4. Pool rules require wells to be drilled in the NE/4 or SW/4 of a quarter section.
- CASE 7465: Application of Superior 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 1980 feet from the South line and 660 feet from the East line of Section 26, Township 24 South, Range 29 East, Wolfcamp-Pennsylvanian formations, the S/2 of said Section 26 to be dedicated to the well.
- CASE 7466: Application of Conoco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for it and Southland Royalty Company to each institute a cooperative waterflood project in the Blinebry Oil and Gas Pool by the injection of water into the Blinebry formation through nine injection wells located on Conoco's Warren Unit and Hawk B-3 Leases and Southland's State Lease in Sections 33 and 34 of Township 20 South, Range 38 East, and Sections 2 and 3 of Township 21 South, Range 37 East.
- CASE 7072: In the matter of Case No. 7072 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-6554 which order promulgated temporary special rules and regulations for the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre proration units.
- CASE 7460: (Continued from January 6, 1982, Examiner Hearing)
- Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4,5,6,7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.

EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

CASE 7467: Application of Inexco Oil Company for pool creation, special pool rules, and a discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks creation of a new Strawn oil pool for its Lottie York Well No. 1 located in Unit P of Section 14, Township 17 South, Range 37 East, and the promulgation of special rules therefor, including a provision for 80-acre spacing. Applicant further seeks the assignment of 57,150 barrels of oil discovery allowable to said well.

CASE 7459: (Continued from January 6, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

CASE 7410: (Continued from January 6, 1982, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7451: (Continued from January 6, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation 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 11, Township 6 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 7453: (Continued from January 6, 1982, Examiner Hearing)

Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon. Also to be considered will be the cost of re-entering 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 re-entry of said well.

CASE 7457: (Continued from January 6, 1982, Examiner Hearing)

Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

CASE 7468: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Paddock production and designated as the East Monument-Paddock Pool. The discovery well is Morris R. Antweil State SX Well No. 1 located in Unit J of Section 36, Township 19 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 36: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Ross Draw-Morrow Gas Pool. The discovery well is Florida Exploration Company Ross Draw Unit Well No. 10 located in Unit E of Section 27, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 27: N/2

(c) CREATE a new Pool in Lea County, New Mexico, classified as an oil pool for Morrow production and designated as the Sowell-Morrow Pool. The discovery well is Santa Fe Energy Company State NM2 Well No. 1 located in Unit M of Section 2, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 2: SW/4

(d) EXTEND the Angell Ranch-Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 12: All
Section 13: N/2

(e) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 27: N/2
Section 28: E/2

(f) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 23: S/2 S/2
Section 26: W/2 NW/4

(g) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 14: SW/4 SE/4

(h) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 25: W/2
Section 26: S/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 17: N/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 14: S/2
Section 23: W/2

(i) EXTEND the Cinta Roja-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 8: All

(j) EXTEND the South Culebra Bluff-Atoka Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 36: W/2

(k) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

(l) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 30: E/2
Section 32: S/2

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EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

- (n) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 12: E/2

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
Section 7: W/2

- (o) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 29: E/2 SE/4

- (p) EXTEND the Southwest Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 10: E/2

- (q) EXTEND the Leo-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 23: N/2 NE/4

- (r) EXTEND the West Lynch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 32: N/2
Section 33: NW/4

- (s) EXTEND the North San Simon-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 33: E/2 NW/4

- (t) EXTEND the South Saunders-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 25: N/2

- (u) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 9: NW/4

- (v) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 8: S/2 NW/4 and SW/4

- (w) EXTEND the Winchester-Atcha Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 3: W/2

Dockets Nos. 3-82 and 4-82 are tentatively set for January 20 and February 3, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 6, 1982

9 A.M. - 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 7410: (Continued from December 16, 1981, Examiner Hearing)

Application of E.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7448: (Continued and Readvertised)

Application of Energy Reserves Group Inc. for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Cisco production comprising the S/2 of Section 12 and the N/2 of Section 13, Township 6 South, Range 33 East; applicant further seeks approval of the unorthodox location of its Miller Com Well No. 1-Y located 660 feet from the South and West lines of said Section 12.

CASE 7451: Application of Yates Petroleum Corporation 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 11, Township 6 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 7452: Application of Superior Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Penn well to be drilled 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, the S/2 of said Section 14, to be dedicated to the well.

CASE 7453: Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon. Also to be considered will be the cost of re-entering 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 re-entry of said well.

CASE 7454: Application of Uriah Exploration, Inc., for approval of 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 1090 feet from the North line and 560 feet from the East line of Section 30, Township 22 South, Range 25 East, Wolfcamp-Pennsylvanian formations, the N/2 of said Section to be dedicated to the well.

CASE 7455: Application of H. L. Brown, Jr. for compulsory pooling at an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Granito Wash formation underlying the S/2 of Section 11, Township 6 South, Range 33 East, to be dedicated to a well to be drilled at an unorthodox location 1300 feet from the South line and 660 feet from the East line of said Section 11. 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 7456:** Application of Colonial Production Company for gas well commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the commingling of Ballard-Pictured Cliffs production from its Jicarilla Apache Wells Nos. 9 and 10, located in Units A and C of Section 15, Township 23 North, Range 4 West, prior to metering.
- CASE 7457:** Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.
- CASE 7458:** Application of Marks & Garner Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Bough C formation in the perforated interval from 9596 feet to 9616 feet in its Betenbough Well No. 2, located in Unit M of Section 12, Township 3 South, Range 15 East.
- CASE 7459:** Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.
- CASE 7460:** Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.
- CASE 7461:** Application of Wainoco Oil & Gas Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a well to be drilled at an unorthodox location 660 feet from the South and West lines of Section 18, Township 16 South, Range 37 East, Northeast Lovington Penn Pool, said location being 177.7 feet west of the center of Lot 4 whereas the pool rules specify that well be drilled within 150 feet of the center of the lot. Lots 3 and 4 of said Section 18 would be dedicated to the well.
- CASE 7421:** (Readvertised)
- Application of Doyle Hartman for compulsory pooling, unorthodox well location and non-standard spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying a 120-acre non-standard spacing unit consisting of the S/2 SW/4 and the NW/4 SW/4 of Section 3, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 330 feet from the West line of Section 3. 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.

Docket No. 2-82

DOCKET: COMMISSION HEARING - MONDAY - JANUARY 11, 1982
 9 A.M. - OIL CONSERVATION COMMISSION - ROOM 205
 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7393: (DE NOVO)

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.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

COMMISSION HEARING - MONDAY - JANUARY 11, 1982

CASE 7394: (DE NOVO)

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.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

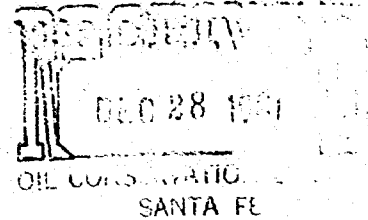
JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
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SANTA FE, NEW MEXICO 87501
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TELECOPIER: (505) 983-6043

December 28, 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 7460



Re: Application of Northwest Pipeline Corporation for 13
Nonstandard Proration Units, San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Northwest Pipeline Corporation 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 January 6, 1982.

Very truly yours,

William F. Carr
William F. Carr

WFC:kb

enclosures

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS DIV.
SANTA FE

IN THE MATTER OF THE APPLICATION
OF NORTHWEST PIPELINE CORPORATION
FOR 13 NONSTANDARD PRORATION UNITS
SAN JUAN COUNTY, NEW MEXICO

Case 7460

APPLICATION

Comes now NORTHWEST PIPELINE CORPORATION, by and through its undersigned attorneys, and hereby applies to the New Mexico Oil Conservation Division for approval of 13 nonstandard gas proration units, San Juan County, New Mexico, and in support of its application states:

1. Applicant is the operator of certain tracts located in Sections 4, 5, 6, 7 and 18 of Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, which, due to variations in the legal subdivisions of the U.S. Public Land Surveys do not contain 640 acres.
2. Said acreage has been developed in the Blanco Mesaverde Gas Pool on nonstandard proration units as approved by Oil Conservation Commission Order No. R-1066 which was entered by the Commission on October 9, 1957 in Case No. 1307.
3. Applicant proposes the establishment of 13 nonstandard gas proration units in the Pictured Cliffs formation, the descriptions of which are more fully set out on Exhibits A and B attached hereto and incorporated herein by reference, to be dedicated to Pictured Cliffs Wells to be drilled at standard locations on the referenced nonstandard proration units.
4. Applicant plans to develop the area in the Pictured

Cliffs Formation and approval of the 13 nonstandard proration units in one hearing will avoid additional hearings before the Oil Conservation Division.

5. Granting the application and drilling of the proposed wells will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE application respectfully requests that this matter be set for hearing before one of the Division's duly appointed examiners on November 19, 1981 and, that after notice and hearing is 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, New Mexico 87501
(505) 988-4421
Attorneys for Applicant

EXHIBIT A

Application of Northwest Pipeline Corporation
for non-standard prorations units,
San Juan County, New Mexico

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM

1. Section 4: NW/4 SE/4, E/2 SW/4 and Lot 6 (148.89 acres)
2. Section 4: W/2 SW/4 and Lots 7, 8
Section 5: Lot 5 (174.26 acres)
3. Section 5: N/2 SE/4, SE/4 SE/4 and Lot 6 (154.02 acres)
4. Section 5: E/2 SW/4, SW/4 SE/4 and Lots 7, 8 (167.64 acres)
5. Section 5: SW/4 NW/4 and Lot 9
Section 6: Lots 8, 13 (176.77 acres)
6. Section 6: NW/4 SE/4, NE/4 SW/4 and Lots 9,
10, 11 (142.39 acres)
7. Section 6: SW/4 SE/4 and Lots 12, 13, 14
Section 7: Lot 5 (164.39 acres)
8. Section 5: SW/4 SW/4
Section 6: SE/4 SE/4
Section 7: E/2 NE/4 (160.08 acres)
9. Section 7: W/2 NW/4, SW/4 SE/4 and Lot 6 (148.53 acres)
10. Section 7: N/2 SE/4, NW/4 SW/4, N/2 SW/4
SW/4, N/2 S/2 SW/4 SW/4 and Lot 7 (168.70 acres)
11. Section 7: S/2 S/2 SW/4 SW/4, S/2 SW/4 SW/4
SE/4, SW/4 SE/4 SW/4 SE/4
Section 18: N/2 NW/4, E/2 NW/4 NE/4 and
Lots 5, 6, 7 (151.59 acres)
12. Section 7: SE/4 SE/4
Section 18: E/2 NE/4, SW/4 NE/4 (160.00 acres)
13. Section 18: SE/4 NW/4, E/2 SW/4 and Lots
8, 9, 10 (161.61 acres)

HERBIE
DOG

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:

JAR

CASE NO. 7460

Order No. R-6938

M.S. W.P.

B.K.

APPLICATION OF NORTHWEST PIPELINE
CORPORATION FOR 13 NON-STANDARD GAS
PRORATION UNITS, SAN JUAN COUNTY,
NEW MEXICO.

*(Bid not check
description of
NSPs)*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 20,
1982, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of ^{*Jan*} January, 1982, 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, Northwest Pipeline Corporation, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, all as shown on Exhibit "A" attached hereto.

(3) That said proration units ^{are necessitated by} ~~result from~~ corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.

(4) That the entire non-standard proration units may reasonably be presumed productive of gas from the _____
_____ Gas Pool.

(4) (5) That approval of the subject application will afford the applicant the opportunity to produce ^{its} ~~his~~ just and equitable share of the gas in the Pictured Cliffs formation under said proration units ~~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 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 to 176.77 acres and each

comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, are hereby established *all as shown on Exhibit "A" attached to this order.*

(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

Tract Designation

Tract Description, All In

Acres

Township 31 North, Range 7 West

A-1
161.61 ac.

Section 18: Lots 8 (14.86), 9 (13.70), 10 (13.03),
SE/4 NW/4, E/2 SW/4
Land

~~A-2~~
~~160.00 ac.~~

~~Section 18: SE/4~~

B-1
164.06 ac.

Section 7: Lots 8 *and* 9 (0.00)
Section 18: Lots 5 (20.14), 6 (18.86), 7 (4.10) *and*
all of Resurvey Tract 55 lying in Section 7 *and* 18
(78.38)

B-2
160.00 ac.

Section 7: SE/4 SE/4
Section 18: E/2 NE/4, SW/4 NE/4

C-1
164.56 ac.

Section 7: Lot 7 *and* (16.71), N/2 SE/4 *and* that part of
Resurvey Tract 54 lying in the South half of Section 7
(65.85)

C-2
143.21 ac.

Section 7: Lot 6 *and* (18.53), SW/4 NE/4, *and* that part of
Resurvey Tract 54 lying in Section 6 and the N/2 of
Section 7 (84.68)

D-1
167.39 ac.

Section 6: Lots 12 (18.21), 14 (34.25), 15 (13.58), *and*
SW/4 SE/4
Section 7: Lot 5 *and* (18.35), NW/4 NE/4

D-2
160.00 ac.

Section 5: SW/4 SW/4
Section 6: SE/4 SE/4
Section 7: E/2 NE/4

E-1
176.77 ac.

Section 6: Lots 9 (39.30), 10 *and* (40.62), 11 (16.85) *and*
NE/4 SW/4, NW/4 SE/4
Land

E-2
142.39 ac.

Section 5: Lot 9 (38.14)
Section 6: Lots 8 (25.23), 13 (39.02) *and* All that part
of Resurvey Tract 53 lying in Sections 5 and 6 (40.00)

F-1
167.64 ac.

Section 5: Lots 7 (35.34), 8 (12.30) *and* E/2 SW/4, SW/4 SE/4
~~SE/4~~

F-2
154.02 ac.

Section 5: Lot 6 (34.02), N/2 SE/4, *and* SE/4 SE/4

G-1
174.26 ac.

Section 4: Lots 7 (30.15), 8 (31.41), W/2 SW/4
Section 5: Lot 5 (32.70)

G-2
148.89 ac.

Section 4: Lot 6 (26.89), NW/4 SE/4, *and* E/2 SW/4

Order No R-6938
Exhibit "A"

NEW MEXICO
LEA COUNTY
LOCATION, LEA COUNTY,
OIL & GAS COMPANY

Ray

Record in
Case No. 7431
incorporated

RECORDED

DEC 28 1981