

CASE 7512: VIKING PETROLEUM INC. FOR
AN UNORTHODOX LOCATION, LEA COUNTY, NEW
MEXICO

DOCKET MAILED
Date 3/5/82

CASE NO.

7512

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Viking Petroleum,
Inc., for an unorthodox location,
Lea County, New Mexico.

CASE
7512

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:

Francis J. Mathew, Esq.
JONES, CALLEGOS, SNEAD, &
WERTHEIM
215 Lincoln Ave.
Santa Fe, New Mexico 87501

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I N D E X

JACK J. GRYNBERG

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MR. STAMETS: Call next Case 7512.

MR. PEARCE: The application of Viking Petroleum, Inc., for an unorthodox location, Lea County, New Mexico.

MR. MATHEW: Francis Mathew from the firm of Jones, Gallegos, Snead, and Wertheim, is appearing for the applicant, Mr. Examiner.

The applicant has one witness. That witness is Jack Grynberg.

MR. STAMETS: Let the record show that Mr. Grynberg has been earlier sworn and qualified today, and remains so in this case.

JACK J. GRYNBERG

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

DIRECT EXAMINATION

BY MR. MATHEW:

Q Mr. Grynberg, are you familiar with the application involved in Case 7512?

A Yes, I am.

Q What does that application seek from the Commission today?

1
2 A. It seeks permission to produce the
3 well which has been completed as a Bough C well in an unorthodox
4 location for Bough C wells.

5 Q I'm handing you what's been marked as
6 Exhibit Number A for identification purposes. Can you identify
7 that?

8 A. Yes, I can.

9 Q What is that?

10 A. That's a land map showing the ownership
11 in the -- in the area where the subject well has been
12 drilled.

13 Q Would you identify specifically the
14 subject well on that land map?

15 A The well is located in the southeast
16 quarter northeast quarter of Section 31, Township 13 South,
17 Range 34 East, Lea County, New Mexico.

18 Q Now, what was the original depth that
19 that well was drilled to?

20 A The well was drilled to a total depth
21 of 13,174 feet to test the Morrow formation.

22 Q And what was the result of the test of
23 the Morrow formation?

24 A The Morrow formation encountered non-
25 commercial gas in various Morrow intervals and the decision

1
2 has been made to set a bridge plug and test the Bough C in-
3 terval.

4 Q And have tests been made?

5 A Yes, they have.

6 Q What are the results of those tests?

7 A The swabbing tests indicated 60 percent
8 oil, 40 percent water, swabbing at the rate of approximately
9 40 barrels an hour. The unfortunate thing about this well
10 is that we had to wait for an equivalent of a REDA pump (sic)
11 it's made by, I believe it's National Supply Company, and
12 they took about four months to get that pump and we started
13 producing 100 percent water, and we're now beginning to get
14 a little oil and today it's up to about 3 barrels of oil a
15 day and 333 barrels of water, and we hope that the oil con-
16 tent will increase and the water content will decrease.

17 That's typical of Bough C reservoirs.

18 Q Handing you what's been marked for
19 identification purposes as Grynberg Exhibit B. Can you
20 identify that?

21 A That's a published structure contour
22 map on the Nonombre Field in Lea County, New Mexico, encom-
23 passing the well in Section 31, Township 13 South, Range 34
24 East.

25 Q Does the subject well show up on that

1
2 map?

3 A. The location is shown on this map, yes.

4 Q. Would you identify the location?

5 A. The location is southeast quarter north-
6 east quarter of Section 31 with designation of Dome. Dome
7 Petroleum started to be the initial operator.

8 Q. What is the -- strike that. Where are
9 the standard locations for wells in the area that you seek
10 to produce?

11 A. Well, are you referring to the wells
12 in Section 32, is that what you mean?

13 Q. Yes.

14 A. They're the ones designated with a
15 triangle, I believe, as well as a circle.

16 Q. Why is your application for an unortho-
17 dox location?

18 A. Well, originally, you see, it was an
19 application approved by the Commission to drill a Morrow
20 well, and we asked for administrative approval of our
21 location completed in the Bough C level.

22 Q. Why did you have to seek administrative
23 approval?

24 A. Well, again as I understand, that that
25 location does not necessarily pertain to the appropriate

location for Bough C.

Q If allowed to produce at the level that you are now producing at -- or to continue to produce it, do you have an opinion as to the effect or the results of your production?

A Well, we hope, obviously, for the oil to increase and the water to reduce.

Q And can you tell the Examiner if the approval of this application would result in the prevention of unnecessary wells in the area?

A What do you mean prevention?

Q Prevention of the drilling of unnecessary wells?

A I think definitely it would.

Q Would the approval of this application also result in the prevention of economic waste and the -- and also preserve and protect the persons or parties with correlative rights in the area?

A Yes, it should.

MR. MATHEW: I have no further questions, Mr. Examiner.

CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Grynberg, what's the footage location of this well?

A. I believe, to the best of my recollection, it's 660 feet west of the east line and 1980 feet south of the north line.

Q. Okay.

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

Anything further in this case?

The case will be taken --

MR. MATHEW: Yes, Mr. Examiner, I would offer Exhibits A and B and --

MR. STAMETS: These exhibits will be admitted.

MR. MATHEW: -- further I would request that the Commission take administrative notice of the waivers that have been sent by Amoco and Grace in this matter.

MR. STAMETS: Okay, we will do that.

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

(Hearing concluded.)

C E R T I F I C A T E

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

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7512 heard by me on 3/16 1982.

Richard J. Flannery, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7469



April 12, 1982

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

Re:
Mr. Frank Mathew
Jones, Gallegos, Snead & Wertheim
Attorneys at Law
P. O. Box 2228
Santa Fe, New Mexico

Re: CASE NO. 7512
ORDER NO. R-6937

Applicant:

Viking Petroleum, Inc.

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/Ed

Copy of order also sent to:

Hobbs OCD	<u> x </u>
Artesia OCD	<u> x </u>
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7512
Order No. R-6937

APPLICATION OF VIKING PETROLEUM, INC.
FOR AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th 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, Viking Petroleum, Inc., seeks approval of an unorthodox location of a well located in Unit H of Section 31, Township 13 South, Range 34 East, Nonombre-Pennsylvanian Pool, said well being a recompleted Morrow test.

(3) That while the well was a recompleted Morrow test in the SE/4 of the quarter section, the pool rules require wells to be located in the NE/4 or SW/4 of the quarter section.

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

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

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

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Case No. 7512
Order No. R-6937

share of the hydrocarbons 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:

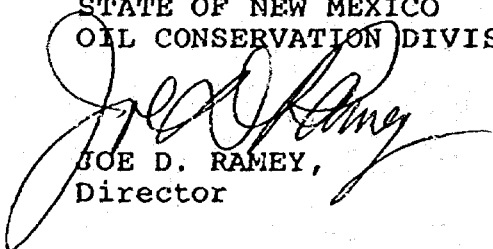
(1) That Viking Petroleum, Inc. is hereby authorized an unorthodox well location for its Dome No Nombre 31 State Well located in Unit H of Section 31, Township 13 South, Range 34 East, Nonombre-Pennsylvanian Pool, Lea County, New Mexico.

(2) That the NE/4 of said Section 31 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
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S.

Application for
Unorthodox Location

EXHIBIT

Viking Petroleum Inc.
#1 Dome NoNombre 31 State
SENE Sec. 31, T 13 S - R 34 E
Lea County, New Mexico

BEFORE EXAMINER STATEMENTS
OIL CONSERVATION DIVISION

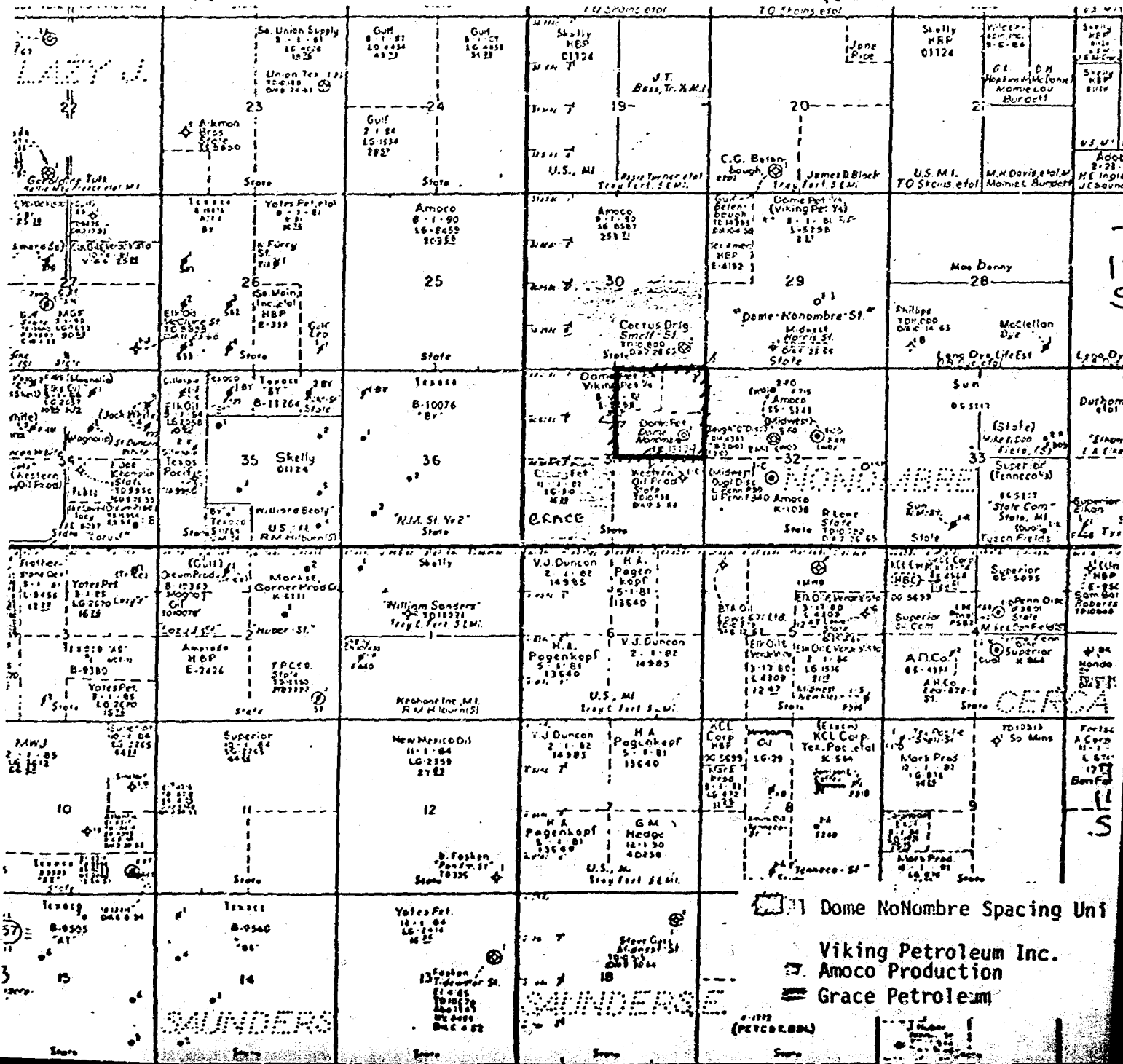
EXHIBIT NO. A
CASE NO. 7512

Submitted by GUY

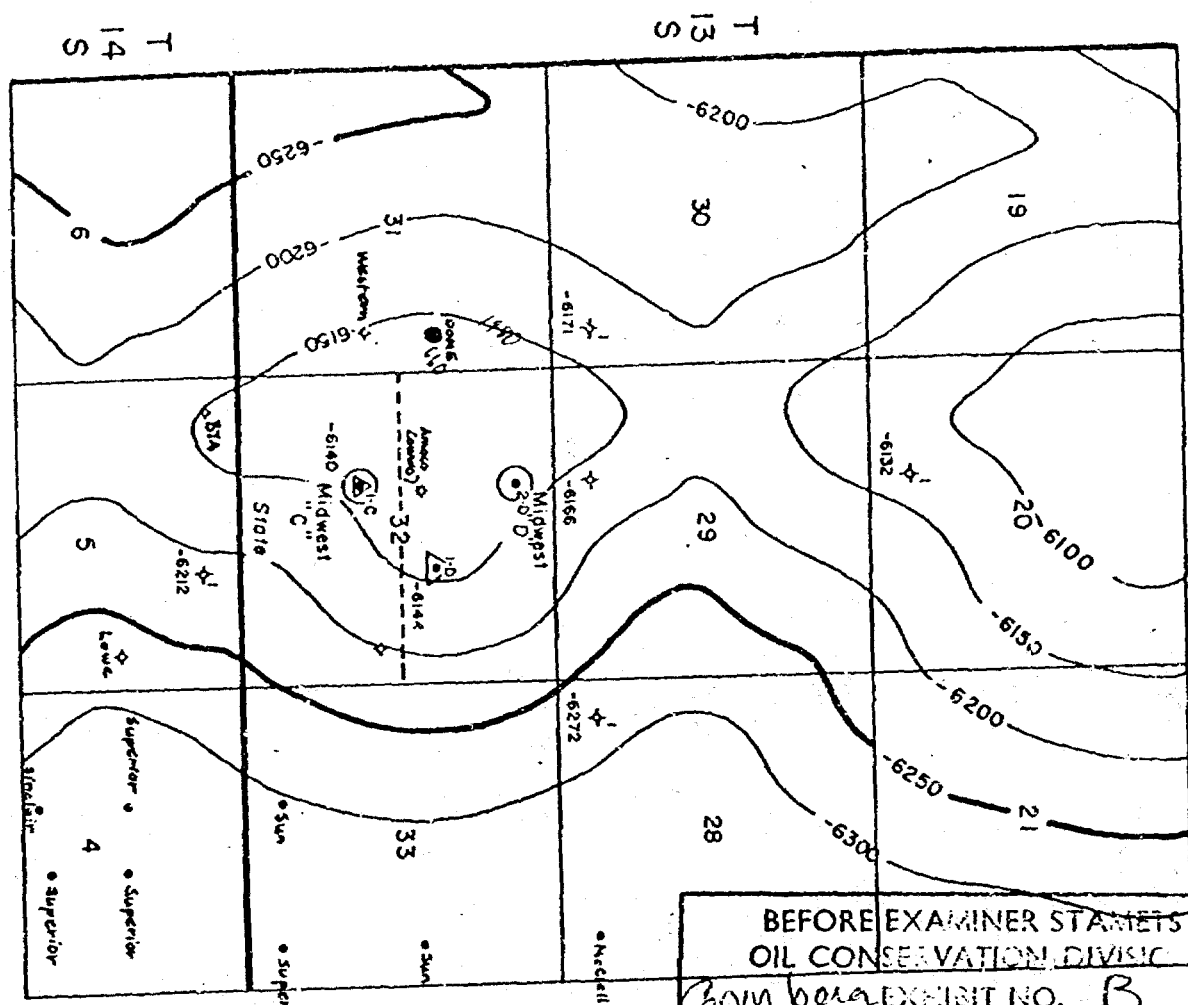
Hearing Date 3/14/82

R33E

R34E



R 34 E



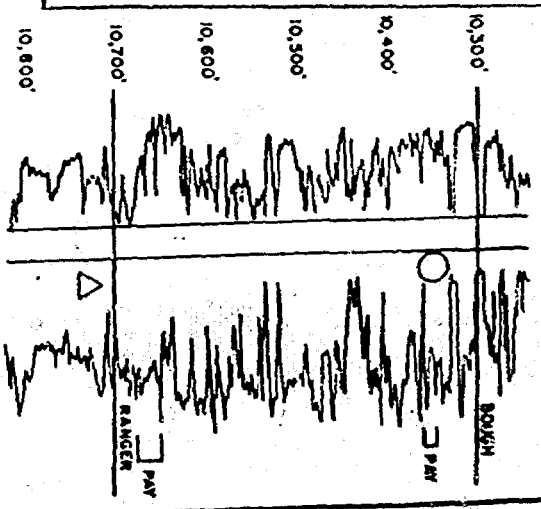
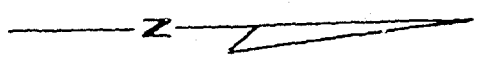
BEFORE EXAMINER STATES
OIL CONSERVATION DIVISION

Corynberg EXHIBIT NO. B

CASE NO. 7512

Submitted by Coryn

Hearing Date 3/14/82



TYPE LOG
AVERAGE ELEVATION 4175'
SCALE 1"=200'

LEGEND

○ BOUGH LINE

△ RANGER PAY

NONOMBRE FIELD
LEA COUNTY, NEW MEXICO

STRUCTURAL CONTOURS ON
BOUGH LINE

SCALE IN MILES

NAME: N.D. MCINTYRE MAY, 1966

ROSWELL GEOLOGICAL SOCIETY SYMPOSIUM

Author: N. D. McIntyre Field Name: Nonombre
 Affiliation: Midwest Oil Corporation Location: Section 32, T-13-S, R-34-E
 Date: April 11, 1966 County & State: Lea County, New Mexico

Discovery Well: Midwest No. 1 State "C", NE/4 SW/4 Section 32, T-13-S, R-34-E
 1PF 340 BOPD on 16/64" choke, TP 475 psi, GOR 946, Completed 5/1/65

Exploration Method Leading to Discovery: Seismic 80%, subsurface 20%

Pay Zone: Pennsylvanian
 Formation Name: Bough "D" zone Depth & Datum Discovery Well: 10345 (-6177)
 Lithology Description: White tan fine crystalline fractured & vuggy limestone

Approximate average pay: 17 gross 11 net Productive Area 640 acres

Type Trap: Anticlinal feature resulting from Pennsylvanian lime being deposited over
 underlying Devonian fault block. Fracturing in the Pennsylvanian lime
 members probably results from minor readjustment along the underlying
 fault plane.

Reservoir Data:
 % Porosity, Md Permeability, % Sw, % So
 Oil: Green sweet crude, 43° @ 60°F.
 Gas: Sweet 946-1. ppm
 Water: Na+K, Co, Mg, 62,000 Cl, SO₄, CO₂, or HCO₃, Fe
 Specific Gravity Resistivity 04 ohms @ 148 °F
 Initial Field Pressure: 3870 psi @ -6177 datum Reservoir Temp. 148 °F
 Type of Drive: Gas solution

Normal Completion Practices: Set casing through pay zone, perforate w/2 JSPF, wash
 w/500 gal. mud acid

Type completion: Flowing Normal Well Spacing 160 Acres

Deepest Horizon Penetrated & Depth: 11,590 (Canyon lime)

Other Producing Formations in Field: Ranger Lake zone (10700). Gas and oil in commercial
 quantities are also present in the Bough "C" zone at + 10310 (-6140) and in the
 Bough "F" zone at 10500 (-6325)

Production Data:

YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN MMCF		YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN MMCF	
		Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE			Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE
1965	OIL	2		92,202	92,202		OIL				
	GAS			73,769	73,769		GAS				
	OIL						OIL				
	GAS						GAS				
	OIL						OIL				
	GAS						GAS				
	OIL						OIL				
	GAS						GAS				

Dockets Nos. 9-82 and 10-82 are tentatively set for March 31, and April 14, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - MARCH 16, 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 April, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

- CASE 7502:** Application of Sun Oil Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 760 feet from the South line and 960 feet from the East line of Section 6, Township 24 South, Range 37 East, Jalmat Gas Pool, and a 160-acre non-standard proration unit comprising the SE/4 of said Section 6.
- CASE 7503:** Application of Sun Oil Company for an unorthodox gas well location and non-standard gas proration unit, Lea 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 North line and 1400 feet from the East line of Section 22, Township 22 South, Range 36 East, Jalmat Gas Pool, and a 120-acre non-standard proration unit comprising the W/2 NE/4 and SE/4 NE/4 of said Section 22.
- CASE 7504:** Application of Cities Service Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a subsurface depth of 3416 feet underlying the NW/4 of Section 19, Township 24 South, Range 37 East.
- CASE 7505:** Application of BCO, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Lybrook-Gallup and Basin-Dakota production in the wellbores of wells drilled and to be drilled in Section 2, 3, 4, 9 and 10, Township 23 North, Range 7 West.
- CASE 7506:** Application of Getty Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Abo formation in the perforated interval from 8900 feet to 9300 feet in its State "P" Well No. 1, located in Unit P, Section 32, Township 16 South, Range 37 East, Lovington-Abo Pool.
- CASE 7507:** Application of Sonny's Oilfield Service, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NW/4 NE/4 of Section 29, Township 18 South, Range 38 East.
- CASE 7508:** Application of P & O Oilfield Services, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NE/4 of Section 10, Township 25 South, Range 36 East.
- CASE 7459:** (Continued from February 17, 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 7457:** (Continued from February 17, 1982, Examiner Hearing)
(This Case will be continued to April 28, 1982)
- 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.

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Examiner Hearing
TUESDAY - MARCH 16, 1982

- CASE 7509: Application of Supron Energy Corporation for a non-standard proration unit or compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit for the Dakota and Mesaverde formations comprising the SW/4 of Section 2, Township 21 North, Range 8 West, or in the alternative, an order pooling all mineral interests from the surface down through the Dakota formation underlying the S/2 of said Section 2, 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 7510: Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Penn formations underlying the N/2 of Section 10, Township 22 South, Range 32 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 7511: (This Case will be continued to March 31, 1982)
Application of Buffton Oil & Gas Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the W/2 of Section 35, Township 16 South, Range 35 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 7496: (Continued from March 3, 1982, Examiner Hearing)
Application of Viking Petroleum, Inc. for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Abo gas well to be drilled 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, the SE/4 of said Section to be dedicated to the well.
- CASE 7512: Application of Viking Petroleum, Inc. for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well located in Unit H of Section 31, Township 13 South, Range 34 East, Nonombre-Penn Pool, said well being a recompleted Morrow test and located in the SE/4 of the quarter section whereas the pool rules require wells to be located in the NE/4 or SW/4 of the quarter section.
- CASE 7476: (Continued from March 3, 1982, Examiner Hearing)
Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 7513: 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 SE/4 of Section 12, 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.
- CASE 7514: Application of Santa Fe Exploration Co. for compulsory pooling, or in the alternative a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Permo-Penn, Strawn, Atoka and Morrow formations underlying the W/2 of Section 2, Township 20 South, Range 35 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 200 percent charge for risk involved in drilling said well. In the event said 200 percent risk factor is not approved, applicant seeks a non-standard unit excluding the lands of owners not participating in the well.

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EXAMINER HEARING - TUESDAY - MARCH 16, 1982

CASE 7515: Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Ranges 12, and 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7445: (Continued from February 17, 1982, Examiner Hearing)
(This Case will be continued to April 28, 1982)

Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the San Andres formation for its Fulton Collier Well No. 1 in Unit G of Section 1, Township 18 South, Range 28 East.

CASE 7492: (Continued and Readvertised)

Application of Harvey E. Yates Company for a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka-Morrow formation underlying all or portions of Townships 7, 8, and 9 South, Ranges 28, 29, 30 and 31 East, containing 161,280 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7500: (Continued from March 3, 1982, Examiner Hearing)

Application of Read & Stevens, Inc. for an exception to the maximum allowable base price provisions of the New Mexico Natural Gas Pricing Act, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Division prescribing the price allowed for production enhancement gas under Section 107 of the Natural Gas Policy Act as the maximum allowable base price if production enhancement work which qualifies under the NGPA is performed on its Hackberry Hills Unit Well No. 4 located in Section 22, Township 22 South, Range 26 East, Eddy County, New Mexico.



February 23, 1982

File: JCA-986.511-049

Re: Unorthodox Location
No. 1 Dome No Nombre 31 State
Lea County, New Mexico

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

Attention: Mr. Dan Nutter

Gentlemen:

Viking Petroleum Inc. has filed a request for administrative approval of an unorthodox location located in the SE/4 NE/4 Section 31, T-13-S, R-34-E, N.M.P.M. Lea County, New Mexico for the subject well.

As an offset operator, Amoco Production Company has no objection to the No. 1 Dome No Nombre 31 State well being located 1980' FNL and 660' FEL (SENE) of Section 31.

Yours very truly,

R.G. Smith
mlc

R. G. Smith
Regional Engineering Manager West

MLC/ta
300/H

Amoco Production Company (USA)

500 Jefferson Building
P.O. Box 3083
Houston, Texas 77251



File 7512
Cons

JACK GRYNBERG AND ASSOCIATES
PETROLEUM, GEOLOGICAL, GEOPHYSICAL AND MINING ENGINEERS

1050 17th STREET • SUITE 1950 • DENVER, COLORADO 80265 • PHONE 303 - 572-1455

TELEX: 45-4497 ENERGY DVR
TELECOPIER: 303-623-5224

February 17, 1982

State of New Mexico
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Dan Nutter

RE: Application for Administrative Approval
of Unorthodox Location
Viking Petroleum Inc.
#1 Dome No Nombre 31 State
1980' FNL and 660' FEL (SENE)
Section 31, T13S-R34E, N.M.P.M.
Lea County, New Mexico

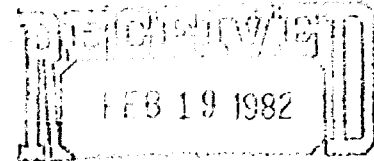
Gentlemen:

In accordance with the Oil Conservation Division Rule 104-F, Viking Petroleum Inc., as operator of the captioned well, does hereby request administrative approval of the unorthodox location. The well was originally permitted as a 13000 foot MORROW gas test. The well was timely commenced and drilled to 13174 feet. The Morrow Formation was tested and was determined to be noncommercial. The well was then plugged back and re-completed as an oil well in the Bough C from 10374-10406 which will be part of the No Nombre Upper Pennsylvanian Pool. This pool has 160 acres spacing with the well being located in the NE/4 or SW/4 of the quarter section. The captioned well is located in the SE/4NE/4 which makes it an unorthodox location.

The attached Exhibit is the required plat showing the ownership of all leases offsetting the 160-acre spacing unit for which the unorthodox location unit for which the unorthodox location is sought and also shows all wells completed thereon.

The operators (lessees) of these offsetting proration or spacing units are hereby notified of the aforementioned application for administrative approval of the unorthodox location and are hereby requested, as offsetting operators, to sign the attached waiver if you have no objections to the unorthodox location. Please send

(continued)



*not slip for approval
with the special rule
Rule 5 for above approval
all right for the footing
operation - but not with*

State of New Mexico
February 17, 1982
RE: Application for Administrative Approval
of Unorthodox Location
Page 2

the signed waiver to the Oil Conservation Division, Attention Mr. Dan Nutter,
in the enclosed envelope.

Your prompt attention to this matter is greatly appreciated.

Very truly yours,

JACK GRYNBERG AND ASSOCIATES
Agent for Viking Petroleum Inc.



Nancy Stolze
Land Manager

NS/ggd
atts. 2

cc: Amoco Production Company
Southeast New Mexico Division
Post Office Box 3092
Houston, TX 77001

Grace Petroleum Corp.
Post Office Drawer 2358
Midland, TX 79702

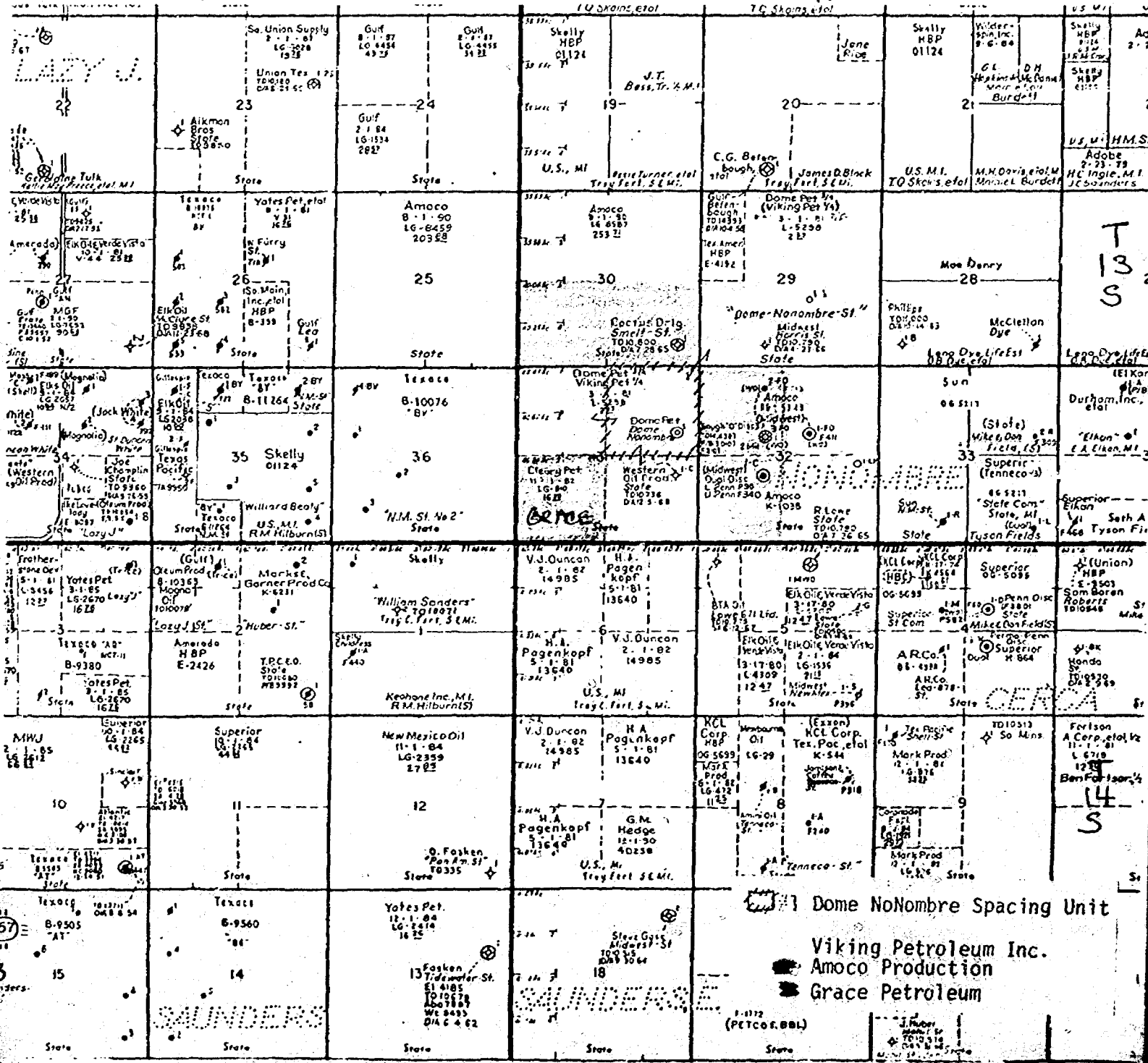
Application for
Unorthodox Location

EXHIBIT

Viking Petroleum Inc.
#1 Dome NoNombre 31 State
SENE Sec. 31, T 13 S - R 34 E
Lea County, New Mexico

R33E

R34E



WAIVER

I the undersigned, having authority to sign said instrument on behalf of _____ do hereby acknowledge receipt of notification for VIKING PETROLEUM INC.'s unorthodox location located in the SE/4NE/4 Section 31, T13S-R34E, N.M.P.M., Lea County, New Mexico and as an offset operator have no objections to said unorthodox location.

This _____ day of _____, 1982.

By: _____

Stakeholder
1/1/82

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

PS

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

11/1/82
M.S.

CASE NO. 7512

Order No. R-6937

APPLICATION OF VIKING PETROLEUM, INC.
FOR AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

Jan

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 16, 1982,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of March, 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, Viking Petroleum, Inc., seeks approval of an unorthodox location of a well located in Unit H of Section 31, Township 13 South, Range 34 East, Nonombre-Pennsylvanian Pool, said well being a recompleted Morrow test.

(3) That while the well was a recompleted Morrow test in the SE/4 of the quarter section, the pool rules require wells to be located in the NE/4 or SW/4 of the quarter section.

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

 of its in the
 of said Section .

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the ^{hydrocarbons} ~~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 Viking Petroleum, Inc. is hereby authorized an unorthodox well location ^{for its Done No Nombre 31 State well located} ~~located~~ in Unit H of Section 31, Township 13 South, Range 34 East, Nonombre-Penn^{sylvania} Pool, Lea County, New Mexico, ~~and~~ ~~and~~

(2) That the NE 1/4 of said Section 31 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
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L