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DOCKET MAILED

8/6/82

CASE NO.

7646

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

18 August 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for an unorthodox gas well location,
Lea County, New Mexico.

CASE
7646

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:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
117 No. Guadalupe
Santa Fe, New Mexico 87501

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I N D E X

CLAYTON ROTH

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Nutter 8

E X H I B I T S

Applicant Exhibit One, Structure Map 4

Applicant Exhibit Two, Cross Section 7

1
2 MR. NUTTER: Call Case Number 7646.

3 MR. PEARCE: That is on the application
4 of Tenneco Oil Company for an unorthodox gas well location,
5 Lea County, New Mexico.

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

9
10 (Witness sworn.)

11
12 CLAYTON ROTH

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

15
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Mr. Roth, for the record, would you please
19 state your name and occupation?

20 A I'm Clayton Roth. I'm a geological en-
21 gineer with Tenneco Oil in San Antonio, Texas.

22 Q Mr. Roth, have you previously testified
23 before the Division as a geological engineer and had your
24 qualifications accepted and made a matter of record?

25 A Yes, I have.

Q And have you made a study of the facts surrounding this particular application by Tenneco?

A Yes, I have.

MR. KELLAHIN: Mr. Nutter, we tender Mr. Roth as an expert witness.

MR. NUTTER: Mr. Roth is qualified.

Q Mr. Roth, let me direct your attention to what we've marked as Applicant Exhibit Number One, which is your structure map on the Chester Lime.

If you'll commence, Mr. Roth, and first of all identify the proposed location for us.

A The proposed location is in Section 25 of Township 16 South, Range 33 East. It is 1855 feet from the north line and 660 feet from the east line.

Q And what is your proposed objective?

A The proposed objective is the Pennsylvanian formation with the Morrow as our primary objective.

Q And what is the proration unit you would propose to dedicate to the well?

A The north half of Section, 320 acres.

Q I noticed on your map, Mr. Roth, that you show a line of cross section, starting with B on the left, or to the west, and moving then to the east to B'.

If you'll give us some general background

1
2 information about these wells in this area and starting in
3 chronological order, which was the first well drilled to this
4 formation?

5 A The first well would be in Section 29 at
6 the righthand side by B' is the 29 No. 1 that was drilled in
7 October of 1977.

8 Q And what was the results of that well?

9 A That well was dry and nonproductive in
10 that particular formation.

11 Q All right, sir, and what is the next well
12 then drilled?

13 A It is the Section 25 well on the lefthand
14 side of the cross section line, the 25-101. That was drilled
15 in August of '79. It was a dry hole. It was non-productive
16 in that particular horizon.

17 Q All right, sir, then the next well.

18 A It was our 29-2 Well in Section 29, the
19 second one from the right. It was drilled in -- also in '79.
20 That well was also non-productive in that horizon, in the
21 Morrow horizon.

22 Q All right, sir, and then the next?

23 A The next well would be our 30 No. 1 Well
24 in Section 30. That well was also not producing in that
25 horizon.

1

2

Q And the last well?

3

A Was our 30 No. 2 Well in Section 30,

4

which is our well that we hope to develop that is productive

5

in the Morrow horizon.

6

Q When was that well completed, Mr. Roth?

7

A October of '81.

8

Q And what is its current cumulative pro-

9

duction?

10

A It's currently 232,000 Mcf and 24,000

11

barrels of condensate.

12

Q And what does -- what's its current pro-

13

duction?

14

A Current production is approximately 1350

15

Mcf per day and 80 to 100 barrels of condensate.

16

MR. NUTTER: When was it drilled?

17

A It was spudded in June of 1981 and com-

18

pleted in October of 1981.

19

MR. NUTTER: Thank you.

20

Q That well came after, then, the well in

21

the far western portion of the subject proration unit?

22

A Yes, it did.

23

Q All right, sir. And why have you chosen

24

the proposed unorthodox location for the next well?

25

A The sand that produces in our 30 No. 2

1
2 Well lies directly on top of the Mississippian Chester Lime-
3 stone. That zone has not been productive in any of the other
4 wells on the cross section line. We feel by going along strike
5 of the Mississippian Lime, since it lies directly on top of
6 that lime, possibly we could encounter these sands again.

7 Q All right, sir, let's turn to your cross
8 section, then, Mr. Roth.

9 All right, sir, describe for us generally
10 what your cross section shows.

11 A This is a structural cross section. The
12 datum is 8520 feet below sea level. The top of the Mississip-
13 pian Chester Lime is an undulating line which is at the bot-
14 tom of the cross section.

15 Our 30 No. 2 Well is our well which we
16 hope to offset. The zone is shown. It lies directly on top
17 of the Mississippian Lime.

18 As you go to the right, or to the east,
19 there are porosity zones that rest directly on there, but
20 these have been tested and also have been evaluated through
21 formation testers, production tests, and log evaluation has
22 shown not to be productive.

23 As you go to the left, which is to the
24 west, there's the Section 25 Well. There's no horizon there
25 which has any porosity development or sand development.

1
2 There is also in Section 30 No. 2 a sand
3 zone approximately 100 feet above the basal Morrow sand, which
4 has not been encountered in any of the other wells in the area,
5 which we possibly hope to encounter again.

6 Q In your opinion, Mr. Roth, is the pro-
7 posed location the optimum location in the proration unit
8 from which to test the Pennsylvanian formation?

9 A Yes, it is.

10 Q Were Exhibits One and Two prepared by
11 you?

12 A Yes, they were.

13 Q And in your opinion, Mr. Roth, will ap-
14 proval of this application be in the best interests of con-
15 servation, the prevention of waste, and the protection of
16 correlative rights?

17 A Yes, it will.

18 MR. KELLAHIN: If the Examiner please, we
19 move the introduction of Exhibits One and Two.

20 MR. NUTTER: Exhibits One and Two will be
21 admitted in evidence.

22
23 CROSS EXAMINATION

24 BY MR. NUTTER:

25 Q Mr. Roth, when you were going over the

1
2 wells, I thought you had mentioned that the 1-29 was non-
3 productive in that zone. I guess what you meant was it was
4 non-productive in this lower Morrow zone.

5 A Yes, the one that is shown on the cross
6 section as resting directly on top of the lime.

7 Q Uh-huh, so it is -- that one to the far
8 east, it is an Atoka producer and also a producer from the
9 upper or middle Morrow.

10 A It did produce from the Middle Morrow but
11 that zone has been depleted.

12 Q And then the Middle Morrow is non-productive
13 in the well that's west of your proposed -- that's just east
14 of your proposed location.

15 A Yes, it is.

16 Q There's no Middle Morrow there.

17 A No, it isn't. We didn't do any testing
18 there, or it is not there; it's not productive.

19 Q And so your target on this proposed loca-
20 tion is the Lower Morrow.

21 A Yes, it is.

22 Q Now, this well that you have in Section
23 30, it was completed in October of '81, you stated?

24 A Yes.

25 Q And is that a cumulative production of

1
2 232,000 Mcf?

3 A I believe that's what my figures --

4 Q And how much condensate again?

5 A 24,000 barrels.

6 Q And it's currently producing 1300 Mcf
7 a day, I believe you said.

8 A Yes. I'm sorry, it's 1,350 Mcf per day.

9 Q Do you have that cumulative there?

10 A Yes, it's -- these are cums through May
11 of 82.

12 Q Starting with what month?

13 A Well was completed, completion date of
14 '81.

15 Q Well, was that when it was hooked up , too?

16 A It was January 1st, '82, would be the
17 first date of production.

18 Q Okay, it would make 232,000 since January.

19 A Yeah.

20 Q January through May?

21 A Correct, to May of '82.

22 MR. NUTTER: Are there any further ques-
23 tions for Mr. Roth?

24 MR. KELLAHIN: No, sir.

25 MR. NUTTER: He may be excused. Do you

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2

have anything further, Mr. Kellahin?

3

MR. KELLAHIN: Not in this case.

4

5

MR. NUTTER: Does anyone have anything
they wish to offer in Case Number 7646?

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We'll take the case under advisement.

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(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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7646 heard by me on 8/18 1982.

[Signature], Examiner
Oil Conservation Division

SALL. BOYD, C.S.R.

Box 192-B

Santa Fe, New Mexico 87506

Phone (505) 455-7407



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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
808 967-8434

~~Tennessee Oil Company~~

Yours very truly,

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. 7646
Order No. R-7064

APPLICATION OF TENNECO OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 18, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 24th day of August, 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, Tenneco Oil Company, seeks approval of an unorthodox gas well location 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, NMPM, to test the Atoka and Morrow formations, Kemnitz Field, Lea County, New Mexico.

(3) That the N/2 of said Section 25 is to be dedicated to the well.

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

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic

-2-

Case No. 7646
Order No. R-7064

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

IT IS THEREFORE ORDERED:

(1) That the application of Tenneco Oil Company for an unorthodox gas well location for the Atoka and Morrow formations is hereby approved for a well to be located at a point 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) That the N/2 of said Section 25 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
JOE D. RAMEY,
Director

Dockets Nos. 27-82 and 28-82 are tentatively set for September 1 and September 15, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1982

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

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

- ALLOWABLE:** (1) Consideration of the allowable production of gas for September, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7635:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7636:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7637:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7638:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, Mid-Continent Casualty Company, and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit M, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21-North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7639:** Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo, Drinkard and Blinbry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.
- CASE 7640:** Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through and including the Abo formation in and under the NE/4 NE/4 of Section 12, Township 20 South, Range 37 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 7641:** Application of Reading & Bates Petroleum Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Devonian formation underlying the NW/4 SE/4 of Section 33, Township 14 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7642:** Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. 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 7643: Application of Texaco, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the W/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, 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 7650: Application of Texaco Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the E/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, 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 7644: Application of Rault Petroleum Corporation & McKay Petroleum Corporation for compulsory pooling, De Baca County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 of Section 33, Township 3 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 7645: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to the base of the Abo formation underlying the NE/4 of Section 29, Township 7 South, Range 26 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 7652: Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering 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-entering said well.
- CASE 7646: Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well to be drilled 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, the N/2 of said Section 25 to be dedicated to the well.
- CASE 7651: Application of Nortex Gas & Oil Company for the amendment of Order No. R-6903, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.
- CASE 7647: Application of Guest Energy Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open hole interval from 4150 feet to 5600 feet in its State A Well No. 2, located in Unit L of Section 26, Township 14 South, Range 33 East.
- CASE 7653: Application of Rio Pecos Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Chaverlea-North Federal Unit Area, comprising 1,920 acres, more or less, of Federal and Fee lands in Township 8 South, Range 31 East.
- CASE 7648: Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation, underlying the W/2 of Section 35, Township 18 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 7654: Application of Rault Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for an undesignated Pennsylvanian gas well to be drilled 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7306: (Reopened)

In the matter of Case 7306 being reopened pursuant to the provisions of Order No. R-6769 which promulgated temporary pool rules for Madera-Lower Penn Gas Pool in Lea County, including provision for 640-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 7655: 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 from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 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.

CASES 7528 and 7529: (Continued from July 7, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case 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 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7594: (Continued from July 21, 1982, Examiner Hearing)

Application of Harvey E. Yates Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in that portion of the Bone Spring formation described as the Carbonate unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lands underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.

KELLAHIN AND KELLAHIN

Attorneys at Law

El Patio, 117 Guadalupe

Post Office Box 1769

Santa Fe, New Mexico 87501

Telephone (505) 982-4285

Jason Kellahin

W. Thomas Kellahin

Karen Aubrey

James B. Grant

July 26, 1982

Mr. Joe D. Ramey
OIL CONSERVATION DIVISION
Post Office Box 2088
Santa Fe, New Mexico 87501

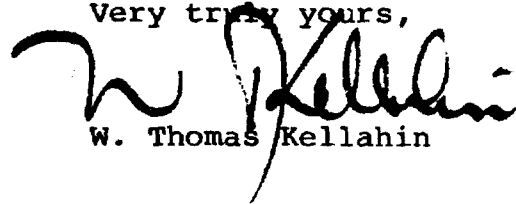
Re: Tenneco Oil Company

Case 7646

Dear Mr. Ramey:

Please set the enclosed Application for hearing on
August 18, 1982.

Very truly yours,



W. Thomas Kellahin

WTK:rb

Enclosure

cc: Mr. David Motloch,
Tenneco-San Antonio

RECEIVED
JUL 27 1982

JUL 27 1982

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR APPROVAL
OF AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE 7646

A P P L I C A T I O N

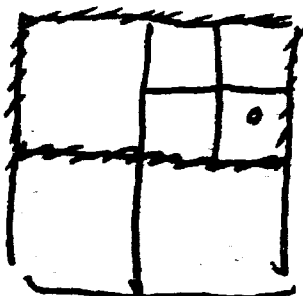
COMES NOW Tenneco Oil Company by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location, 1855 feet from the North line and 660 feet from the East line, Section 25, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico, and in support thereof would show:

1. Applicant is the operator of the N/2 of Section 25, T16S, R33E, NMPM, Lea County, New Mexico and proposes to dedicate said N/2 to a Pennsylvanian well drilled at an unorthodox well location.

2. Applicant proposes to drill the subject well at an unorthodox location 1855 feet from the North and 660 feet from the ~~South~~ ^{East} lines of Section 25.


3. Applicant's requested located is more advantageous for drilling than a standard location and will more likely result in the recovery of gas that would not otherwise be recovered.

WHEREFORE, Applicant requests that the Application be set for hearing before the Division's Examiner and that after notice and hearing the Application be granted as requested.



KELLAHIN & KELLAHIN

By


W. Thomas Kellahin
Post Office Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

CASES

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. 7646

Order No. ~~76~~ 7064



APPLICATION OF TENNECO OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 13, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of August, 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, Tenneco Oil Company, seeks approval of an unorthodox gas well location 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, NMPM, to test the *Hoka and Morrow* ~~Pennsylvanian~~ ^{*Fish*} formations, ~~Kennitz~~ ^{*Kennitz*} Pool, Lea County, New Mexico.

(3) That the N/2 of said Section 25 is to be dedicated to the well.

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

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

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

IT IS THEREFORE ORDERED:

(1) That the application of Tenneco Oil Company for an unorthodox gas well location for the ~~Pennsylvanian~~ ^{Hoke and Morrow} formation is hereby approved for a well to be located at a point 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) That the N/2 of said Section 25 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