# CASE NO.

2685

APPlication, Transcripts, Small Exhibits,

ETC.

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2	MR. STAMETS: We'll call next Case 7685.	
3	MR. PEARCE: That is on the application	
4	of Cimarron Energy Corporation for an unorthodox location,	
5	Eddy County, New Mexico.	
6	MR. STAMETS: You may proceed.	
7	MR. KLIPSTINE: Thank you, Your Honor.	
8	Mr. Examiner, my name is Jim Klipstine	
9	and I represent Cimarron Energy, the Applicant in this matter	
10	I'll call two witnesses, Mr. Denis DeLuch	
11	and Mr. John Morris.	
12		
13	(Witnesses sworn.)	
14		
15	MR. STAMETS: Mr. Klipstine, is this	
16	your first session as an attorney before this agency?	
17	MR. KLIPSTINE: It's my first appearance	
18	here, yes.	
19	MR. STAMETS: And I presume you are a	
20	member of the New Mexico Bar?	
21	MR. KLIPSTINE: Yes, sir, I am.	
22	MR. STAMETS: Very good. Formalities	
23	are out of the way and you may proceed.	
24	MR. KLIPSTINE: Thank you.	
25	First I'll examine Mr. DeLuche.	

		<u> </u>					
.1							
2							
3							
4	:	DENIS E. DE LUCHE					
5	heing called as	a witness and being duly sworn upon his oath,					
6	testified as fol	lows, to-wit:					
7							
8		DIRECT EXAMINATION					
9	BY MR. KLIPSTINE	en e					
10	Q.	Would you state your name for the record,					
11	please, sir?						
12	A.	Denis DeLuche.					
13	Q.	And what is your relationship with Cimar-					
14	ron Energy Corpo	cation?					
15	<b>A.</b>	I am a member of the Board of Directors					
16	and President of	the corporation.					
17	Q	Mr. DeLuche, have you obtained waivers in					
18	writing from all	offsetting lease holders or operators in con					
19	nection with the application before this Commission?						
20	A.	Yes, sir.					
21	Q.	And are those reflected in Exhibit One					
22	before the Commis	sion?					
23	<b>A.</b>	Yes, sir, Exhibit One reflects letters					
24	signed by all off	setting operators or interest holders in					
25	offsets to Cimarr	on No. 1 location, with one exception.					

Mr. DeLuche, have Exhibits One through

25

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1
     Five before the Commission been prepared at your direction?
 2
 3
                          Yes, sir.
                         And are they accurate as far as you know?
                          Yes, sir.
                         MR. KLIPSTINE: That's all the questions
 6
     I have of this witness.
 7
                         MR. STAMETS: Did this witness discuss
 8
     Exhibit Number Five, which is the Read and Stevens letter?
 9
10
                         MR. KLIPSTINE: Yes, Your Honor. He indi-
     cated that that was executed yesterday and this is a new waiver
11
     that it tendered at the hearing here. It's not attached to
12
13
     our application.
                         MR. STAMETS: Okay, that's fine.
14
15
                         Are there any questions of this witness?
    He may be excused.
16
17
                         MR. KLIPSTINE: The next witness will be
18
    Mr. John Morris.
19
20
                          JOHN W. MORRIS
    being called as a witness and being duly sworn upon his oath,
21
22
    testified as follows, to-wit:
23
24
                         DIRECT EXAMINATION
25
    BY MR. KLIPSTINE:
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ในรักษณะการใบเปล

1			7
2	Q.	Will you state your name	o, please, sir?
3	A.	My name is John W. Morri	S.
4	Q.	And can you explain your	relationship to
5	Cimarron Energy?		
G	А.	Yes, sir. I've been ret	sined as a consul-
7	tant geologist.		
8	Q.	Would you briefly descri	be your education
9	experience in the	field of geology?	
0	A.	Yes, sir. I was a 1956	graduate from the
1	University of Houst	on with a Bachelor of Sci	ence.
2		From '56 to '72 I was em	ployed and worked
3	for Mapco and Glove	er, Hefner, Kennedy (sic),	in the Anadarko
4	Basin and the Uinta	Basin and the Permian Ba	sin.
5	en e	From '72 to presently I'	ve been associated
6	with Morco Geologic	cal Services, which I am P	resident.
7	Õ.	Mr. Morris, in your capa	city as consultant
8	to Cimarron Energy,	have you had an opportun	ity to examine
9	the proposed locati	on in Section 34 for the	Cimarron "RB"
0	No. 1?		
1	<b>A.</b>	Yes, sir, I have, and we	recommended at
2	the time, working f	rom an Isopach that we pr	epared in con-
3	junction with wi	th Coquina Oil, to move t	he location to
4	the northwest corne	r of the south half of the	e Section 34.
5	Q	And for what reason do ye	ou recommend that

HIAN THAN

location for a well?

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Well, we're dealing as a primary objective here with the Atoka Clastic section, which is a delta channel which extends from the -- from Section 9 of 22, 28, down through the Culebre Bluff area.

We feel that variation from the deeper part of the channel a few hundred feet is significant in sand thickness, porosity, permeability.

MR. KLIPSTINE: Mr. Examiner, I would tender Mr. Morris as an expert petroleum geologist on this particular location.

MR. STAMETS: He is considered qualified.

Mr. Morris, in your opinion would the unorthodox location applied for enhance the development of this leasehold interest in any way?

Yes.

MR. KLIPSTINE: I have no further questions.

20

21

23

24

25

#### CROSS EXAMINATION

22 BY MR. STAMETS:

> Mr. Morris, looking at Exhibit Six, that is an Isopach map of the Atoka section, is that correct? That is correct.

```
2
                          And you're -- what you're indicating, or
 3
      is it your belief that the best section geologically is at
 4
      the thicker point of this Isopach.
 5
               A.
                          Yes, sir.
 Ó
               Q.
                          Okay. And did you prepare this map your-
 7
     self?
 8
                          In conjunction with Tom Smith with Coquinal.
 9
                          So this was a collaborative effort with
10
     other geologists?
11
                          Yes.
12
                          Familiar with the territory.
13
                          MR. STAMETS: Any other questions of the
14
     witness? He may be excused.
15
                          Anything further in this case?
16
                          We'll take the case under advisement.
17
18
                          (Hearing concluded.)
19
20
21
22
23
24
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#### CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HERDBY 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 her an are in that the foregoing is a comple e record of the proceedings in the frammer hearing of Case No. 7685 heard by me on 94/3 19.82.

K. Kaminer

Oll Conservation Division

# BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

#### STATE OF NEW MEXICO

# ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

September 20, 1982

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

Mr. Jim Klipstine Vice-President, Operations Cimarron Energy Corporation P. O. Box 1525	Re:	CASE NO. 7685 ORDER NO. R-7068
Carlsbad, New Mexico 88220		Applicant:
		Cimarron Energy Corporation
Dear Sir:		
Enclosed herewith are two co Division order recently enter		
JOE D. RAMEY Director		
		· ·
JDR/fd		
Copy of order also sent to:	•	
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0ther		

#### 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. 7685 Order No. R-7068

APPLICATION OF CIMARRON ENERGY CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 15, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of September, 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, Cimarron Energy Corporation, seeks approval of an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 34, Township 22 South, Range 28 East, NMPM, to test the Pennsylvanian formation, Eddy County, New Mexico.
- (3) That the S/2 of said Section 34 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-Case No. 7685 Order No. R-7068

(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 Cimarron Energy Corporation for an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 1980 feet from the South line and 660 feet from the West line of Section 34, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (2) That the S/2 of said Section 34 shall be dedicated to the above-described well.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Director



## Amoco Production Company (USA)

Houston Region-West 500 Jefferson Building Post Office Box 3092 Houston, Texas 77001

R. G. Smith Regional Engineering Manager-West

August 16, 1982

File: JCA-986.51-1569

Re: Unorthodox Location Cimarron Well No. 1 Atoka/Morrow Formation Eddy County, (aw Mexico

State of New Mexico Energy and Minerals Department P. O. Box 2088 Santa Fe, NM 87501

#### Gentlemen:

Cimarron Energy Corporation has filed an application for administrative approval of an unorthodox well location for the subject well at the following location:

660' FWL and 1980' FSL of Section 34, Township 22 South, Range 28 East, Eddy County

It is understood that the unorthodox location applied for by Cimarron Energy Corporation is due to geological conditions, therefore, Amoco herby waives objection to the unorthodox well location as shown above.

This waiver supersedes our letter of August 6, 1982, which inadvertently stated the unorthodox location was for existing surface conditions.

Yours very truly,

R. G. Frintha

cc: Cimarron Energy Corp. P. O. Box 1525

Carlsbad, New Mexico 88220

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
\_\_\_\_EXHIBIT NO.\_\_\_\_
CASE NO.\_\_76.85

Mr. Steve Schalk, the Personal Representative of the Estate of J.E. Schalk, the owner of a mineral lease offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection he might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Steve Schalk for the Estate of J.E. Schalk

Dated: **29** July 1982

Coquina Oil Corporation, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection it might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Coquina Oil Corporation

by Roman A. Smills
Dated: 87 July 1982

Delta Drilling Company, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection it might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Delta Drilling Company

Dated: -

Larry L. Schulz Division Land Manager West Texas Land Division

Holly Energy Company, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection it might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Holly Energy Company

Dated: 29 July 1982

Union Oil Company of California, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Foldy Co. N.M.

hereby waives any objection it might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Union Oil Company of California

by John Hansen

Dated: 284 Attorney in Fact

Dated: 284 July 1982

## OIL CONSERVATION DIVISION

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Read & Stevens, the owner of an interest in a mineral lease offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co., N.M.

hereby waives any objection it may have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that location as is possible due to existing surface conditions.

Read & Stevens

Dated: 14 September, 1982

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EXHIBIT NO.

CASE NO.

Dockets Nos. 31-82 and 32-82 are tentacively set for September 29 and October 13, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING WEDNESDAY-SEPTEMBER 15, 1982

9 A.M. - MORGAN HALL, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for October, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

#### CASE 7638: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, American Employers Insurance Company and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both 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 Councy, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7637: (Continued from August 18, 1982, Examiner Hearing)

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, Terrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7635: (Continued from September 1, 1982, Examiner Hearing)

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: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO<sub>2</sub>-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 7673: Application of Ystes Petroleum Corporation for a unit agreement, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seks approval for the Almost Texas Unit Area, comprising 3,840 acres, more or less, of State and Federal lands in Township 26 South, Range 31 East.
- CASE 7664: (Continued from September 1, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Ares, comprising 13,407 acres, more or less, of State and Fee lands in Township 17 South, Range 18 East.

- CASE 7674: Application of Trican Energy, Inc. for a unit agreement, Lea County, New Mexico.
  Applicant, in the above-styled cause, seeks approval for the Javalina Basin Unit Area, comprising 3,840 acres, more or less, of State and Federal lands in Township 25 South, Range 34 East.
- CASE 7675: Application of Texaco Inc. for do whole commingling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis
  Blinebry, Justis Tubb-Drinkard, and Justis Devonian production in the wellbore of its G. L. Erwin
  "A" Pederal Well No. 2 located in Unit K, Section 35, Township 24 South, Range 37 East.

- CASE 7676: Application of Tenneco Oil Company for salt water disposal, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 4970 feet to 4982 feet in its Jennings Fed. Well No. 3 located in Unit B of Section 14, Township 24 South, Range 32 East.
- CASE 7677: Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks authority to expand its Teas Yates Waterflood Project by converting two wells located in Unit F of Sections 13 and 14, Township 27 South, Range 33 East and drilling three new injection wells at unorthodox locations in Units M of Section 11 and Unit L of Section 13, Township 20 South, Range 33 East, and Unit E of Section 18, Township 20 South, Range 34 East.
- CASE 7678: Application of Phillips Petroleum Company for a pressure maintenance project, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to institute a pressure maintenance project in the Vacuum Grayburg-San Andres Pool by the injection of water into the Grayburg San Andres formation through eight injection wells to be drilled at unorthodox locations in Section 35, Township 17 South, Range 34 East, as follows: 2630 feet from the South line and 1330 feet from the West line; 2630 feet from the South and West lines; 2630 feet from the South line and 1330 feet from the East line; 1310 feet from the East line; and 1330 feet from the East line; 1330 feet from the North line and 1310 feet from the West line; and 1330 feet from the North line and 10 feet from the West line. Applicant also proposes two production wells at unorthodox locations in said Section 35 as follows: 1310 feet from the South line and 2630 feet from the East line and 1310 feet from the South and East lines.
- CASE 7630: (Continued from September 1, 1982, Examiner Hearing This Case will be Dismissed)

  Application of Ralph Nix for an oil treating plant permit, Eddy 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 size in the SW/4 NE/4 of Section 18, Township 19 South, Range 26 East.
- CASE 7671: (Continued from September 1, 1982, Examiner Hearing)

  Application of Texas Eastern Developments, Inc. for an exception to Rule 307, San Juan County, New Mexico. Applicant in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.
- CASE 7679: Application of C & K Petroleum, Inc. for the amendment of Order No. R-4857-A and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4857-A to provide that the lands pooled by said order shall be the W/2 SE/4 of Section 27. Township 16 South, Range 37 East, dedicated to its Shi/p 27 Well No. 2 located in Unit 0 in said Section 27. Applicant further seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of the aforesaid Section 27, to be dedicated to a well to be drilled in Unit P of said Section 27. 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 7680: Application of Unichem International, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-atyled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in Section 11, Township 23 South, Range 29 East.
- CASE 7681: Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Ordovician gas well to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, the E/2 of said Section 13 to be dedicated to the well.

- CASE 7682: Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian gas well Grilled 330 feet from the North line and 330 feet from the West line of Section 34, Township 11.

  South, Range 28 East, the W/2 of said Section 34 to be dedicated to the well.
- CASE 7683: Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the E/2 SE/4 of Section 12, Township 29 North, Range 15 West, to be dedicated to a well 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 Grilling said well.
- CASE 7684: Application of R. E. Lauritsen for compulsory pooling, San Juan County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup and Dakota formations underlying the W/2 of Section 11, Township 29 North, Range 15 West, 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 7685: Application of Cimarron Energy Corporation for an unorthodox location, Eddy County, New Mexico.

  Applicant, in the above-styled cause, sucks approval for the unorthodox location of a Pennsylvanian test to be drilled 1980 feet from the South line and 660 feet from the West line of Section 34, Township 22 South, Range 28 East, the S/2 of said Section 34 to be dedicated to the well.
- CASES 7528 and 7529: (Continued and Readvertised)

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 7527: NE/4 Section 4, Township 5 South, Range 24 East

(Continued from September 1, 1982, Examiner Hearing)

CASES 7666, 7667, 7668, and 7669: Application of Yates Petrcleum Corporation for compulsory pooling, Chaves County,

New Mexico. Applicant, in each of the four following 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 160acre ges 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 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 Section 2, Township 9 South, Range 25 East.

CASE 7670: (Continued from September 1, 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 in the Morrow formation underlying the N/2 of Section 26, Township 14 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7652: (Continued from August 18, 1982, Examiner Hearing)

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 7672: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCBHWW Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM Section 25: SW/4

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 Scuth, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM Section 36: NW/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Mill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM Section 11: N/2

(d) CREATE a new pool in Lea County, New Mexico, class: fied as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Senta Fe Energy Company Carlson B-25 Federal Well No. 3 located in Unit O of Section 25, Township 25 South, Bange 37 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM Section 25: SE/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM Section 20: E/2

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Canyon-Strawn Gas Pool. The discovery well is W. A. Moncrief, Jr., Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM Section 8: N/2

(8) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Nadine-Tubb Pool. The discovery well is the Tamarack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 9: NW/4

(h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pitchfork Ranch-Morrow Gas Pool. The discovery well is the HNG Oil Company Maders 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM Section 32: N/2

(1) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Seven Rivers-Yeso Pool: The discovery well is Chama Petroleum Corporation Irami Federal Well No. 1 located in Unit N of Section 34. Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM Section 34: SW/4

(j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. Ch. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM Section 12: NE/4

(k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NNPM Section 17: NE/4

(1) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool. The discovery well is the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPN. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NNPM Section 4: Lote 11, 12, 13, and 14

(m) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quanah Petroleum, Inc. Hay B Federal Com Vell No. 1 located in Unit I of Section 9, Township 26 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM Section 9: SW/4

(n) CONTRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TCWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM Section 3: W/2 NW/4

(o) CONTRACT the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM Section 3: E/2 NW/4

(p) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

> 10WNSHIP 19 SOUTH, RANGE 23 EAST, NMPH Section 13: N/2 Section 14: N/2

(q) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM Section 20: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM Section 26: E/2

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM Section 5: NW/4 Section 6: E/2

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NHPM Section 14: N/2 S/2 and NE/4

(u) EXTEND the Cemetery-Norrow Gas Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM Section 3: S/2 Section 4: All

(v) EXTEND the Comanche Stateline Tansill-Ystes-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM Section 26: NH/4 Section 27: NE/4 and E/2 NW/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NHPM Section 35: 5/2 Section 36: W/2

(x) EXTERD the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM Section 36: E/2 NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM Section 31: NW/4 and S/2 NE/4

(y) EXTEND the Forty Niner Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 23 SOUTH, RANGE 30 EAST, NNPM Section 16: SE/4

(2) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NNPN Section 2: Lots 11, 12, 13, 14, and S/2 Section 31: NW/4

(as) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 57 EAST, NMPM Section 20: NW/4

(bb) EXTEND the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM Section 19: W/2

(cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM Section 30: SE/4
Section 31: N/2 NE/4

TOWNSHIP 6 SOUTH, BANGE 33 EAST, NMPM Section 15: S/2

(dd) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM Section 18: NE/4 and S/2 SE/4

(ee) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM Section 23: S/2 Section 26: N/2

(ff) EXTEND the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSRIP 23 SOUTH, RANGE 31 EAST, NNPM Section 17: S/2 Section 20: All

(gg) EXTEND the Saundars Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM Section 21: NE/4

#### DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 22, 1982

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

The following cases were continued from the August 26, 1982, Commission Hearing:

CASE 7555: Application of Cities Service Company for determination of reasonable well costs, Les County, New Mexico.

Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.

Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordevician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.

CASE 7658: (Readvertised)

Application of Harvey E. Yates Company for a dual completion and downhole commingling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State No. 1 located in Section 18, Township 9 South, Range 27 East, in such a manner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

# Cimarron Energy Corporation

P. O. Box 1525 Carlsbad, New Mexico 88220 505-885-0290

August 23, 1982

Mr. R. L. Stamets
Technical Support Chief
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Casa 1685

Re: Application for Non-Standard Location: Cimarron R. B. Well No.1 1980/S and 660/W of Section 34, T22S, R28E, Eddy County, New Mexico.

Dear Mr. Stamets:

As per your letter dated August 19, 1982, Cimarron Energy does at this time request a public hearing reference our above-listed Application for Non-Standard Location.

Our representatives will plan on being in Santa Fe on September 15, 1982 for this hearing.

Sincerely,

Denis E. DeLuche

President

DED:jq

cc: File

Mr. John Morris Morco Geological Services 310 N. Canal Carlsbad, N. M. 88220

Mr. James W. Klipstine, Jr. Cimarron Energy Corporation P. O. Box 1525 Carlsbad, N. M. 88220 Coquina Oil Corporation P. O. Box 2960 Midland, Texas 79701

Union Oil of California P. O. Box 671 Midland, Texas 79702

Mr. Doyle Hartman
P. O. Box 10426
Midland, Texas 79702



#### STATE OF NEW MEXICO

## ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

August 19, 1982

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

Cimarron Energy Corporation P. O.Box 1525 Carlsbad, New Mexico 88220

Care 7689

Re: Application for Non-Standard Location: Cimarron RB Well No. 1, 1980/S and 660/W of Section 34, T22S, R28E, Eddy County, New Mexico

Gentlemen:

The subject application does not qualify for administrative approval under Rule 104 F II of the Division Rules and Regulations.

If the well is to be located closer than 990 feet to the end boundary of the proration unit it does not qualify under said rule. At your request, however, we will set this matter for public hearing. Such a request made on or before August 25, 1982, will be set for hearing on September 15, 1982, in Santa Fe.

Sincerely,

R. L. STAMETS
Technical Support Chief

RLS/fd



### **Amoco Production Company (USA)**

Houston Region.-West 500 Jefferson Building Post Office Box 3092 Houston, Texas 77001

R. G. Smith Regional Engineering Manager Wost

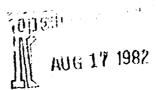
August 16, 1982

File: JCA-986.51-1569

Re: Unorthodox Location

Cimarron Well No. 1 Atoka/Morrow Formation Eddy County, New Mexico

State of New Mexico Energy and Minerals Department P. O. Box 2088 Santa Fe, NM 87501



130. 5 1/2

Care 7684

#### Gentlemen:

Cimarron Energy Corporation has filed an application for administrative approval of an unorthodox well location for the subject well at the following location:

660' FWL and 1980' FSL of Section 34, Township 22 South, Range 28 East, Eddy County

It is understood that the unorthodox location applied for by Cimarron Energy Corporation is due to geological conditions, therefore, Amoco herby waives objection to the unorthodox well location as shown above.

This waiver supersedes our letter of August 6, 1982, which inadvertently stated the unorthodox location was for existing surface conditions.

Yours very truly,

JCA/1rd

cc: Cimarron Energy Corp.

P. O. Box 1525

R. G. Smith

Carlsbad, New Mexico 88220



R G Smith Hispania Englisher of A. Mahagas Mark

August 6, 1982

File: JCA-986.51-1562

Re: Unorthodox Location

Cimarron Well No. 1 Atoka/Morrow Formation Eddy County, New Mexico

State of New Mexico Energy and Minerals Department P. 0. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Cimarron Energy Corporation has filed an application for administrative approval of an unorthodox well location for the subject well at the following location:

> 660' FWL and 1980' FSL of Section 34, Township 22 South, Range 28 East, Eddy County

It is understood that the unorthodox location applied for by Cimarron Energy Corporation is due to existing surface condition, therefore, Amoco hereby waives objection to the unorthodox well location as shown above.

Yours very truly,

MLC/1rd

cc: Cimarron Energy Corp.

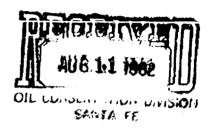
P. O. Box 1525

Carlsbad, New Mexico 88220

60 166 la

Amoco Production Company (USA)

Houston Region West 500 Jefferson Building Post Office Box 3092 Houston, Texas 77001



C440 7685

Mr. Steve Schalk, the Personal Representative of the Estate of J.E. Schalk, the owner of a mineral lease offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection he might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 3' or as near to that point as is possible due to existing surface conditions.

Steve Schalk for the Estate of J.E. Schalk

Dated: 29 July 1982

AUG 17 1982

OIL CONSERVATION DIVISION SANTA FE

Union Oil Company of California, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection it might have to an uncrthodox well location within the above described proration unit. It is understood the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Union Oil Company of California

John Hansen Dated: 28 July 1982

AUG 17 1983

Holly Energy Company, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection it might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Holly Energy Company

Dated: 29 July 1982

TOTAL TOTAL

5.415

Coquina Oil Corporation, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection it might have to an uncrthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Cognina Oil Corporation

by Roman A. Smills
Dated: 27 July 1982

DEGIT 1982

OIL CONSERVATION DIVISION SANTA FE

Delta Drilling Company, the operator of a proration unit offsetting the proration unit operated by Cimarron Energy Corporation and located in:

Township 22 South, Range 28 East Section 34: S/2 NMPM Eddy Co. N.M.

hereby waives any objection it might have to an unorthodox well location within the above described proration unit. It is understood that the unorthodox location applied for by Cimarron Energy Corporation is 660' FWL and 1980' FSL in Section 34 or as near to that point as is possible due to existing surface conditions.

Delta Drilling Company

July 1982 Dated:

August 5, 1982

Larry L. Schulz Division Land Manager West Texas Land Division

> -02 17 1982 .... UIVISION OIL CUMSON

SANTA FE

# Cimarron Energy Corporation

P. O. Box 1525 Carlsbad, New Mexico 88220 505-885-0290

August 11, 1982

OH CONSERVATION DIVISIONS SANTA FE

Oil Consevation Division P.O. Box 2088 Santa Fe, New Mexico 87501

RE: Amended Application for unorthodox drilling location in S4, T22S R28E, NMPM, Eddy County, New Mexico.

CIMATTON # /

Dear Sir:

00

Atoka / Morrow

Cimarron Energy Corporation, the operator of a dilling unit consisting of the St, T22S, R28E, NMPM, Eddy County, New Mexico, on 23 June 1982, made application for an unorthodox drilling location within that drilling unit for topographical reasons. Further evaluation of the potential development of this unit requires that an additional request for a location movement be asked for geological, as well as topographical reasons.

In support of its amended application, Cimarron Energy Corporation states:

- 1 The United States Bureau of Land Management examined the proposed standard location and stated the location could not be approved for topographical reasons. Attached and marked as Exhibit A is a plat drawn by Mr Michael Fabio of the B.L.M. showing a draw proceeding to the northwest, necessitating the change of location
- 2 Said draw prevents a topographical movement of location to the immediate north, requiring the original permitted move to a location 1585' FWL and 591' FSL within the unit. Attached as Exhibit B is a plat of this location.
- 3. Further geological evaluation for the purpose of achieving the maximum potential of producing formations indicates the movement of the drilling site to the north and west will be advantageous. Attached as Exhibit C is an isopach of the Atoka clastics formation indicating why such a move would be advantageous
- 4. The contemplated new drilling location would be satisfactory for topographical reasons and would allow maximum development of the leasehold interests involved in the drilling unit.

  A plat of the requested new drilling location is attached as Exhibit D.

Oil Conservation Division Page 2 August 11, 1982

- 5 The operators and/or owners of all offsetting leases have waived objections to the requested new drilling location. The duly executed waivers are enclosed with this application. Attached as Exhibit E is a mineral ownership plat showing completed wells as well as the ownership of all leases offsetting the proration unit.
- The requested new location has been cleared by the Llano Estacado Center for Advanced Studies of Eastern New Mexico University as being devoid of potential archeological, historical or cultural sites. A copy of the survey conducted by the Center is attached as Exhibit F.
- 7. Rule 104(F) of the Rules and Regulations of the Oil Conservation Division states in part:

  "The Division Director may approve the unorthodox location upon reciept of waivers from all offset operators..."

Therefore, the applicant, Cimarron Energy Corporation, requests the approval of an unorthodox drilling location being located 1980' FSL and 660' FWL in the S<sup>1</sup>, T22S, R28E, NMPM, Eddy County, New Mexico.

Respectfully submitted

Cimarron Energy Corporation

James W. Klipstine, Jr. Vice President-Operations

JWK; jq Enclosures

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Michael Fabro

## OIL CONSERVATION DIVISION

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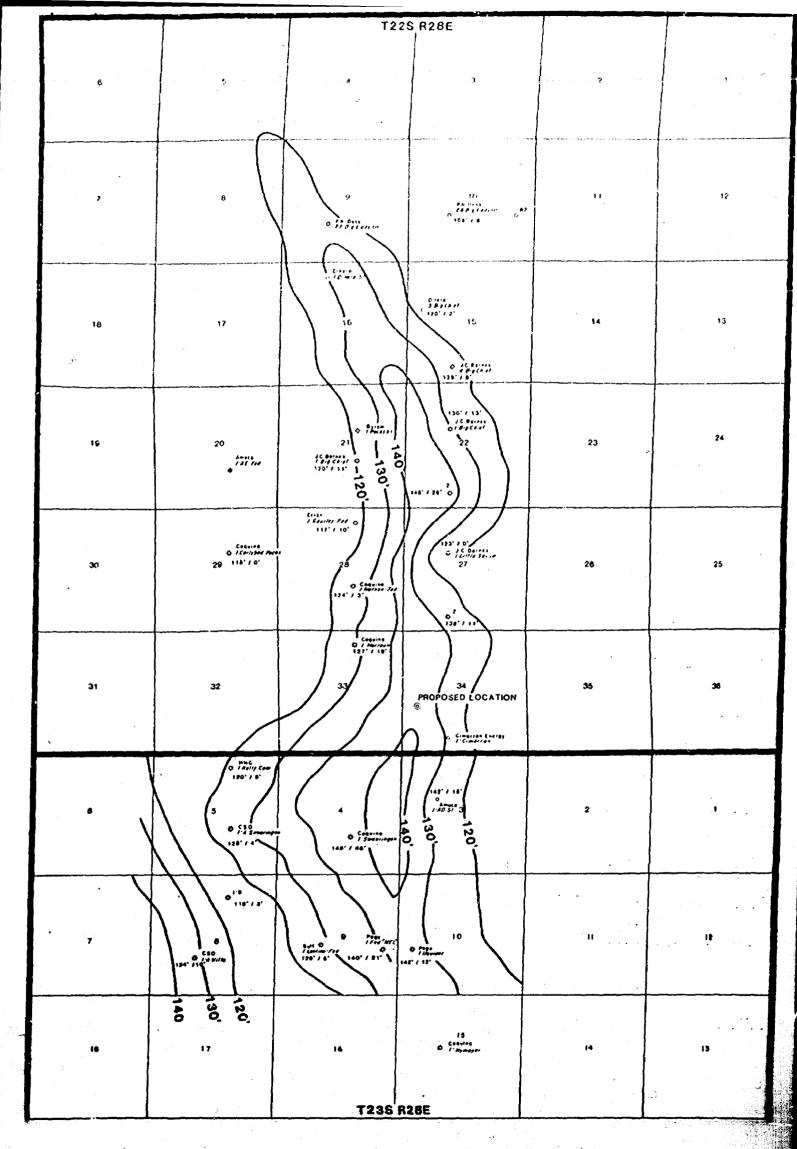
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## CIMARRON ENERGY CORPORATION

Exhibit C

ATOKA CLASTIC ISOPACH

◆1 CMARRON EDOY CO, N.M.

SCALE 1" 2000.

## OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

### P. O. BOX 2008 VERGY AND MINIERALS DEPARTMENT SANTA LE, NEW IAL XICO 87501

Form C+107 Revised 10-1-78

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#### Introduction

An archaeological reconnaissance was recently completed by the Agency for Conservation Archaeology (A.C.A.) at Fastern New Mexico University for Cimarron Energy Corporation in Eddy County, New Mexico, on lands administered by the Bureau of Land Management. The reconnoitered area will be impacted by the construction of a well pad and an access road. The project was administered by Tannie Klipstine for Cimarron Energy Corporation and Dr. Colleen M. Book, Director of ACA, This report was prepared by the Portales office of ACA.

The field work was conducted on August 2, 1982 by Michael Kyte. Excellent field and weather conditions prevailed throughout the course of this reconnaissance. This survey was conducted under Federal Antiquities Permit number 82-EM-037. A cearch of the National Register has been made and properties within this area are not listed on the Register.

#### Survey Technique

Visual inspection of the pad was completed by walking a series of parallel transects. Each transect was covered in a tightly spaced zigzag pattern. The access coad was examined as two transects, with a tightly spaced zigzag pattern covering the length and breadth. The distance between transects was 25 feat (7.6 meters). This method maximized the opportunity of observing any cultural resources within or near the proposed area of impact.

#### Cimarron "RB" Federal 11

#### Location

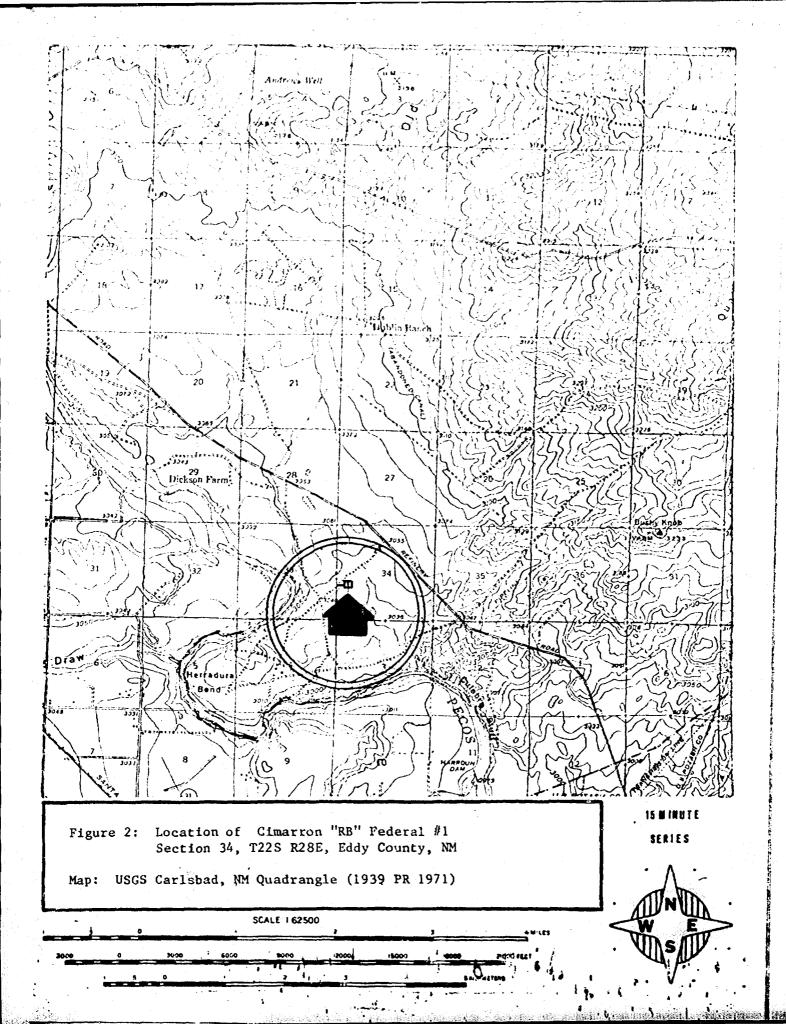
The proposed well pad and access road are located 9 miles southeast of Carlsbad, New Mexico, in the Pecos River Valley. The pad measures 400 X 400 feet (121.9 X 121.9 maters) and the access road measures 50 X 180 feet (15.2 X 54.9 meters). They are situated as follows:

Well Pad: NW 1/4 SW 1/4, Section 34, T22S R28E, NMPM, Eddy County, NM (BLM)

Access Road: NW 1/4 SW 1/4, Section 34, T22S R28E, NMPM, Eddy County, NM (BIM)

Plat: Figure 1

Map Reference: USGS Carlsbad, NM Quadrangle 15 minute series, 1939 PR 1971 (figure 2)



#### Terrain

The proposed well pad and access road are located in the Pecos River Valley. They are situated on a rolling plain on the first terrace above the Pecos River floodplain, drainage is to the east and southeast. The elevation varies from 3040 to 3042 feet (926.5 to 927.2 meters). The soil encountered in the area is predominantly a calcareous sandy loam. Taxonomically it can be classified as a calciorthids. Lithic inclusions consist of caliche fragments which are very common in the area with occassional lag gravel present.

#### **Floristics**

ACA encountered a moderate floral assemblage at this location. The density of the vegetation in the area is approximately 45 percent, consisting primarily of shrubs. The dominant species is mesquite (Prosopis juliflora). Among other species present are creosote bush (Larrea tridentata), oak brush (Quercus havardii), buffalo grass (Buchloe dactyloides), and broom snakeweed (Gutierrezia sarothrae).

#### Cultural Resources

ACA did not encounter any archaeological sites or isolated manifestations, either within or near the proposed facilities.

A review of the National Register did not find any properties listed for this location.

#### Recommendations

ACA recommends clearance for the proposed well pad and access road and suggests that construction be allowed to proceed as currently planned.

#### 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:

location.

CONDIDENTING					
CASE NO. 1/685					
ORDER NO. R- 7062					
APPLICATION OF Cimarron Energy Corporation					
FOR AN UNORTHODOX GAS WELL LOCATION,					
Eddy County COUNTY, NEW MEXICO.					
ORDER OF THE DIVISION					
BY THE DIVISION:					
This cause came on for hearing at 9 a.m. on Systember 15,					
1982, at Santa Fe, New Mexico, before Examiner 325					
NOW, on thisday of, 19, 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, Cimarron Energy Corporation.					
seeks approval of an unorthodox gas well location /980					
feet from the Suth line and 660 feet from the					
West line of Section 34, Township 22 South					
Range 28 East, NMPM, to test the Pennsylvanian					
formation, Cody					
County, New Mexico.					
(3) That the $5/2$ of said Section $34$ is to be					
dedicated to the well.					
(4) That a well at said unorthodox location will better					
enable applicant to produce the gas underlying the proration unit.					
(5) That no offset operator objected to the proposed unorthodox					

-2-		•
Case	No.	
Order	No.	R-

New Mexico.

(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 IT IS THEREFORE ORDERED: Comparison Energy Corporations
(1) That correlative rights.

(1) That an unorthodox gas well location for the Pennsylvanian formation is herebook for a well to be located at a point 1980 feet from the Louth line and 660 feet from the West NMPM, \_\_\_\_\_\_ County,

- (2) That the  $\frac{5/2}{2}$  of said Section  $\frac{34}{2}$  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.

COUNTY AND GUARANTY COMPANY, DONA ANA

DOCKET MAILED 182