

CASE 5184: Appli. of MOUNTAIN  
STATES FOR AN UNORTHODOX GAS  
WELL LOCATION, CHAVES COUNTY.

CASE No.

5184

Application,  
Transcripts,  
Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 13, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Mountain States  
Petroleum Corporation for an  
unorthodox gas well location,  
Chaves County, New Mexico.

Case No. 5184

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission

William Carr, Esq.  
Legal Counsel for the  
Commission  
State Land Office Bldg.  
Santa Fe, New Mexico

For the Applicant:

Donald G. Stevens, Esq.  
214 Old Santa Fe Trail  
Santa Fe, New Mexico

I N D E X

PAGE

JACK AHLEN

Direct Examination by Mr. Stevens

3

E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos.  
1 through 3

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MR. STAMETS: Call the next case, Case 5184.

MR. CARR: Case 5184. Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico.

MR. STAMETS: Appearances in this Case?

MR. STEVENS: Mr. Examiner, I am Don Stevens, of Santa Fe, representing the Applicant. We have one witness to be sworn.

MR. STAMETS: You'll stand and be sworn, please.

(Witness sworn.)

JACK AHLEN

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. STEVENS:

Q Would you state your name, your residence, and your occupation?

A My name is Jack Ahlen, that's spelled A-H-L-E-N. I live in Roswell, New Mexico, and I am a Consulting Geologist.

Q Have you previously testified before the Commission and had your qualifications accepted?

A Yes, I have.

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

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MR. STEVENS: Are the Witness' qualifications acceptable?

MR. STAMETS: They are.

BY MR. STEVENS:

Q Would you briefly state for the record what the Applicant seeks in this Hearing?

A The Applicant seeks an unorthodox location in the Southwest quarter of Section 36, Township 14 South, Range 27 East, for the purpose of drilling an Atoka Sand well at 990 feet from the South line, 990 from the West line.

Q Is that a proration unit; the south half of that Section?

A The normal proration unit would be the south half of that Section, yes.

Q And what would the normal spacing be?

A Normal spacing in the Buffalo Valley pool is one well per 320 acres.

Q Referring to what has been marked as Exhibit No. 1 would you explain it for the Commission, please?

A Exhibit No. 1 is a structure map drawn on the marker horizon which is the top of the Atoka. It shows structural dip in the area to be to the southeast, there

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is slight nosing through the proposed location. In this particular instance the structural position in this area has little influence on productive capacity.

Q Could you explain what the letters A and A' in the dotted line mean?

A Yes. The letters A and A' is the location of a cross section which I have drawn, north south through the Clinton Oil No. 1 Clements State Well and the abandoned well we called the Carlby Read No. 1 Hondo State and it is drawn through the proposed locations.

Q Referring to what has been marked Exhibit No. 2, would you explain that, please?

A Exhibit No. 2 is an isopach map of the productive Atoka Sands in the Buffalo Valley and gas field. It shows maximum accumulation in Section 35 and of 1427 and Section 2 of 1527. It shows sands covering all of Section 36.

Q Could you go into somewhat summary form the information you have on the wells in Sections 36 and 1, of the north half of 1?

A All right. There are two wells drilled in Section 1. Read and Stevens drilled their No. 1 Trobaugh in the southeast quarter, and Southwest Production Company originally drilled their Clements Buffalo Valley in the

northwest of Section 1, 15-27. The Southwest Production drilled their well to approximately 8340 feet, Read and Stevens, along with Cities Service, drilled a location in the southeast quarter of Section 36, 14-27, to a depth of 8745 and Charles Read drilled his Hondo State in the northwest quarter of Section 36, into the Mississippian Formation, to the total depth of 8504. The proposed location would be in the southwest quarter of that same Section 36.

Q What were the results of these tests as far as net pay is concerned and gas accumulation?

A The two wells that have already been drilled in Section 36, drill-stem tested, the pay sands in the Atoka. The well in the northwest quarter of Section 36 tested gas in the amount of 163,000 cubic feet per day with a two hour final shut-in pressure on that drill-stem test of something over 3000 pounds. Read and Steven drilled the well in the southeast quarter of Section 6 and also drill-stem tested the productive sands. They tested 63,000 cubic feet of gas per day. Both of these wells at the time of drilling appear to be non-commercial. The location which we propose intends to penetrate these same sands where they are considerably thicker in the

hopes that they will be commercially productive.

Q As a result of these tests, in your opinion, is the entire south half of Section 36 underlined by gas?

A Yes.

Q And is the purpose of this unorthodox location in order that this tract may recover its fair share of gas in the pool?

A Yes. A well drilled at this location should drain the reserves of gas in the south half of Section 36.

Q Referring to what has been marked as Exhibit 3, would you explain it please?

A Exhibit 3 is the cross section A, A' from the Charles B. Read Hondo State Well, southward to the Southwest Production Clements Buffalo Valley Pool presently known as the Clinton Oil Clements State. It is hung on the stratographic marker which is the Atoka, top of the Atoka; sands are indicated by the yellow color on the cross section; the cross section indicates the various productive sands in the area; the productive interval in the Southwest Production Clements Buffalo Valley is indicated by the bracket in the well column. This well is completed from open hole and is producing

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CASE 5184

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from all of the sections indicated on the log. The drill-stem test in the Charles B. Read is indicated by the brackets in the well column; drill-stem tests from 8127 to 8358 and it flowed gas as previously stated. Shut-in pressure was 3034 feet in two hours. You will note that the sand located immediately below 8250 was not penetrated by Southwest when they drilled their well. We hope to expose the additional productive sands and the proposed location.

Q To your knowledge, Mr. Ahlen, are there other unorthodox locations in the Buffalo Valley-Penn Pool?

A Yes, there are several.

Q In your opinion, would the granting of this Application protect correlative rights and prevent waste?

A Yes, in my opinion it will.

Q Were Exhibits 1, 2 and 3 prepared by you or under your supervision?

A Yes.

MR. STEVENS: At this time we would like tender into evidence Exhibits 1 through 3.

MR. STAMETS: Exhibits 1 through 3 will be admitted into evidence.

(Whereupon, Applicant's Exhibits

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SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

1 through 3 were admitted into  
evidence.)


MR. STEVENS: We have no further questions on  
direct.

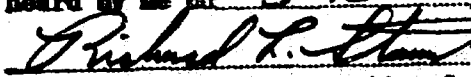
MR. STAMETS: Are there any questions of the  
Witness? He may be excused.

Is there anything further in this case? We  
will take the case under advisement.

STATE OF NEW MEXICO    )  
                              )    SS.  
COUNTY OF SANTA FE    )

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5184 heard by me on 3-13, 1974  
  
Richard L. Nye, Examiner  
New Mexico Oil Conservation Commission



# OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**  
**P. O. BOX 2088 - SANTA FE**  
**87501**

**I. R. TRUJILLO**  
**CHAIRMAN**  
**LAND COMMISSIONER**  
**ALEX J. ARMIJO**  
**MEMBER**  
**STATE GEOLOGIST**  
**A. L. PORTER, JR.**  
**SECRETARY - DIRECTOR**

**March 26, 1974**

Mr. Don G. Stevens  
Attorney at Law  
Post Office Box 1797  
Santa Fe, New Mexico

Re: CASE NO. 5184  
ORDER NO. R-4756

**Applicant:**  
**Mountain States Petroleum Corp.**

**Dear Sir:**

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

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

**Other**

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5184  
Order No. R-4756

APPLICATION OF MOUNTAIN STATES  
PETROLEUM CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION,  
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 26th day of March, 1974, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Mountain States Petroleum Corporation, seeks, as an exception to the Buffalo Valley-Pennsylvanian Pool Rules, approval of an unorthodox gas well location 990 feet from the South line and 990 feet from the West line of Section 36, Township 14 South, Range 27 East, NMPM, to test the Pennsylvanian formation, Buffalo Valley-Pennsylvanian Pool, Chaves County, New Mexico.

(3) That the S/2 of said Section 36 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.

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CASE NO. 5184  
Order No. R-4756

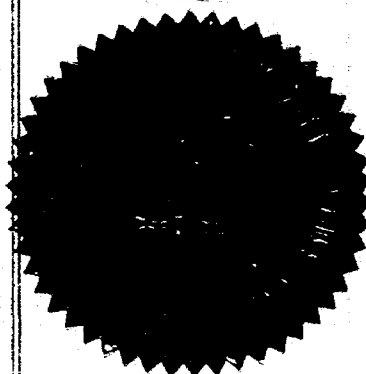
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 990 feet from the South line and 990 feet from the West line of Section 36, Township 14 South, Range 27 East, NMPM, Buffalo Valley-Pennsylvanian Pool, Chaves County, New Mexico.

(2) That the S/2 of said Section 36 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 Commission may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

*A. L. Porter, Jr.*  
A. L. PORTER, JR., Member & Secretary

S E A L

jr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5185  
Order No. R-4753

APPLICATION OF RICE ENGINEERING  
& OPERATING, INC. FOR SALT WATER  
DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 26th day of March, 1974, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Rice Engineering & Operating, Inc., is the owner and operator of the Abo SWD Well No. 2, located in Unit C of Section 2, Township 17 South, Range 36 East, NMPM, Lovington-Abo Pool, Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Abo formation, with injection into the open-hole and perforated interval from approximately 8442 feet to 9150 feet.
- (4) That the injection should be accomplished through 3 1/2-inch plastic-lined tubing under a balanced inert casing-tubing annulus fluid column, or through said tubing installed in a packer set within 100 feet of the uppermost perforations; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus in order to determine leakage in the casing, tubing, or packer, and that both the tubing and annular pressures should be reported monthly to the Commission.

-2-

Case No. 5185  
Order No. R-4753

(5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(6) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering & Operating, Inc., is hereby authorized to utilize its Abo SWD Well No. 2, located in Unit C of Section 2, Township 17 South, Range 36 East, NMPM, Lovington-Abo Pool, Lea County, New Mexico, to dispose of produced salt water into the Abo formation, injection to be accomplished through 3 1/2-inch tubing with injection into the open-hole and perforated interval from approximately 8442 feet to 9150 feet;

PROVIDED HOWEVER, that injection shall take place under a balanced casing-tubing annulus fluid column, or under a packer set within 100 feet of the uppermost perforations.

PROVIDED FURTHER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that pressure gauges shall be attached to the tubing and annulus in order to determine leakage in the casing, tubing, or packer.

PROVIDED FURTHER, that the operator shall notify the supervisor of the Commission's Hobbs District Office before injection is commenced through said well.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations and shall show thereon, both measured tubing and annular pressures.

(3) That the operator shall immediately notify the supervisor of the Commission's Hobbs District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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Case No. 5185  
Order No. R-4753

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 13, 1974

9 A.M. - OIL CONSERVATION COMMISSION 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, 1974, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
  - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for April, 1974.

**CASE 5179:** Application of HNG Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dogie Draw Unit Area comprising 5,122 acres, more or less of State, Federal, and fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.

**CASE 5180:** Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rock Lake Unit Area comprising 5760 acres, more or less, of State and fee lands in Township 22 South, Range 35 East, Lea County, New Mexico.

**CASE 5181:** Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trail Canyon Unit Area comprising 5758 acres, more or less, of State, Federal and fee lands in Township 24 South, Range 23 East, Eddy County, New Mexico.

**CASE 5182:** Application of Perry R. Bass for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 15, Township 21 South, Range 27 East, adjacent to the Burton Flats Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5183: Application of Amini Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the North Vacuum Abo Pool rules, authority to drill its Pennzoil State Well No. 2 at an unorthodox location for said pool 1780 feet from the South line and 460 feet from the West line of Section 36, Township 16 South, Range 34 East, Lea County, New Mexico.

CASE 5184: Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Buffalo Valley-Pennsylvanian Pool rules, approval for an unorthodox gas well location for a well to be drilled at a point 990 feet from the South and West lines of Section 36, Township 14 South, Range 27 East, Chaves County, New Mexico.

CASE 5185: Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the open-hole and perforated interval from 8442 feet to 9150 feet in its Abo SWD Well No. 2 located in Unit C of Section 2, Township 17 South, Range 36 East, Lovington Abo Pool, Lea County, New Mexico.

CASE 5186: Application of Amerada Hess Corporation for an unorthodox oil well location and two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Bagley Siluro-Devonian Pool rules, the formation of two non-standard proration units in Section 35, Township 11 South, Range 33 East, Lea County, New Mexico, the first being a 40-acre unit comprising the NW/4 SE/4 to be dedicated to applicant's State BTD Well No. 2, and the second being an 80-acre unit comprising the SE/4 SW/4 and the SW/4 SE/4 to be dedicated to applicant's State BTD Well No. 1, proposed to be drilled at an unorthodox location for said pool 660 feet from the South line and 1900 feet from the East line of said Section 35.

CASE 5187: Application of Inexco Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying Section 17, Township 21 South, Range 26 East, Eddy County, New Mexico, adjacent to the Catclaw Draw-Morrow Gas Pool, to be dedicated to a well to be drilled at a standard location for said pool. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5188: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its Lockhart B-1 Well No. 8 located in Unit II of Section 1, Township 22 South, Range 36 East, Lea County, New Mexico.

CASE 5189: Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well proposed to be drilled at a point 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 5190: Application of Union Oil Company of California for pool creation and special rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Pipeline Deep Unit Well No. 1 located in Unit J of Section 17, Township 19 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 640-acre spacing.

CASE 5191: Application of Murphy Minerals Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water through two wells into the Grayburg-San Andres formation on its Gissler "B" lease in Sections 11 and 12, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

CASE 5192: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for the extension of the following pools in Lea County:

Antelope Ridge-Morrow Gas Pool  
EK Yates-Seven Rivers-Queen Pool  
House-San Andres Pool  
Humble City-Atoka Pool  
North Shoe Bar-Wolfcamp Pool  
Tres Papalotes-Pennsylvanian Pool  
Wantz-Granite Wash Pool

CASE 5124: (Continued from the February 13, 1974 Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

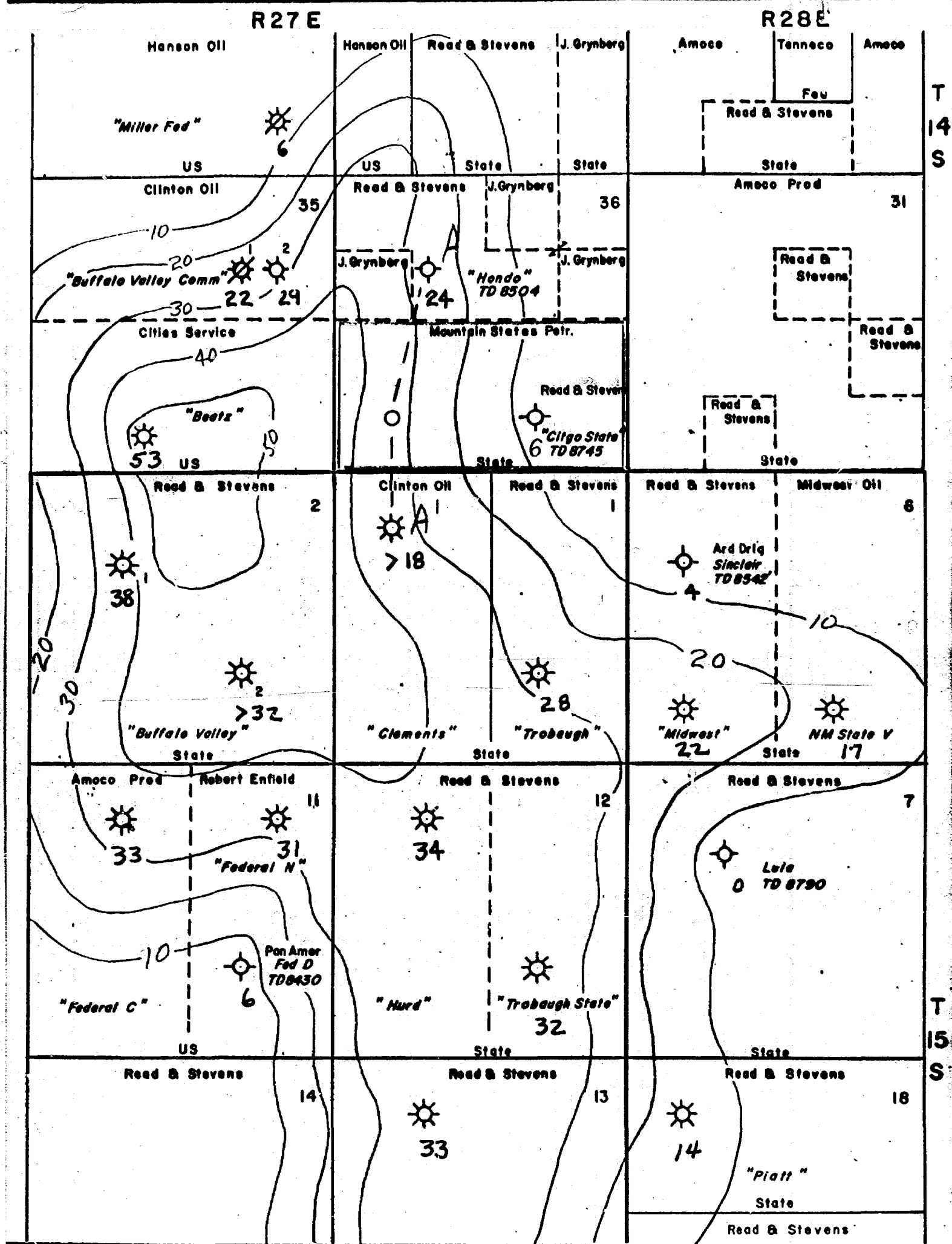
CASE 5140: (Continued from the February 13, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24. Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (Continued from the February 13, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.





**BEFORE EXAMINER STAMETS**  
**OIL CONSERVATION COMMISSION**

App EXHIBIT NO. 2  
CASE NO. 5184  
Submitted by \_\_\_\_\_  
Hearing Date \_\_\_\_\_

**ISOPACHOUS MAP**  
**ATOKA SAND**  
**CI = 10'**

0 2000' 4000'

KCH II-73

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF MOUNTAIN STATES PETROLEUM  
CORP. FOR AN ORDER APPROVING AN UNORTHODOX  
GAS WELL LOCATION, BUFFALO VALLEY PENNSYL-  
VANIAN POOL, CHAVES COUNTY, NEW MEXICO

Case No. 5184

APPLICATION

Comes now Mountain States Petroleum Corp. and applies to the Oil Conservation Commission of the State of New Mexico for the approval of an order authorizing an unorthodox gas well location as yet unnamed, to be located 990 feet from the South line and 990 feet from the West line of Section 36, Township 14 South, Range 27 East, Buffalo Valley Pennsylvanian Pool, Chaves County, New Mexico, as an exception to the provisions of Rule 2 of Order No. R-1670-H, as amended, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Pennsylvanian formation in the South 1/2 of Section 36, above Township and Range.
2. Unless applicant is granted approval of an unorthodox gas well location as proposed herein, it will be denied its right to obtain its just and equitable share of the gas underlying its lands.
3. Approval of the application will result in the recovery of gas that probably would not otherwise be recovered, will prevent waste, and correlative rights of the other owners in the area will be protected.

THEREFORE applicant requests that this matter be set for hearing before the Commission, or before the Commission's duly appointed examiner on Wednesday, March 13, 1974, and that after notice and hearing as required by law, the Commission enter its

DONALD G. STEVENS, ATTORNEY AT LAW

P. O. Box 1797, 101 W. MARY

SANTA FE, NEW MEXICO 87501

(505) 962-8563

DOCKET MAILED

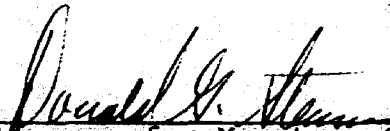
Date 3-1-74

Case No. 5189

order approving an unorthodox gas well location for Pennsylvanian production, as requested above.

Respectfully submitted,

DONALD G. STEVENS

  
Attorney for Mountain States  
Petroleum Corp.  
P. O. Box 1797  
Santa Fe, New Mexico 87501

DONALD G. STEVENS - ATTORNEY AT LAW

P. O. Box 1797, 101 W. MARCY

SANTA FE, NEW MEXICO 87501

(505) 982-8583

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

APPLICATION OF MOUNTAIN STATES  
PETROLEUM CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION,  
CHAVES COUNTY, NEW MEXICO.

CASE NO. 5184

Order No. R-4756

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NCW, on this        day of March, 1974, the Commission,  
a quorum being present, 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 Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Mountain States Petroleum Corporation,  
seeks, as an exception to the Buffalo Valley-Pennsylvanian Pool  
Rules, approval of an orthodox gas well location 990 feet from  
the South line and 990 feet from the West line of Section 36,  
Township 14 South, Range 27 East, NMPM, to test the Pennsylvanian  
formation, Buffalo Valley-Pennsylvanian Pool, Chaves County,  
New Mexico.

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(3) That the S/2 of said Section 36 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 an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 990 feet from the South line and 990 feet from the West line of Section 36, Township 14 South, Range 27 East, NMPM, Buffalo Valley-Pennsylvanian Pool, Chaves County, New Mexico.

(2) That the S/2 of said Section 36 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 Commission may deem necessary.

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