

CASE 5220: Appli. of ATLANTIC  
FOR UNORTHODOX GAS LOCATION & NON-  
STANDARD PRORATION UNIT.

108  
C. J. M. J.

CASE No.

5220

Application,  
Transcripts,  
Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 8, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield  
Company for an unorthodox gas well  
location and non-standard proration  
unit, Lea County, New Mexico.

Case No.  
5220

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:

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

For the Applicant:

Clarence Hinkle, Esq.  
HINKLE, BONDURANT, COX  
& EATON  
Hinkle Bldg.  
Roswell, New Mexico

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225 JOHNSON STREET  
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TEL. (505) 982-0386

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## NELSON ROBERTSON

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E X H I B I T SMarkedAdmitted

Applicant's Exhibits Nos.  
1 and 2

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MR. STAMETS: We'll call the next case, Case 5220.

MR. DERRYBERRY: Case 5220. Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle of Hinkle, Bondurant, Cox & Eaton, appearing on behalf of Atlantic Richfield Company. Mr. Examiner, Atlantic Richfield has also Case 5234 which also involves non-standard gas proration units in the Jalmat Gas Pool, the same as this. We have the same witness and it won't take but about 10 minutes in each case. If we could move the two together right after the other, it would save calling the witness in one case and go on.

(Whereupon a discussion was held off the record.)

MR. HINKLE: We would like to have Nelson Robertson sworn.

MR. STAMETS: Are there any other appearances in Case 5220? If the Witness will stand and be sworn, please

(Witness sworn.)

NELSON ROBERTSON

called as a witness, having been first duly sworn, was

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examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, your residence, and by whom you are employed.

A My name is Nelson Robertson, I live in Midland, Texas, and I am employed by Atlantic Richfield.

Q What is your position with Atlantic Richfield?

A Petroleum Engineer.

Q Have you previously testified before the Commission?

A No, sir.

Q State briefly your educational and background and experience as Petroleum Engineer.

A I graduated from the University of Tulsa with a BS in Petroleum Engineering and I worked for Atlantic Richfield for three years; the past two years in Midland, Texas, and my area of responsibility has been southeast Lea County, New Mexico.

Q Have you made a study of the Jalmat Gas Pool area?

A Yes, sir.

Q Have you prepared or has there been prepared under your direction certain exhibits for introduction in

this Case?

A Yes, sir.

MR. STAMETS: Mr. Robertson, what was the date of your degree?

MR. ROBERTSON: 1971.

BY MR. HINKLE:

Q The Exhibits you referred to were Exhibits 1 and 2?

A Yes, sir.

Q Referring to Exhibit No. 1, explain this and what it shows?

A This is a map showing the Jalmat Gas Well offsetting our requested non-standard unit and the operators there. Currently we have 160-acre non-standard proration unit consisting of the NW quarter of Section 25, Township 22 South, Range 36 East, dedicated to our McDonald State Well No. 10 and Unit F in said Section. We are requesting an unorthodox location for our McDonald State Well No. 24, being located 1780 feet from the north line and 660 feet from the west line, and for a 320-acre non-standard unit consisting of the N/2 of Section 25 to be dedicated to this Well.

Q Who owns the off-set acreage as far as the gas

rights are concerned?

A We own the gas rights north and west of the requested unit and Continental owns it northwest and Dallas and McCasland owns it in the southwest quarter of 25 and Dalport in the southeast quarter of 25.

Q Has the Well No. 24 you referred to been completed?

A No, sir. We drilled it and set casing, but it won't be completed until later on this week.

Q It looks like it will be a good gas well?

A Yes, sir.

Q When was the well shown in a circle in the northeast of 26 completed?

A It was completed about three months ago.

Q Is it a good well?

A Yes, sir, potential for a little less than 900 mcf per day.

Q What is your reason for wanting to locate this well at a non-standard location?

A Well, our No. 10 Well was completed in 1953, open hole, and it tested for 600 or so mcf a day but it wouldn't buck line pressure. It's been sitting there shut in since 1953 and we prefer not to go further east than this No. 10 Well thinking that the reservoir quality



is better to the west here.

Q Refer to Exhibit No. 2 and explain what this is.

A This is a well location and acreage dedication plat for McDonald State Well No. 24. It shows the location and Well No. 24 being 1790 feet from the north line and 660 feet from the west line of Section 25. It also shows the location of McDonald State Well No. 10 being 1650 feet from the north and west line.

Q Has there been any protests to your Application from any of the off-set owners?

A No, sir.

Q In your opinion, if this Application is approved, will it be in the interests of conservation, prevention of waste and protect corralative rights?

A Yes, sir.

MR. HINKLE: We would like to offer Exhibits 1 and 2.

MR. STAMETS: Without objection Exhibits 1 and 2 will be admitted.

(Whereupon, Applicant's Exhibits 1 and 2 were admitted into evidence.)

MR. STAMETS: Mr. Hinkle, I don't believe that you asked that the Witness be qualified.

MR. HINKLE: Excuse me, do you desire any further testimony on the Witness' qualifications?

MR. STAMETS: No. The Witness is qualified.

MR. HINKLE: Thank you.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Robertson, are there any Jalmat Gas Wells to the east of Section 25?

A To the east this kind of runs into the Eumont.

Q Eumont?

A Yes, sir, Eumont Gas Field, and I'm not sure of the classification but there might be a couple of wells over there, yes, sir.

Q In your opinion, is the reservoir continuous across Section 25, the Jalmat Reservoir?

A Yes, sir. Dalport's well just in Unit O, Section 25, has produced 3-1/2 million cubic feet and in Section 24 in Unit A, Arco's Well No. 21 has produced 530 million.

Q Will you produce both of these wells, No. 10 and No. 24 or only No. 24?

A Only No. 24.

MR. STAMETS: Are there any other questions of this Witness?

ROBERTSON-REDIRECT

SE 5220

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MR. HINKLE: I have another question.

REDIRECT EXAMINATION

BY MR. HINKLE:


Q In your opinion, is all of the north half of 25 productive of gas.

A Yes, from the Jalmat pool.


MR. STAMETS: If there is nothing further, the Witness may be excused and we'll take the Case under advisement.

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

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. 5220 heard by me on 5-8 1974

 , Examiner  
New Mexico Oil Conservation Commission

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

April 25, 1974

EXAMINER HEARING

----- )  
IN THE MATTER OF: )

Application of Atlantic Richfield )  
Company for an unorthodox gas well )  
location and non-standard proration )  
unit, Lea County, New Mexico. )  
----- )

CASE NO.  
5220

BEFORE: Daniel S. Nutter, 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 Building  
Santa Fe, New Mexico

CASE 5220

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MR. NUTTER: Case 5220

MR. CARR: Case 5220. Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico.

MR. EATON: That case, I believe, Mr. Nutter, has been continued to May 8th.

MR. NUTTER: Case No. 5220 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 a.m., May 8th, 1974.

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CASE 5220

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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. 5220 heard by me on 4/25, 1974

*Johnnie*, Examiner  
New Mexico Oil Conservation Commission

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# 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**

May 28, 1974

Mr. Clarence Hinkle  
Hinkle, Bondurant, Cox & Eaton  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: CASE NO. 5220  
ORDER NO. R-4792  
Applicant:  
**Atlantic Richfield Co.**

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 \_\_\_\_\_  
 Artesia OCC \_\_\_\_\_  
 Aztec OCC \_\_\_\_\_

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. 5220  
Order No. R-4792

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR AN UNORTHODOX GAS WELL  
LOCATION AND NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,  
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 28th day of May, 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, Atlantic Richfield Company, seeks  
approval of a non-standard gas proration unit comprising the  
N/2 of Section 25, Township 22 South, Range 36 East, NMPM,  
Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its  
McDonald State WN Well No. 24, drilled in an unorthodox location  
1780 feet from the North line and 660 feet from the West line  
of said Section 25.
- (3) That a well drilled in the proposed unorthodox location  
will probably encounter a pay zone of more favorable porosity  
and permeability than would a well drilled at an orthodox loca-  
tion.
- (4) That the entire N/2 of said Section 25 may reasonably  
be presumed productive of gas from the Jalmat Gas Pool.
- (5) That no offset operator has objected to the proposed  
unorthodox location.

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Case No. 5220  
Order No. R-4792

(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 Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will 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 applicant, Atlantic Richfield Company, is hereby authorized to drill its McDonald WN State Well No. 24 at an unorthodox location for the Jalmat Gas Pool 1780 feet from the North line and 660 feet from the West line of Section 25, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That a 320-acre non-standard gas proration unit for said pool consisting of the N/2 of said Section 25 shall be dedicated to said 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

dr/

(Case 5221 continued from Page 1)

said well having been projected as an oil well at a standard location for Delaware oil wells. Applicant further seeks approval of a 201.34-acre non-standard gas proration unit for said well comprising the NE/4 of said Section 4.

CASE 5222: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pavo Mesa Unit Area comprising 2,560 acres, more or less, of State and Federal lands in Township 16 South, Range 28 East, Eddy County, New Mexico.

CASE 5223: Application of Continental Oil Company for a 320-acre non-standard gas proration unit, simultaneous dedication of acreage, and reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the N/2 of Section 17, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Jack B-17 Wells Nos. 3 and 4 located 990 feet from the North and East lines and 990 feet from the North line and 1980 feet from the West line, respectively, of said Section 17. Applicant further seeks the reinstatement of the underproduction which was cancelled November 1, 1973, when the aforesaid proration unit was reclassified to marginal status.

CASE 5224: Application of Phillips Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its James "E" Well No. 1 located in Unit G of Section 11, Township 22 South, Range 30 East, Cabin Lake Field, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn and Morrow formations through parallel strings of tubing.

CASE 5225: Application of Fluid Power Pump Company, Petro Lewis Corporation, and Partnership Properties Company for compulsory pooling, Sandoval County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Media-Entrada Oil Pool underlying the NW/4 of Section 22, Township 19 North, Range 3 West, Sandoval County, New Mexico, to be dedicated to the Fluid Power Pump Company Well No. 5 located in Unit C of said Section 22.

CASE 5226: Application of Inexco Oil Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Fasken El Paso Federal Well No. 1 located in the SW/4 NW/4 of Section 3, Township 21 South, Range 26 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 640-acre spacing units for Sections 7 through 12, Township 21 South, Range 26 East, and the adoption of 480-acre non-standard spacing units comprising either the N/2 or S/2 of Sections 1 through 6, Township 21 South, Range 26 East, and Section 7, Township 21 South, Range 27 East.

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 25, 1974

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

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

CASE 5206: (Continued from the April 10, 1974, Examiner Hearing)

Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle West Warren-Blinebry and East Skaggs-Drinkard production in the wellbore of its SEMU Burger Well No. 21 located in Unit O of Section 19, Township 20 South, Range 38 East, Lea County, New Mexico.

CASE 5209: (Continued from the April 10, 1974, Examiner Hearing)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Estacado Unit Area comprising 1280 acres, more or less, of State and fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.

CASE 5219: Application of Midwest Oil Corporation for pool creation, discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Wolfcamp production for its South Empire Deep Unit Well No. 4 located in Unit G of Section 32, Township 17 South, Range 29 East, Eddy County, New Mexico, and for the promulgation of special pool rules therefor, including a provision for 80-acre spacing. Applicant further seeks the assignment of approximately 42,245 barrels of oil discovery allowable to the aforesaid well.

CASE 5220: Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McDonald State WN Well No. 24 located 1780 feet from the North line and 660 feet from the West line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to a 320-acre non-standard gas proration unit comprising the N/2 of said Section 25.

CASE 5221: Application of Black River Corporation for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its BR 4 Federal Well No. 3 located 1986 feet from the North line and 330 feet from the East line of Section 4, Township 26 South, Range 24 East, undesignated Delaware gas pool, Eddy County, New Mexico,

CASE 5227: Application of Morris R. Antwell 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 Lots 9 through 16 of Section 4, Township 21 South, Range 26 East, Eddy County, New Mexico, to form a standard 320-acre gas proration unit to be dedicated to a well to be drilled at a standard location for said unit. 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 5228: Application of David Fasken for the creation of two pools and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Strawn gas pool and a Morrow gas pool for his El Paso 3 Federal Well No. 1 located 2724 feet from the North line and 2870 feet from the East line of Section 3, Township 21 South, Range 26 East, Eddy County, New Mexico. Applicant further seeks approval for the dual completion of said well to produce gas from the Strawn and Morrow formations through parallel strings of tubing.

CASE 5207: (Continued from the April 10, 1974, Examiner Hearing)

Application of Craig Folson for a non-standard proration unit and compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying a non-standard oil proration unit comprising the SW/4 NE/4 SE/4, NW/4 SE/4 SE/4, NE/4 SW/4 SE/4, and the SE/4 NW/4 SE/4 of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1340 feet from the South line and 1300 feet from the East line of said Section 12, said location having been previously been approved by Order No. R-4750. 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 5208: (Continued from the April 10, 1974, Examiner Hearing)

Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

- CASE 5233: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Queen formation underlying the SW/4 of Section 29, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its Jenkins Well No. 3 located 760 feet from the South line and 1980 feet from the West line of said Section 29. Also to be considered will be the cost of recompleting and equipping 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 recompleting and equipping said well.
- CASE 5234: Application of Atlantic Richfield for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the S/2 of Section 14, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its McDonald WN State Wells Nos. 1 and 27 located in Units L and O, respectively, of said Section 14.
- CASE 5235: Application of Atlantic Richfield 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 the N/2 of Section 9, Township 21 South, Range 26 East, Eddy County, New Mexico, to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, and pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of said Section 9 to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, if it is determined that said Section 9 should be developed on 320-acre spacing. Applicant further seeks a provision in said order that would pool all mineral interests in the Pennsylvanian formation underlying all of said Section 9 to form a standard 640-acre unit to be dedicated to a well to be drilled at a standard location for said unit if it is determined that said Section 9 should be developed on 640-acre spacing. Also to be considered will be the cost of drilling and completing said well, or wells, 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, or wells, and a charge for risk involved in drilling said well, or wells.
- CASE 5236: Application of Atlantic Richfield Company for five unorthodox oil well locations and an administrative procedure, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of five oil wells in the Horseshoe-Gallup Oil Pool in Township 31 North, Range 16 West, San Juan County, New Mexico, to be drilled at the following points:

(Case 5236 continued from Page 1)

1975 feet from the North line and 890 feet from the West line of Section 28; 150 feet from the North line and 1375 feet from the East line of Section 33; 2580 feet from the South line and 295 feet from the West line of Section 35; 2605 feet from the North line and 2580 feet from the East line of Section 32; and 2540 feet from the South line and 2570 feet from the East line of Section 30.

Applicant further seeks an administrative procedure for the approval without notice and hearing of additional unorthodox locations for infill wells to be drilled within the Atlantic Horseshoe-Gallup Unit Area.

CASE 5237: Application of General American Oil Company of Texas for sixteen unorthodox oil well locations and an administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of sixteen oil wells in the Grayburg-Jackson Pool, Eddy County, New Mexico, to be drilled at the following points: 1295 feet from the South line and 1345 feet from the East line of Section 13; 1345 feet from the North line and 25 feet from the East line, 1295 feet from the North line and 2615 feet from the East line, 1295 feet from the North and East lines, 1295 feet from the South line and 2615 feet from the West line, 1345 feet from the South line and 25 feet from the East line, and 2615 feet from the South line and 1345 feet from the East line of Section 23; 1345 feet from the North and West lines, 2615 feet from the South line and 25 feet from the West line, 2615 feet from the South line and 1295 feet from the West line, 2615 feet from the South and West lines, 1345 feet from the South line and 2615 feet from the East line, and 1295 feet from the South line and 1345 feet from the West line of Section 24; and 25 feet from the North line and 2615 feet from the East line of Section 26, all in Township 17 South, Range 29 East, and 1295 feet from the North line and 2665 feet from the East line and 25 feet from the North line and 2615 feet from the East line of Section 30, Township 17 South, Range 30 East.

Applicant further seeks the adoption of an administrative procedure whereby additional infill wells at unorthodox locations could be drilled on its leases in this area without notice and hearing.

CASE 5238: Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the indicated perforated interval of the following wells in Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico: from 1286 feet to 1456 feet in its Federal BZ Well No. 6 located in Unit N of Section 21; from 1270 feet to 1440 feet in its Ingram Jackson BV Well No. 2 located in Unit D of Section 26; and from 1295 feet to 1372 feet in its Gissler AV Well No. 1 located in Unit C of Section 23. Applicant further seeks an administrative procedure for approval of additional salt water disposal into the San Andres formation in the subject pool without notice and hearing.



CASE 5239: Southeastern nomenclature case calling for the creation and extension of certain pools in Lea and Eddy Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Ojo Chiso-Morrow Gas Pool. The discovery well is the Brunson & McKnight, Inc. Ojo Chiso Unit Well No. 1 located in Unit E of Section 23, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 23: W/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Washington Ranch-Delaware Gas Pool. The discovery well is the Black River Corporation BR 4 Federal Well No. 3 located in Unit H of Section 4, Township 26 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM  
Section 4: NE/4

(c) Extend the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 1: All  
Section 2: E/2  
Section 12: All

(d) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 12: W/2

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 27: S/2  
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 7: All  
Section 11: All

(f) Extend the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 11: All



- (g) Extend the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 11: N/2

- (h) Extend the Crossroads-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM  
Section 26: NE/4

- (i) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 6: SE/4

- (j) Extend the Fowler-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 10: NE/4

- (k) Extend the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 31: All  
Section 32: All

- (l) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 12: NW/4

- (m) Extend the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 17: E/2

- (n) Extend the Rocky Arroyo-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM  
Section 7: E/2  
Section 8: SW/4

- (o) Extend the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 26: NW/4 SE/4

- (p) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 1: NE/4

- (q) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 13: NE/4

- (r) Extend the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 26: NE/4

- (s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM  
Section 12: N/2

- (t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 17: All

- (u) Extend the Wilson-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 13: E/2

- (v) Extend the Winchester-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2

Examiner Hearing - Wednesday - May 8, 1974

Dockets Nos. 12-74 and 13-74

-7-

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2

CASE 5208: (Continued from the April 25, 1974, Examiner Hearing)

Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

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Docket No. 13-74

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 15, 1974

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for June, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1974.

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>McDonald State WN</b>		Well No. <b>24</b>
Unit Letter <b>E</b>	Section <b>25</b>	Township <b>22S</b>	Range <b>36E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>1780</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3458'</b>	Producing Formation <b>Yates</b>		Pool <b>Jalmat</b>		Dedicated Acreage: <b>320</b> Acres

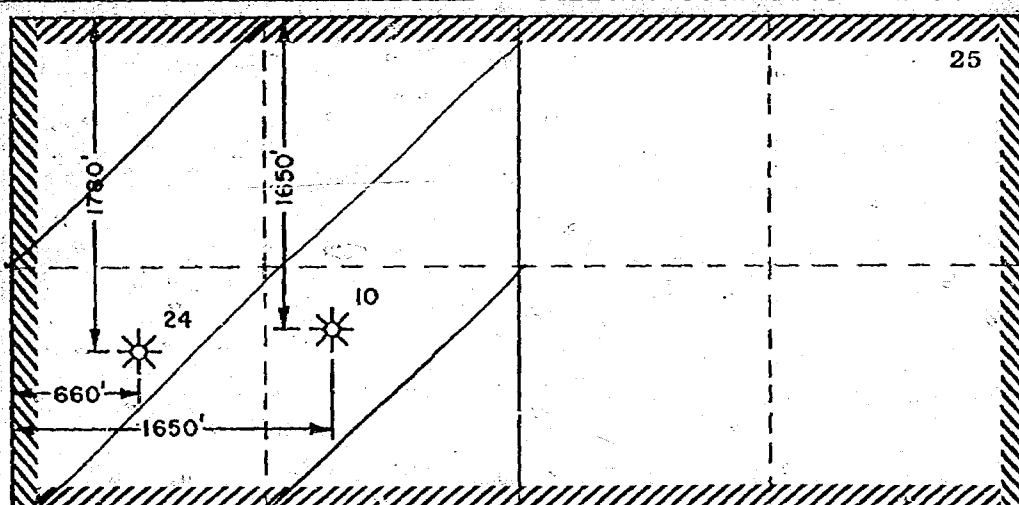
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

R-36-E



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *D.D. Spatcher*  
Position  
District Drilling Supv.  
Company  
Atlantic Richfield Company  
Date  
10/9/73

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_

Registered Professional Engineer and/or Land Surveyor

*Exhibit #2*

Certificate No. \_\_\_\_\_

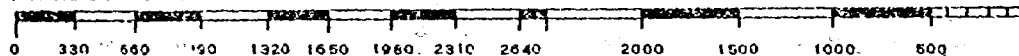
BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 5220

Submitted by Atlantic Richfield

Hearing Date May 8, 1974



Atlantic Richfield Company North American Producing Division  
Permian District  
Post Office Box 1610  
Midland, Texas 79701  
Telephone 915 682 8631

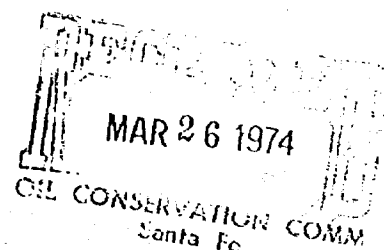
*Set for hearing*

*Case 5220*



March 18, 1974

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501



Attn: Mr. A. L. Porter, Jr.

Re: Non-Standard Gas Proration Unit  
McDonald State WN No. 24  
Section 25, T-22S, R-36E  
Lea County, New Mexico

*NSP-946*

*104 D II*

Gentlemen:

Atlantic Richfield Company respectfully requests administrative approval for a 320-acre non-standard Jalmat Gas proration unit comprising the N/2 of Section 25, Township 22 South, Range 36 East, Lea County, New Mexico, to be dedicated to the proposed McDonald State WN No. 24, located 1780' FN and 660' FWL of said section.

At the present time, the 320-acre proration unit comprising the N/2 of Section 25 is assigned to the McDonald State WN No. 10, located 1650' FN and FWL of said section. Upon completion of the proposed McDonald State WN No. 24 in the Jalmat (Yates) Gas Pool, we request that the 320-acre non-standard proration unit be re-assigned to said well.

Copies of this application have been submitted to the offset operators listed below.

Very truly yours,

*J. R. Rhotenberry*  
J. R. Rhotenberry

DWB/agp

cc: New Mexico Oil Conservation Commission, Hobbs, New Mexico 88240  
Continental Oil Company, Box 460, Hobbs, New Mexico 88240  
Dallas McCasland, Box 206, Eunice, New Mexico  
Dalport Oil Corporation, 1st Nat'l. Bank Bldg., Dallas, Tx. 75202  
Exxon Oil Corporation, Box 1600, Midland, Texas 79701  
Wood, McShane, and Thams, 200 Mid-America Bldg., Midland, Tx. 79701

DOCKET MAILED

Date 4-26-74

*For May 8th*

DOCKET MAILED

Date 4-11-74

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>McDonald State WN</b>		Well No. <b>24</b>
Unit Letter <b>E</b>	Section <b>25</b>	Township <b>22S</b>	Range <b>36E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>1780</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3458'</b>	Producing Formation <b>Yates</b>	Pool <b>Jalnat</b>	Dedicated Acreage: <b>320</b> Acres		

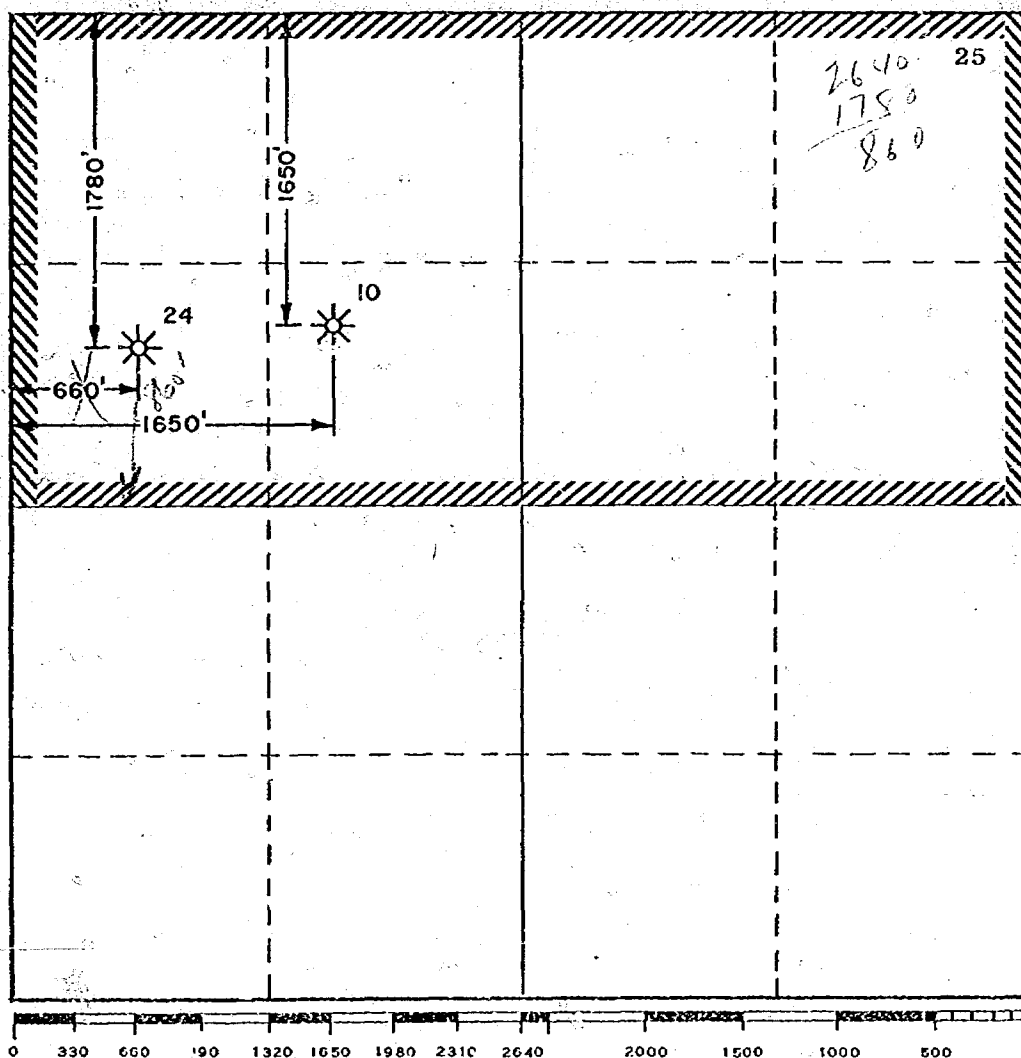
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

R-36-E



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name D.D. Sletcher  
Position District Drilling Supv.  
Company Atlantic Richfield Company  
Date 10/9/73

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_

Registered Professional Engineer and/or Land Surveyor \_\_\_\_\_

Certificate No. \_\_\_\_\_

*Case 5-220*

DRAFT

jr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5220

Order No. R- 4792

*DLH*  
APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR AN UNORTHODOX GAS WELL  
LOCATION AND NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 19 74,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this        day of May, 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, Atlantic Richfield Company, seeks  
approval of a non-standard gas proration unit comprising the N/2  
of Section 25, Township 22 South, Range 36 East, NMPM, Jalmat Gas  
~~Lea County~~ *Lea County, New Mexico*,  
Pool, to be dedicated to its McDonald State WN Well No. 24,  
drilled in an unorthodox location 1780 feet from the North line  
and 660 feet from the West line of said Section 25.



-2-

CASE NO. 5220  
Order No. R-

(3) That a well drilled in the proposed unorthodox location will probably encounter a pay zone of more favorable porosity and permeability than would a well drilled at an orthodox location.

(4) That the entire N/2 of said Section 25 may reasonably be presumed productive of gas from the Jalmat Gas Pool.

(5) That no offset operator has 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 Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will 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 applicant, Atlantic Richfield Company, is hereby authorized to drill its McDonald State <sup>WN</sup> ~~24~~ (No. 24) Well <sup>or</sup> an unorthodox location for the Jalmat Gas Pool 1780 feet from the North line and 660 feet from the West line of Section <sup>25</sup> ~~24~~, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

<sup>320-9612</sup>  
(2) That a <sup>320-9612</sup> non-standard gas proration unit for said pool consisting of the N/2 of said Section 25 shall be dedicated to said well.

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