

CASE NO. 5369: Appli. of TEXAS  
PACIFIC OIL CO., INC., for an  
unorthodox location, Eddy County

h4/a/21  
of  
Cord

CASE No.

5369

Application,  
Transcripts,  
Small Exhibits  
ETC.

BEFORE THE  
CO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
December 3, 1974

**EXAMINER HEARING**

**IN THE MATTER OF:**

Application of Texas Pacific Oil Company,  
Incorporated, for an unorthodox location,  
Eddy County, New Mexico.

**Case No.**  
**5369**

BEFORE: A.L. Porter, Secretary-Director  
I.R. Trujillo, Chairman

**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:**

John F. Russell, Esq.  
1010 Security National  
Bank Building  
Roswell, New Mexico

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

I N D E X

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| WILLIAM C. YOUNG, III             |             |
| Direct Examination by Mr. Russell | 3           |

E X H I B I T S

|   | <u>Marked</u> | <u>Admitted</u> |
|---|---------------|-----------------|
| Applicants Exhibits Nos.<br>1, 2, and 3 | --            | 8               |

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MR. PORTER: Gentlemen, the Hearing will come to order. The record will show that present for this Hearing are Chairman Trujillo and Secretary-Director A.L. Porter. We are going to hear one short case here, which is Case 5369, and for the other case, Case 5377, we're going to move to the Capitol Building, better known as the Round House in local circles, to Room 336, which is on the third floor of the building. This case that we've got now should take about perhaps 10 or 15 minutes, and the ones who are interested only in Case 5377 I would suggest that you go ahead and proceed over to the Capitol Building and find Room 336.

Case 5369.

MR. DERRYBERRY: Case 5369. Application of Texas Pacific Oil Company, Incorporated, for an unorthodox location, Eddy County, New Mexico.

MR. RUSSELL: I'm John F. Russell, representing the Applicant, and I have one witness.

MR. PORTER: Are there any other appearances in this Case, anyone else desiring to make a case in 5369? You may proceed Mr. Russell.

(Witness sworn.)

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WILLIAM C. YOUNG, III

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, your residence, name of your employer, and the capacity in which you are employed?

A My name is William C. Young, III, I live in Midland, Texas, am employed by Texas Pacific Oil Company as Development Engineering Supervisor.

Q You have previously qualified to give expert testimony before this Commission, have you not?

A That is correct.

Q Are you familiar with the Application in Case No. 5369?

A I am.

Q Will you please explain what you are asking by this Application?

A Texas Pacific seeks approval to drill our Tidwell No. 1 at a location 660 feet from the East line and 990 feet from the South line, Section 22, Township 17 South, Range 26 East, Eddy County, New Mexico.

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Q In connection with this Application have you prepared some exhibits?

A Yes, I have three exhibits.

Q I refer you to what has been marked as Applicant's Exhibit No. 1 and ask you to explain that Exhibit.

A Exhibit No. 1 is a map showing the proposed location, proposed proration unit to be dedicated to the proposed well, ownership of offset acreage and wells which have been drilled through the Morrow sand.

Q Will you give the key of the various wells?

A The red circles represent producing wells, the green dry holes, and the blue is a well in progress now; the depth yesterday morning was 2085 foot and drilling.

Q And there are dry holes to the south and to the west and to the north, are there not?

A That is correct.

Q And to what formation do you intend drilling this well?

A To the top of the Chester formation.

Q Now, referring you to what has been marked as Applicant's Exhibit No. 2, would you explain that Exhibit?

A Item 2 is a base map with the same well notations,

the green for dry holes, red for producing wells, blue for wells not completed, and it is a structure map with contours, 100-foot intervals, based on the top of the Chester line.

Q Now Exhibit No. 2 and Exhibit No. 3 are the same Exhibits which were used in Case No. 5330, which is an unorthodox location for the drilling well, by Order No. R-4881, is that correct?

A That is correct.

Q Now referring you to what has been marked as Applicant's Exhibit No. 3, I'll ask you to explain what that Exhibit represents.

A Exhibit 3 is a net sand isopachus of the Morrow A sand which we call the Big Buck Ponds Morrow sand. It's based on a porosity cut-off of 5 percent and our proposed location is picked to try to hit the center of the strand.

Q The data, where did it come from?

A The data came from what limited well control we have in the area.

Q Are there one or two wells?

A Well, there is one well approximately a mile from the proposed location and there is another one

roughly a mile and a half and then other wells scattered several miles away.

Q You do have a lease expiration date where this proposed location will be?

A That is correct. We have a lease expiring in the Southeast quarter, Section 22, on December 26th, and the mineral owner has refused to renegotiate this lease in any form or fashion.

Q In your opinion, if this unorthodox location was not approved, you would not drill a well at a different location?

A At the present time we would not drill a well at a different location.

Q In your opinion, would a well at the proposed location better enable you to produce the gas underlying the proration unit?

A That is correct.

Q And what is the proration unit?

A The East half of Section 22.

Q In your opinion, will approval of the Application give you the opportunity to produce your just and equitable share of the gas in the pool, will prevent the economic loss caused by the drilling of an unnecessary

well, avoid the augmentation of risk arising from drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights?

A It will.

MR. RUSSELL: Mr. Porter, I offer into evidence Applicant's Exhibits 1, 2, and 3.

MR. PORTER: Applicant's Exhibits 1, 2, and 3 will be admitted into the record.

(Whereupon, Applicant's

Exhibits 1, 2, and 3 were admitted into evidence.)

MR. RUSSELL: I have no further questions of this Witness.

MR. PORTER: Does anyone else have any questions? If not, the Witness may be excused. Does anyone have anything further to offer in the Case? If not we will take the Case under advisement and recess the Hearing to be reconvened immediately in the State Capitol Building, Room 336.

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

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TEL. (505) 501-0300

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 26, 1974

EXAMINER HEARING

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

Application of Texas Pacific )  
Oil Company, Inc., for an )  
unorthodox location, Eddy )  
County, New Mexico. )  
----- )

CASE No. 5369

BEFORE: Daniel S. Nutter, Examiner

For the New Mexico Oil  
Conservation Commission:

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

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MR. NUTTER: Case 5369.

MR. DERRYBERRY: Case 5369. Application of Texas Pacific Oil Company, Incorporated, for an unorthodox location, Eddy County, New Mexico.

MR. NUTTER: At the request of the Applicant in this case, this case will be continued to the Commission Hearing which has been scheduled for 9:00 o'clock a.m. December 3rd, 1974, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico, so Case No. 5369 will be continued to that date and place.

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TEL. (505) 962-0300

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.

  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5369 heard by me on 11/26, 1974.

, Examiner  
New Mexico Oil Conservation Commission

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## OIL CONSERVATION COMMISSION

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

**December 5, 1974**

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

Mr. Jack Russell  
Attorney at Law  
Drawer 640  
Roswell, New Mexico 88201

Re: CASE NO. 5369  
ORDER NO. R-4932

Applicant:

**Texas Pacific Oil Co., Inc.**

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   |          |

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. 5369  
Order No. R-4932

APPLICATION OF TEXAS PACIFIC OIL  
COMPANY, INC. FOR AN UNORTHODOX  
GAS WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 3, 1974, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of December, 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, Texas Pacific Oil Company, Inc., seeks approval of an unorthodox gas well location for its Tidwel No. 1 Well to be located 990 feet from the South line and 660 feet from the East line of Section 22, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the E/2 of said Section 22 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. 5369  
Order No. R-4932

(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:

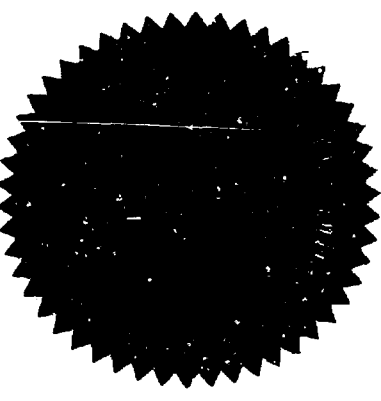
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Texas Pacific Oil Company, Inc., Tidwell No. 1 Well to be located at a point 990 feet from the South line and 660 feet from the East line of Section 22, Township 17 South, Range 26 East, NMPM, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the E/2 of said Section 22 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

dr/

DOCKET: COMMISSION HEARING - TUESDAY - DECEMBER 3, 1974

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

CASE 5377:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit all interested parties to appear and show cause why the continued injection of water for secondary recovery or disposal purposes into any formation from the surface of the ground down to and including the Drinkard formation should be permitted in the following described area in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Sections 13 through 36: All

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Sections 1 through 12: All

- CASE 5373: Application of Monsanto Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to test the Morrow formation at a point 660 feet from the North and West lines of Section 18, Township 23 South, Range 25 East, Rock Tank Gas Field, Eddy County, New Mexico.
- CASE 5368: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the contraction of the vertical limits of the Jalmat Gas Pool underlying the Langlie Jal Unit Area in all or portions of Sections 31 and 32, Township 24 South, Range 37 East, and Sections 4, 5, 6, 8, 9, and 17, Township 25 South, Range 37 East, Lea County, New Mexico, to delete the Seven Rivers formation from said pool, and for the extension of the vertical limits of the Langlie-Mattix Pool underlying said area to include therein all of the Seven Rivers formation.
- CASE 5369: Application of Texas Pacific Oil Company, Inc., for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Tidwell No. 1 Well, located 990 feet from the South line and 660 feet from the East line of Section 22, Township 17 South, Range 26 East, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico, the E/2 of said Section 22 to be dedicated to the well.
- CASE 5370: Application of American Quasar Petroleum Co. of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Tippin Ranch Unit Area comprising 3840 acres, more or less, of Federal, State, and fee lands in Township 23 South, Range 23 East, Eddy County, New Mexico.
- CASE 5371: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its South Hobbs Unit Area comprising 5074 acres, more or less, of State and Fee lands in Townships 18 and 19 South, Range 38 East, Lea County, New Mexico.
- CASE 5372: Application of Amoco Production Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its South Hobbs Unit by the injection of water into the Grayburg and San Andres formations through 45 injection wells in Sections 3, 4, 5, 6, 8, 9, 10, 15, and 16, Township 19 South, Range 38 East, Lea County, New Mexico, and the promulgation of special rules therefor including, among other things, an administrative procedure whereby the project may be expanded by the drilling or conversion of additional injection wells without further notice and hearing.
- CASE 5374: Application of Continental Oil Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 480-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its Meyer B-23 Wells Nos. 1, 2, 3, and 4, located at unorthodox locations in Units C, O, E, and G, respectively, of said Section 23.

RECEIVED  
LAW OFFICES OF  
JOHN F. RUSSELL  
412 HINKLE BUILDING  
P.O. DRAWER 640  
ROSWELL, NEW MEXICO 88201

Case  
5369  
TELEPHONE 622-4641  
AREA CODE 505

October 31, 1974

Mr. A. L. Porter, Jr.  
Secretary - Director  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Porter:

I transmit herewith, in triplicate, the application of Texas Pacific Oil Company, Inc. for an unorthodox well location and respectfully request that it be set for the examiner hearing on November 26, 1974.

Very truly yours,

*John F. Russell*  
John F. Russell

JFR:jb  
Enclosures

cc: Mr. Bill Young  
Texas Pacific Oil Co., Inc.  
P. O. Box 4067  
Midland, Texas 79702

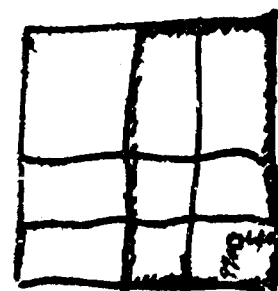
DOCKET MAILED  
Date 11-15-74

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
 OF TEXAS PACIFIC OIL COMPANY, INC. )  
 FOR AN EXCEPTION TO RULE 104 OF )  
 THE COMMISSION, TO ALLOW APPLICANT )  
 TO DRILL ITS TIDWEL NO. 1 WELL AT )  
 AN UNORTHODOX LOCATION 990 FEET )  
 FROM THE SOUTH LINE AND 660 FEET )  
 FROM THE EAST LINE OF SECTION 22, )  
 TOWNSHIP 17 SOUTH, RANGE 26 EAST, )  
 IN THE KENNEDY FARMS MORROW GAS POOL, )  
 EDDY COUNTY, NEW MEXICO. )

No.



APPLICATION

COMES NOW Texas Pacific Oil Company, Inc., by its attorney,  
 John F. Russell, and states:

1. Applicant proposes to drill its Tidwel No. 1 Well  
 at an unorthodox location, 990 feet from the South line and  
 660 feet from the East line of Section 22, Township 17 South,  
 Range 26 East, ~~in the~~ Kennedy Farms Morrow Gas Pool, Eddy  
 County, New Mexico.

2. The granting of this application will allow applicant  
 to recover its fair share of the gas from the proration unit  
 assigned to the well, being the E/2 of Section 22.

3. The granting of said application will also prevent  
 waste and protect correlative rights.

WHEREFORE, Applicant requests that the Commission set this  
 matter down for hearing before its examiner, publish notice as  
 required by law and, after hearing, issue its order authorizing  
 the unorthodox location as prayed for herein.

Respectfully submitted,

TEXAS PACIFIC OIL COMPANY, INC.

By John F. Russell  
 John F. Russell  
 P. O. Box 640  
 Roswell, New Mexico 88201  
 Applicant's Attorney

DATED: October 31, 1974

DRAFT

jr/

*zi*

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:

*[Handwritten signature]*

CASE NO. 5369

Order No. R-4932

APPLICATION OF TEXAS PACIFIC OIL  
COMPANY, INC. FOR AN UNORTHODOX  
GAS WELL LOCATION, EDDY COUNTY,  
New Mexico.

*the Oil Conservation Commission of  
New Mexico, hereinafter referred to  
as the "Commission."*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 3, 1974  
at Santa Fe, New Mexico, before ~~Examiner Richard L. Stamets~~

NOW, on this day of December, 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, Texas Pacific Oil Company, Inc.,  
seeks approval of an unorthodox gas well location for its Tidwel No.  
1 Well, located 990 feet from the South line and 660 feet from the  
East line of Section 22, Township 17 South, Range 26 East, NMPM,  
to test the Morrow formation, Kennedy Farms-Morrow Gas Pool,  
Eddy County, New Mexico.

1 -2-  
2 CASE NO. 5369  
3 Order No. R-

4 (3) That the E/2 of said Section 22 is to be dedicated to  
5 the well.

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

8 (5) That no offset operator objected to the proposed unor-  
9 thodox location.

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

17 IT IS THEREFORE ORDERED:

18 (1) That an unorthodox gas well location for the Morrow  
19 formation is hereby approved for the Texas Pacific Oil Company,  
20 Inc., Tidwel No. 1 Well to be located at a point 990 feet from  
21 the South line and 660 feet from the East line of Section 22,  
22 Township 17 South, Range 26 East, NMPM, Kennedy Farms-Morrow  
23 Gas Pool, Eddy County, New Mexico.

24 (2) That the E/2 of said Section 22 shall be dedicated to  
25 the above-described well.

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

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

30  
31  
32