

CASE 5517: PETRO LEWIS CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
SANDOVAL COUNTY, NEW MEXICO

Cont of reads
for July 16th

CASE NO.

5517

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 30, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Petro-Lewis Corporation
for an unorthodox oil well location,
Sandoval County, New Mexico

CASE NO 5517

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 F. Carr, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico 87501

For the Petro-Lewis
Corporation:

W. Thomas Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

PAGE

JOHN SOMERS

Direct Examination by Mr. Kellahin

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E X H I B I T S

Applicant's Exhibits 1, 2, & 3

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MR. STAMETS: Call Case 5517.

MR. CARR: Case 5517. Application of Petro-Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. KELLAHIN: Mr. Examiner, please, I'm Tom Kellahin, would you go ahead and call that next case until John Somers comes; until I find out what happened to him?

MR. STAMETS: Okay. We will continue this case until later in the Hearing.

(Whereupon, a recess was taken.)

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MR. STAMETS: At this time we will recall Case 5517, which was called earlier.

MR. CARR: Case 5517. Application of Petro-Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of the Applicant, Petro-Lewis Corporation, and I have one witness to be sworn.

MR. STAMETS: If you'll stand and be sworn, please. Are there any other appearances in this case or any other witnesses?

(Witness Sworn)

JOHN SOMERS

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Somers, would you state your name, by whom you're employed, and in what capacity?

A John Somers. I'm employed by Petro-Lewis Corporation as the Denver Division Manager.

Q Have you previously testified before this Commission, and were your qualifications as an expert witness

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accepted and made a matter of record.

A Yes, I have.

Q Have you made a study of and are you familiar with the facts surrounding this particular Application?

A Yes, I am.

MR. KELLAHIN: Mr. Examiner, please, are the witness' qualifications accepted?

MR. STAMETS: They are.

BY MR. KELLAHIN:

Q Mr. Somers, would you refer to what has been marked as Applicant Exhibit No. 1, identify it and state briefly what Petro-Lewis is seeking?

A Exhibit No. 1 is a map of the southwest Media fields showing the location of Entrada Wells, and other shallower wells in the area. It also shows the proposed unorthodox location in the northeast quarter of Section 22, Township 19 North, Range 3 West. That location would be 1980 feet from the east line and 1335 feet from the north line of that section.

Q Has the non-standard proration unit been a subject of a previous hearing before this Commission, and has the Commission entered its Order of Approval?

A Yes, it has.

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Q You are now seeking the unorthodox well location to drill upon this non-standard proration unit?

A That's correct.

Q Please refer to what has been marked as Exhibit No. 2, and identify it?

A This is a structure map on top of the Entrada Formation, which is the principal producing formation in the southwest Media field where the proposed unorthodox well location is to be, and it shows that the Miller Federal 722, which is the well to be drilled in that non-standard drilling unit, is located at the optimum structural location.

Q Please refer to what has been marked as Exhibit 3, and identify it?

A Exhibit No. 3 is a net-pay isopack of the Entrada sand. This also shows the location of the proposed unorthodox well, it's off a little bit. It should be south of the line, but it's shown as actually a little bit north of the line. It's showing that the location would be at the thickest point in the southwest Media Reservoir.

Q In your opinion, Mr. Somers, will a well drilled at this particular location be the optimum location from which to economically and efficiently drain the proposed unit?

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A Yes, it will.

Q In your opinion, will the approval of this Application be in the best interests of conservation and prevention of waste and the protection of correlative rights?

A Yes, it would be.

Q Did you prepare or were these prepared under your direction and supervision, Exhibits 1, 2, and 3?

A Yes, they were.

MR. KELLAHIN: Mr. Examiner, please, we move the introduction of those exhibits.

MR. STAMETS: Exhibits 1, 2, and 3 will be admitted into evidence.

(Whereupon, Applicant's Exhibits 1, 2, and 3 were admitted into evidence.)

MR. KELLAHIN: That concludes our direct examination.

MR. STAMETS: Any other questions of this witness?

Mr. Somers, do you know what the Order Number was approving the non-standard proration unit?

MR. SOMERS: No, I don't.

MR. KELLAHIN: I neglected to bring that Order; I can call it into you.

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MR. STAMETS: That's all right. We can check it too. If there are no further questions, the witness may be excused. Anything further in this case? I will take the case under advisement. This Hearing is adjourned.

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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. 5517, heard by me on 7-30-75.
Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

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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. 5517
Order No. R-5077

APPLICATION OF PETRO LEWIS
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION, SANDOVAL
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 30, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of August, 1975, 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, Petro Lewis Corporation, seeks approval of an unorthodox oil well to be drilled 1335 feet from the North line and 1980 feet from the East line of Section 22, Township 19 North, Range 3 West, NMPM, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.

(3) That the S/2 NE/4, NW/4 NE/4 and the S/2 NE/4 NE/4 of said Section 22 is to be dedicated to the well.

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

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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.

-2-
Case No. 5517
Order No. R-5077

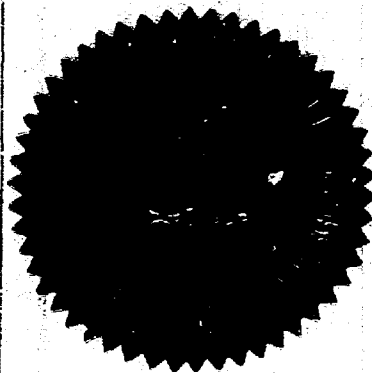
IT IS THEREFORE ORDERED:

(1) That an unorthodox location is hereby approved for an oil well to be drilled at a point 1335 feet from the North line and 1980 feet from the East line of Section 22, Township 19 North, Range 3 West, NMPM, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.

(2) That the S/2 NE/4, NW/4 NE/4 and the S/2 NE/4 NE/4 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

Phil R. Lucero
PHIL R. LUCERO, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF PETRO-LEWIS CORPORATION FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, SANDOVAL COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW PETRO-LEWIS CORPORATION and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico, as an exception to the provisions of Order No. R-4822-A, and in support thereof would show the Commission:

1. Applicant proposes to drill a well to be located ¹⁹⁸⁰ ~~2310~~ feet from the East line, and ¹³³⁵ ~~1305~~ feet from the North line of Section 22, Township 19 North, Range 3 West, N.M.P.M., Sandoval County, New Mexico, to be dedicated to a non-standard oil proration unit consisting of the S/2 NE/4, NW/4 NE/4, S/2 NE/4 NE/4 of said Section 22.

2. The proposed location is an optimum location on the Entrada formation, and will result in the recovery of oil from the Southwest Media-Entrada Pool that would not otherwise be recovered.

3. The unorthodox location will not impair the correlative rights of any owner of interests in the pool, will prevent waste, and is in the interests of the conservation of oil in this pool.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order approving the proposed unorthodox well location.

Respectfully submitted,

PETRO-LEWIS CORPORATION

By Jason W. Kellahin
KELLAHIN & FOX
Post Office Box 1769
Santa Fe, New Mexico 87501

DOCKET MAILED

Date 6/18/75

DOCKET MAILED

Date 7/22/75

Dockets Nos. 19-75 and 20-75 are tentatively set for hearing on August 13 and August 27, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 30, 1975

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:

CASE 5490: (Continued from the May 28, 1975 Examiner Hearing)

Application of Tenneco Oil Co. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Strawn formation through the perforated interval from 11,164 feet to 11,470 feet in its Jones Federal "b" Well No. 1, located in Unit E of Section 24, Township 19 South, Range 31 East, Lusk-Strawn Pool, Eddy County, New Mexico.

CASE 5517: (Continued & Readvertised)

Application of Petro-Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1335 feet from the North line and 1980 feet from the East line of Section 22, Township 19 North, Range 3 West, Media Entrada Oil Pool, Sandoval County, New Mexico.

CASE 5532: Application of Hanagan Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 12, Township 21 South, Range 26 East, Burton Flat-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South line and 660 feet from the East line of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.

NOTICE

Please note the correction of the day shown on Docket No. 16-75 for the hearing of Case No. 5493 DE NOVO. This case will be heard FRIDAY July 25, 1975. The hearing day was erroneously identified as Wednesday, July 25, 1975. No change of date is involved.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 2, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Petro Lewis
Corporation for an unorthodox
oil well location, Sandoval
County, New Mexico.

CASE NO. 5517

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 Building
Santa Fe, New Mexico

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MR. STAMETS: Case 5517.

MR. DERRYBERRY: Case 5517. Application of Petro Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico.

Mr. Examiner, due to an error in the advertising for this case, the staff urges that this case be continued and readvertised for July 30.

MR. STAMETS: Case 5517 will be continued to the July 30th Examiner Hearing.

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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 E. Hall
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5612 heard by me on 7-2 1975.
Richard L. Smith, Examiner
New Mexico Oil Conservation Commission

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- CASE 5517: Application of Petro Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an oil well to be drilled 1305 feet from the North line and 2310 feet from the East line of Section 22, Township 19 North, Range 3 West, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.
- CASE 5512: Application of NRM Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location, as amended, for a well to be drilled at a point 910 feet from the North line and 660 feet from the West line of Section 33, Township 20 South, Range 30 East, Golden Lane Gas Field, Eddy County, New Mexico.
- CASE 5508: Application of Dugan Production Corporation for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the SW/4 of Section 14, Township 24 North, Range 5 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, to be dedicated to a well at a standard location in Unit L of said Section 14.
- CASE 5518: Application of Anadarko Production Co. for two waterflood projects and an administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute two waterflood projects in the Square Lake Pool by injection of water into the Grayburg-San Andres formations through its Kennedy Well No. 1, located in Unit M of Section 21, and its Baxter "A" Federal Well No. 1, located in Unit O of Section 20, both in Township 16 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks the adoption of an administrative procedure whereby the aforesaid projects as well as those projects operated under authority of Orders Nos. R-2920, R-2977, and R-3677 could be combined for purposes of operation, control, and reporting, and whereby additional wells could be placed on injection or production without notice and hearing.
- CASE 5519: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a proposed Devonian oil test well, in the event said well should also be completed as a gas well in the Morrow formation, said well to be located 660 feet from the South line and 2310 feet from the West line of Section 25, Township 17 South, Range 25 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.
- CASE 5520: Application of Yates Petroleum Corporation for two unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of two proposed gas wells, the first being 1980 feet from the North line and 660 feet from the West line of Section 31, Township 17 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, to have dedicated the N/2 of said Section 31; and the second being 880 feet from the South line and 660 feet from the West line of said Section 31, to have dedicated the S/2 of said Section 31.

JUL 16 1975
OIL CONSERVATION COMMISSION
Santa FeBEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICOIN THE MATTER OF THE APPLICATION
OF PETRO-LEWIS CORPORATION FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, SANDOVAL COUNTY, NEW MEXICOA P P L I C A T I O N

COMES NOW PETRO-LEWIS CORPORATION and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico, as an exception to the provisions of Order No. R-4822-A, and in support thereof would show the Commission:

1. Applicant proposes to drill a well to be located ¹⁹⁸⁰ ~~2310~~ feet from the East line, and ¹³³⁵ ~~1305~~ feet from the North line of Section 22, Township 19 North, Range 3 West, N.M.P.M., Sandoval County, New Mexico, to be dedicated to a non-standard oil proration unit consisting of the S/2 NE/4, NW/4 NE/4, S/2 NE/4 NE/4 of said Section 22.

2. The proposed location is an optimum location on the Entrada formation, and will result in the recovery of oil from the Southwest Media-Entrada Pool that would not otherwise be recovered.

3. The unorthodox location will not impair the correlative rights of any owner of interests in the pool, will prevent waste, and is in the interests of the conservation of oil in this pool.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order approving the proposed unorthodox well location.

Respectfully submitted,

PETRO-LEWIS CORPORATION

By Jason W. Kellahin
KELLAHIN & FOX
Post Office Box 1769
Santa Fe, New Mexico 87501

~~for the location~~

Application of Petro Lewis
Corporation for an unorthodox
oil well location, Sandoval
County, New Mexico

Appl. in the above-styled cause,
seeking approval for the unorthodox
location of an oil well to be
drilled 1305 feet from the north line
and 2310 feet from the east line
of Section 22, T 19 N, R 3 W, Southwest
Media-Entrada Oil Pool, Sandoval
County, New Mexico

appl will follow - Jason K

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:

CASE No. 5517

Order No. R- 5077

APPLICATION OF PETRO LEWIS CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
SANDOVAL COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 30 ~~July 2~~, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this August day of August, 1975, 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, Petro Lewis Corporation, seeks approval
of an unorthodox oil well to be drilled ~~1305~~ ¹³³⁵ feet from the North line
and ~~2310~~ ¹⁹⁸⁰ feet from the East line of Section 22, Township 19 North,
Range 3 West, NMPM, Southwest Media-Entrada Oil Pool, Sandoval County,
New Mexico.

-2-
Case No. 5517
Order No. R-

*S/2 NE/4, NW/4 NE/4 and the
S/2 NE/4 NE/4*

(3) That the _____ of said Section 22 is to be dedicated to the well.

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

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 location is hereby approved for an oil well to be drilled at a point ¹³³⁵~~1305~~ feet from the North line and ¹²⁸⁰~~1310~~ feet from the East line of Section 22, Township 19 North, Range 3 West, NMPM, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.

S/2 NE/4, NW/4 NE/4 and the S/2 NE/4 NE/4

(2) That the _____ 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.