

CASE 5548: TENNECO OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCA-
TION, SAN JUAN COUNTY, NEW MEXICO

CASE NO.

5548

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

SEPTEMBER 10, 1975

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
<i>W.B. Krusty</i>	<i>Delport</i>	<i>Roswell</i>
<i>John S. McHaffey</i>	<i>Reading & Bates Oil & Gas Co.</i>	<i>Tulsa, Okla.</i>
<i>Paul Cooper</i>	" " " "	" "
<i>D.E. Brown</i>	<i>Tenneco Oil Co</i>	<i>Roswell</i>
<i>Bates Kelly</i>	<i>White Kniskelly & Mc</i>	<i>S. F.</i>
<i>Dean Sampson</i>	<i>Delport Oil</i>	<i>Dallas Tx</i>
<i>E.R. Manning</i>	<i>El Paso Natural Gas</i>	<i>El Paso.</i>
<i>A.A. Searce</i>	<i>El Paso Nat Gas</i>	<i>Fortington</i>
<i>J.T. Eubank Jr</i>	<i>EPNG</i>	<i>Santa Fe</i>

Case
6548

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 10, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for an unorthodox gas well location
San Juan County, New Mexico

CASE
5548

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

For the Applicant:

William Booker Kelly, Esq.
WHITE, KOCH, KELLY & McCARTHY
220 Otero Street
Santa Fe, New Mexico

sid morrison reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

EXHIBIT

Page

DARRELL BROWN

Direct Examination by Mr. Kelly

3

Cross Examination by Mr. Nutter

7

EXHIBIT INDEX

Page

Offered Admitted

Tenneco's Exhibit No. 1, Plat

6

6

Tenneco's Exhibit No. 2, Topo Map

6

6

Tenneco's Exhibit No. 3, Letter

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Tenneco's Exhibit No. 4, Letter

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Phone (505) 982-9212

1 MR. NUTTER: We will call Case 5548.

2 MR. CARR: Case 5548, application of Tenneco Oil
3 Company for an unorthodox gas well location, San Juan County,
4 New Mexico.

5 MR. KELLY: Booker Kelly of White, Koch, Kelly and
6 McCarthy, Santa Fe, New Mexico on behalf of the applicant.

7 I have one witness and ask that he be sworn.

8 (THEREUPON, the witness was duly sworn.)

9 DARRELL BROWN

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

12 DIRECT EXAMINATION

13
14 BY MR. KELLY:

15 Q Would you state your name and by whom you are
16 employed and in what capacity?

17 A I'm Darrel Brown, I'm employed by Tenneco Oil
18 Company as Division Drilling Engineer for the Rocky Mountain
19 and I work out of Denver.

20 Q Have you previously qualified as an expert witness
21 in the field of petroleum engineering before this Commission?

22 A No, sir.

23 Q Would you give the Examiner a brief resume of your
24 educational and professional background?

25 A I have a B.S. in Mechanical Engineering. I have

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1 worked actively in the oil business for eighteen years in
2 various production and drilling activities.

3 Q Are you familiar with the subject application, and
4 have you visited the well site?

5 A Yes, sir, I have.

6 MR. KELLY: Are the witness's qualifications
7 acceptable?

8 MR. NUTTER: Yes, they are.

9 Q (Mr. Kelly continuing.) Referring to the plat
10 marked Exhibit Number One, would you briefly state what
11 Tenneco seeks by this application?

12 A Exhibit Number One shows the location of the standard
13 well which is the left-hand dot in Section 14, and the
14 right-hand dot with the circle around it is Well 38-A
15 which is a non-standard location.

16 The standard location was not drilled due to
17 topographical reasons. There is an existing well, the
18 Florence Number 50-A which became inoperable due to casing
19 collapse, we were unsuccessful in plugging it back. The
20 38-A is a replacement well to the Mesaverde drilled on
21 the same location. It required no further disturbance of
22 the area. To do otherwise and place the Mesaverde in a
23 standard location would have required extensive dirt work
24 and would have had considerable impact on the environment
25 and would have be quite expensive.

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Phone (505) 985-9212

1 Q Now, as I understand the Rules, the standard
2 location would be nine hundred and ninety feet from the
3 proration boundary, is that correct?

4 A Yes, sir, with a tolerance of two hundred feet
5 as stated in the regulation which means seven ninety is
6 as close to the line as you can get.

7 Q With that tolerance you are --

8 A One hundred and sixty feet.

9 Q Okay. Now, you have an Exhibit Number Two which
10 is a topo map, is that right?

11 A Yes, sir. This is rather small scale, but it
12 can be seen. This well is out on a point, it falls off
13 very quickly on all sides, except in the direction in which
14 we moved. This would have necessitated building quite an
15 extensive road and a cut into the side of the mountain. We
16 drilled it on the existing bed.

17 Q The granting of this application then would save
18 considerable drilling cost and also protect the natural
19 terrain, is that correct?

20 A Yes, sir.

21 Q Now, on Exhibit One do you show the offset operators?

22 A Yes, they are all shown. El Paso Natural Gas
23 is the closest off-set operator in all directions.

24 Blackwood and Nichols are a mile away and then
25 our own lease holdings around there.

1 Q Have you notified all off-set operators of this
2 application?

3 A Yes, sir. They were notified by letter by your
4 firm.

5 Q And what responses have you received, referring to
6 Exhibits Three and Four?

7 A El Paso Natural Gas has written back, no objection.
8 Amoco which has some acreage to the west a mile
9 or better wrote back, no objection.

10 We have had no response from Blackwood and Nichols
11 or any of the other off-set operators.

12 Q Now, in your opinion would the granting of this
13 application prevent waste and have no adverse effect on the
14 correlative rights of the adjoining operators?

15 A Yes, sir, it would not have any detrimental effects.

16 Q Were Exhibits One and Two prepared under your
17 supervision?

18 A Yes, sir.

19 MR. KELLY: At this time I would move the intro-
20 duction of Tenneco's Exhibits One through Four.

21 MR. NUTTER: Tenneco's Exhibits One through Four,
22 Three and Four being the letters?

23 MR. KELLY: Three and Four being the letters.

24 MR. NUTTER: Tenneco's Exhibits One through Four
25 will be admitted into evidence in this Case.

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1 MR. KELLY: We have nothing further on direct,
2 Mr. Examiner.

3 MR. NUTTER: I didn't get your name, sir.

4 MR. BROWN: Darrell, D-a-r-r-e-l-l, Brown, B-r-o-w-n.

6 CROSS EXAMINATION

7 BY MR. NUTTER:

8 Q Mr. Brown, the west half of Section 14 is going
9 to be dedicated to the Mesaverde formation, is that correct?

10 A Yes, sir.

11 Q Is there already a Mesaverde well in the west
12 half of Section 14?

13 A I believe there is in the southwest quarter.

14 Q Would this be this little circle that is shown
15 on Exhibit Two, just south of the landing strip there?

16 A Yes, sir.

17 Q Now, this well is a standard location except for
18 the fact that it has been moved eastward one hundred and
19 sixty feet, is that correct?

20 A Yes, sir. That well in the southwest corner there
21 is Number 38.

22 Q That is Number 38?

23 A Yes, sir.

24 Q And this is 38-A, the second well on the unit?

25 A Yes, sir, on the Mesaverde in-field drilling

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1 program.

2 Q And by moving the well to the east one hundred and
3 sixty feet, the operator that would be affected if any would
4 be affected, would be El Paso Natural Gas?

5 A Yes, sir, that is correct.

6 Q And you do have a letter from them?

7 A Yes, sir.

8 MR. NUTTER: Are there further questions of Mr.
9 Brown? He may be excused.

10 Do you have anything further, Mr. Kelly?

11 MR. KELLY: No, I don't.

12 MR. NUTTER: Does anyone have anything they wish
13 to offer in Case 5548?


14 The Case will be taken under advisement.
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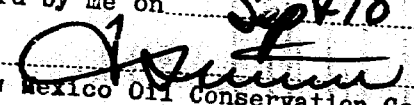
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State of New Mexico)
) ss.
County of Santa Fe)

I, SIDNEY F. MORRISH, a 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.


Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5548
heard by me on Sept 10, 1975.

New Mexico Oil Conservation Commission

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 987-9212

BLACKWOOD & NICHOLS COMPANY

P. O. BOX 1237

DURANGO, COLORADO 81302

September 4, 1975



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

Dear Mr. Porter:

Blackwood & Nichols Company, as an operator of offsetting acreage, has no objections to Tenneco Oil Company's application for an unorthodox well located 1622' F/NL - 2010' F/WL, Section 14, 30N-8W, San Juan County, New Mexico.

Very truly yours,

BLACKWOOD & NICHOLS COMPANY

DeLasso Loos
DeLasso Loos
District Manager

DL:lw

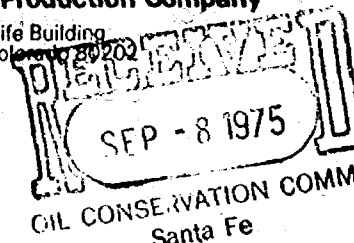
cc: Tenneco Oil Company
Denver, Colorado

Oil & Gas Commission
Aztec, New Mexico



Amoco Production Company

Security Life Building
Denver, Colorado 80202



September 4, 1975

Joe D. Ramey
New Mexico Energy Resources Board
c/o New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

File: VDP-380-986.511

Application of Tenneco Oil Company for
an Unorthodox Well Location, Section 14, Township 30 North,
Range 8 West, San Juan County, New Mexico

This is to advise that Amoco, operator of an offset Mesaverde
producing well, has no objection to the granting of Tenneco's
application to complete and produce its Florence No. 38A in
the Mesaverde at the unorthodox location of 1622' FNL and
2010' FWL of Section 14, T30N, R8W.

RB Giles

RBG/mw

cc:
Kenneth Bateman
Jack Dutton

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. 5548
Order No. R-5091

APPLICATION OF TENNECO OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of September, 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, Tenneco Oil Company, seeks approval of an unorthodox gas well location for its Florence Well No. 38A, 1622 feet from the North line and 2010 feet from the West line of Section 14, Township 30 North, Range 8 West, NMPM, to test the Mesaverde formation, Blanco-Mesaverde Pool, San Juan County, New Mexico.
- (3) That the W/2 of said Section 14 is to be dedicated to the well.
- (4) That drilling the subject well at said location will enable applicant to utilize an existing drilling pad, and by moving 160 feet east of a standard location, maintain a safe distance from an existing abandoned well.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 5548
Order No. R-5091

(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 is hereby approved for applicant's Florence Well No. 38A to be located at a point 1622 feet from the North line and 2010 feet from the West line of Section 14, Township 30 North, Range 8 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.

(2) That the W/2 of said Section 14 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, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L

dr/

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

Re: CASE NO. 5548
ORDER NO. R-5091

Applicant:

Tenneco Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	X
Artesia OCC	
Aztec OCC	X

Other

WHITE,
KOCH, KELLY
&
McCARTHY

August 21, 1975

Mr. Tom Derryberry
New Mexico Oil Conservation Comm.
State Land Office
Santa Fe, New Mexico 87502

Re: Application of Tenneco Oil Company for
an Unorthodox Well Location, Section 14,
Township 30 North, Range 8 West, San
Juan County, New Mexico

Dear Mr. Derryberry:

Please correct an error which occurs in the description of
the well location in the captioned application in Paragraph
1. Said well is located 1622 feet from the North line and
2010 feet from the West line of Section 14. I would appre-
ciate it if the correction could be made prior to publica-
tion of the notice of hearing on the application.

With best regards.

Sincerely,


KENNETH BATEMAN

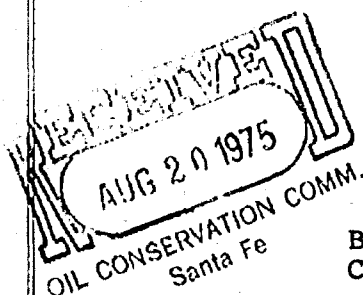
KB/jc

L.C. White
Sumner S. Koch
William Booker Kelly
John F. McCarthy, Jr.
Kenneth Bateman

Benjamin Phillips
Ronald M. Friedman
C. Emery Cuddy, Jr.

Attorneys and Counselors at Law

220 Otero St., P.O. Box 787, (505)982-4374, Santa Fe, N.M. 87501 — P.O. Drawer E, (505)758-4338, Taos, N.M. 87571



BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TENNECO OIL COMPANY FOR AN UNORTHODOX
WELL LOCATION, SECTION 14, TOWNSHIP
30 NORTH, RANGE 8 WEST, SAN JUAN
COUNTY, NEW MEXICO.

No. 5548

APPLICATION

Comes now Tenneco Oil Company by its attorneys White, Koch,
Kelly & McCarthy, and for its application states:

1. That it is the owner and operator of the Florence
No. 38A, an undesignated Mesa Verde well now being drilled in
Section 14, Township 30 North, Range 8 West, SAN JUAN County,
New Mexico. The above described well which is projected to be a
gas well has dedicated to it the West 1/2 of Section 14, Township
30 North, Range 8 West, SAN JUAN County, New Mexico. Said well
is located 1622 feet from the North line and 2010 feet from the
~~South~~ ^{West} line of said Section 14.

2. That because of topographical considerations and
because of the availability of a drilling pad at the location of
an abandoned Dakota well, the non-standard well location is
necessary.

3. That the offset operators within a two mile radius
of the proposed location are: Mesa Petroleum Company, AMOCO
Production Company, El Paso Natural Gas Company and Blackwood &
Nichols, all of whom will be notified of this application prior
to hearing.

4. That in granting this application the Commission
would be preventing waste by allowing Tenneco Oil Company to

complete and produce the subject well at its present unorthodox location. That the correlative rights of all operators in the area would not be adversely affected by the granting of this application.

WHEREFORE, Applicant prays that it be granted the unorthodox location stated above for its Florence No. 38A, Section 14, Township 30 North, Range 8 West, SAN JUAN County, New Mexico.

WHITE, KOCH, KELLY & MCCARTHY

BY:

Kevin D. Patton

One of the Attorneys for
Tenneco Oil Company
P. O. Box 787
Santa Fe, New Mexico 87501

DOCKET MAILED

Date 8/29/75

September 4, 1975

Joe D. Ramey
New Mexico Energy Resources Board
c/o New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

File: VDP-380-986.511

Application of Tenneco Oil Company for
an Unorthodox Well Location, Section 14, Township 30 North,
Range 8 West, San Juan County, New Mexico

This is to advise that Amoco, operator of an offset Mesaverde
producing well, has no objection to the granting of Tenneco's
application to complete and produce its Florence No. 38A in
the Mesaverde at the unorthodox location of 1622' FNL and
2010' FNL of Section 14, T30N, R8W.

RB Giles

RBG/mw

cc:
Kenneth Bateman
Jack Dutton ✓

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
RAVIER EXHIBIT NO. 4
CASE NO. 5548

El Paso Natural Gas Company

El Paso, Texas 79901

August 26, 1975

ADDRESS REPLY TO
POST OFFICE BOX 980
FARMINGTON NEW MEXICO 87401

Mr. Joe Ramey
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Tenneco Oil Company for
an Unorthodox Well Location, Section 14,
Township 30 North, Range 8 West,
San Juan County, New Mexico

Gentlemen:

This letter is to notify you that El Paso Natural Gas Company as operator of
off-setting production to the proposed unorthodox well location has no
objections.

Sincerely,

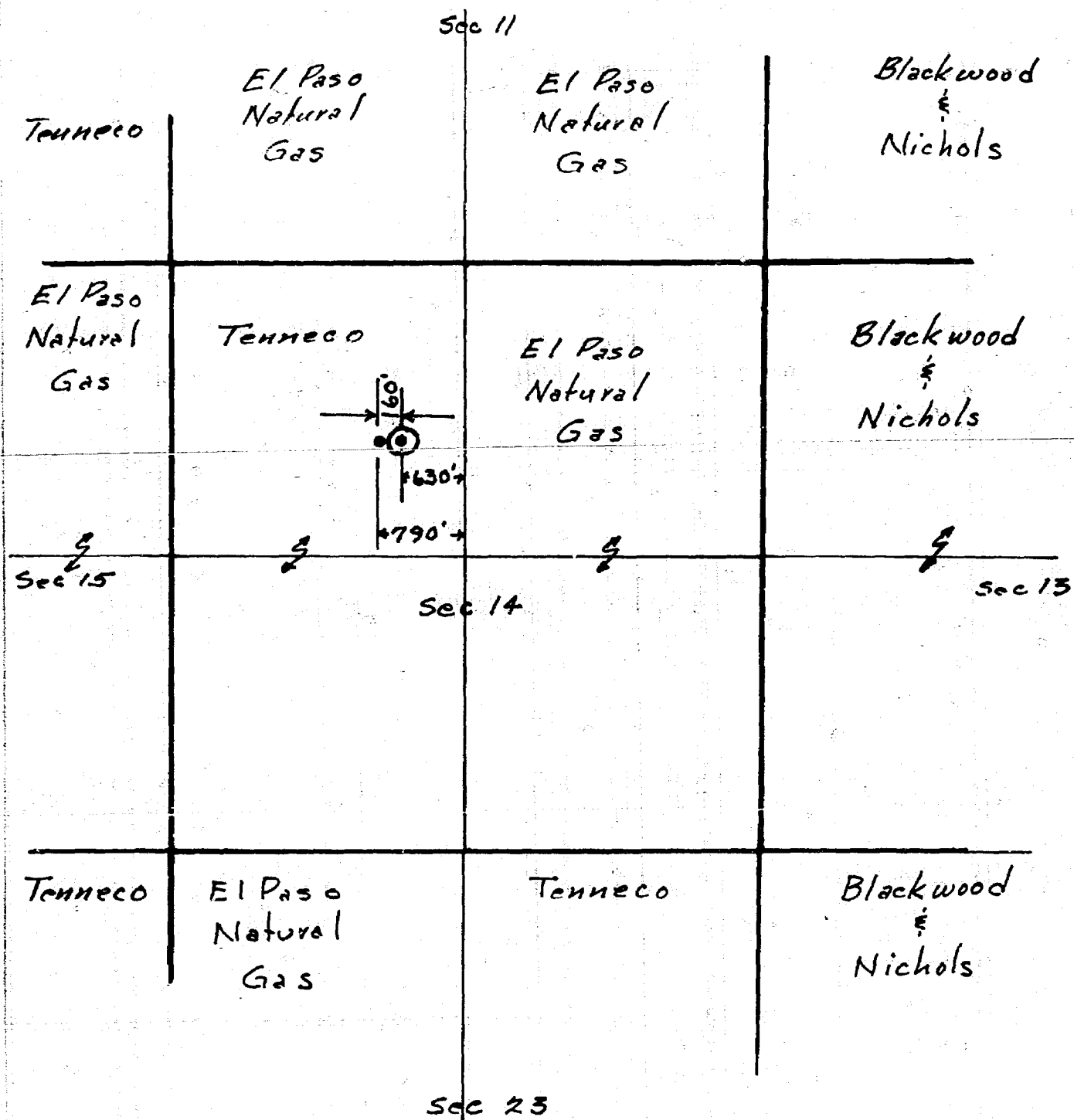
Carl E. Matthews

Carl E. Matthews
Division Production Manager

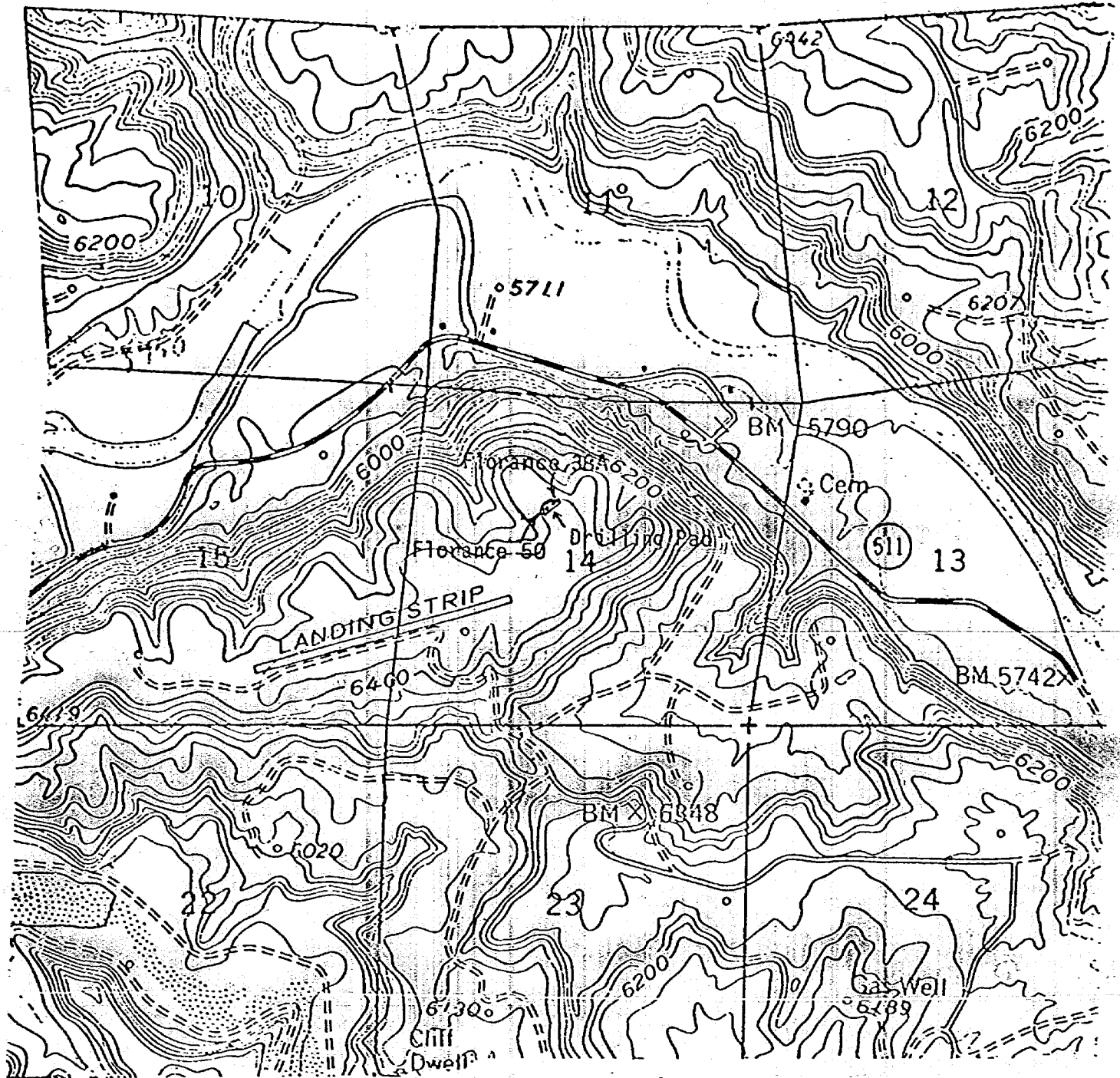
CEM:pb

cc: Mr. A. R. Kendrick, New Mexico Oil Conservation Commission
Mr. Jack Dutton, Tenneco Oil Company, Denver, Colorado
Mr. J. A. Ahlm, El Paso Natural Gas Company

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Tenneco EXHIBIT NO. 3
CASE NO. 5548



Exh 1, 5548



FLORANCE 38-A

Topographical Map

Well Locations:

Florance 38-A

1622' FNL, 2010' FWL

Unit F, Section 14

T30N, R8W, San Juan County, NM

Florance 50

1667' FNL, 1916' FWL

Unit F, Section 14

T30N, R8W, San Juan County, NM

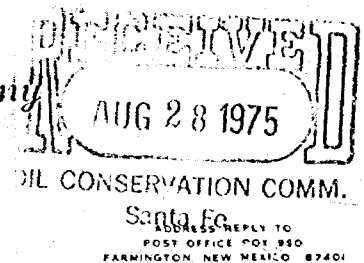
1 mile

Exb 2, 5548

El Paso Natural Gas Company

El Paso, Texas 79978

August 26, 1975



Mr. Joe Ramey
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 5548

Re: Application of Tenneco Oil Company for
an Unorthodox Well Location, Section 14,
Township 30 North, Range 8 West,
San Juan County, New Mexico

Gentlemen:

This letter is to notify you that El Paso Natural Gas Company as operator of
off-setting production to the proposed unorthodox well location has no
objections.

Sincerely,

Carl E. Matthews

Carl E. Matthews
Division Production Manager

CEM:pb

cc: Mr. A. R. Kendrick, New Mexico Oil Conservation Commission
Mr. Jack Dutton, Tenneco Oil Company, Denver, Colorado
Mr. J. A. Ahlm, El Paso Natural Gas Company

WHITE,
KOCH, KELLY
&
McCARTHY

August 25, 1975

Mesa Petroleum Co.
P. O. Box 2009
Amarillo, Texas 79105

AMOCO Production Co.
P. O. Box 3092
Houston, Texas 77001

El Paso Natural Gas Co.
Farmington, N.M. 87401

Blackwood & Nichols
P. O. Box 1237
Durango, Colorado 81301

Re: Application of Tenneco Oil Company for
an Unorthodox Well Location, Section 14,
Township 30 North, Range 8 West, San
Juan County, New Mexico.

Gentlemen:

I am enclosing herewith a copy of the Application of Tenneco Oil Company for an unorthodox well location for its Florence No. 38A. The hearing on the Application is set for September 10, 1975 before the Oil Conservation Commission at Santa Fe, New Mexico.

As an operator of offsetting production, notice of the hearing is hereby given. If you have no objection to the granting of the application, it would be appreciated if you would notify the Commission prior to the date of the hearing.

Sincerely yours,


KENNETH B. BERMAN

KB/jc
Enclosure - as cited

cc: Mr. Jack Dutton
Tenneco Oil Company
Suite 1200, Lincoln Tower Bldg.
Denver, Colorado 80203

L.C. White
Sumner S. Koch
William Booker Kelly
John F. McCarthy, Jr.
Kenneth Berman
Benjamin Phillips
Ronald M. Friedman

Attorneys and Counselors at Law

220 Otero St., P.O. Box 787, (505)982-4374, Santa Fe, N.M. 87501 — P.O. Drawer E, (505)758-4338, Taos, N.M. 87571

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TENNECO OIL COMPANY FOR AN UNORTHODOX
WELL LOCATION, SECTION 14, TOWNSHIP
30 NORTH, RANGE 8 WEST, SAN JUAN
COUNTY, NEW MEXICO.

No. 5548

APPLICATION

Comes now Tenneco Oil Company by its attorneys White, Koch,
Kelly & McCarthy, and for its application states:

1. That it is the owner and operator of the Florence
No. 38A, an undesignated Mesa Verde well now being drilled in
Section 14, Township 30 North, Range 8 West, SAN JUAN County,
New Mexico. The above described well which is projected to be a
gas well has dedicated to it the West 1/2 of Section 14, Township
30 North, Range 8 West, SAN JUAN County, New Mexico. Said well
is located 1622 feet from the North line and 2010 feet from the
West line of said Section 14.

2. That because of topographical considerations and
because of the availability of a drilling pad at the location of
an abandoned Dakota well, the non-standard well location is
necessary.

3. That the offset operators within a two mile radius
of the proposed location are: Mesa Petroleum Company, AMOCO
Production Company, El Paso Natural Gas Company and Blackwood &
Nichols, all of whom will be notified of this application prior
to hearing.

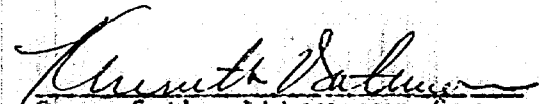
4. That in granting this application the Commission
would be preventing waste by allowing Tenneco Oil Company to

complete and produce the subject well at its present unorthodox location. That the correlative rights of all operators in the area would not be adversely affected by the granting of this application.

WHEREFORE, Applicant prays that it be granted the unorthodox location stated above for its Florence No. 38A, Section 14, Township 30 North, Range 6 West, SAN JUAN County, New Mexico.

WHITE, KOCH, KELLY & MCCARTHY

BY:


One of the Attorneys for
Tenneco Oil Company
P. O. Box 787
Santa Fe, New Mexico 87501

Dockets Nos. 22-75 and 23-75 are tentatively set for hearing on September 24 and October 8, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 10, 1975

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 October, 1975.
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for October, 1975.

CASE 5548: Application of Tenneco Oil Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Florence Well No. 38A, located 1622 feet from the North line and 2010 feet from the West line of Section 14, Township 30 North, Range 8 West, Undesignated Mesaverde Pool, San Juan County, New Mexico, the W/2 of said Section 14 to be dedicated to the well.

CASE 5549: Application of Yates Petroleum Corporation 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 30, Township 17 South, Range 26 East, Eddy County, New Mexico, 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 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.

CASE 5550: 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 its Achen-Fry Deep Well No. 2 and its Arco EC Well No. 2 to be located, respectively, 660 feet from the South and East lines of Section 13 and 1980 feet from the South line and 660 feet from the East line of Section 36, the latter adjacent to the West Atoka-Morrow Gas Pool, both in Township 17 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Sections 13 and 36 to be dedicated, respectively, to said wells.

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. 5548

Order No. R- 5091

APPLICATION OF TENNECO OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10, 19 75,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of September, 19 75, 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, Tenneco Oil Company, seeks
approval of an unorthodox gas well location for its Florence Well No. 38A,
1622 feet from the North
line and 2010 feet from the West line of Section 14, Township
30 North, Range 8 West, NMPN, to test the
Mesaverde formation, Blanco Undesignated Mesaverde Pool,
San Juan County, New Mexico.

(3) That the W/2 of said Section 14 is to be dedicated to the
well.

(4) That ^{*drilling the subject*} a well at said unorthodox location will better enable
applicant ^{*to utilize an existing drilling pad, and by moving*} to produce the gas underlying the production unit.

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

from an existing abandoned well.

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Case No. 5548

Order No. R-_____

(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.

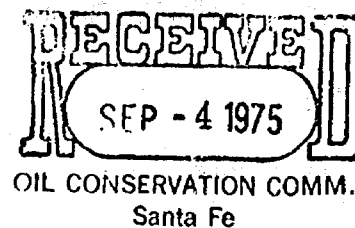
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the applicant's Florence Well No. 38A ~~formation~~ is hereby approved for ~~axxx~~ to be located at a point 1622 feet from the North line and 2010 feet from the West line of Section 14, Township 30 North, Range 8 West NMPM, Blanco ~~Undesignated~~ Mesaverde Pool, San Juan County, New Mexico.

(2) That the W/2 of said Section 14 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.



September 2, 1975

Oil Conservation Commission
The State of New Mexico
Santa Fe, New Mexico 87501

Re: Application of Tenneco Oil Company for
an Unorthodox Well Location, Section 14,
Township 30 North, Range 8 West, San Juan
County, New Mexico

Gentlemen:

Please be advised that Mesa Petroleum Co. has no objections
to the application by Tenneco Oil Company for an unortho-
dox well location on the referenced property before the
Oil Conservation Commission of New Mexico under Docket
#5548.

Very truly yours,


Sam Slagle
San Juan Division Landman

SS/lbb

cc: Mr. Kenneth Bateman