

CASE 5591: Appl. of AMOCO PROD.
CO. for an UNORTHODOX GAS WELL
LOCATION, Eddy County 7

CASE NO.

559/

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 3, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company) CASE
for an unorthodox gas well location,) 5591
Eddy County, New Mexico.)

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

For the Applicant: Guy Buell, Esq.
Attorney at Law
Amoco Production Company
P. O. Box 3092
Houston, Texas.

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I N D E X

Page

JOHN C. HUNTER

Direct Examination by Mr. Buell

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EXHIBIT INDEX

Page

Applicant's Exhibit No. One, Plat

15

Applicant's Exhibit No. Two, Plat

15

Applicant's Exhibit No. Three, Isopach Map

15

1 MR. STAMETS: We will call the next Case, 5591.

2 MR. CARR: Case 5591, application of Amoco Production
3 Company for an unorthodox gas well location, Eddy County,
4 New Mexico.

5 MR. STAMETS: Call for appearances in this Case.

6 MR. BUELL: For Amoco Production Company, Mr. Examiner,
7 Guy Buell.

8 MR. STAMETS: Any other appearances?

9 If the witness will stand and be sworn, please.

10 (THEREUPON, the witness was duly sworn.)

11 JOHN C. HUNTER

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

14
15 DIRECT EXAMINATION

16 BY MR. BUELL:

17 Q Mr. Hunter, would you state your name, by whom you
18 are employed and in what capacity and what location, please?

19 A I'm John C. Hunter, employed by Amoco Production
20 Company in Houston. I am a Petroleum Engineer, Senior Grade.

21 Q Would you briefly state your educational background
22 in the field of petroleum engineering?

23 A Yes, sir, I received a B.S. in petroleum eningeering
24 from the University of Texas in 1973.

25 Q What have you done since graduation in the field

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1 of petroleum engineering?

2 A. I have been employed by Amoco Production since
3 graduation as a production engineer in the Corpus Christi area
4 for a year and afterwards I worked in our reservoir section
5 in our Division Office in Houston.

6 Q. All right, sir, the area that is the subject matter
7 of this hearing in Eddy County, does it come under your super-
8 vision and jurisdiction?

9 A. Yes, it does.

10 MR. BUELL: Any questions, Mr. Examiner, as to Mr.
11 Hunter's qualifications?

12 MR. STAMETS: No, the witness is considered qualified.

13 Q. (Mr. Buell continuing.) In connection with your
14 testimony here today, Mr. Hunter, would you direct your
15 attention, please, to what has been identified as Amoco's
16 Exhibit One, what is that exhibit?

17 A. Exhibit One is a plat showing the immediate area
18 surrounding our proposed unorthodox gas well location.

19 Q. All right, sir, I noticed two different colored tapes
20 on Exhibit One, a green and white tape and a red and white
21 tape. What is the significance of the green and white tape?

22 A. The green and white tape is a portion of the eastern
23 boundary of the Amoco operated Empire South Deep Unit.

24 Q. What is the significance of the red and white tape?

25 A. The red and white tape depicts the outline of the

1 three-hundred-and-twenty-acre drilling unit which will be
2 dedicated to this well.

3 Q All right, sir, it is obvious from looking at Exhibit
4 One that one-hundred-and-sixty in this three twenty drilling
5 unit are unit acreage and the other hundred-and-sixty is out-
6 side acreage?

7 A Yes, sir.

8 Q All right, sir, does Exhibit One also show the offset
9 owners to our unorthodox location?

10 A Yes, sir, it shows all of the immediate offsets.

11 MR. BUELL: Mr. Examiner, I believe your file should
12 reflect waivers from all of the offsets, if it does not I will
13 furnish them to you.

14 Q (Mr. Buell continuing.) Have you highlighted the
15 location of our proposed unorthodox well?

16 A The location is shown as a small blue circle and a
17 red arrow points to it.

18 Q And would you state for the record the precise
19 location of that well?

20 A Yes, sir, the exact location would be nineteen
21 hundred and eighty feet from the south line and twelve hundred
22 and forty-one feet from the west line of the drilling unit
23 which is in the south half of Section 33, Township 17 South,
24 Range 29 East.

25 Q All right, sir, that would make it six hundred and

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1 sixty feet from the north line of the drilling unit?

2 A. Yes, sir, that is correct.

3 Q. All right, sir, where would an orthodox location
4 be?

5 A. At a location nineteen hundred and eighty feet from
6 the south line and nineteen hundred and eighty feet from the
7 west line would be an orthodox location.

8 Q. All right, sir, under that event if you would
9 picture in your mind's eye on this Exhibit One that orthodox
10 location, that well would still be six hundred and sixty feet
11 from the north line of the drilling unit?

12 A. That's correct.

13 Q. And if my math is correct, this location twelve,
14 forty-one, that would make it seven hundred and thirty-nine
15 feet off the pattern?

16 A. Yes, sir.

17 Q. What ownership is this unorthodox location crowding?

18 A. By moving it in a westerly direction it would be
19 crowding the Empire South Deep Unit of which it is a part. It
20 will not crowd any of the other offset operators.

21 Q. No offset operators are crowded, just the Empire
22 South Deep Unit as a participant in the well?

23 A. Yes, sir.

24 Q. Why is this well located off pattern or unorthodox?

25 A. Well, sir, we initially tried to stake it at an

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1 orthodox location nineteen hundred and eighty feet from the
2 west line and from the south line, however, due to the close
3 proximity of surface obstructions we were forced to move the
4 location.

5 Q All right, sir, in that connection, the surface
6 problems, let me direct your attention to what has been
7 identified as Amoco's Exhibit Two, what is that exhibit?

8 A Exhibit Number Two is a plat showing the southwest
9 quarter of Section 33.

10 Q On Exhibit One that would be the west half of our
11 proposed drilling unit?

12 A That is correct, and it also shows the locations
13 where we tried to stake the well and it shows the surface
14 obstructions in the immediate area.

15 Q All right, sir, how have you identified on Exhibit
16 Two the orthodox locations?

17 A Well, our initial location which was the orthodox
18 location is designated by a blue circle with the letter "A"
19 being immediately adjacent to it.

20 Q That would be the upper right-hand portion of
21 Exhibit Two?

22 A Yes, sir.

23 Q All right, sir, when the staking crew went out there
24 what did they find?

25 A They found that Phillips Petroleum Corporation was

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1 operating a high-pressure gas pipeline only twenty-nine
2 feet away.

3 Q Would it be considered prudent operations to drill
4 a well that close to a high-pressure gas transmission line?

5 A No, I don't believe it would be.

6 Q When we were made aware of the surface obstructions,
7 what instructions did we give to the staking crew?

8 A We instructed them, without knowing of any further
9 surface obstructions, we instructed them to move three hundred
10 and thirty feet to the west.

11 Q Let me ask you this: Why were they instructed to
12 move to the west rather than to the east?

13 A Our geologic interpretation showed that we would
14 encounter thicker pay by moving in a westerly direction.

15 Q Later on in your testimony will you go into the
16 geology of this area?

17 A Yes, sir.

18 Q All right, sir, now, when they moved it three hundred
19 and thirty feet west, how have you identified that location on
20 Exhibit Two?

21 A That location is shown by a small, blue circle and
22 the letter "B" is immediately above it.

23 Q And what is the footage on that?

24 A This location was sixteen hundred and fifty feet
25 from the west line and nineteen hundred and eighty feet from

1 the south line.

2 Q All right, sir, when they got there what did they
3 find?

4 A They found that Depco was operating a shallow well,
5 their Leonard Federal Number 5. This wellhead was one hundred
6 and fifty-one feet away to the east and the pumping unit for
7 this well was a hundred and thirty-four feet to the east and
8 a power line serving this pumping unit was located sixty-eight
9 feet to the east-northeast.

10 Q Was it considered prudent to drill a well that close
11 to that shallow well and the electrical transmission line that
12 was serving it?

13 A We do not believe that we can safely erect a derrick
14 within that close proximity to an electric power line or another
15 well.

16 Q What instructions were then given to the staking
17 crew?

18 A The next instructions were to move to a location
19 which would be fifteen hundred and ten feet from the west line
20 and nineteen hundred and eighty feet from the south line. This
21 would give us approximately two hundred feet clearance from
22 this electric line and I might add at this time that the
23 typical, standard, pad configuration for Morrow wells in south-
24 eastern New Mexico requires that you have about two hundred
25 feet of leeway on either side of the well.

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1 Q About how tall is a rig to drill to the depth of
 2 the Morrow here, around eleven thousand?

3 A It would range from a hundred and forty-eight to
 4 a hundred and sixty feet.

5 Q All right, sir, how have you identified on Exhibit
 6 Two this third location that our surveying party staked?

7 A It is depicted by a small blue circle, the letter
 8 "C" being immediately above it.

9 Q What did they find there?

10 A This time we found that there was a main lease road
 11 only forty-two feet to the west of us. The road was running
 12 in a northwest-southeast direction, it was connected to the
 13 Carlsbad-Artesia highway and it is heavily traveled by the
 14 Depco people, by contractors, by water and oil haulers, by
 15 well servicing units. In addition it leads to a ranch house
 16 and so this is the primary road that the rancher who owns the
 17 land would use.

18 Q If we tried to prepare a drill site at that location
 19 what would we have done, just wiped the road out?

20 A We would have totally obliterated the lease road.

21 Q All right, sir, then what were the instructions
 22 given to the staking crew?

23 A At this time we moved two hundred feet to the
 24 west of this main road and ended up with our present proposed
 25 location.

1 Q All right, did we find everything okay when we
2 got there, to location D?

3 A Yes, this would be location D. The only obstruction
4 within two hundred foot radius would be a rough lease road
5 which is not heavily traveled and would not be any problem if
6 we built the pad over it.

7 Q All right, sir, now, earlier in your testimony you
8 said that we instructed the crew to go west because in that
9 way we knew that we were moving in the direction of the
10 thicker Morrow?

11 A Yes, sir.

12 Q In that connection I wish now you would look at
13 what has been identified as Amoco's Exhibit Number Three
14 and state for the record what that exhibit reflects?

15 A Exhibit Number Three is an isopach map of the
16 Morrow B sand in the immediate vicinity of our proposed
17 unorthodox location.

18 Q All right, sir, now, you realize, do you not, Mr.
19 Hunter, that the Commission for purposes of regulation
20 considers the Morrow formation as one reservoir, do you not?

21 A Yes, sir.

22 Q We are also aware of the fact, based on our sub-
23 surface evaluation that actually there is more than one
24 Morrow reservoir in this particular area?

25 A We believe that it is made up of separate and

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1 distinct lenses, this B sand being one of them.

2 Q And for in-house purposes we have identified this
3 Morrow reservoir as a Morrow B?

4 A That is correct.

5 Q And with respect to our proposed drilling unit, is
6 this the only Morrow that has any potential of being productive
7 in the area of that drilling unit?

8 A To the best of our knowledge this is the only
9 Morrow sand that we would encounter at this location.

10 Q All right, sir, again have you carried forward on
11 this Exhibit Three the same identifying tape markings that you
12 used on Exhibit One?

13 A Yes, sir, the designations are the same.

14 Q All right, sir, briefly explain for the record what
15 Exhibit Three reflects with regard to the pay of the Morrow
16 B in this area?

17 A It shows that the pay becomes thicker as we move
18 in a northwest direction within our drilling unit.

19 Q All right, sir, let me ask you this: Look at that
20 orthodox location on your Exhibit Three where we originally
21 attempted to stake it and how much thickness are we gaining
22 by moving to the location that we are asking for here today?

23 A It appears to me to be on the order of eight to ten
24 feet.

25 Q Would it appear from this isopach Exhibit Three that

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1 all of the acreage in our proposed drilling unit could be
2 considered as reasonably productive?

3 A. Yes, our geologic interpretation indicates that
4 the entire drilling unit would be productive.

5 Q. This exhibit also very vividly shows that if we had
6 moved to the east we would have been going down structure,
7 not down structure but into an area of lesser pay?

8 A. Yes, sir.

9 Q. All right, sir, let me ask you this: In the east
10 half of this drilling unit, where would an orthodox location
11 fall?

12 A. Well, we could have an orthodox location nineteen
13 hundred and eighty feet from the east line and nineteen hundred
14 and eighty feet from the south line.

15 Q. All right, come up here and put a little "x" on the
16 Examiner's exhibit and I'm going to ask you a question about
17 that?

18 A. Okay.

19 Q. Mr. Hunter, would you recommend to Amoco that a
20 well be drilled at the orthodox location that you just
21 identified with an "x" on the Examiner's copy of Exhibit
22 Three?

23 A. No, sir, I could not recommend that.

24 Q. Why would you have any fears about a location there
25 in that Exhibit Three shows that it would be productive?

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1 A. Moran Drilling Company drilled their Number 1 Dodd
2 in the southeast quarter of Section 22. That would be in
3 the upper right-hand corner. As you can see it encountered
4 fourteen feet of pay, however, it was plugged and abandoned
5 as a dry hole in the Morrow. On the other hand, Horizon
6 drilled their State Number 228 in the southwest quarter of
7 Section 28. It encountered only twelve feet of pay and they
8 have made a commercial producer there. That would indicate
9 to me that the pay on the western flank of this sand is
10 possibly better than on the eastern flank. In addition, as
11 you can see, we did have limited control on the eastern
12 flank of the channel sand.

13 Q It's actually entirely possible, is it not,
14 Mr. Hunter, that subsequently acquired data could show that
15 all of our proposed drilling unit might not be productive
16 in the Morrow B?

17 A. That's possible.

18 Q All right, sir, let me ask you this: By moving in
19 the direction we moved to an area of higher pay, do you see
20 how we can in any way violate the correlative rights of any
21 of the offset owners to this unorthodox location?

22 A. No, sir, as was pointed out earlier, we are not
23 moving any closer to any of our offset neighbors by moving
24 in a westerly direction.

25 Q Well, I believe I told you, Mr. Hunter, that it is

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1 the policy of this Commission quite often in an application of
2 this type where there is a request for an unorthodox location
3 to apply a penalty for the unorthodox location in order to
4 protect the correlative rights of those interest owners whom
5 you are crowding. In this particular case are we crowding
6 any outside interest owners?

7 A. No, sir, we are not crowding any outside interest
8 owners.

9 Q. In view of that do you think that a penalty would be
10 appropriate for this unorthodox location?

11 A. No, sir, I do not.

12 Q. Let me ask you this: Do you feel that the permitting
13 of this well and the drilling of this well will in any way
14 serve conservation?

15 A. Yes, sir, I believe it will. By drilling at this
16 location I believe that we stand the best chance of recovering
17 the maximum amount of gas from underneath our drilling unit.

18 Q. Do you have anything else you care to add at this
19 time, Mr. Hunter?

20 A. No, sir.

21 MR. BUELL: May it please the Examiner, that's all
22 we have by way of direct. I would like to formally offer
23 our Exhibits One through Three.

24 MR. STAMETS: These exhibits will be admitted.
25 (THEREUPON, Applicant's Exhibits One through

1 Three were admitted into evidence.)

2 MR. STAMETS: Any questions of the witness? He
3 may be excused.

4 (THEREUPON, the witness was excused.)

5 MR. STAMETS: Anything further in this Case. We
6 will take the Case under advisement.

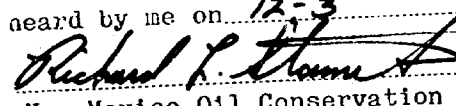
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REPORTER'S CERTIFICATE

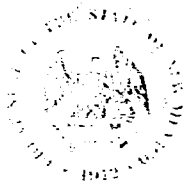
I, SIDNEY F. MORRISH, a court reporter, do hereby
 certify that the foregoing and attached Transcript of Hearing
 before the New Mexico Oil Conservation Commission was reported
 by me, and the same is a true and correct record of the said
 proceedings to the best of my knowledge, skill and ability.


 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. 5591
 heard by me on 12-3 1975
, Examiner
 New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

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

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
December 17, 1975



STATE GEOLOGIST
EMERY C. ARNOLD

Guy Buell
Attorney
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Re: CASE NO. 5591
ORDER NO. R-5134


Applicant:

Amoco Production Company

Dear Sir:

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

Yours very truly,

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	X
Artesia OCC	X
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. 5591
Order No. R-5134

APPLICATION OF AMOCO PRODUCTION COMPANY
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, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of December, 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, Amoco Production Company, seeks approval of an unorthodox gas well location 1980 feet from the South line and 1241 feet from the West line of Section 33, Township 17 South, Range 29 East, NMPM, to test the Morrow formation, Grayburg-Morrow Gas Pool, Eddy County, New Mexico.
- (3) That the S/2 of said Section 33 is to be dedicated to the well.
- (4) That the unorthodox location is necessitated by topographical conditions at standard location for the proposed well.
- (5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (6) That no offset operator objected to the proposed unorthodox location.
- (7) 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.

-2-

Case No. 5591
Order No. R-5134

IT IS THEREFORE ORDERED:

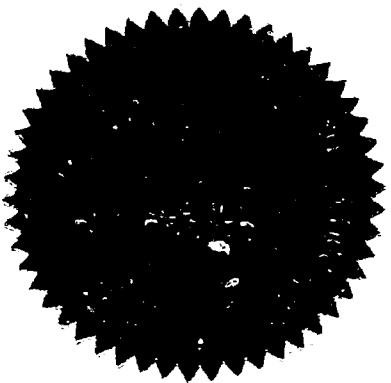
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 1980 feet from the South line and 1241 feet from the West line of Section 33, Township 17 South, Range 29 East, NMPM, Grayburg-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 33 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, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 19, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company) CASE
for an unorthodox gas well location,) 5591
Eddy County, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William F. Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

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Phone (505) 982-9212

1 MR. NUTTER: We will call the next Case, Number 5591.

2 MR. CARR: Case 5591, application of Amoco Production
3 Company for an unorthodox gas well location, Eddy County,
4 New Mexico.

5 Mr. Examiner, we have received a call from Mr.
6 Guy Buell representing Amoco Production Company requesting
7 that this Case be continued to the December 3rd, 1975 Examiner
8 Hearing.


9 MR. NUTTER: Case Number 5591 will be continued to
10 the Examiner Hearing scheduled to be held at this same place
11 at nine o'clock A.M., December 3, 1975.

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REPORTER'S CERTIFICATE

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

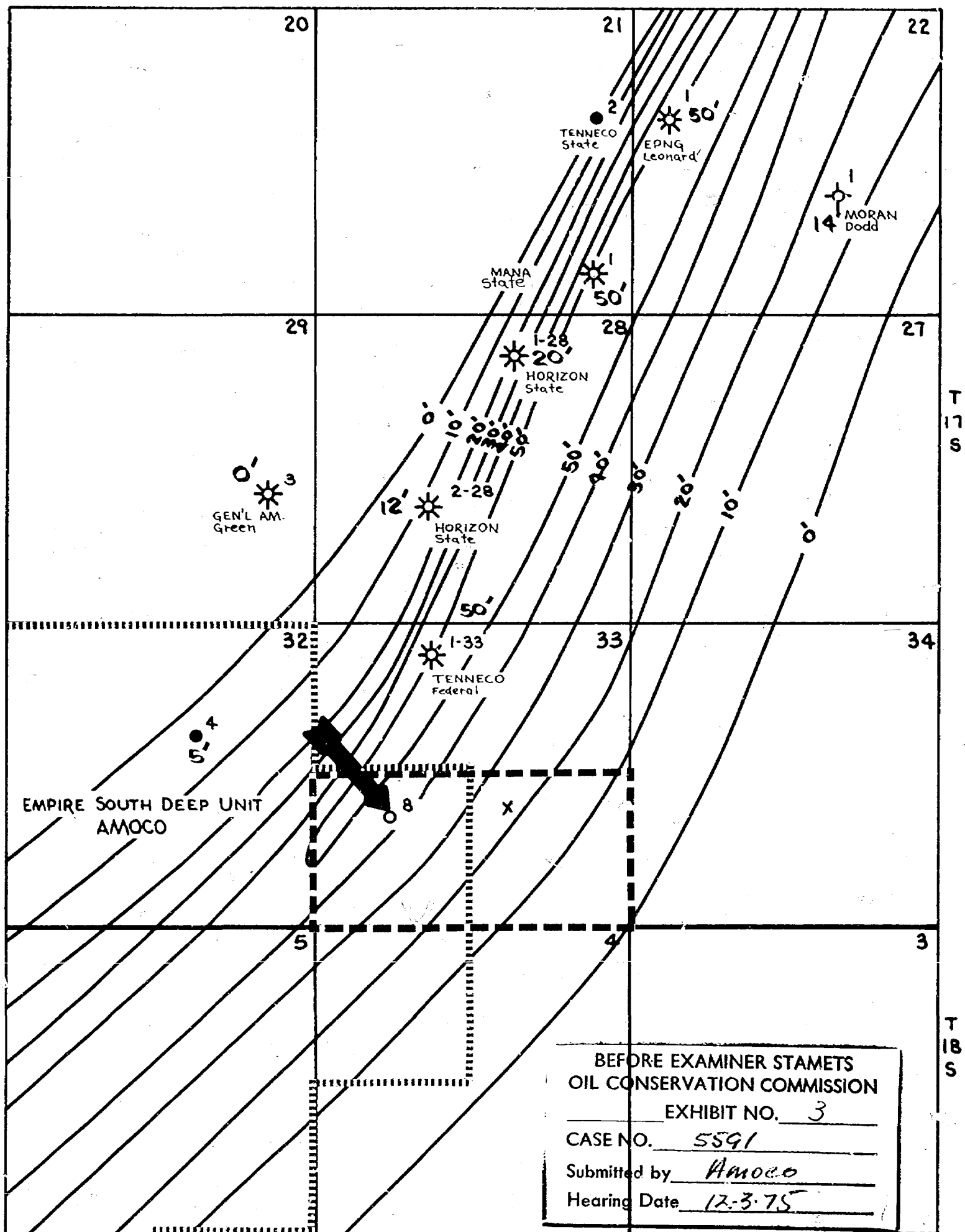
do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 5590
 heard by me on 11/19, 19 75


 New Mexico Oil Conservation Commission

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R-29-E



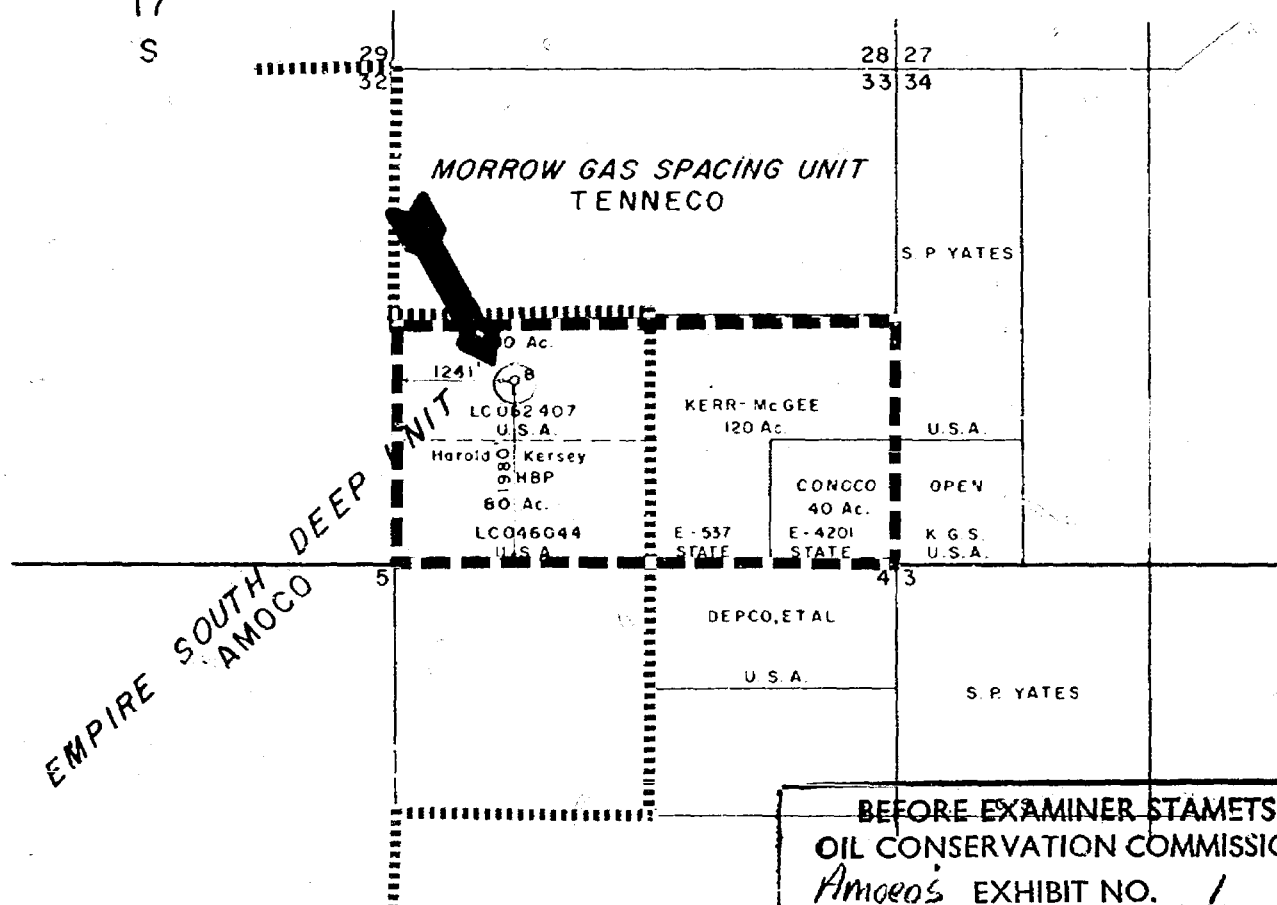
BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 5591
Submitted by Amoco
Hearing Date 12-3-75

ISOPACH MAP
Morrow "B" Sand

Portion of
EMPIRE GRAYBURG-MORROW AREA
Eddy County, New Mexico
Scale: 1" = 2000'

R 29 E

T
17
S



EMPIRE SOUTH DEEP UNIT
AMOCO

T
18
S

LEGEND

EMPIRE SOUTH DEEP UNIT
UNIT OUTLINE (320 Ac.)

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Amoco's EXHIBIT NO. 1
CASE NO. 5591
Submitted by Amoco
Hearing Date 12-3-75

Amoco Production Company

UNIT PLAT

Empire South Deep Unit Gas Com Well No 8, S/2 Sec 33, T 17 S
R 29 E, Grayburg Morrow Field, Edwy County, New Mexico.

SCALE: 1" = 2000'
DR BY V.C.S. 10-9-75
DRG.
NO.

ATWOOD, MALONE, MANN & COOTER
LAWYERS

JEFF D. ATWOOD [1863-1960]
ROSS L. MALONE [1910-1974]

P. O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201
[505] 622-6221

CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON
JOHN W. BASSETT
ROBERT E. SABIN
RUFUS E. THOMPSON
RALPH D. SHAMAS

November 17, 1975

Mr. Joe Ramey, Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico 87501

RE: Examiner Hearing on November 19, 1975

Dear Mr. Ramey:

Please file the enclosed Entry of Appearance in Case
No. 5591, for Amoco Production Company.

Thank you and with best regards, I am,

Very truly yours,


Charles F. Malone

CFM:sgs
Enclosure

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION FOR AN UN-)
ORTHODOX GAS WELL LOCATION, GRAY-)
BURG-MORROW GAS POOL, EDDY COUNTY,)
NEW MEXICO.) Case No. 5591

ENTRY OF APPEARANCE

The undersigned Atwood, Malone, Mann & Cooter of
Roswell, New Mexico, hereby enter their appearance herein for
the Applicant, Amoco Production Company, with Guy Buell, Esquire,
of Houston, Texas.

ATWOOD, MALONE, MANN & COOTER

By Charles S. Malone
Attorneys for Amoco Production
Company
Post Office Drawer 700
Roswell, New Mexico 88201

Docket No. 29-75

Dockets Nos. 30-75 and 31-75 are tentatively set for hearing on December 3 and December 17, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY -- NOVEMBER 19, 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 December, 1975.
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for December, 1975.

CASE 5583: Application of Stevens Oil Company for a pilot waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project in the Twin Lakes-San Andres Pool by injection of produced water through its Twinlakes Oil Company Well No. 1, located in Unit D of Section 12, Township 9 South, Range 28 East, Chaves County, New Mexico.

CASE 5584: Application of Cities Service Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 990 feet from the North line and 660 feet from the West line of Section 29, Township 21 South, Range 27 East, South Carlisbad Field, Eddy County, New Mexico, or, in the alternative, in the NW/4 NW/4 of said Section 29 at some point not closer than 660 feet from either the North or West lines of said Section, the W/2 of said Section 29 to be dedicated to the well.

CASE 5585: Application of W. P. Carr for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 of Section 13, Township 31 North, Range 11 West, Blanco-Pictured Cliffs Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled in Unit G of said Section 13. 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 applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5586: Application of Amerada Hess Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Otero-Callup oil production and Basin-Dakota gas production in the wellbore of its McKenzie Federal Wells Nos. 1 and 3 located, respectively, in Units M and O of Section 25 and its Harvey State Well No. 1 located in Unit N of Section 36, all in Township 25 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 5587: Application of Pennzoil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Morrow and Atoka gas production in the wellbore of its Gulf Federal Well No. 2, located in Unit L of Section 6, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico.

CASE 5588: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Gonzales-Mesaverde and Basin-Dakota gas production in the wellbore of its Jicarilla Contract 146 Well No. 11 located in Unit K of Section 4, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 5589: Application of Filon Exploration Corporation for pool creation, assignment of a discovery allowable, and special pool rules, Sandoval County New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Entrada formation for its Federal 33 Well No. 3 located in Unit N of Section 33, Township 21 North, Range 5 West, Sandoval County, New Mexico, and the assignment of a discovery allowable to said well; applicant further seeks the promulgation of special pool rules for said pool, including a provision for a special depth bracket allowable.

CASE 5590: Northwestern New Mexico nomenclature case calling for an order for the creation, contraction, and extension of certain pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production and designated as the Nipp Pictured Cliffs Pool and described as:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 16: SW/4
Section 17: SE/4
Section 20: E/2
Section 21: W/2
Section 28: W/2
Section 33: All
Section 34: SW/4

(b) CONTRACT the Blanco-Pictured Cliffs Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to exclude therefrom:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 17: SW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 35: NW/4

(c) EXTEND the Angels Peak-Gallup Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
Section 5: N/2
Section 15: SE/4

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM
Section 13: S/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 31: All

(d) EXTEND the Aztec-Fruitland Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 8: NW/4
Section 9: SW/4
Section 20: N/2

(e) EXTEND the Aztec-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 17: SW/4
Section 20: NW/4

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 11: N/2
Section 12: NW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 27: E/2
Section 35: NW/4

(f) EXTEND the Blanco-Mesaverde Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM
Section 2: All
Section 3: All

(g) EXTEND the Blanco-Pictured Cliffs Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 31: SE/4
Section 32: S/2

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 28: E/2

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 29: SW/4
Section 32: N/2

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 3: All
Section 4: E/2

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 31: NE/4
Section 32: NW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Sections 5 through 8: All
Section 14: W/2
Sections 15 through 17: All
Section 18: N/2 and SE/4
Section 20: N/2 and SE/4
Sections 21 through 23: All
Sections 26 through 28: All
Section 29: NE/4
Sections 33 and 34: All
Section 35: N/2

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM
Section 1: All
Section 2: E/2 and SW/4
Section 15: NW/4
Section 16: N/2
Section 26: NE/4

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 16: S/2
Section 17: SE/4

(h) EXTEND the Bloomfield-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 8: SE/4
Section 17: N/2 and SW/4

(i) EXTEND the Campo-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 12: NW/4

(j) EXTEND the Escrito-Gallup Oil Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 33: E/2

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 13: W/2 NE/4, E/2 NW/4 and E/2 SE/4

(k) EXTEND the Fulcher Kutz-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 23: NW/4 and SE/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 7: NE/4
Section 8: NW/4

(l) EXTEND the Harris Mesa-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 2: N/2 and SE/4
Section 11: NE/4
Section 12: NW/4

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
Section 26: N/2 and SE/4
Section 34: NW/4
Section 35: All

(m) EXTEND the Largo-Chacra Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
Section 6: SW/4
Section 7: W/2
Section 15: SW/4
Section 22: W/2
Section 27: NW/4
Section 28: NE/4
Section 29: S/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Section 1: SE/4
Section 12: All

(n) EXTEND the South Lindrith Gallup-Dakota Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM
Section 3: NW/4
Section 4: N/2
Section 5: NE/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 33: SW/4

(o) EXTEND the West Lindrith Gallup-Dakota Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 1: NW/4 SW/4 and E/2 SW/4
Section 2: N/2
Section 11: NW/4 NE/4 and S/2 NE/4

(p) EXTEND the Ojo-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 15 WEST, NMPM
Section 26: NE/4

(q) EXTEND the Otero-Chacra Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 21: NE/4

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 11: S/2
Section 13: SW/4
Section 14: N/2
Section 24: NW/4

(r) EXTEND the Rusty-Menefee Oil Pool boundary in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 13: NW/4
Section 14: NE/4

(s) EXTEND the Tapacito-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 16: SW/4
Section 21: N/2

(t) EXTEND the Waw-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 29: E/2 and SW/4
Section 30: SE/4
Section 31: NE/4
Section 32: N/2

(u) EXTEND the Wild Horse-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 14: N/2
Section 24: NE/4

CASE 5591: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 1980 feet from the South line and 1241 feet from the West line of Section 33, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 33 to be dedicated to the well.

CASE 5592: Application of Agua, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the open-hole interval from approximately 4000 to 5000 feet in its Blinbry-Drinkard SWD System Well No. A-22 located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 5403: (Reopened)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to further consider the subject matter of Case No. 5377, namely 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 5571: (Continued from October 8, 1975 Examiner Hearing)

Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

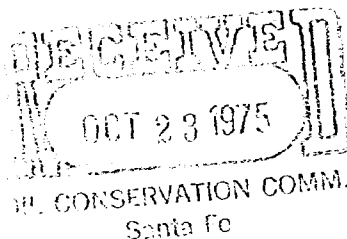
OIL CONSERVATION COMMISSION
Artesia DISTRICT II

Case 5591

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 10-22-75

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated 10-21-75

for the Amoco Production Company, Emp. So. Deep Ut. Gas Com #8-L, 33-17-29
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

The first original location staked 1980/S 1980/W is not feasible
due to the amount of obstacles involved. Any location like 2310/W
1980/S or 2310/W & 1650/S would give them plenty of room.
I do not agree on their 1241'/W & 1980/S location.

Yours very truly,

Delan Morris



Alex Clarke, Jr.
Area Superintendent

October 16, 1975

File: BHS-953-WF

Re: Application for an Unorthodox Well
Location - Empire South Deep Unit
Gas Com Well No. 8, 1980' FSL X
1241' FWL, Sec. 33, T-17-S, R-29-E,
Grayburg-Morrow Gas Pool, Eddy
County, New Mexico

New Mexico Oil Conservation Commission (3)
Post Office Box 2088
Santa Fe, New Mexico

Gentlemen:

Amoco Production company seeks exception to Rule 104 of the Commission's Rules and Regulations and submits this request for administrative approval for an unorthodox well location 1980' FSL X 1241' FWL, Sec. 33, T-17-S, R-29-E NMPM, to test the Morrow formation adjacent to the Grayburg-Morrow Gas Pool, Eddy County, New Mexico.

The south half of Section 33 is to be dedicated to the well.

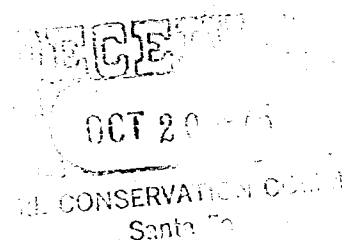
Geological evaluation of the Morrow channel trends indicate that a well drilled at the proposed location should encounter a sand section of the subject formation that a well drilled at a standard location will not encounter.

This requested approval will afford an opportunity to produce the well's just and equitable share of the gas from subject pool, will prevent the uneconomic 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.

A plat showing the ownership of all offset leases is attached.

Set for hearing
Not eligible for
administrative approval

Amoco Production Company
P.O. Box 367
Andrews, Texas 79714

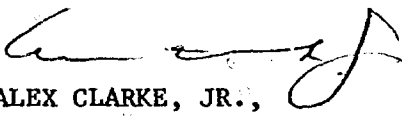


NSL - Case 5591

By certified mail, copies of this application are being furnished all
offset operators this date, October 16, 1975.

Yours very truly,

AMOCO PRODUCTION COMPANY


ALEX CLARKE, JR.,
Area Superintendent

RRY/ha

cc: Maralo, Inc.,
2200 W. Loop So.
Suite 130
Houston, TX 77027

Date 11/10/75

Yates Petroleum Corporation
Yates Bldg.
207 South Fourth Street
Artesia, NM 88210

Depco, Inc.
1025 Petroleum Club Bldg.
Denver, CO 80202

Tenneco Oil Company
1200 Lincoln Tower Bldg.
Denver, CO 80203

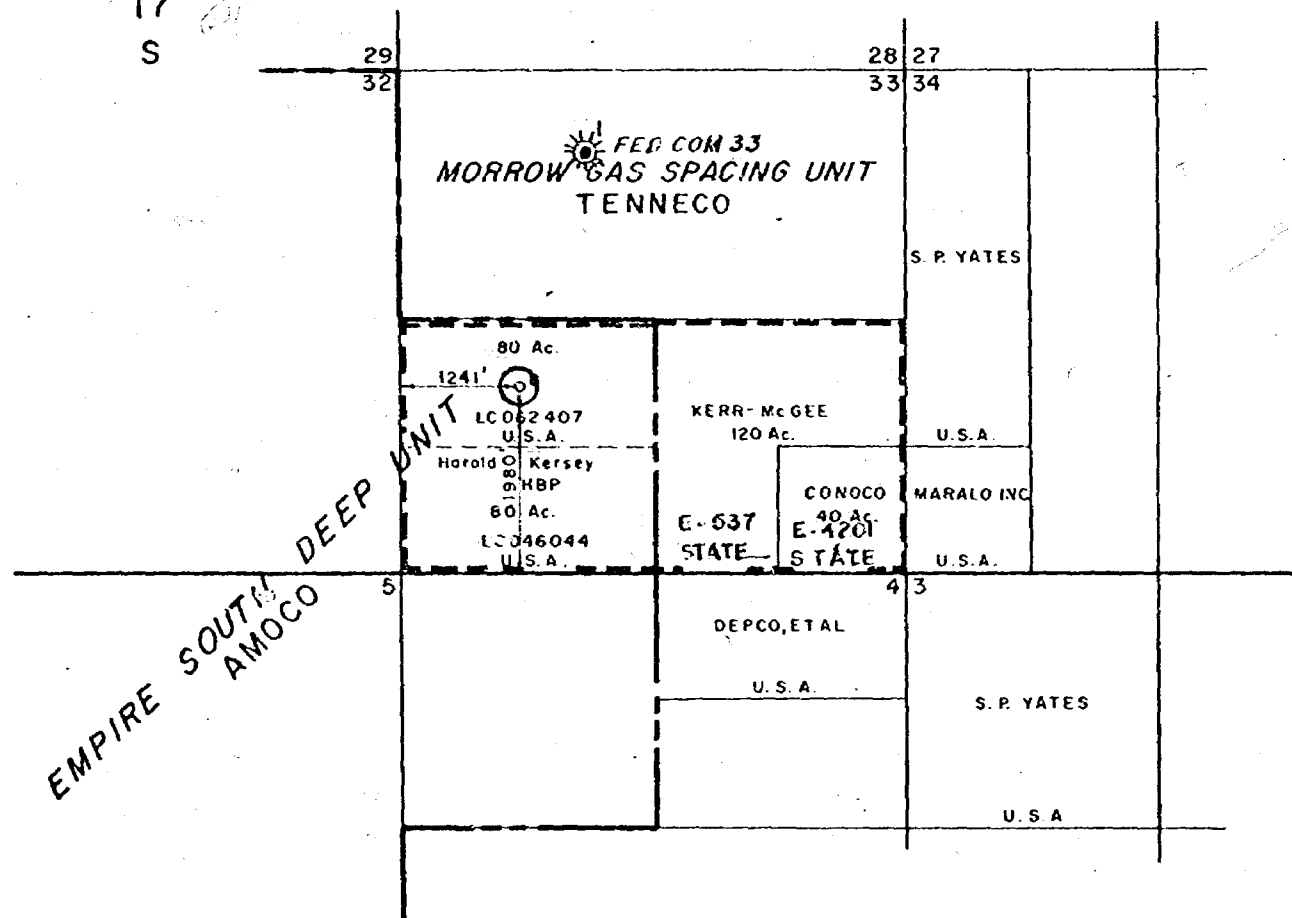
New Mexico Oil Conservation Commission
Drawer DD
Artesia, NM 88210

Attachments

Case 5591

R 29 E

T
17
S



T
18
S

LEGEND

- EMPIRE SOUTH DEEP UNIT
- UNIT OUTLINE (320 Ac.)

Amoco Production Company

UNIT PLAT

Empire South Deep Unit Gas Com Well No. 8, S/2 Sec. 33, T 17 S
R 28 E, Grayburg Morrow Field, Eddy County, New Mexico.

SCALE: 1" = 2000'

DR. BY V.C.S. 10-9-75

DRG.

No.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Case 5591

Form 17-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

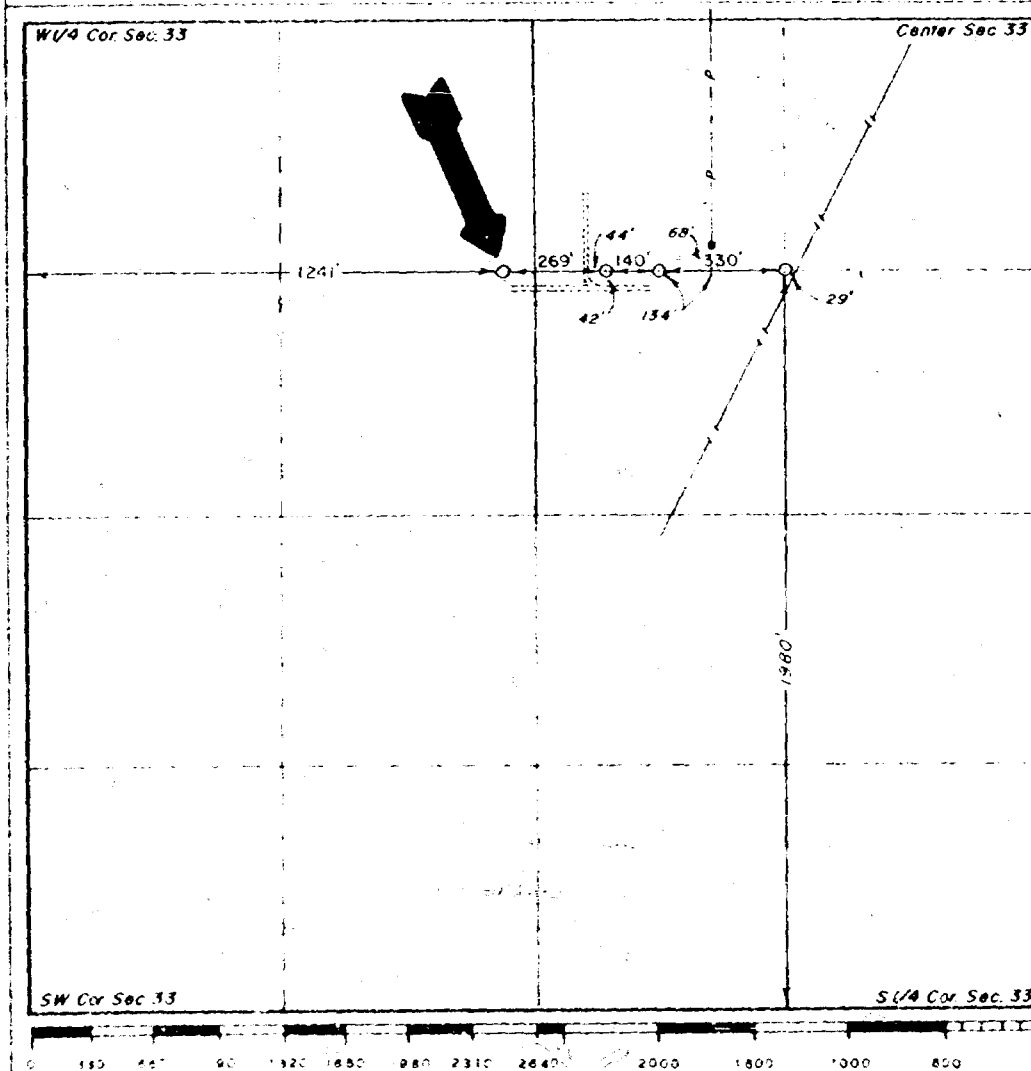
Lessor Amoco Production Company		Lessee Empire South Deep Unit GAS COM		Well No. 8
Section L	Range 33	Meridian 17 South	County 29 East	State Eddy
Actual Section Dedication Well				
1980	Section South	Line and 1241	Section West	
Ground Level Morrow		Right Grayburg-Morrow Gas (EXT)		Estimated Acreage 320

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.



CERTIFICATION

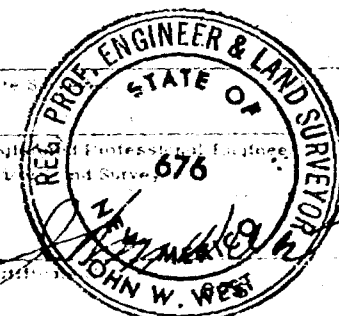
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Lois R. Yorkum
Administrative Assistant

For Amoco Production Company

10-15-75

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



Case 5591

PRORATION UNIT PLAT SUPPORT
FOR TOPOGRAPHIC CONDITIONS - UNORTHODOX WELL LOCATION
EMPIRE SOUTH DEEP UNIT GAS COM NO. 8

An attempt was made to stake Empire South Deep Unit Well No. 8 at a regular location 1980' FS X WL of the Section. This was an unsatisfactory location due to the high pressure, buried gas line running north 26 degrees 30 minutes east, which is only 29' east of the proposed location. A shallow pumping well, operated by Depco, the Leonard Federal No. 5, was also located 179' west of the proposed regular location. A location was staked 1650' FWL X 1980' FSL of the Section. This location fell 68' from a power line running north-south which serves Depco's shallow wells. This was also 151' from Depco's well, which is insufficient to safely erect a derrick. The location was moved 140' further west to provide clearance from the electric line. This also is unsatisfactory due to north-west, south-east trending and east-west trending roads which cross 42-44' from the location. The east-west road is a rough lease road and would be no problem. However, the north-west, south-east road is a main, heavily travelled road. Construction of a regular drilling location would completely obliterate the road and offer a definite interruption to flow of traffic. The road would have to be rebuilt around the pad. This is an old established road with ruts worn well below the surrounding ground surface. The final proposed location, 1241' FWL X 1980' FNL, was staked west of the north-west, south-east main lease road far enough to permit building a normal pad and erecting the derrick without interfering with the flow of traffic on the main lease road. This is the only site west of a regular 1980-1980 location which is a suitable drill site.



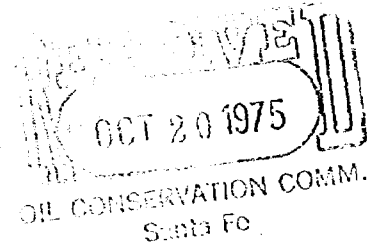
Case 5591

Amoco Production Company

P.O. Box 367
Andrews, Texas 79714

Alex Clarke, Jr.
Area Superintendent

October 16, 1975



File: BHS-953-WF

Re: Application for an Unorthodox Well
Location - Empire South Deep Unit
Gas Con Well No. 8, 1980' FSL X
1241' FWL, Sec. 33, T-17-S, R-29-E,
Grayburg-Morrow Gas Pool, Eddy
County, New Mexico

New Mexico Oil Conservation Commission (3)
Post Office Box 2088
Santa Fe, New Mexico

Gentlemen:

Amoco Production company seeks exception to Rule 104 of the Commission's Rules and Regulations and submits this request for administrative approval for an unorthodox well location 1980' FSL X 1241' FWL, Sec. 33, T-17-S, R-29-E NMFM, to test the Morrow formation adjacent to the Grayburg-Morrow Gas Pool, Eddy County, New Mexico.

The south half of Section 33 is to be dedicated to the well.

Geological evaluation of the Morrow channel trends indicate that a well drilled at the proposed location should encounter a sand section of the subject formation that a well drilled at a standard location will not encounter.

This requested approval will afford an opportunity to produce the well's just and equitable share of the gas from subject pool, will prevent the uneconomic 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.

A plat showing the ownership of all offset leases is attached.

-2-

By certified mail, copies of this application are being furnished all
offset operators this date, October 16, 1975.

Yours very truly,

AMOCO PRODUCTION COMPANY

Original Signed By
Alex Clarke, Jr.

ALEX CLARKE, JR.,
Area Superintendent

RRY/ha

cc: Maralo, Inc.,
2200 W. Loop So.
Suite 130
Houston, TX 77027

Yates Petroleum Corporation
Yates Bldg.
207 South Fourth Street
Artesia, NM 88210

Dapco, Inc.
1025 Petroleum Club Bldg.
Denver, CO 80202

Tenneco Oil Company
1200 Lincoln Tower Bldg.
Denver, CO 80203

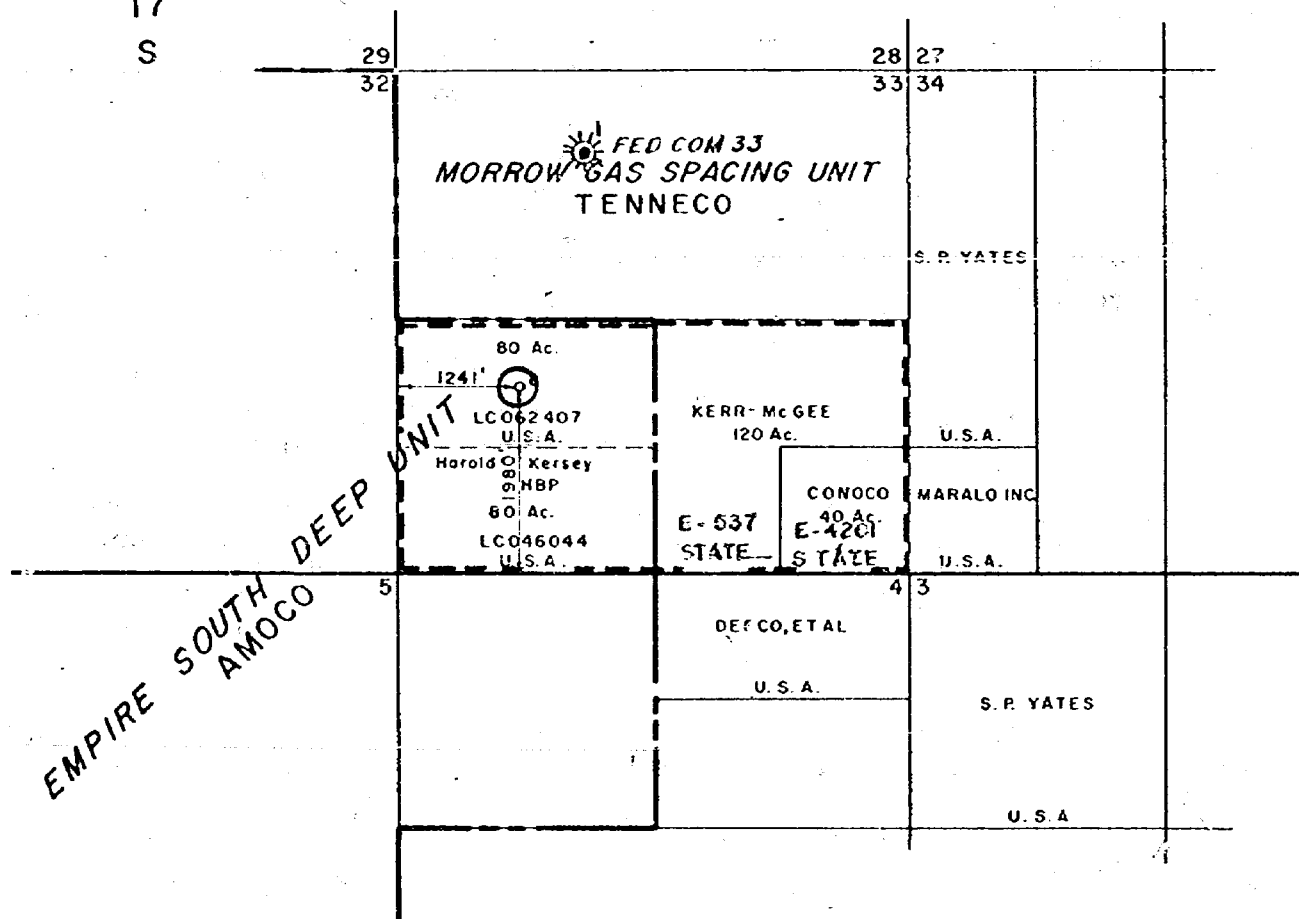
New Mexico Oil Conservation Commission
Drawer DD
Artesia, NM 88210

Attachments

Case 5591

R 29 E

T
17
S



EMPIRE SOUTH DEEP UNIT
AMOCO

T
18
S

LEGEND

- EMPIRE SOUTH DEEP UNIT
----- UNIT OUTLINE (320 Ac.)

Amoco Production Company

UNIT PLAT

Empire South Deep Unit Gas, Com Well No 8, S/2 Sec. 33, T 17 S
R 28 E, Grayburg Morrow Field, Eddy County, New Mexico.

SCALE: 1" = 2000'

DR. BY V.C.S. 10-9-75

DRG.

No.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Case 5591

Form 1-1-74
Supersedes C-128
Effective 1-1-75

All distances must be from the outer boundaries of the Section

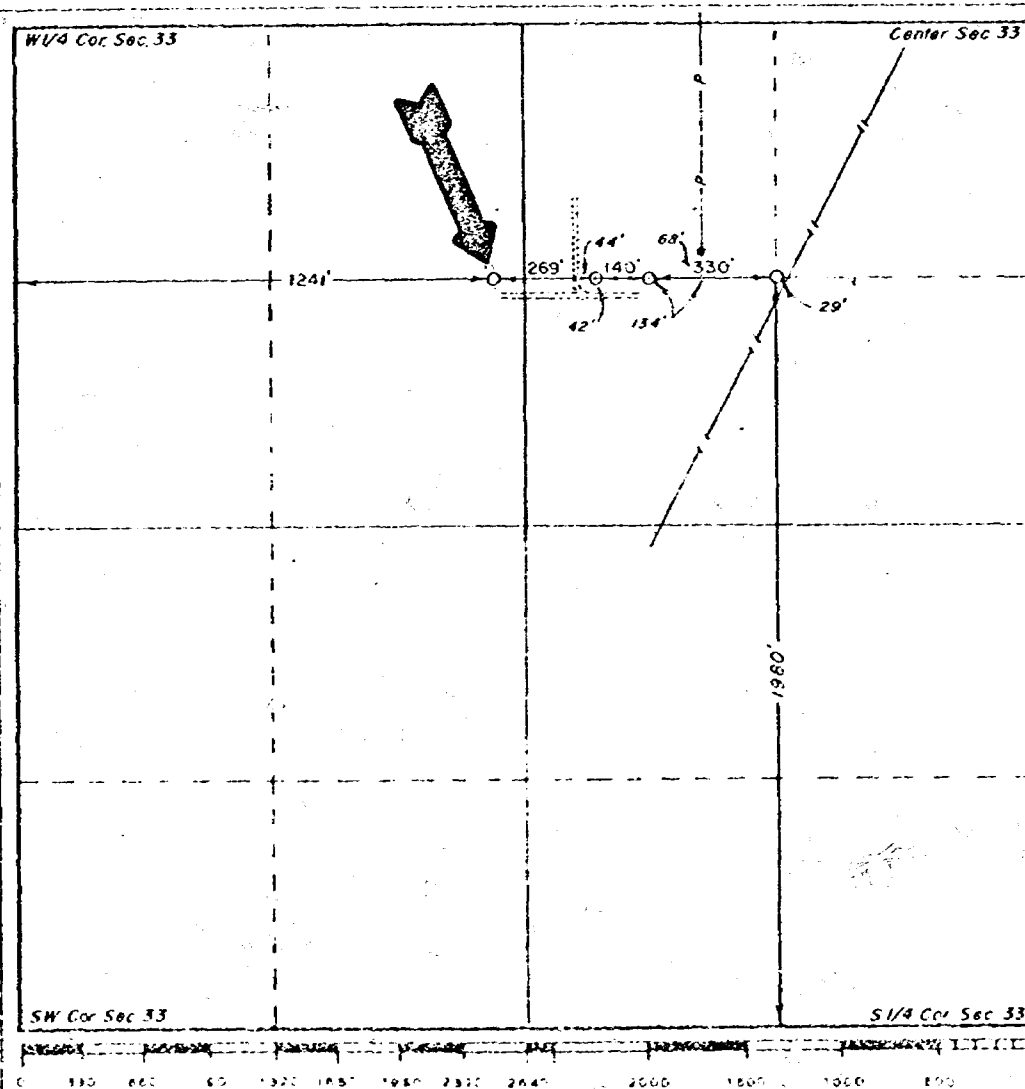
Amoco Production Company			Empire South Deep Unit GAS COM			8
L	33	17 South	29 East	Eddy		
1980	South	1241	West			
Ground Level		Morrow	Grayburg-Morrow Gas (EXT)	320		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.



CERTIFICATION

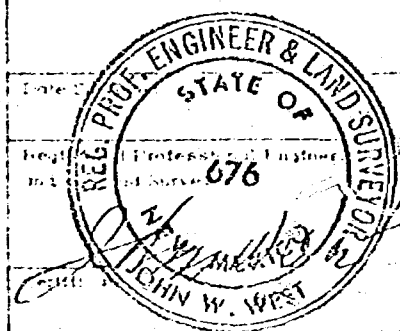
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Loy R. Yorkum
Administrative Assistant

Amoco Production Company

10-15-75

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



PRORATION UNIT PLAT SUPPORT
FOR TOPOGRAPHIC CONDITIONS - UNORTHODOX WELL LOCATION
EMPIRE SOUTH DEEP UNIT GAS COM NO. 8

An attempt was made to stake Empire South Deep Unit Well No. 8 at a regular location 1980' FS X WL of the Section. This was an unsatisfactory location due to the high pressure, buried gas line running north 26 degrees 30 minutes east, which is only 29' east of the proposed location. A shallow pumping well, operated by Depco, the Leonard Federal No. 5, was also located 179' west of the proposed regular location. A location was staked 1650' FWL X 1980' FSL of the Section. This location fell 68' from a power line running north-south which serves Depco's shallow wells. This was also 151' from Depco's well, which is insufficient to safely erect a derrick. The location was moved 140' further west to provide clearance from the electric line. This also is unsatisfactory due to north-west, south-east trending and east-west trending roads which cross 42-44' from the location. The east-west road is a rough lease road and would be no problem. However, the north-west, south-east road is a main, heavily travelled road. Construction of a regular drilling location would completely obliterate the road and offer a definite interruption to flow of traffic. The road would have to be rebuilt around the pad. This is an old established road with ruts worn well below the surrounding ground surface. The final proposed location, 1241' FWL X 1980' FNL, was staked west of the north-west, south-east main lease road far enough to permit building a normal pad and erecting the derrick without interfering with the flow of traffic on the main lease road. This is the only site west of a regular 1980-1980 location which is a suitable drill site.



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

October 23, 1975

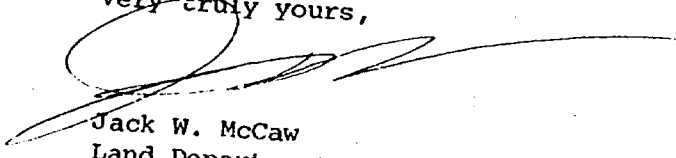
Mr. Joe Ramey
New Mexico Oil Conservation
Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for an Unorthodox
Well Location - Empire South
Deep Unit Gas Com Well No. 8,
Grayburg-Morrow Gas Pool,
Eddy County, New Mexico
File: BHS-954-WF

Dear Mr. Ramey:

Yates Petroleum Corporation has no objection to the Amoco
Production Company unorthodox well location 1980' FSL X
1241' FWL, Section 33, Township 17 South, Range 29 East,
to test the Morrow formation adjacent to the Grayburg-
Morrow Gas Pool, Eddy County, New Mexico.

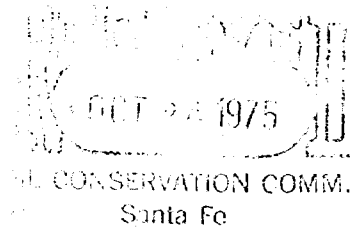
Very truly yours,


Jack W. McCaw
Land Department

JWM/so

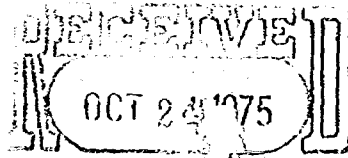
cc: Amoco Production Company
P.O. Box 367
Andrews, Texas 79714

Case 5591



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

Case 5591



NEW MEXICO OIL CONSERVATION COMM.
Santa Fe

DEPCO, Inc.

PRODUCTION & EXPLORATION

October 22, 1975

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

Gentlemen:

Re: Application for Unorthodox Location
Empire S. Deep Unit Com. Well No. 8
Sec. 33, T17S, R29E
Grayburg-Morrow Gas Pool
Eddy County, New Mexico

As an offset operator, DEPCO, Inc., has received a copy of the request of Amoco Production Company seeking administrative approval for an exception to Rule 104 permitting a location 1980' FSL & 1241' FWL, Sec. 33, T17S, R29E for the subject well.

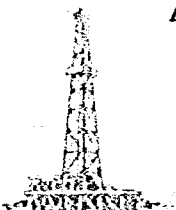
DEPCO, Inc., has no objection to this unorthodox location and requests approval of the Commission for the application submitted by Amoco Production Company.

Yours very truly,

C. D. Crump
Vice President-Production

CDC:d11

CC: Alex Clarke, Jr.
Amoco Production Company
Box 367
Andrews, TX 79714



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. 5591

Order No. R- 5134

APPLICATION OF AMOCO PRODUCTION COMPANY
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, 1975,
at Santa Fe, New Mexico, before Examiner Daniel G. Nutter P.P.S.

NOW, on this December day of November, 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, Amoco Production Company, seeks
approval of an unorthodox gas well location 1980 feet from the South
line and 1241 feet from the West line of Section 33, Township
17 South, Range 29 East, NMPM, to test the
Morrow formation, Grayburg-Morrow Gas Pool,
Eddy County, New Mexico.

(3) That the S/2 of said Section 33 is to be dedicated to the
well.

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

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

(4) That the ~~unorthodox~~ location
is necessitated by topographical
conditions at ~~the same~~ standard
location for the proposed well.

-2-

Case No. _____
Order No. R- _____

(B) 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 a well to be located at a point 1980 feet from the South line and 1241 feet from the West line of Section 33, Township 17 South, Range 29 East, NMPM, Grayburg-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 33 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.