

CASE 5784: ATLANTIC RICHFIELD CO.
FOR FOUR UNORTHODOX LOCATIONS
AND SIMULTANEOUS DEDICATION, LEA
COUNTY. NEW MEXICO

CASE 110.

5784

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 13, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield)	CASE
Company for four unorthodox locations)	5784
and simultaneous dedication, Lea)	
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	Lynn Teschendorf
Conservation Commission:	Law Clerk for the Commission
	State Land Office Building
	Santa Fe, New Mexico

For the Applicant:	Clarence E. Hinkle, Esq.
	HINKLE, BONDURANT, COX & EATON
	Attorneys at Law
	Hinkle Building
	Roswell, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
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I N D E X

Page

RICHARD S. PRENTICE

Direct Examination by Mr. Hinkle

3

EXHIBIT INDEX

Offered

Admitted

Applicant's Exhibit One, Plat

5

7

Applicant's Exhibit Two, Plat

6

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1 MR. STAMETS: We will call Case 5784.

2 MS. TESCHENDORF: Case 5784, application of Atlantic
3 Richfield Company for four unorthodox locations and
4 simultaneous dedication, Lea County, New Mexico.

5 MR. HINKLE: Mr. Examiner, Clarence Hinkle, Hinkle,
6 Bondurant, Cox and Eaton, appearing on behalf of Atlantic
7 Richfield. We have one witness I would like to have sworn.

8 (THEREUPON, the witness was duly sworn.)
9

10 RICHARD S. PRENTICE

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

13 DIRECT EXAMINATION

14 BY MR. HINKLE:

15 Q State your name, your residence and by whom you are
16 employed?
17

18 A My name is Richard S. Prentice, I'm employed by
19 Atlantic Richfield in Midland, Texas.

20 Q What is your position with Atlantic Richfield?

21 A I'm an Operations Petroleum Engineer.

22 Q Have you previously testified before the Commission?

23 A Yes, I have.

24 Q And are your qualifications as a petroleum engineer
25 a matter of record with the Commission?

1 A Yes, they are.

2 Q Have you made a study of the area which is involved
3 in this case?

4 A Yes, I have.

5 MR. HINKLE: Are the qualifications sufficient?

6 MR. STAMETS: Yes, they are.

7 Q (Mr. Hinkle continuing.) Are you familiar with the
8 application of Atlantic Richfield in this case?

9 A Yes, sir.

10 Q What is Atlantic Richfield seeking to accomplish?

11 A Atlantic Richfield seeks authority to simultaneously
12 dedicate a previously approved three hundred and twenty acre
13 Jalmat gas proration unit comprising the northwest quarter,
14 the southwest quarter of the northeast quarter, east half of
15 the northeast quarter, the northeast quarter of the southeast
16 quarter of Section 35, Township 23 South, Range 36 East in
17 the Jalmat Gas Pool, Lea County, New Mexico to its John P.
18 Combest Well Nos. 1, 2, 3 and 4 located at unorthodox
19 locations in Units H, G, A and E, respectively, in Section 35.

20 Q Let me have a copy of the exhibits. Have you prepared
21 or has there been prepared under your direction exhibits for
22 introduction in this case?

23 A Yes.

24 Q They are the ones that have been marked Exhibits One
25 and Two?

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1 A. Yes.

2 Q Refer to Exhibit One and explain what this is and
3 what it shows?

4 A Exhibit One is a plat showing the offset production
5 area of the John P. Combest lease. The lease itself is marked
6 in red, three hundred and twenty acre unit.

7 Q Does this show all of the wells that have been drilled
8 in the Jalmat Gas zone?

9 A Yes, it does.

10 Q What are the two wells that you intend to recompleate?

11 A We intend to recompleate the Wells No. 2 and No. 3.

12 Q What is the present status of those wells?

13 A Both wells are shut in presently. They were completed
14 in the Langlie-Mattix and both of them are shut in.

15 Q And both are formerly oil wells?

16 A Yes, both were formerly oil wells.

17 Q Is it your desire to produce the allowable from any
18 or all of the wells on this unit?

19 A Yes, sir, it is.

20 Q In any portion that you desire?

21 A Yes.

22 Q Do you have any further comments with respect to
23 Exhibit One?

24 A No.

25 Q Refer to Exhibit Two and explain what this shows?

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1 A Exhibit Two is a well location and acreage dedication
2 plat showing the exact locations of all four wells on the
3 John P. Combest lease.

4 Q All of these wells are not orthodox locations?

5 A Yes, they are.

6 Q Have these heretofore been approved by the Commission?

7 A Yes, sir, they have.

8 Q When were they approved?

9 A They were approved by Order R-4625 on September 13th,
10 1973.

11 Q Your application in this case was originally filed
12 as an application for administrative approval, was it not?

13 A Yes, it was.

14 Q Did you furnish all offset owners with a copy of
15 this application?

16 A Yes, I did.

17 Q Have you had any protest from any of the offset
18 owners?

19 A No, I have not.

20 Q In your opinion will the approval of this
21 application be in the interest of conservation, prevention
22 of waste and protect correlative rights?

23 A Yes, it will.

24 MR. HINKLE: We would like to offer Exhibits One
25 and Two.

MR. STAMETS: Exhibits One and Two will be admitted.

(THEREUPON, Applicants' Exhibits One and Two were admitted into evidence.)

MR. STAMETS: Any questions of the witness?

MR. HINKLE: That's all I have.

MR. STAMETS: He may be excused.

(THEREUPON, the witness was excused.)

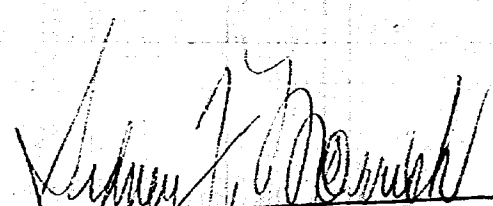
MR. STAMETS: Is there anything further in this case? We will take the case under advisement.

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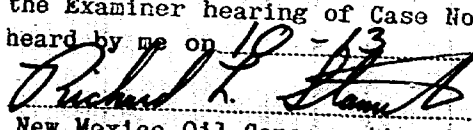
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REPORTER'S CERTIFICATE

1
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
3 do hereby certify that the foregoing and attached Transcript
4 of Hearing before the New Mexico Oil Conservation Commission
5 was reported by me, and the same is a true and correct record
6 of the said proceedings to the best of my knowledge, skill and
7 ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5784,
heard by me on 10-13, 19 76.

, Examiner
New Mexico Oil Conservation Commission

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General Court Reporting Service
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Phone (505) 982-9212

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. 5784
Order No. R-4625-A

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR FOUR UNORTHODOX LOCATIONS
AND SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 13, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of October, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Atlantic Richfield Company, seeks authority to simultaneously dedicate a previously approved 320-acre Jalmat gas proration unit comprising the NW/4, SW/4 NE/4, E/2 NE/4, and NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its John P. Combest Wells Nos. 1Y, 2, 3, and 4 located at unorthodox locations in Units H, G, A, and E, respectively, of said Section 35.
- (3) That wells at said unorthodox locations will better enable applicant to produce the gas underlying the proration unit.
- (4) That no offset operator objected to the application.
- (5) 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. 5784

Order No. R-4625-A

IT IS THEREFORE ORDERED:

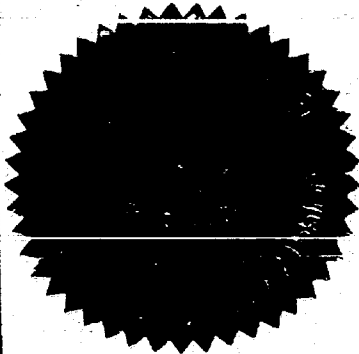
(1) That Atlantic Richfield Company is hereby authorized to simultaneously dedicate a previously approved 320-acre Jalmat gas proration unit comprising the NW/4, SW/4 NE/4, E/2 NE/4, and NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its John P. Combest Wells Nos. 1Y, 2, 3, and 4 located at unorthodox locations in Units H, G, A, and E, respectively, of said Section 35.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 320 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(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



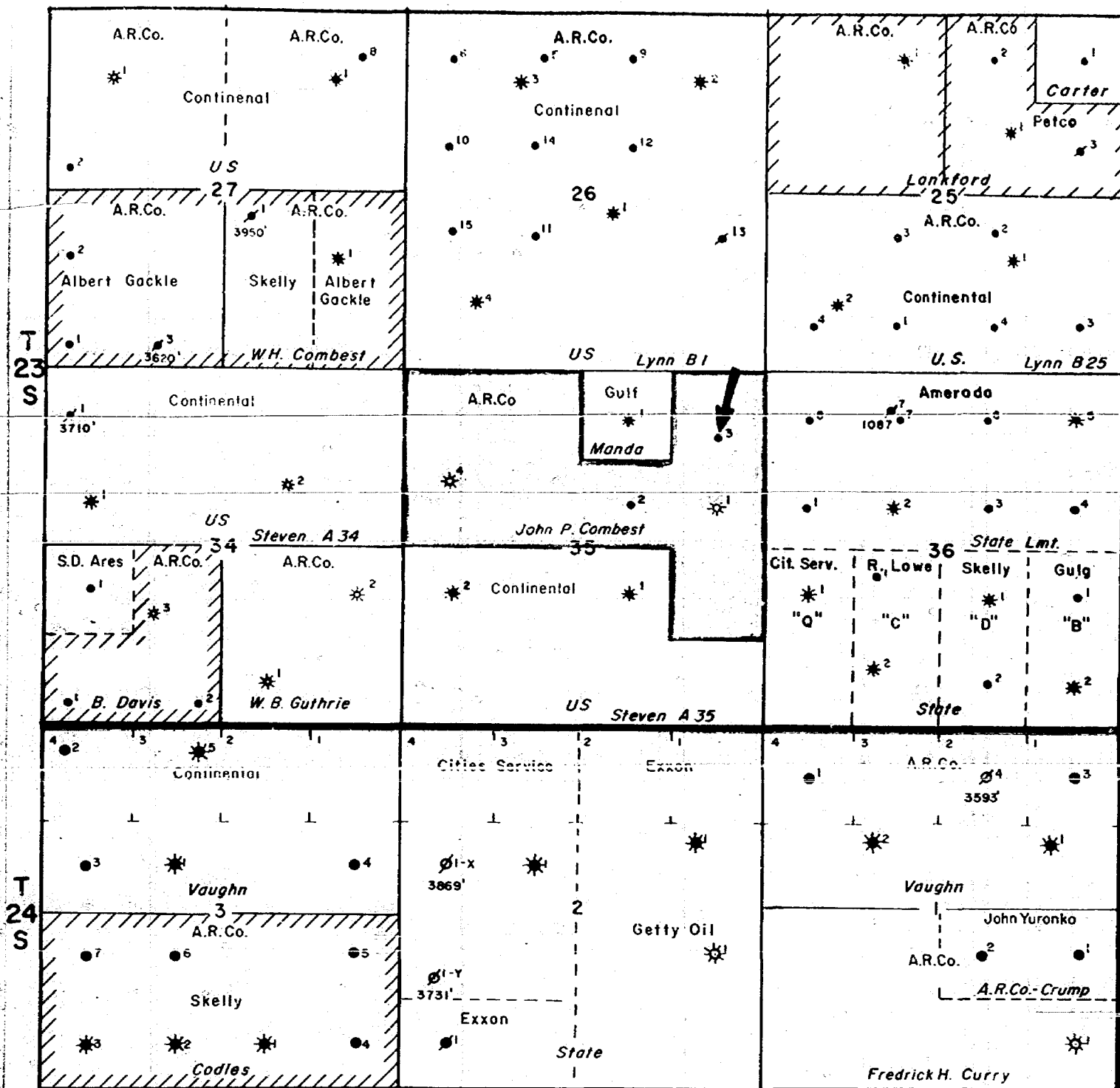
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L

dr/



R-36-E

BEFORE EXAMINER STAMETS-
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1
CASE NO. 5784
Submitted by *Att. Richard L.*
Hearing Date 10-13-76

EXHIBIT I

JOHN P. COMBEST LEASE
JALMAT GAS PRODUCTION

Lea County, New Mexico

Exhibits 1 and 2
Complete Set

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

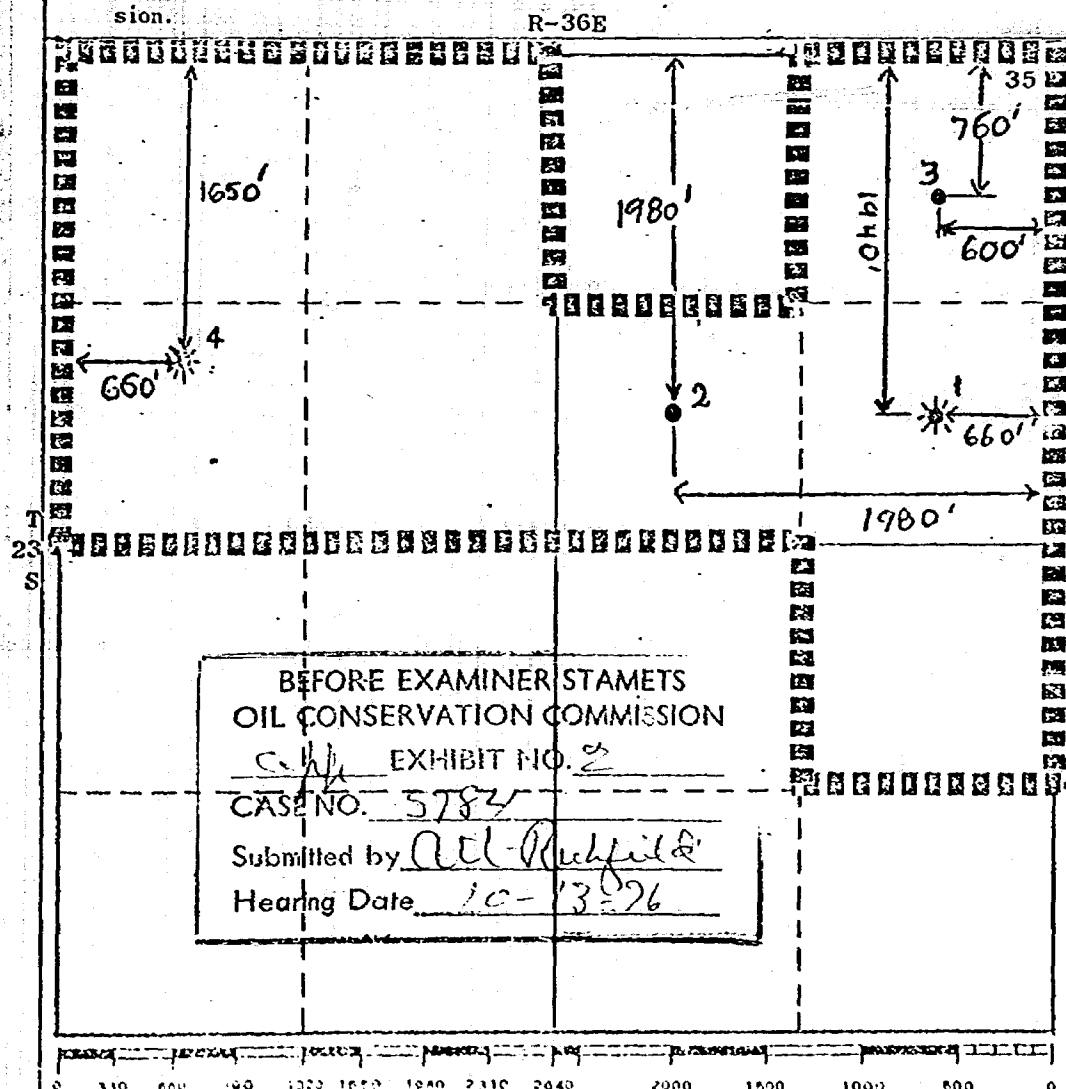
Operator Atlantic Richfield Company			Lease John P. Combest		Well No. 3
Unit Letter A	Section 35	Township 23 South	Range 36 East	County Lea	
Actual Footage Location of Well: 760 feet from the North line and 600 feet from the East line					
Ground Level Elev. 3334'	Producing Formation Yates - Seven Rivers		Pool Jalmat Gas		Dedicated Acreage: 320 Acres

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

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

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

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



CERTIFICATION

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

Huan Quoc Pham

Name

Huan Quoc Pham

Position

Operation Engineer

Company

Atlantic Richfield Co.

Date

August 3, 1976

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

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

Docket No. 27-76

Dockets Nos. 29-76 and 30-76 are tentatively set for hearing on October 27 and November 10, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 13, 1976
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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for November, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5773: (Continued from September 29, 1976, Examiner Hearing)

Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Millman Unit Area comprising 2,017 acres, more or less, of State lands in Township 19 South, Range 28 East, Eddy County, New Mexico.

CASE 5783: Application of Palmer Oil and Gas Company for an unorthodox gas well location and a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 335.66-acre non-standard proration unit, comprising all of Sections 6 and 7, Township 26 North, Range 2 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1850 feet from the South line and 700 feet from the West line of said Section 7.

CASE 5784: Application of Atlantic Richfield Company for four unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre Jalmat gas proration unit comprising the NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its John P. Combust Wells Nos. 1, 2, 3, and 4 located at unorthodox locations in Units H, G, A, and E, respectively, of said Section 35.

CASE 5785: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formation underlying the NE/4 NE/4, NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4 of Section 19, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to form four 40-acre proration units to be dedicated to four oil wells to be drilled at standard locations on said tracts. Also to be considered will be the cost of drilling and completing said wells 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 wells and a charge for risk involved in drilling said wells.

CASE 5786: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its New Mexico "BZ" State Lease, Langlie-Mattix Pool, Lea County, New Mexico, by the injection of water into the Seven Rivers-Queen formation through seven injection wells located in Unit L of Section 15 and Units B, D, F, H, J, and P of Section 16, Township 23 South, Range 37 East.

CASE 5787: Application of Boyd Operating Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Grayburg-San Andres formation through its Robinson Well No. 8 located in Unit H of Section 25 and its Brinson Wells Nos. 2 and 3 located, respectively, in Units A and G of Section 36, Township 16 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks an administrative procedure for expansion of the project by approval of additional injection and production wells at orthodox and unorthodox locations.

CASE 5574: (Reopened)

In the matter of Case 5574 being reopened pursuant to the provisions of Order No. R-5118 which order established a temporary special depth bracket allowable of 750 barrels of oil per day for the Eagle Mesa-Entrada Oil Pool, Sandoval County, New Mexico. All interested parties may appear and show cause why said special depth bracket allowable should not be rescinded.

CASE 5780: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Northwest Production Corporation, Federal Insurance Company, and all other interested parties to appear and show cause why the Blanco 30-12 Well No. 1, located in Unit A of Section 4, Township 30 North, Range 12 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5781: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Petroleum Development Corporation, American Employers Insurance Company, and all other interested parties to appear and show cause why the San Luis Federal Well No. 1, located in Unit J of Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5782: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit U. S. Frigidice, Inc., Fireman's Fund Indemnity Company, and all other interested parties to appear and show cause why the U. S. Frigidice Well No. 1, Clyde Berlier (Kayser), located in Unit A of Section 14, Township 19 North, Range 21 East, Mora County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5788: Southeastern New Mexico nomenclature case calling for the creation, contraction, extension and abolishment of certain pools in Lea, Eddy, and Roosevelt Counties, New Mexico:

a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Angell Ranch-Morrow Gas Pool. The discovery well is the Pennco Oil Corporation Wright Federal Well No. 1 located in Unit O of Section 6, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 6: All

b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the West Burton Flat-Strawn Gas Pool. The discovery well is the David Fasken El Paso Federal Well No. 3 located in Unit H of Section 1, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 1: Lots 1 through 8

c) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Canyon production and designated as the North Chaveroo-Canyon Gas Pool. The discovery well is the Union Oil Company of California Roberts Well No. 1, located in Unit D of Section 9, Township 7 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM
Section 9: W/2

d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Foster Ranch-Morrow Gas Pool. The discovery well is the Mark Production Company Foster Well No. 1 located in Unit J of Section 21, Township 20 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 21: E/2

e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Nash Draw Cherry-Canyon Pool. The discovery well is the Mesa Petroleum Company Nash Unit Well No. 4 located in Unit A of Section 13, Township 23 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 13: NE/4

f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the Ojo Chiso-Strawn Gas Pool. The discovery well is the American Quasar Petroleum Company of New Mexico Ojo Chiso Unit Well No. 1, located in Unit E of Section 23, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

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

g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Cisco production and designated as the North Vacuum-Cisco Gas Pool. The discovery well is the Marathon Oil

Company State Section 7 Com Well No. 1, located in Unit G of Section 7, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2

h) CONTRACT the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, to the Cisco formation only, redesignating said pool the Kemnitz-Cisco Pool and redefining said pool to comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SE/4

i) CONTRACT the vertical limits of the Sombrero-Pennsylvanian Gas Pool in Lea County, New Mexico, to the Atoka formation only, redesignating said pool the Sombrero-Atoka Gas Pool and redefining said pool to comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 12: W/2
Section 13: W/2 and SE/4

j) ABOLISH the East Shugart-Queen Pool in Lea County, New Mexico, described as:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: NE/4

k) ABOLISH the Watkins-Seven Rivers Pool in Eddy and Lea Counties, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 36: E/2

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 31: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: N/2

l) EXTEND the vertical limits of the Watkins-Grayburg Pool in Lea County, New Mexico, to include the Yates, Seven Rivers, and Queen formations, redesignating said pool the Watkins Yates-Seven Rivers-Queen-Grayburg Pool and redefining said pool to comprise:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 31: NW/4 and S/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: N/2

m) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 18: SE/4

n) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 1: S/2

o) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2
Section 15: W/2
Section 16: E/2

p) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: E/2

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 3: W/2

- q) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 30: SE/4

- r) EXTEND the Dayton-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 26: SW/4

- s) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 27: NE/4 and N/2 NW/4

- t) EXTEND the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 23: All

- u) EXTEND the Middle Lynch Yates -Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 28: N/2 N/2

- v) EXTEND the Maljamar-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 32: W/2

- w) EXTEND the Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 20: SW/4

- x) EXTEND the Red Lake Queen -Grayburg - San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 13: SE/4 SE/4
Section 24: NE/4

- y) EXTEND the Sawyer-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 13: SW/4

- z) EXTEND the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 26: NW/4
Section 27: NE/4

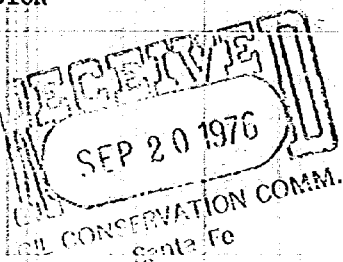
- aa) EXTEND the Vacuum-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 2: SW/4
Section 3: SE/4

OIL CONSERVATION COMMISSION
Hobbs DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE Sept. 16, 1976



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

Gentlemen:

I have examined the application dated _____
for the Atlantic Richfield Co. John P. Combest #1, 2, 3, & 4 35-23-36
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.----J.S.

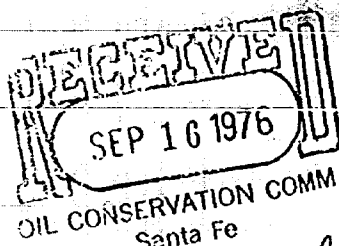
Yours very truly,

Jerry Lepton Gusk

Atlantic Richfield Company

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

Case 5784



August 9, 1976

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

Re: John P. Combest No. 3
Jalmat Gas Recompletion
Section 35, T-23S, R-36E
Lea County, New Mexico

Set for hearing

Dear Mr. Ramey:

Atlantic Richfield Company requests administrative approval to simultaneously dedicate a previously established 320-acre Jalmat gas proration unit to three wells, the John P. Combest Nos. 1, 3, and 4. Currently, the unit, NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Lea County, New Mexico, is classified as marginal with all acreage dedicated to the John P. Combest Nos. 1 and 4.

Further, Atlantic Richfield Company requests administrative approval of the following four unorthodox locations:

John P. Combest No. 1 - 1940' FNL, 660' FEL ✓
John P. Combest No. 2 - 1980' FNL, 1980' FEL ✓
John P. Combest No. 3 - 760' FNL, 600' FEL ✓
John P. Combest No. 4 - 1650' FNL, 660' FNL ✓

Also, Atlantic Richfield requests administrative procedure for approval of Well No. 2 along with Wells No. 1, 3, and 4 at some future date. Recompletion attempt in Well No. 2 will depend upon economic feasibility and the unit allowable.

The non-standard 320-acre unit was approved by the New Mexico Oil Conservation Commission Order No. R-4625, Case No. 5052, on the 13th day of September 1973. The John P. Combest No. 2 and No. 3 are completed in the Langlie Mattix Oil, which Atlantic Richfield plans to abandon and recomplete in the Jalmat gas.

adv NSL for all four wells.

Case 5784

Mr. Joe Ramey
August 9, 1976
Page 2

Atlantic Richfield Company believes approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of gas reserves. Attached are an acreage dedication plat, a map of the area, and a list of offset operators who are being notified by a copy of this application.

Very truly yours,

J. L. Tweed

J. L. Tweed

HQP/agp

cc: New Mexico Oil Conservation Commission
Hobbs Area Supervisor
P. O. Box 1980
Hobbs, New Mexico

Case 5784

OFFSET OPERATORS
John P. Combest Lease

- 1) Amerada Hess Corporation
P. O. Box 2040
Tulsa, Oklahoma 74102
- 2) Conoco
P. O. Box 460
Hobbs, New Mexico 88240
- 3) Cities Service Oil Company
P. O. Box 1919
Midland, Texas 79701
- 4) Albert Gackle
P. O. Box 2038
Hobbs, New Mexico 88240
- 5) Gulf Energy & Minerals Co. - US
P. O. Box 1150
Midland, Texas 79701

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

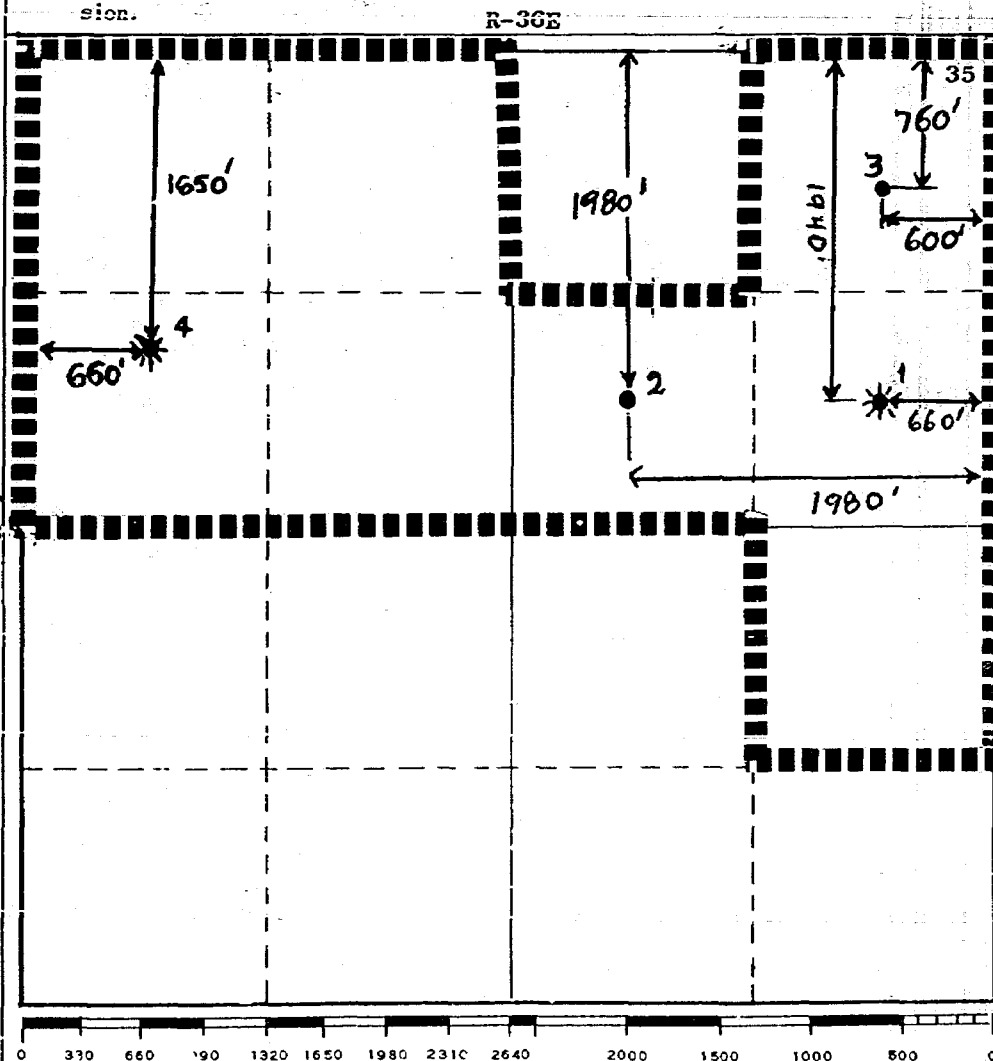
Operator Atlantic Richfield Company		Lease John P. Combest		Well No. 3
Unit Letter A	Section 35	Township 23 South	Range 36 East	County Lea
Actual Footage Location of Well: 760 feet from the North line and 600 feet from the East line				
Ground Level Elev. 3334'	Producing Formation Yates - Seven Rivers		Pool Jalmat Gas	Dedicated Acreage: 320 Acres

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.

Huan Quoc Pham
Name

Huan Quoc Pham
Position

Operation Engineer
Company

Atlantic Richfield Co.
Date

August 3, 1976

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

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

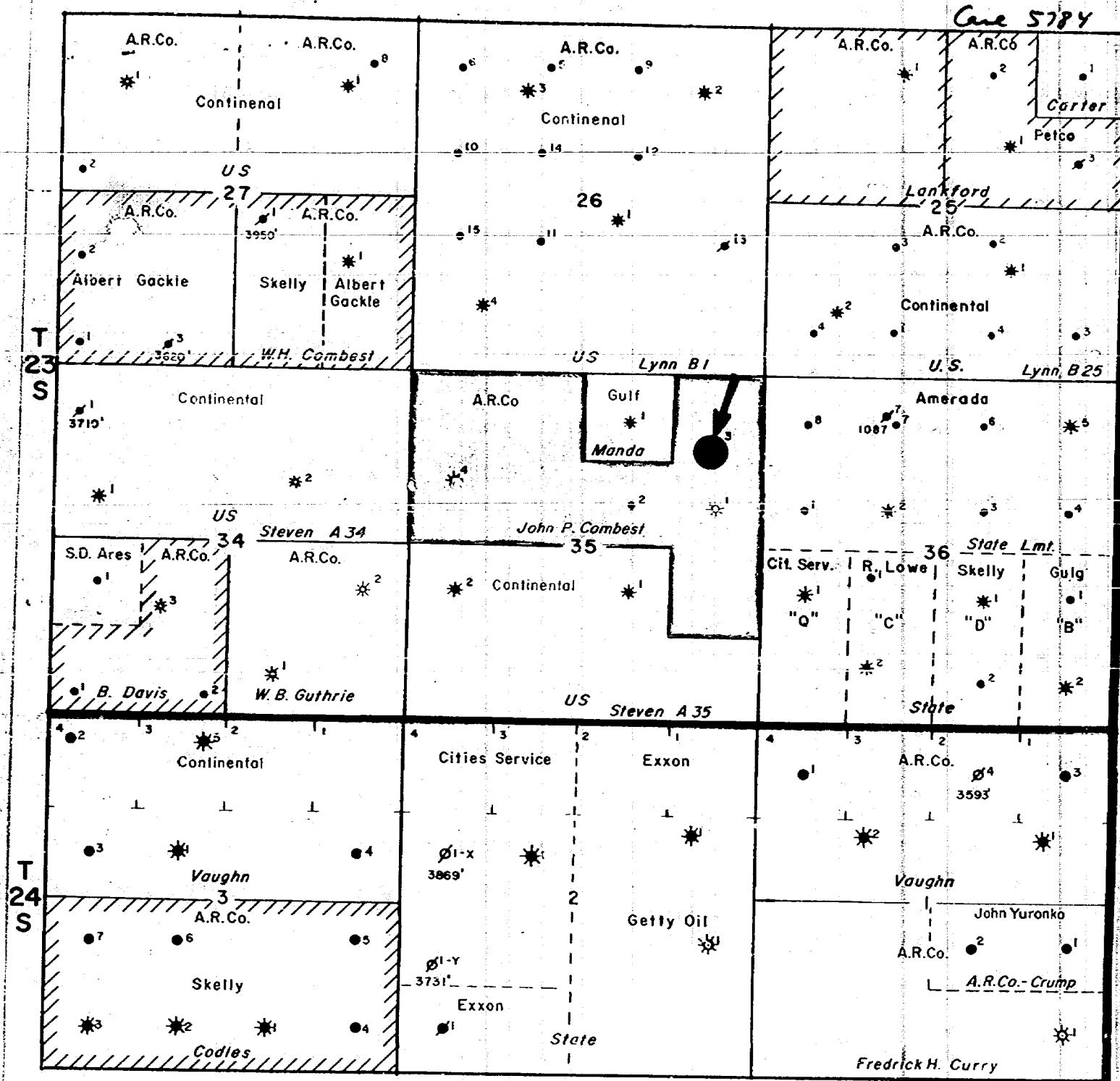


EXHIBIT I

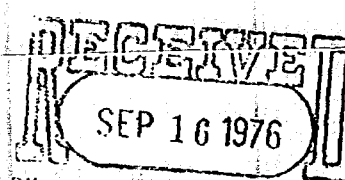
JOHN P. COMBEST LEASE
JALMAT GAS PRODUCTION

Lea County, New Mexico

Atlantic Richfield Company

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

Case 5784



August 9, 1976

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

OIL CONSERVATION COMM.
Santa Fe

Re: John P. Combest No. 3
Jalmat Gas Recompletion
Section 35, T-23S, R-36E
Lea County, New Mexico

Dear Mr. Ramey:

Atlantic Richfield Company requests administrative approval to simultaneously dedicate a previously established 320-acre Jalmat gas proration unit to three wells, the John P. Combest Nos. 1, 3, and 4. Currently, the unit, NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Lea County, New Mexico, is classified as marginal with all acreage dedicated to the John P. Combest Nos. 1 and 4.

Further, Atlantic Richfield Company requests administrative approval of the following four unorthodox locations:

John P. Combest No. 1 - 1940' FNL, 660' FEL
John P. Combest No. 2 - 1980' FNL, 1980' FEL
John P. Combest No. 3 - 760' FNL, 600' FEL
John P. Combest No. 4 - 1650' FNL, 660' FWL

Also, Atlantic Richfield requests administrative procedure for approval of Well No. 2 along with Wells No. 1, 3, and 4 at some future date. Recompletion attempt in Well No. 2 will depend upon economic feasibility and the unit allowable.

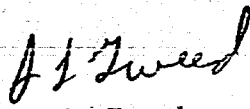
The non-standard 320-acre unit was approved by the New Mexico Oil Conservation Commission Order No. R-4625, Case No. 5052, on the 13th day of September 1973. The John P. Combest No. 2 and No. 3 are completed in the Langlie Mattix Oil, which Atlantic Richfield plans to abandon and recomplete in the Jalmat gas.

Case 5784

Mr. Joe Ramey
August 9, 1976
Page 2

Atlantic Richfield Company believes approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of gas reserves. Attached are an acreage dedication plat, a map of the area, and a list of offset operators who are being notified by a copy of this application.

Very truly yours,


J. L. Tweed

HQP/agp

cc: New Mexico Oil Conservation Commission
Hobbs Area Supervisor
P. O. Box 1980
Hobbs, New Mexico

Case 5784

OFFSET OPERATORS
John P. Combest Lease

- 1) Amerada Hess Corporation
P. O. Box 2040
Tulsa, Oklahoma 74102
- 2) Conoco
P. O. Box 460
Hobbs, New Mexico 88240
- 3) Cities Service Oil Company
P. O. Box 1919
Midland, Texas 79701
- 4) Albert Gackle
P. O. Box 2038
Hobbs, New Mexico 88240
- 5) Gulf Energy & Minerals Co. - US
P. O. Box 1150
Midland, Texas 79701

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator Atlantic Richfield Company			Lease John P. Combest		Well No. 3
Unit Letter A	Section 35	Township 23 South	Range 36 East	County Lea	
Actual Footage Location of Well: 760 feet from the North line and 600 feet from the East line.					
Ground Level Elev: 3334'	Producing Formation Yates - Seven Rivers		Pool Jalmat Gas	Dedicated Acreage: 320 Acres	

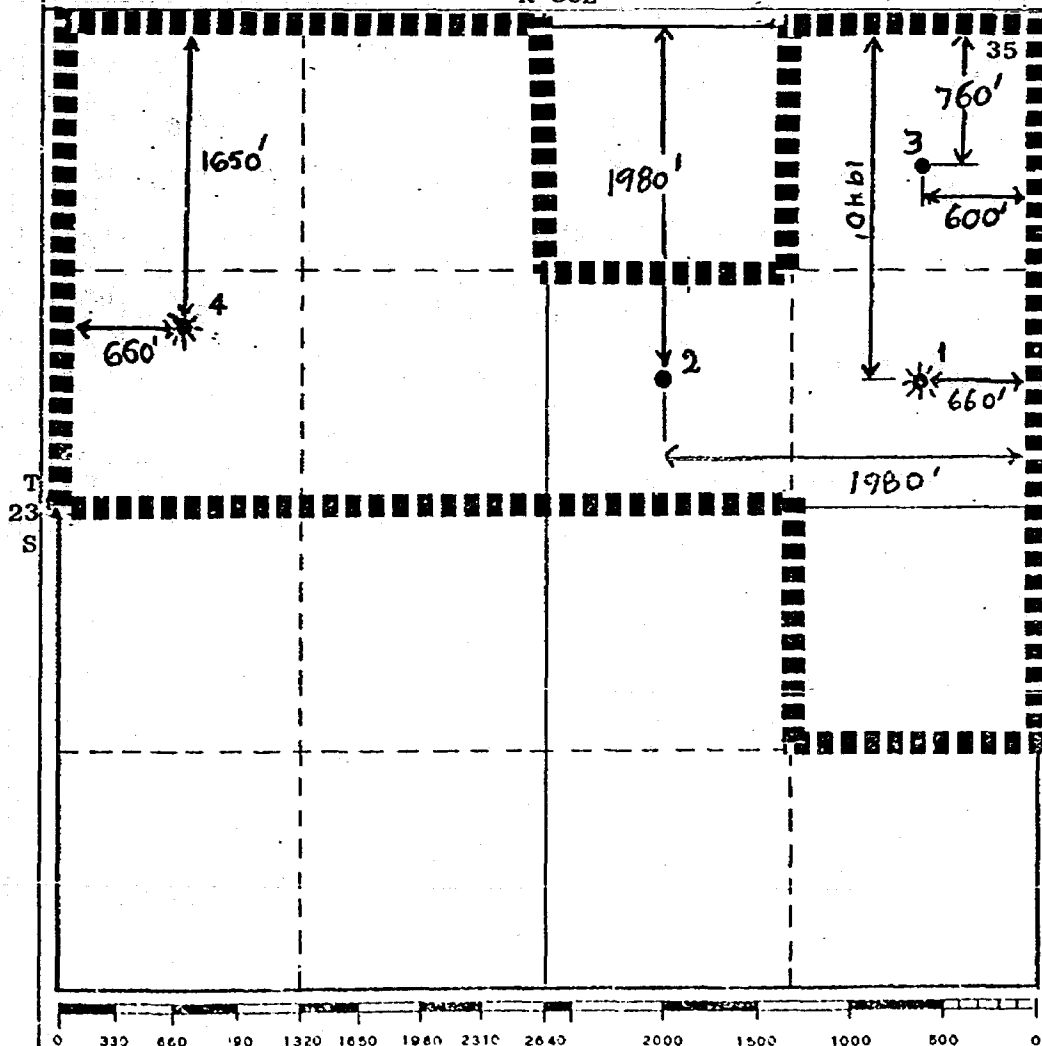
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is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

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

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

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

R-36E



CERTIFICATION

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

Huan Quoc Pham

Name
Huan Quoc Pham

Position
Operation Engineer

Company
Atlantic Richfield Co.

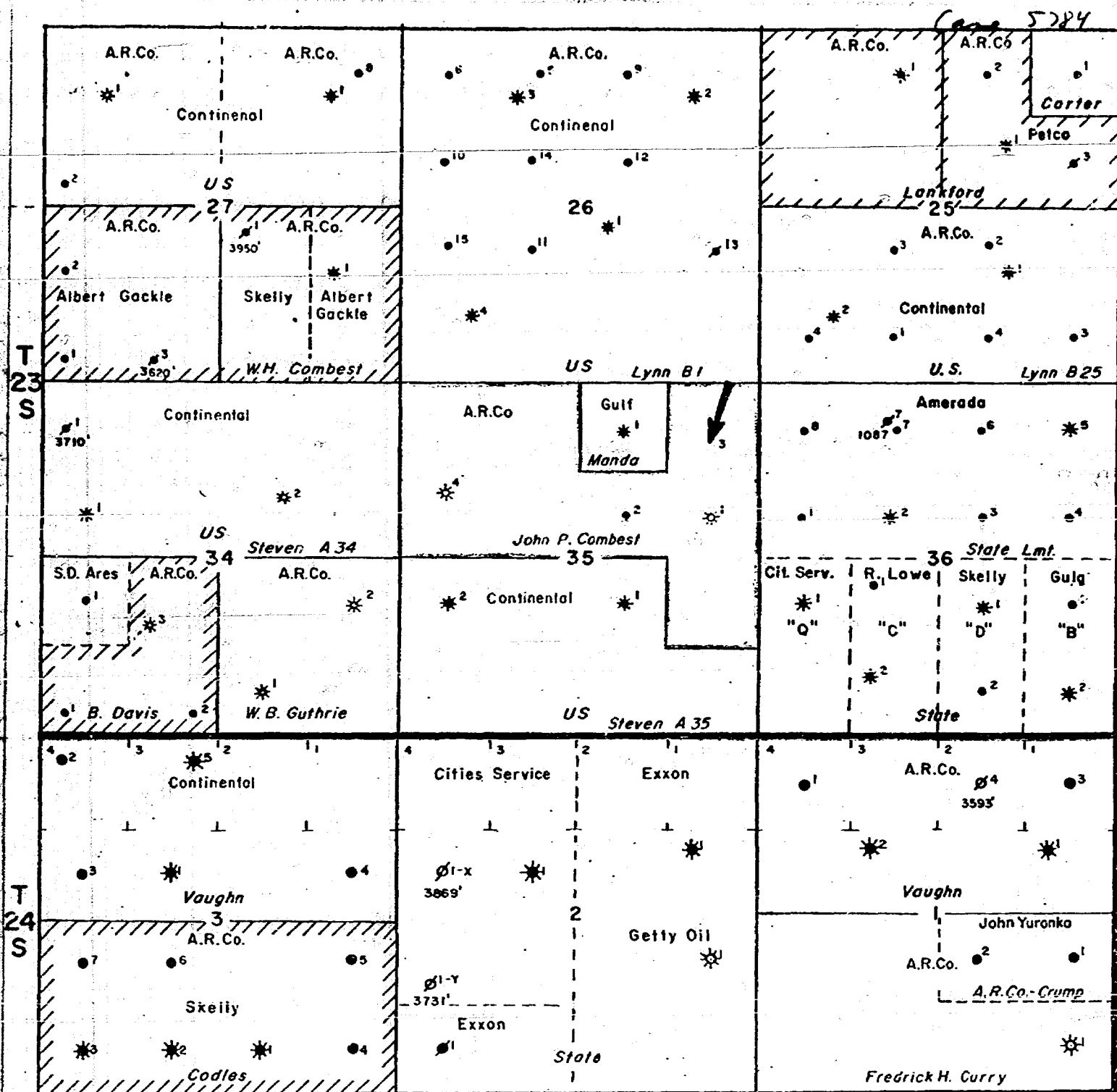
Date
August 3, 1976

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

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



R- 36 -E

EXHIBIT I

Leo County, New Mexico

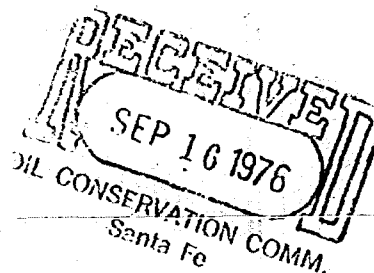
JOHN P. COMBEST LEASE
JALMAT GAS PRODUCTION

JOHN P. COMBEST LEASE
JALMAT GAS PRODUCTION

Atlantic Richfield Company

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

Case 5784



August 9, 1976

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

Re: John P. Combest No. 3
Jalmat Gas Recompletion
Section 35, T-23S, R-36E
Lea County, New Mexico

Dear Mr. Ramey:

Atlantic Richfield Company requests administrative approval to simultaneously dedicate a previously established 320-acre Jalmat gas proration unit to three wells, the John P. Combest Nos. 1, 3, and 4. Currently, the unit, NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Lea County, New Mexico, is classified as marginal with all acreage dedicated to the John P. Combest Nos. 1 and 4.

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Also, Atlantic Richfield requests administrative procedure for approval of Well No. 2 along with Wells No. 1, 3, and 4 at some future date. Recompletion attempt in Well No. 2 will depend upon economic feasibility and the unit allowable.

The non-standard 320-acre unit was approved by the New Mexico Oil Conservation Commission Order No. R-4625, Case No. 5052, on the 13th day of September 1973. The John P. Combest No. 2 and No. 3 are completed in the Langlie Mattix Oil, which Atlantic Richfield plans to abandon and recomplete in the Jalmat gas.

Case 5784

Mr. Joe Ramey
August 9, 1976
Page 2

Atlantic Richfield Company believes approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of gas reserves. Attached are an acreage dedication plat, a map of the area, and a list of offset operators who are being notified by a copy of this application.

Very truly yours,

J. L. Tweed
J. L. Tweed

HQP/agp

cc: New Mexico Oil Conservation Commission
Hobbs Area Supervisor
P. O. Box 1980
Hobbs, New Mexico

Case 5784

OFFSET OPERATORS
John P. Combest Lease

- 1) Amerada Hess Corporation
P. O. Box 2040
Tulsa, Oklahoma 74102
- 2) Conoco
P. O. Box 460
Hobbs, New Mexico 88240
- 3) Cities Service Oil Company
P. O. Box 1919
Midland, Texas 79701
- 4) Albert Gackle
P. O. Box 2038
Hobbs, New Mexico 88240
- 5) Gulf Energy & Minerals Co. - US
P. O. Box 1150
Midland, Texas 79701

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Case 5784

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

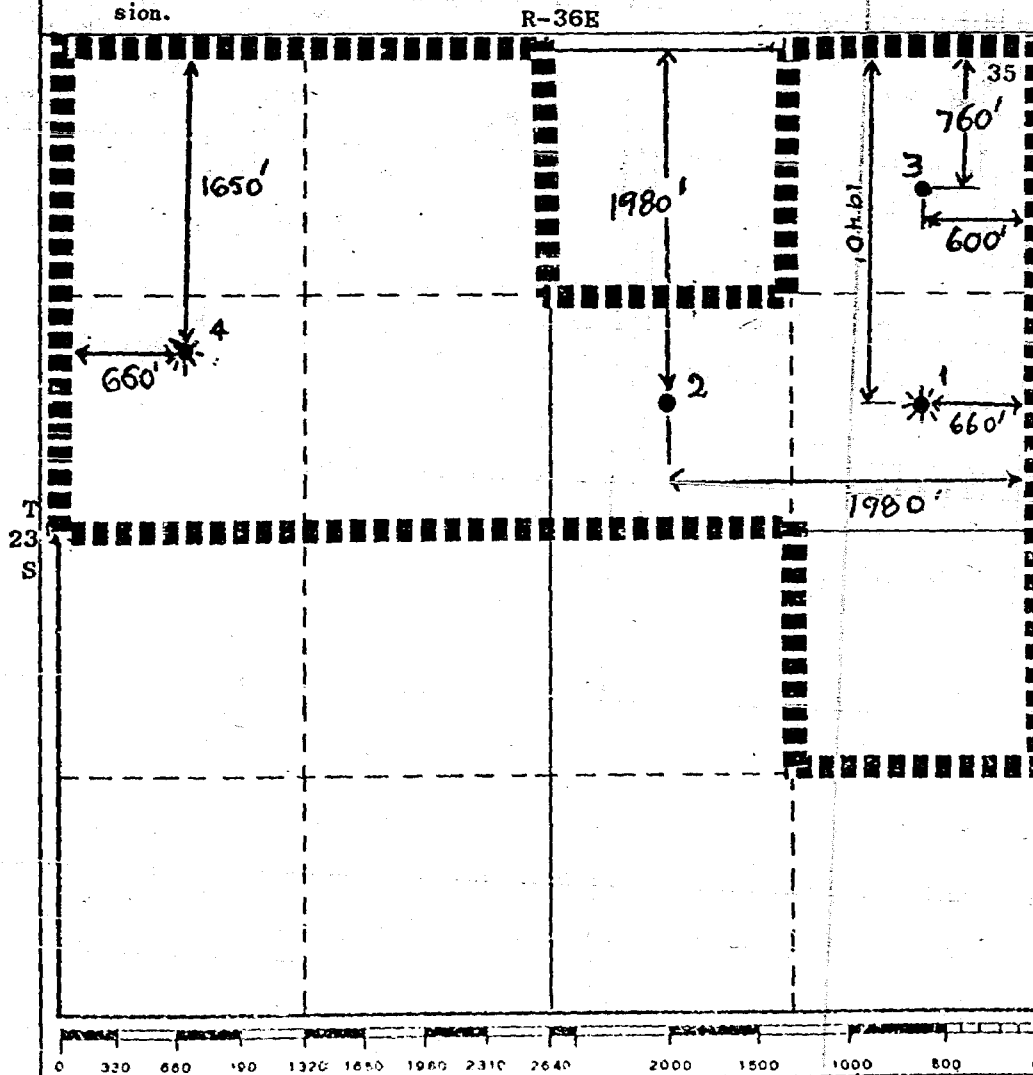
Operator Atlantic Richfield Company		Lease John P. Combest		Well No. 3
Unit Letter A	Section 35	Township 23 South	Range 36 East	County Lea
Actual Footage Location of Well: 760 feet from the North line and 600 feet from the East line				
Ground Level Elev. 3334'	Producing Formation Yates - Seven Rivers	Pool Jalmit Gas	Dedicated Acreage: 320 Acres	

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

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

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

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



CERTIFICATION

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

Huan Quoc Pham

Name
Huan Quoc Pham

Position
Operation Engineer

Company
Atlantic Richfield Co.

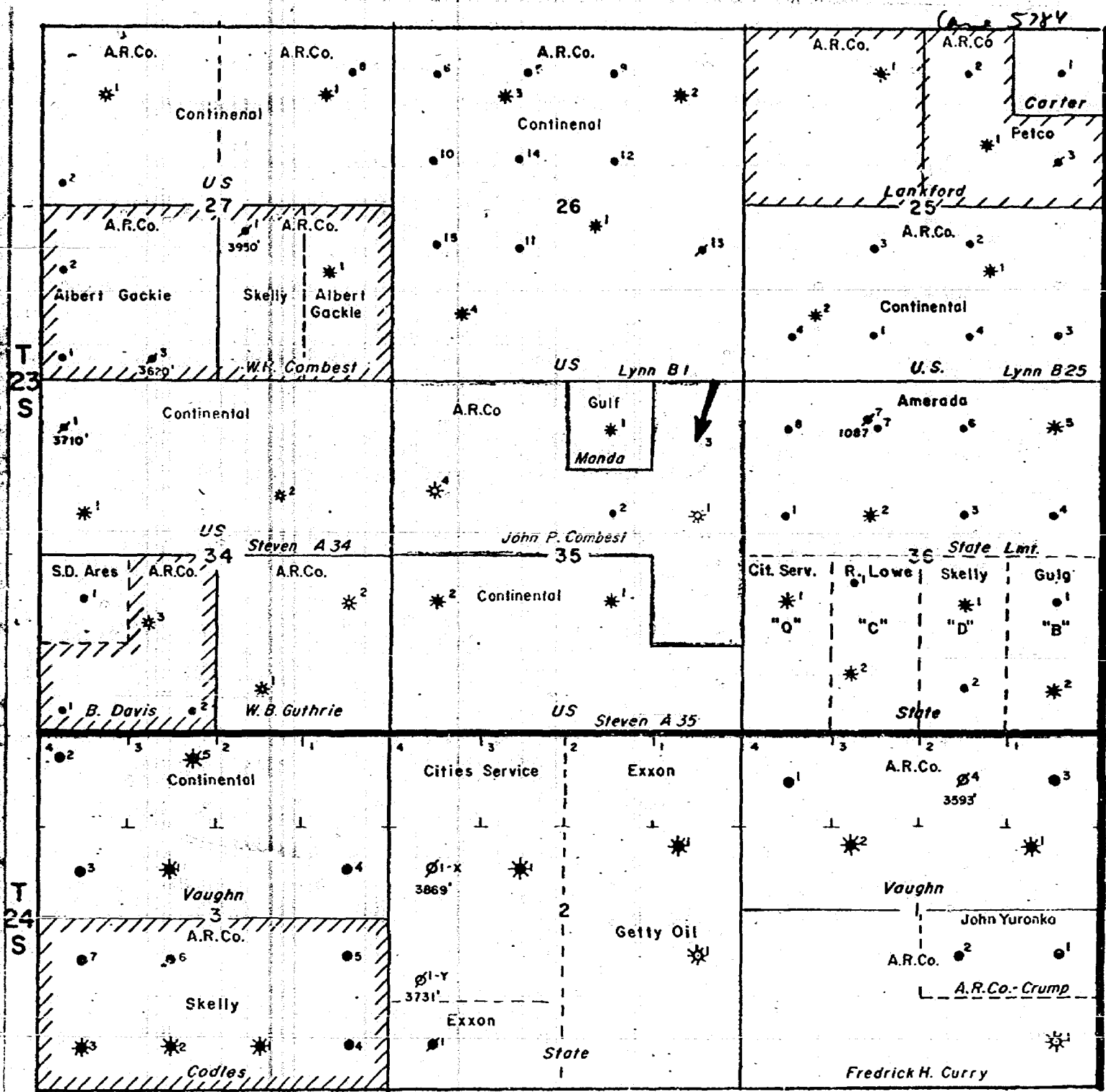
Date
August 3, 1976

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

Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor _____

Certificate No. _____



R-36-E

EXHIBIT I

JOHN P. COMBEST LEASE
JALMAT GAS PRODUCTION

Lea County, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Case 5784

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

CASE NO. 5052
Order No. R-4625

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR A NON-STANDARD GAS
PRORATION UNIT AND SIMULTANEOUS WELL
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 22, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of September, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Atlantic Richfield Company, seeks the approval for a non-standard 320-acre gas proration unit comprising the NW/4, E/2 NE/4, SW/4 NE/4, and NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks to simultaneously dedicate to said non-standard unit its J. P. Combest Wells Nos. 1-Y and 4, located in Units H and E, respectively, of said Section 35, with unit production to be taken from said wells in any proportion.

(4) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

-2-

Case No. 5052
Order No. R-4625

Case 5784

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. October 1, 1973, the applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate its non-standard 320-acre gas proration unit comprising the NW/4, E/2 NE/4, SW/4 NE/4, and NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to its J. P. Combest Wells Nos. 1-Y and 4, located in Units H and E, respectively, of said Section 35 with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 320 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(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

s/ I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

s/ A. L. PORTER, Jr., Member & Secretary

SEAL

dr/

DRAFT

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. 5784

Order No. R- 4625-A

APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR FOUR UNORTHODOX LOCATIONS AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 13,
19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of October, 1976, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Atlantic Richfield Company, seeks authority
to simultaneously dedicate a previously approved 320-acre Jalmat gas proration
unit comprising the NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 of Section 35,
Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico,
to its John P. Combest Wells Nos. ^{1, 2, 3, and 4} located at unorthodox
locations in Units H, G, A, and E, respectively, of said Section 35.

(3) That the ~~of said Section 35 is to be dedicated to the wells.~~

(3) That wells at said ~~unorthodox~~ locations will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the ~~proposed unorthodox locations.~~ application.

(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 ~~wast~~ 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 Atlantic Richfield Company is hereby authorized to simultaneously dedicate a previously approved 320-acre Jalmat gas proration unit comprising the NW/4, SW/4 NE/4, E/2 NE/4, ^{and} NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its John P. Combest Wells Nos. ^{1/} 1, 2, 3, and 4 located at unorthodox locations in Units H, G, A, and E, respectively, of said Section 35.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 320 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(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 herein-
above designated.