

a CASE 5806: ANADARKO PROD. CO. FOR TWO
UNORTHODOX WELL LOCATIONS, EDDY COUNTY,
NEW MEXICO

pany

CASE NO.

5806

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

sid morrish reporting service

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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 10, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Anadarko Production
Company for two unorthodox well loca-
tions, Eddy County, New Mexico.

CASE
5806

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

For the Applicant: Jason W. Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

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Phone (505) 982-9212

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I N D E X

Page

DAN KERNAGHAN

Direct Examination by Mr. Kellahin

3

EXHIBIT INDEX

Offered Admitted

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1 MR. STAMETS: We will call next Case 5806.

2 MS. TESCHENDORF: Case 5806, application of Anadarko
3 Production Company for two unorthodox well locations, Eddy
4 County, New Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason Kellahin,
6 Kellahin and Fox, Santa Fe, appearing for the applicant and I
7 have one witness to be sworn.

8 (THEREUPON, the witness was duly sworn.)

9
10 DAN KERNAGHAN

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

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you state your name, please?

17 A My name is Dan Kernaghan.

18 Q By whom are you employed and in what position,
19 Mr. Kernaghan?

20 A I'm employed by Anadarko Production Company as
21 Division Evaluation Engineer.

22 Q And where are you located?

23 A In Houston.

24 Q Have you testified before the Oil Conservation
25 Commission and made your qualifications as an engineer a

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Phone (505) 982-9212

1 matter of record?

2 A Yes, sir, I have.

3 MR. KELLAHIN: Are the witness' qualifications
4 acceptable?

5 MR. STAMETS: They are.

6 Q (Mr. Kellahin continuing.) Mr. Kernaghan, what is
7 proposed by the applicant in Case Number 5806?

8 A Anadarko proposes to drill two producing wells in
9 the very southwest corner of Units A of Section 23, 18, 27 and
10 in the southeast corner of Unit M of Section 13, 18, 27. It
11 will be fifty feet off the lease line on the unit boundary.

12 Q Now, what is this unit?

13 A The Artesia State Unit.

14 Q Is this a waterflood project?

15 A Yes, it is.

16 Q And you are presently injecting water in the
17 project?

18 A Yes, we are.

19 Q Now, referring to what has been marked as your
20 Exhibit Number One, would you identify that exhibit, please?

21 A Exhibit Number One shows the boundary of the
22 Artesia State Unit outlined in yellow and the surrounding
23 wells and fields and other property in the immediate area.

24 Q Now, referring to what has been marked as Exhibit
25 Number Two would you identify that exhibit?

1 A Exhibit Number Two again shows the Artesia State Unit
2 and shows the wells into which we are injecting water with
3 blue triangles. It shows the wells which have responded to
4 this water injection with red circles and it also denotes the
5 location of the two producing wells which we are requesting
6 permission to drill.

7 Q Now, referring to what has been marked as your
8 Exhibit Number Three, would you identify that exhibit, please?

9 A Exhibit Number Three is a structure map of the area
10 on the top of the Grayburg formation.

11 Q Now, referring to Exhibit Number Four, would you
12 identify that exhibit?

13 A Exhibit Number Four is an isopach map of the net
14 porosity in the producing interval of the wells, you know, in
15 the immediate area. It shows that we can expect a net porosity
16 of approximately twelve to fourteen feet in the two locations
17 which we propose to drill.

18 Q Do you anticipate that they would be productive from
19 the waterflood formations?

20 A Yes, I do.

21 Q Referring to what has been marked as Exhibit Number
22 Five, would you identify that exhibit, please?

23 A Exhibit Number Five is the tabulated production of
24 the wells circled in red on Exhibit Number Two. These are
25 the wells which have shown response from our waterflood. This

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1 data is also graphically presented in Exhibit Six.

2 Q Now, you have Exhibits Seven through Eleven, are
3 those all graphs?

4 A Yes, they are.

5 Q Six through Eleven?

6 A Six through Eleven are graphs of the wells shown
7 on Exhibit Five.

8 Q And that shows their production history under the
9 waterflood project, is that correct?

10 A That is correct.

11 Q Now, referring back to your Exhibit Number Two, Mr.
12 Kernaghan, in your opinion and based on the response you have
13 had from this flood, are the proposed wells necessary to
14 protect the migration of oil outside of the unit?

15 A Yes, sir, I feel that they are. We have had response
16 outside of our unit area as a direct result of our injection
17 operations and I feel that wells in this location are
18 necessary to prevent oil from being pushed off of the unit
19 onto outside leases.

20 Q In your opinion will the approval of this application
21 in any way impair the correlative rights of the offsetting
22 owners?

23 A No, it will not. There are no wells on the offsetting
24 leases which would recover this oil and this oil is a direct
25 result of our unit operations.

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Page 7

1 Q So unless these wells are drilled and the oil
2 recovered, would it ever be recovered?

3 A No, it would not.

4 Q And that would constitute waste, would it not?

5 A That is correct. In the event the other operators
6 don't drill wells it would never be recovered.

7 Q There are none there now, is that right?

8 A No, there is none there now.

9 Q And the oil, in your opinion, is migrating?

10 A That is correct, as a result of our waterflood
11 operations.

12 Q Were Exhibits One through Eleven prepared by you or
13 under your supervision?

14 A Yes, they were.

15 MR. KELLAHIN: At this time I would like to offer
16 Exhibits One through Eleven.

17 MR. STAMETS: These exhibits will be admitted.

18 (THEREUPON, Applicant's Exhibits One through
19 Eleven were admitted into evidence.)


20 MR. KELLAHIN: That's all we have on direct
21 examination, Mr. Stamets.

22 MR. STAMETS: Any questions of the witness? He may
23 be excused.

24 (THEREUPON, the witness was excused.)
25

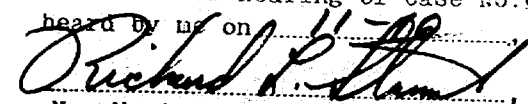
REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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, C.S.R.

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5806
heard by me on 11-7-76 19 76


Richard P. Ham, Examiner
New Mexico Oil Conservation Commission

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. 5806
Order No. R-5328

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR TWO UNORTHODOX WELL
LOCATIONS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of November, 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, Anadarko Production Company, seeks approval of two unorthodox well locations for its Artesia State Unit Tract 9 Well No. 5 to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23 and its Artesia State Unit Tract 2 Well No. 3 to be drilled 50 feet from the South line and 1270 feet from the West line of Section 13, both in Township 18 South, Range 27 East, Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

(3) That wells at said unorthodox locations will better enable applicant to prevent oil from being swept outside its Artesia State Unit Waterflood project.

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

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive

-2-

Case No. 5806

Order No. R-5328

number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That two unorthodox well locations for applicant's Artesia State Unit Tract 9 Well No. 5 to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23 and its Artesia State Unit Tract 2 Well No. 3 to be drilled 50 feet from the South line and 1270 feet from the West line of Section 13, both in Township 18 South, Range 27 East, Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico, are hereby approved.

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

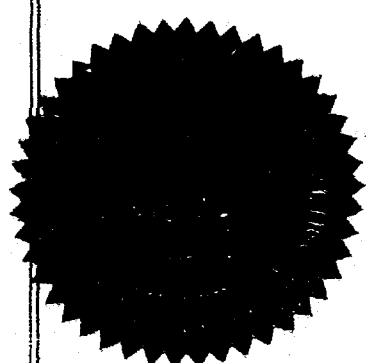
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

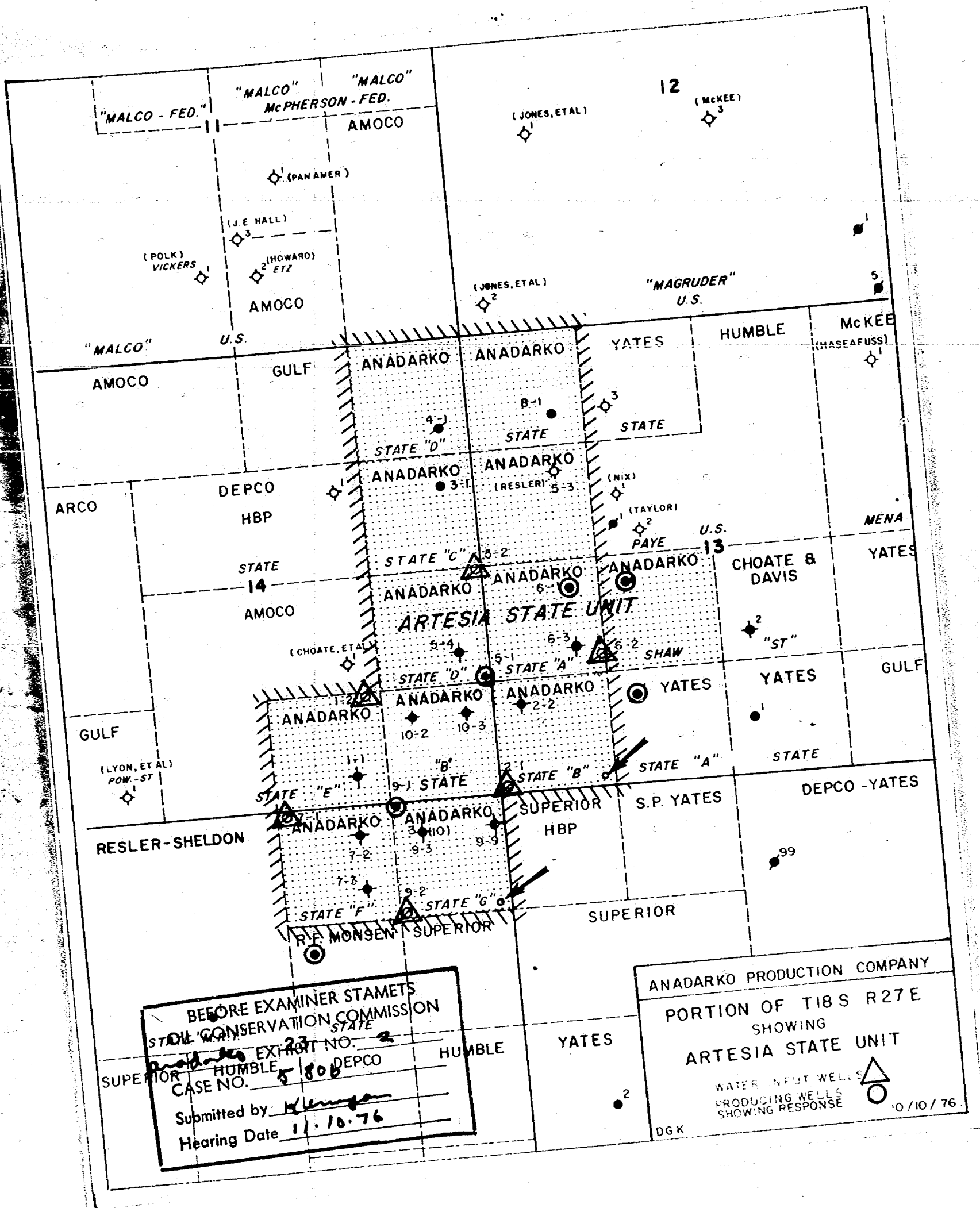
PHIL R. LUCERO, Chairman

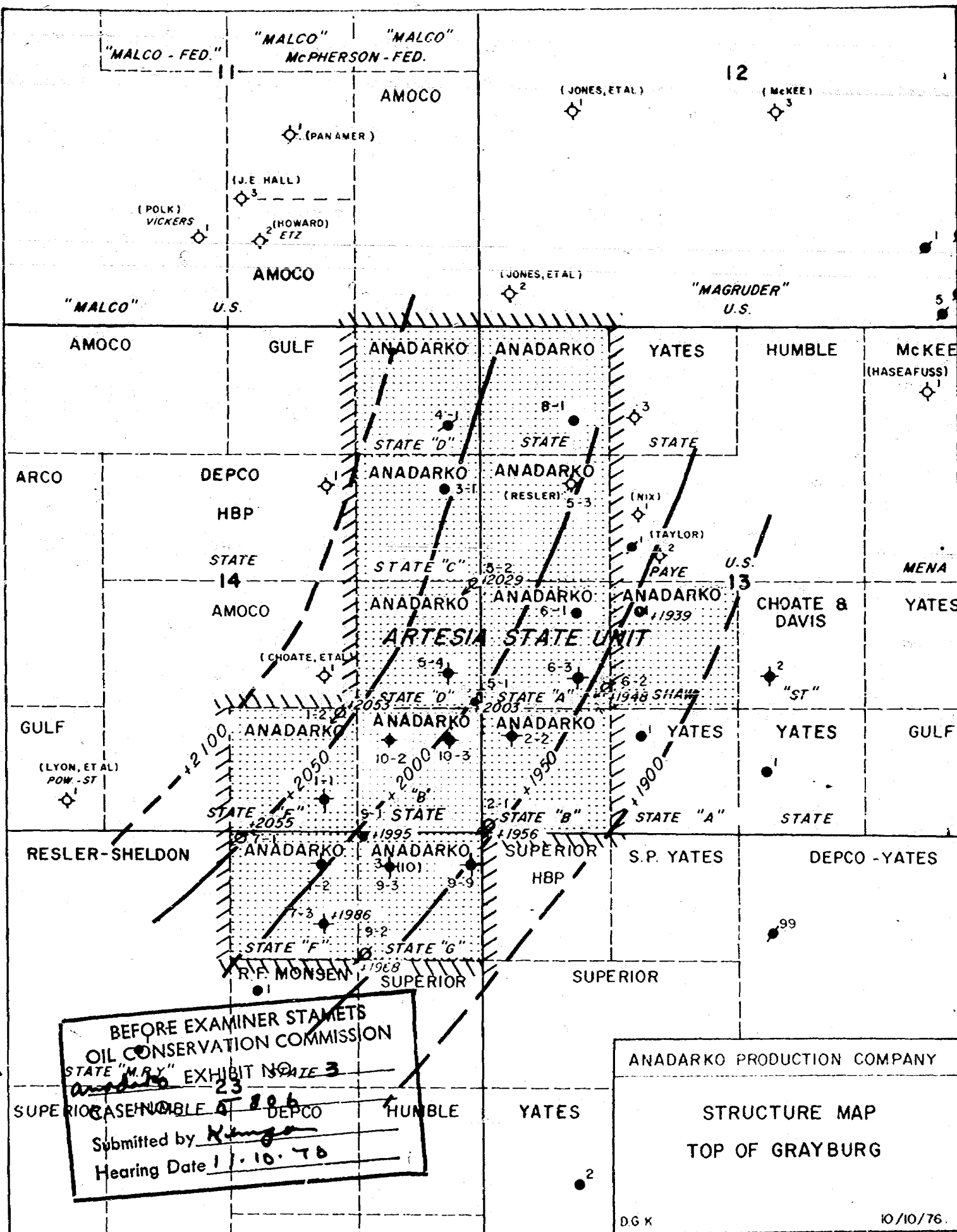

EMERY C. ARNOLD, Member

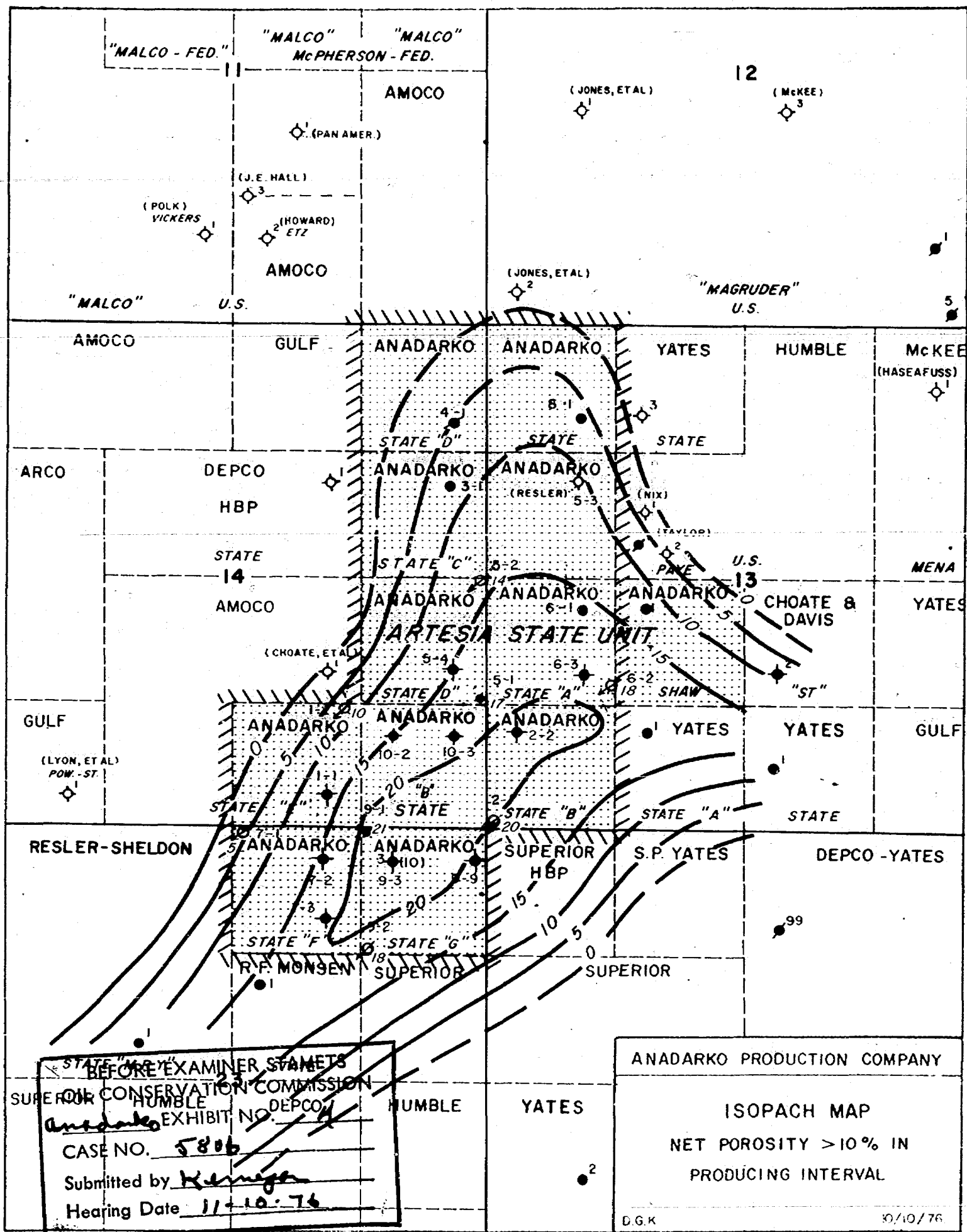

JOE D. RAMEY, Member & Secretary


S E A L

dr/







BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 5
CASE NO. 5806

Submitted by Haugen
Hearing Date 11-10-76
Month/Year

ARTESIA QUEEN GSA FIELD

Eddy County, New Mexico

ANADARKO PRODUCTION COMPANY
Artesia State Unit

	Well #5-1 14-18S-27E		Well #6-1 13-18S-27E		Well #9-1 23-18S-27E		Shaw #1 13-18S-27E		R. Momsen N. State #1-G 23-18S-23E		Yates Drlg. Co. M Y #1-N 13-18S-27E	
	Oil	Wtr	Oil	Wtr	Oil	Wtr	Oil	Wtr	Oil	Wtr	Oil	Wtr
Jan 1974	-	-	6	-	-	-	46	-	52	-	-	-
Feb	-	-	25	-	-	-	42	-	67	-	-	-
Mar	-	-	24	-	-	-	47	-	87	-	-	-
Apr	-	-	20	-	-	-	52	-	29	-	-	-
May	-	-	18	-	-	-	50	-	48	-	-	-
June	-	-	26	-	-	-	35	-	40	-	-	-
July	-	-	30	-	-	-	49	-	13	-	-	-
Aug	-	-	-	-	-	-	51	-	84	-	-	-
Sept	-	-	9	-	-	-	22	-	39	-	-	-
Oct	-	-	27	-	-	-	33	-	39	-	-	-
Nov	-	-	3	-	-	-	45	-	81	-	-	-
Dec	-	-	19	-	-	-	52	-	55	10	-	-
Total	-	-	207	-	-	-	524	-	634	10	-	-
Jan 1975	-	-	51	-	-	-	50	-	78	-	61	20
Feb	-	-	35	-	-	-	58	-	76	-	44	20
Mar	-	-	TA	-	-	-	61	-	55	-	55	20
Apr	-	-	-	-	-	-	56	-	69	10	45	20
May	-	-	-	-	-	-	53	-	71	-	80	20
June	-	-	-	-	-	-	65	-	65	10	52	20
July	SI	-	-	-	SI	-	45	-	73	10	63	20
Aug	SI	-	-	-	-	-	68	-	67	10	57	20
Sept	170	560	6	-	176	580	62	-	62	10	68	20
Oct	165	-	31	-	163	-	64	-	68	-	170	20
Nov	151	440	27	-	160	440	40	-	76	-	334	20
Dec	203	1080	38	-	212	760	123	-	63	10	643	20
Total	689	2080	188	-	711	1780	745	-	823	60	1672	240
Jan 1976	308	1856	384	-	183	1455	320	-	75	-	704	20
Feb	654	2168	661	130	281	1566	391	-	85	-	770	20
Mar	1312	2515	624	539	191	3558	779	-	153	10	723	20
Apr	1736	3384	582	570	150	3051	970	-	109	-	730	20
May	2163	3327	683	600	272	3100	1592	-	143	-	798	20
June	2791	2292	516	2975	298	3000	1553	-	132	-	685	20
July	2448	2046	301	3004	509	2700	1607	-	115	15	771	20
Aug	1918	1980	84	3100	963	3100	1439	-	138	-	489	20
Sept	1993	1980	32	1100	981	3000	927	-	41	-	626	20
Total	15323	21548	3867	12018	3828	24530	9578	-	991	25	6296	180

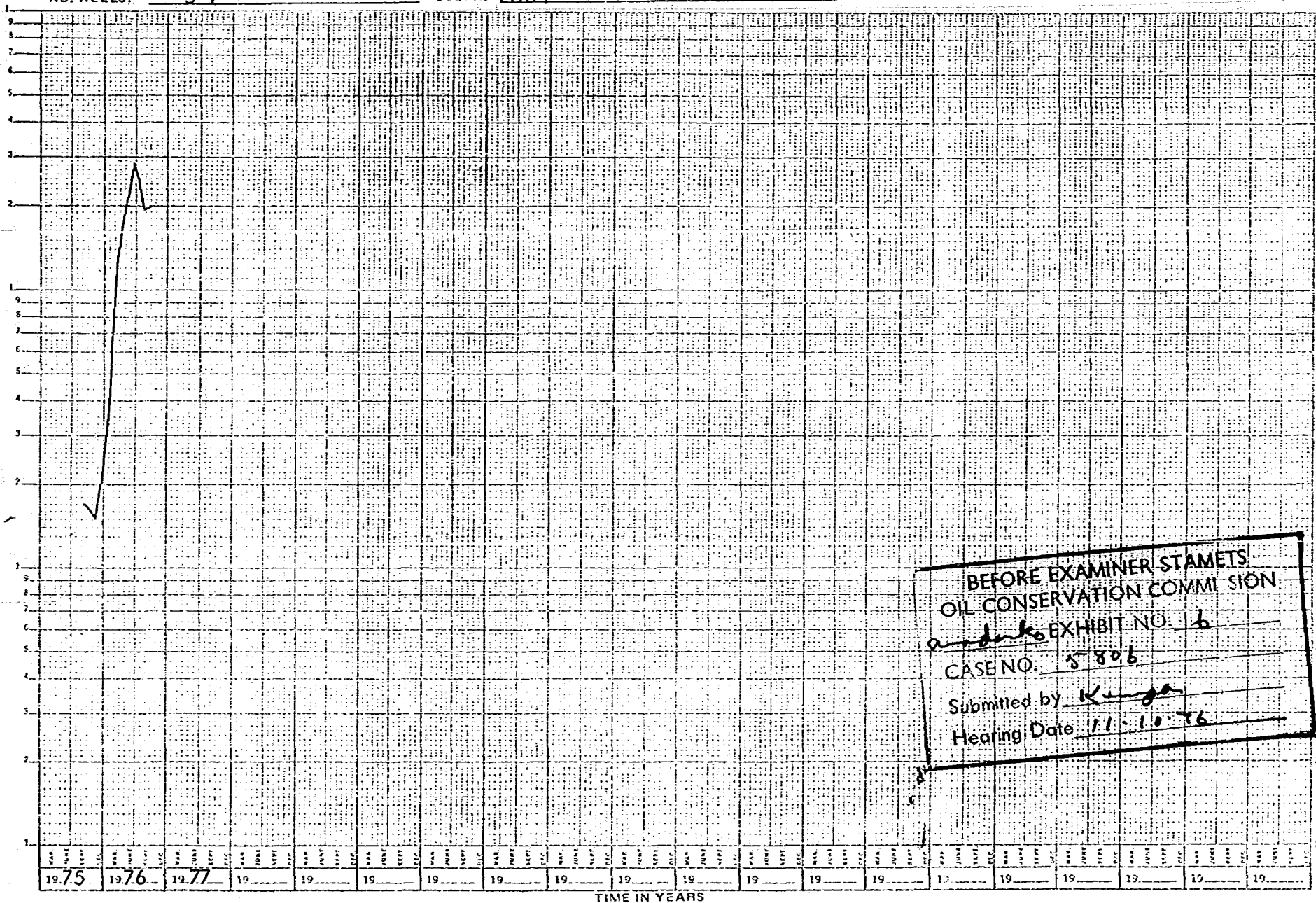
FIELD: ARTESIA QUEEN GSA

RESERVOIR: _____

STATE: NMLEASE/UNIT: ARTESIA STATE UT

PERFS: _____

OPERATOR: _____

NO. WELLS: # 5-1CO./PH. EDDYLOCATION: SF Cor 1 Sec 14

ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. 5-1

FIELD: ARTESIA QUEEN GSA

RESERVOIR: _____

STATE: NM

LEASE/UNIT: ARTESIA STATE UT

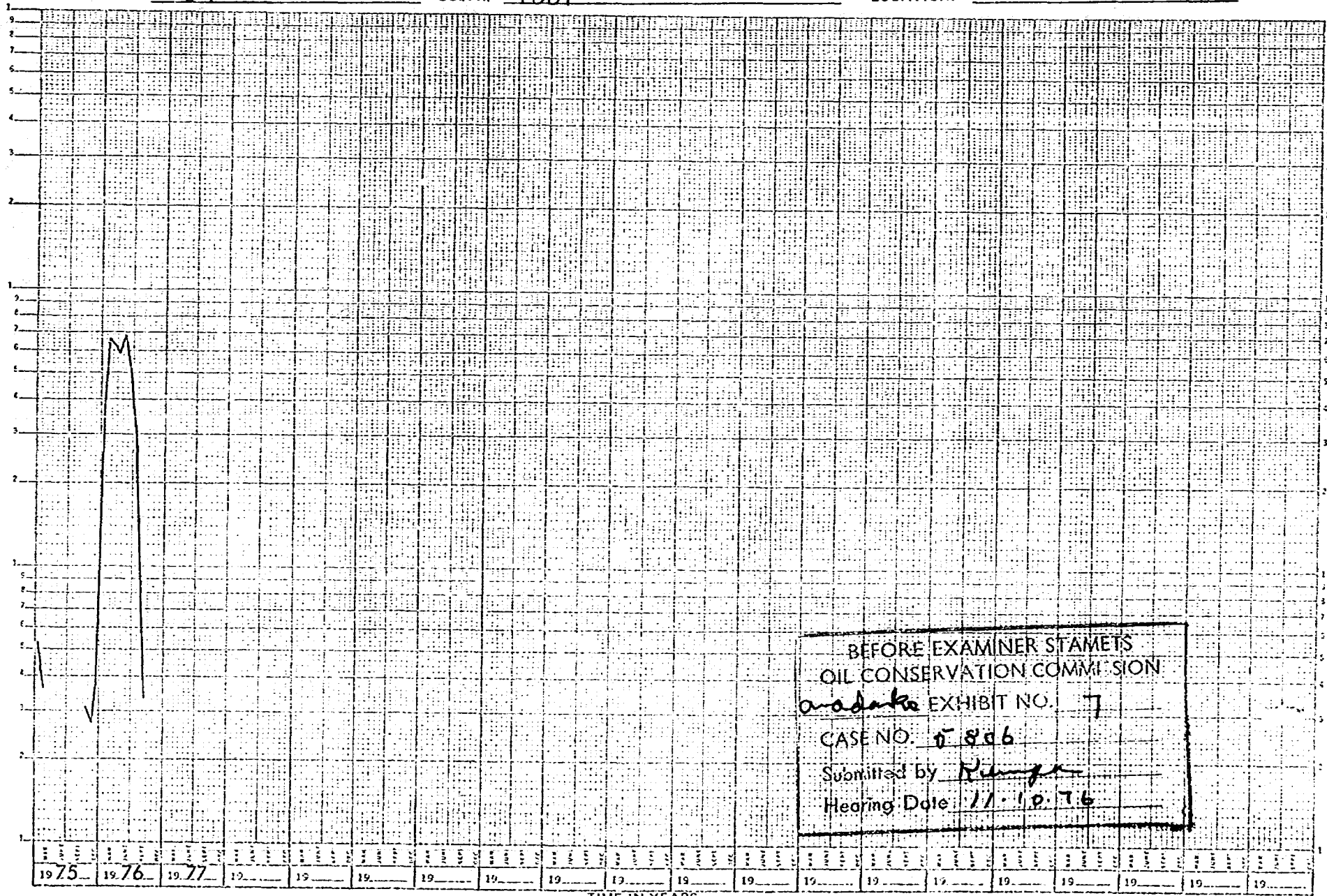
PERFS: _____

OPERATOR: _____

NO. WELLS: # 6-1

CO./PH. EDDY

LOCATION: _____



ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. 6-1

FIELD: ARTESIA QUEEN GSA

RESERVOIR: _____

STATE: NM

LEASE/UNIT: ARTESIA STATE UT

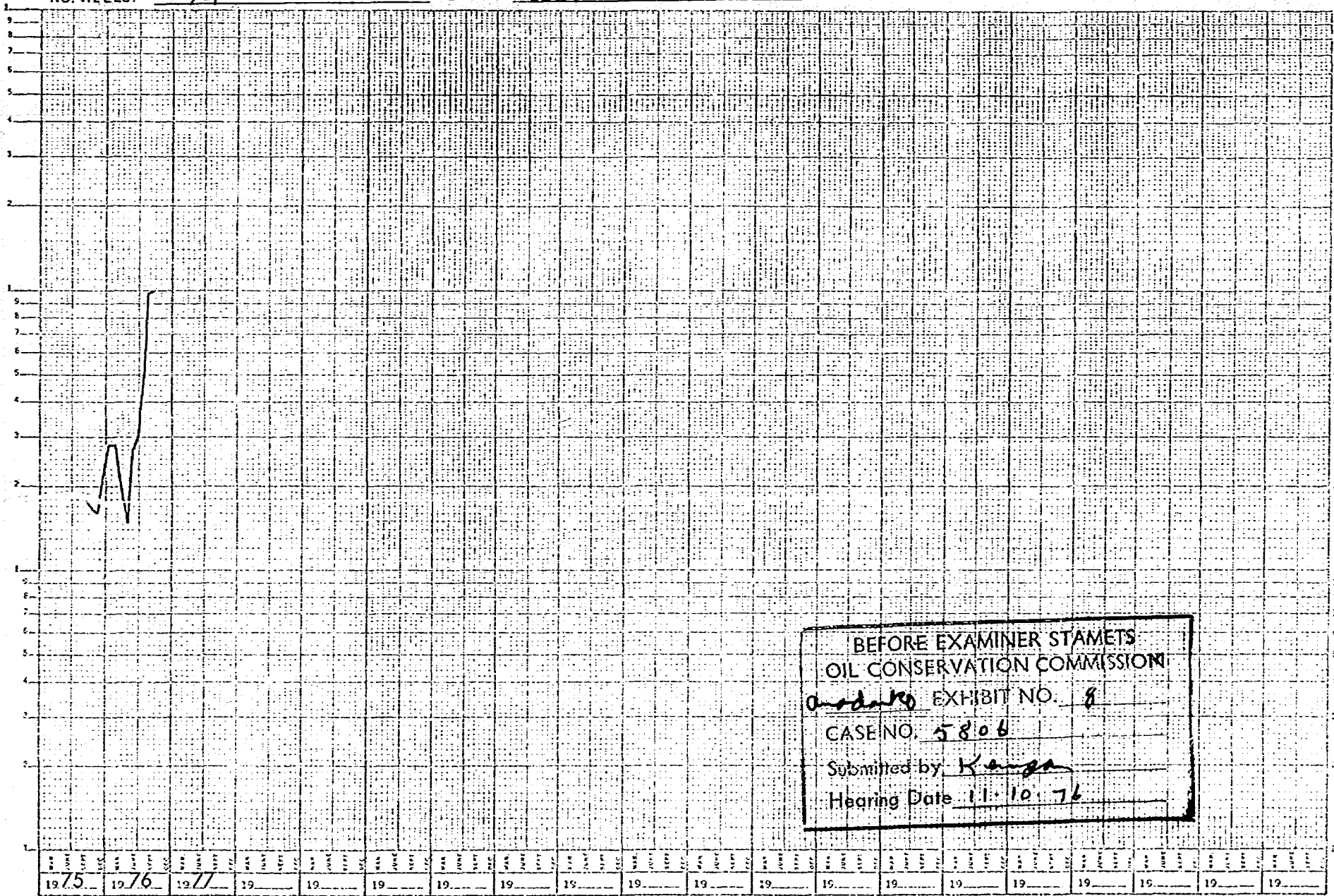
PERFS: _____

OPERATOR: _____

NO. WELLS: # 9-1

CO./PH. EDDY

LOCATION: _____



ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. 9-1

FIELD: ARTESIA QUEEN GSA

RESERVOIR: _____

STATE: NM

LEASE/UNIT: ARTESIA STATE UT

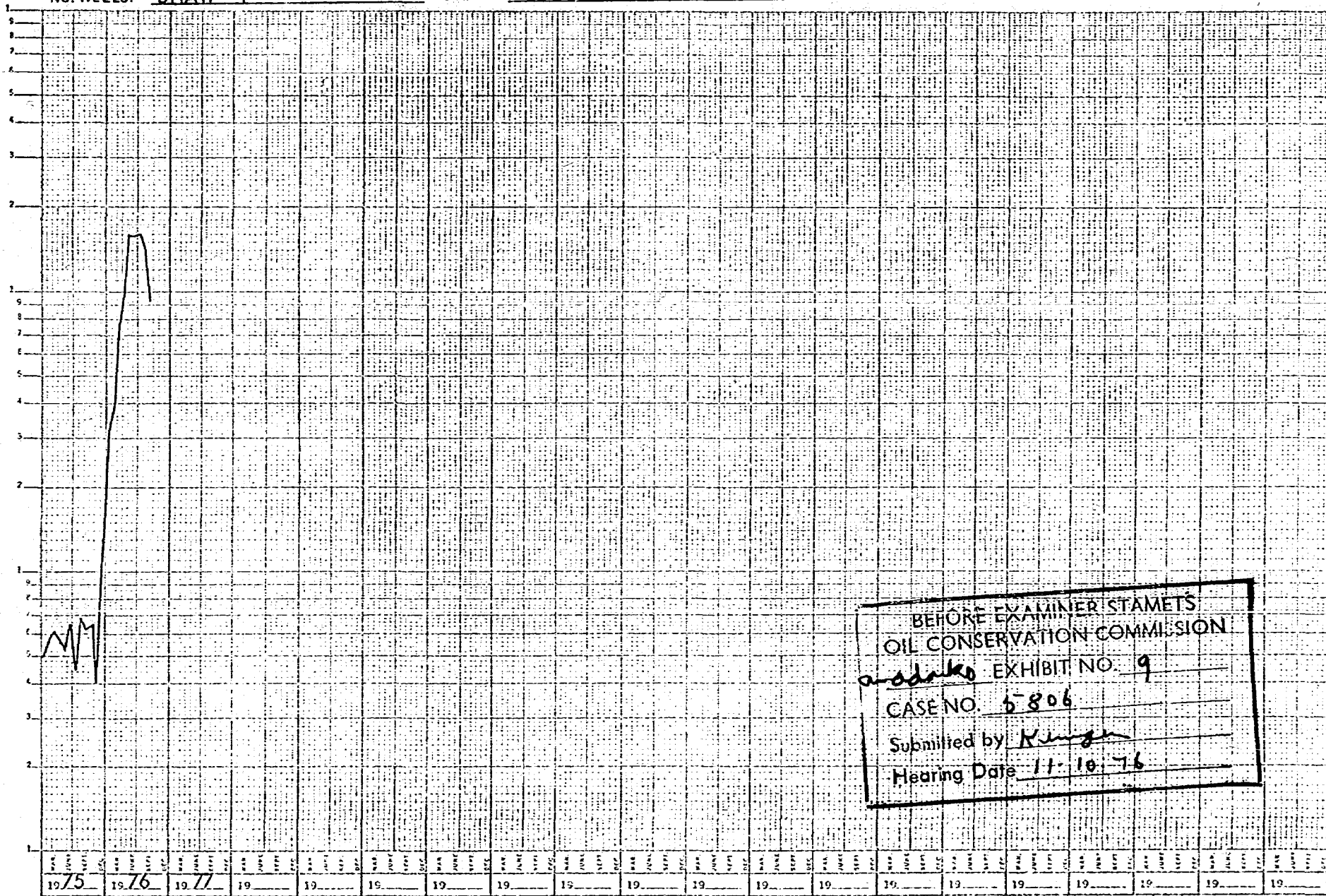
PERFS: _____

OPERATOR: Offset Well APC

NO. WELLS: SHAW #1

CO./PH. EDDY

LOCATION: _____



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
addicks EXHIBIT NO. 9
CASE NO. 5806
Submitted by Kunze
Hearing Date 11-10-76

ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. _____

FIELD: ARTESIA QUEEN GRAYBRUG

RESERVOIR: _____

STATE: NM

LEASE/UNIT: N. STATE 1-G

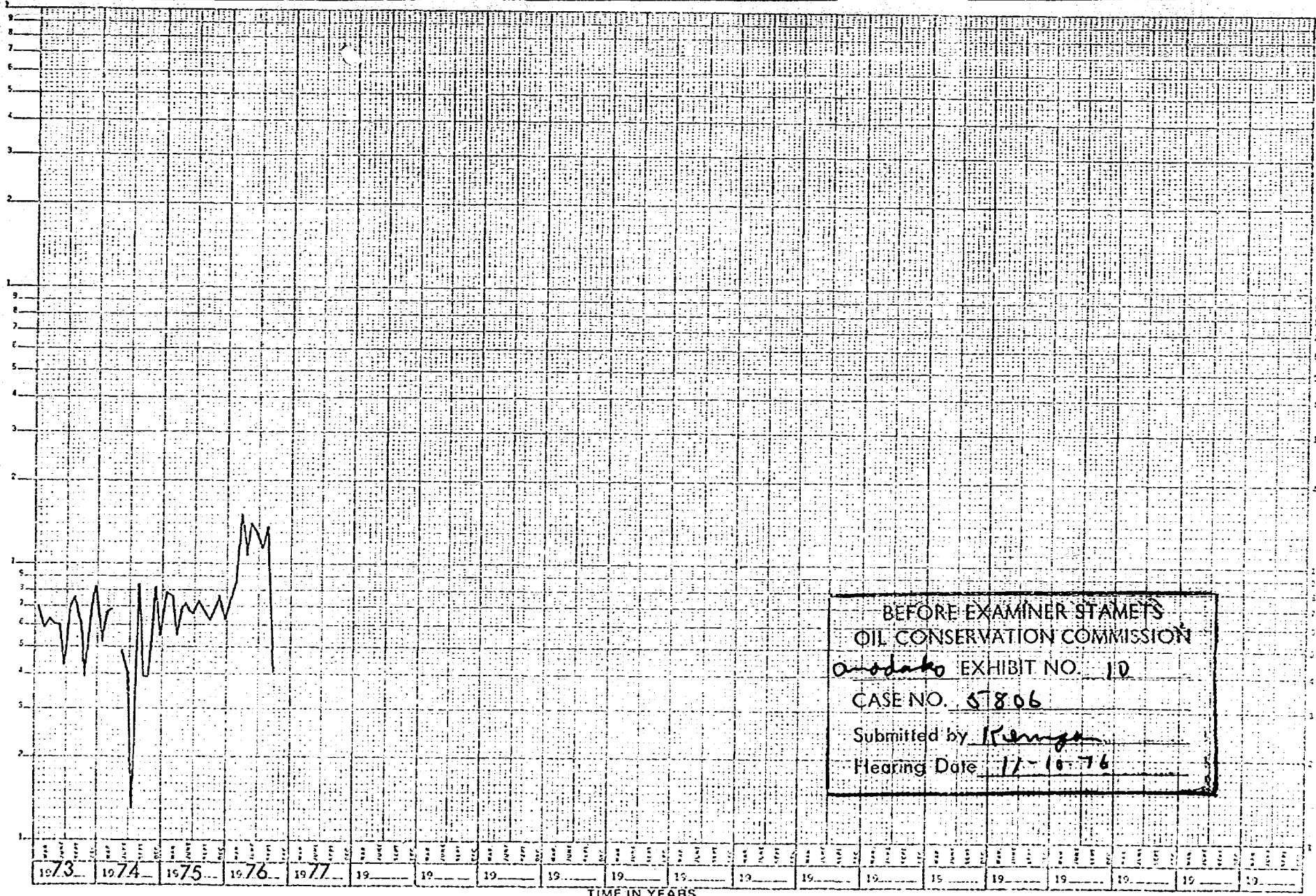
PERFS: _____

OPERATOR: Reuben F. Momsen

NO. WELLS: _____

CO./PH. _____

LOCATION: _____



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
andako EXHIBIT NO. 10
CASE NO. 57806
Submitted by Ramsen
Hearing Date 11-18-76

ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. _____

FIELD: ARTESIA QUEEN GRAYBURG

RESERVOIR: _____

STATE: NM

LEASE/UNIT: MY #1-N

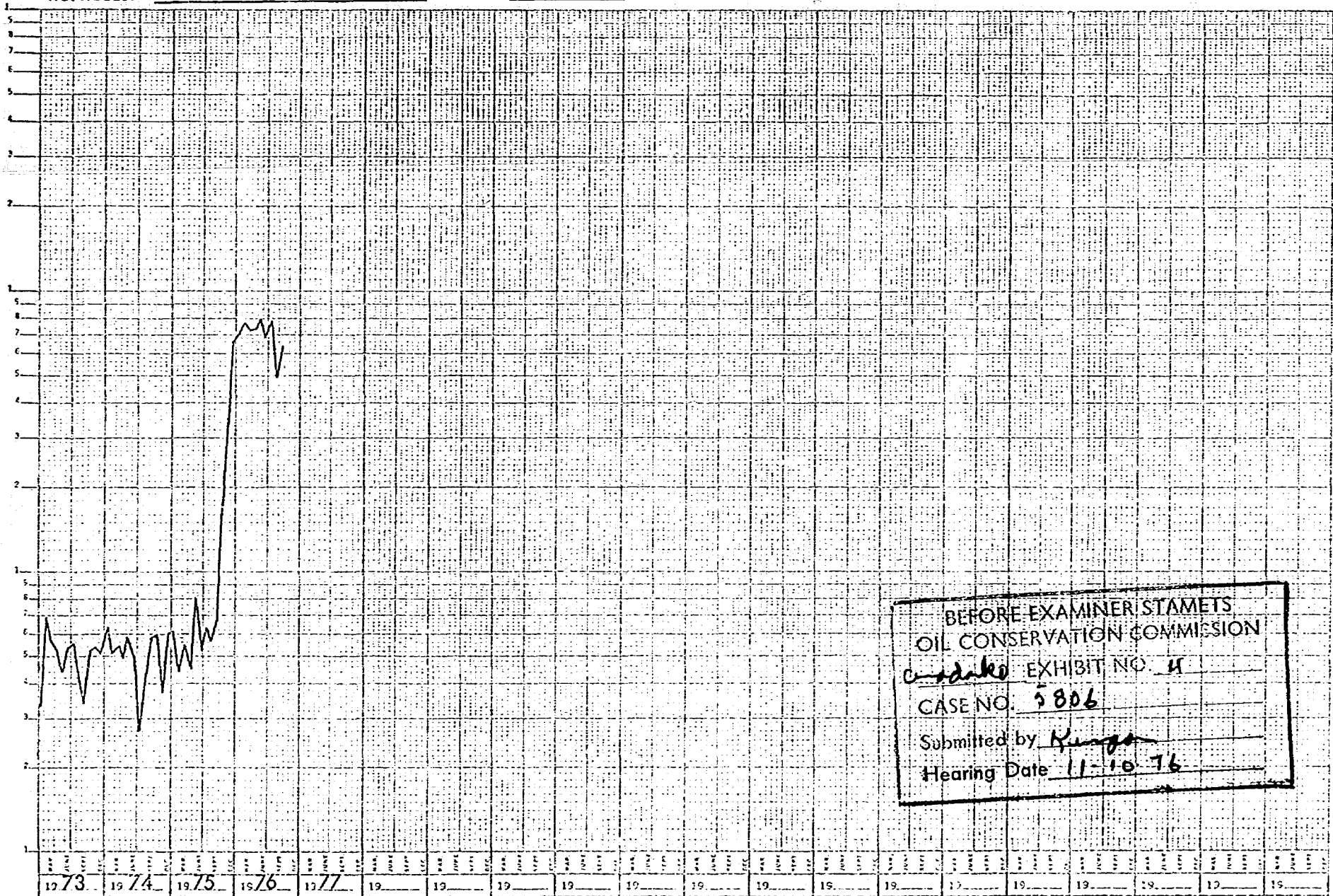
PERFS: _____

OPERATOR: YATES DRLG

NO. WELLS: _____

CO./PH. _____

LOCATION: _____



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Conrado EXHIBIT NO. 4
CASE NO. 5806
Submitted by Kunza
Hearing Date 11-10-76

ACCT. CODE NO. _____

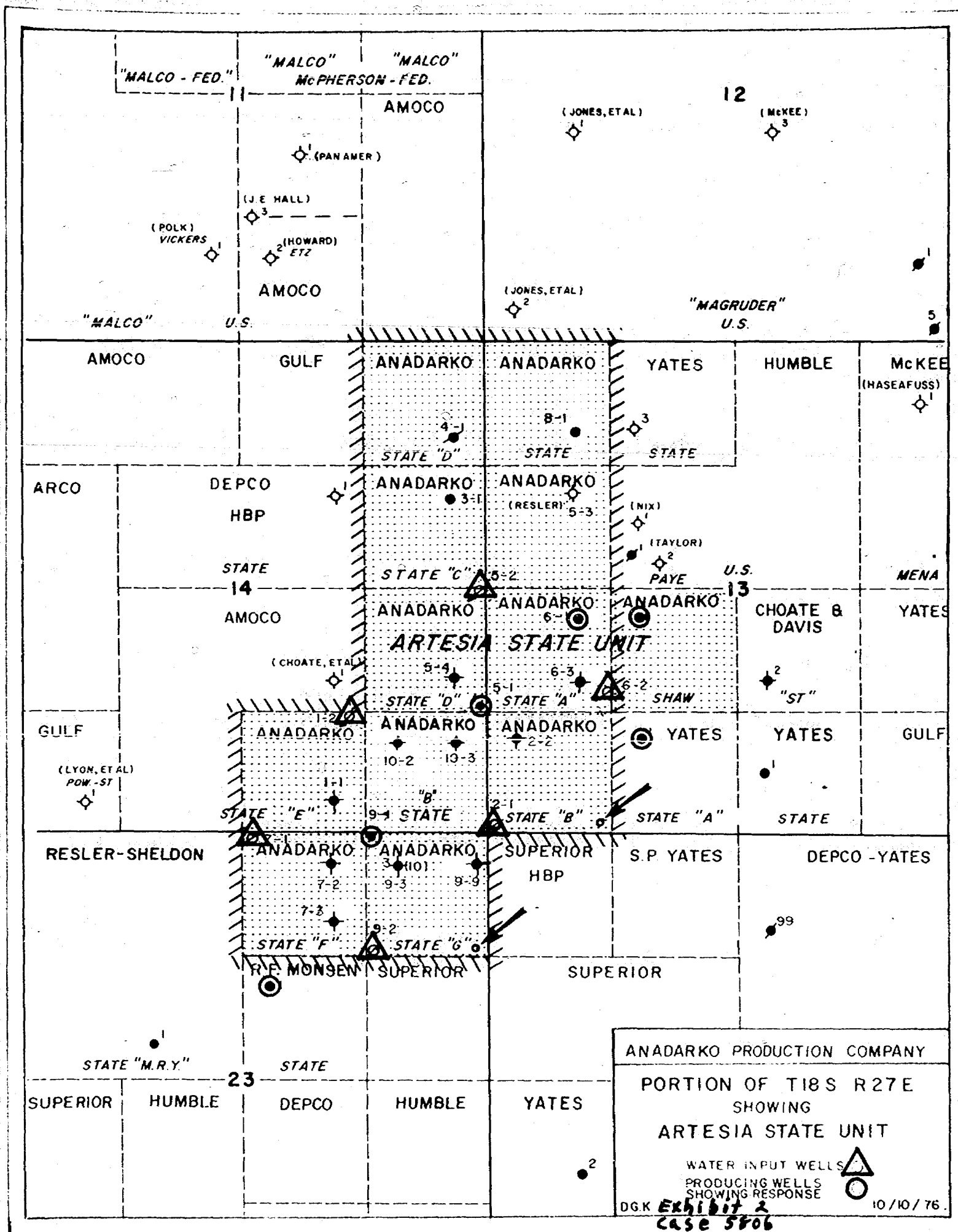
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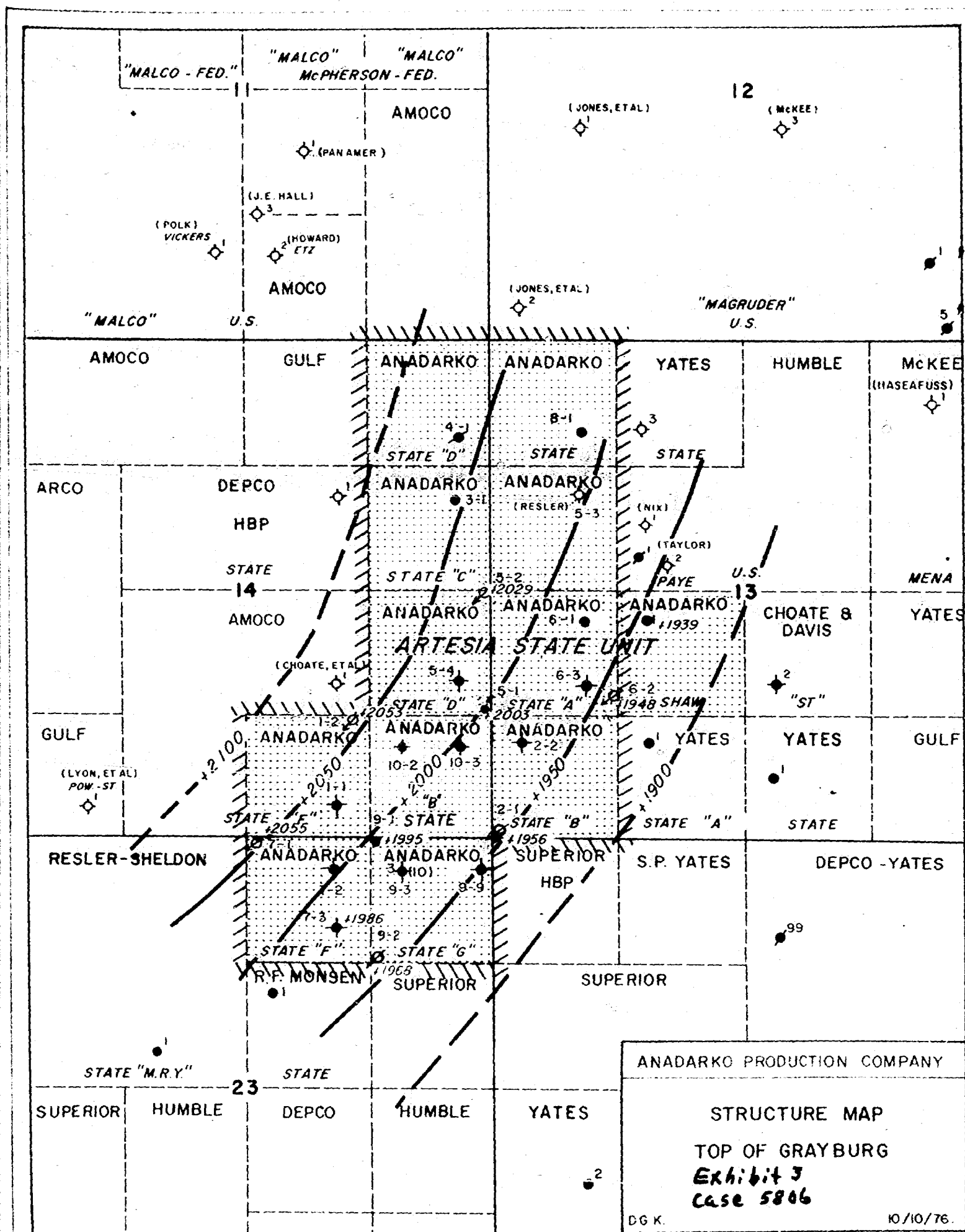
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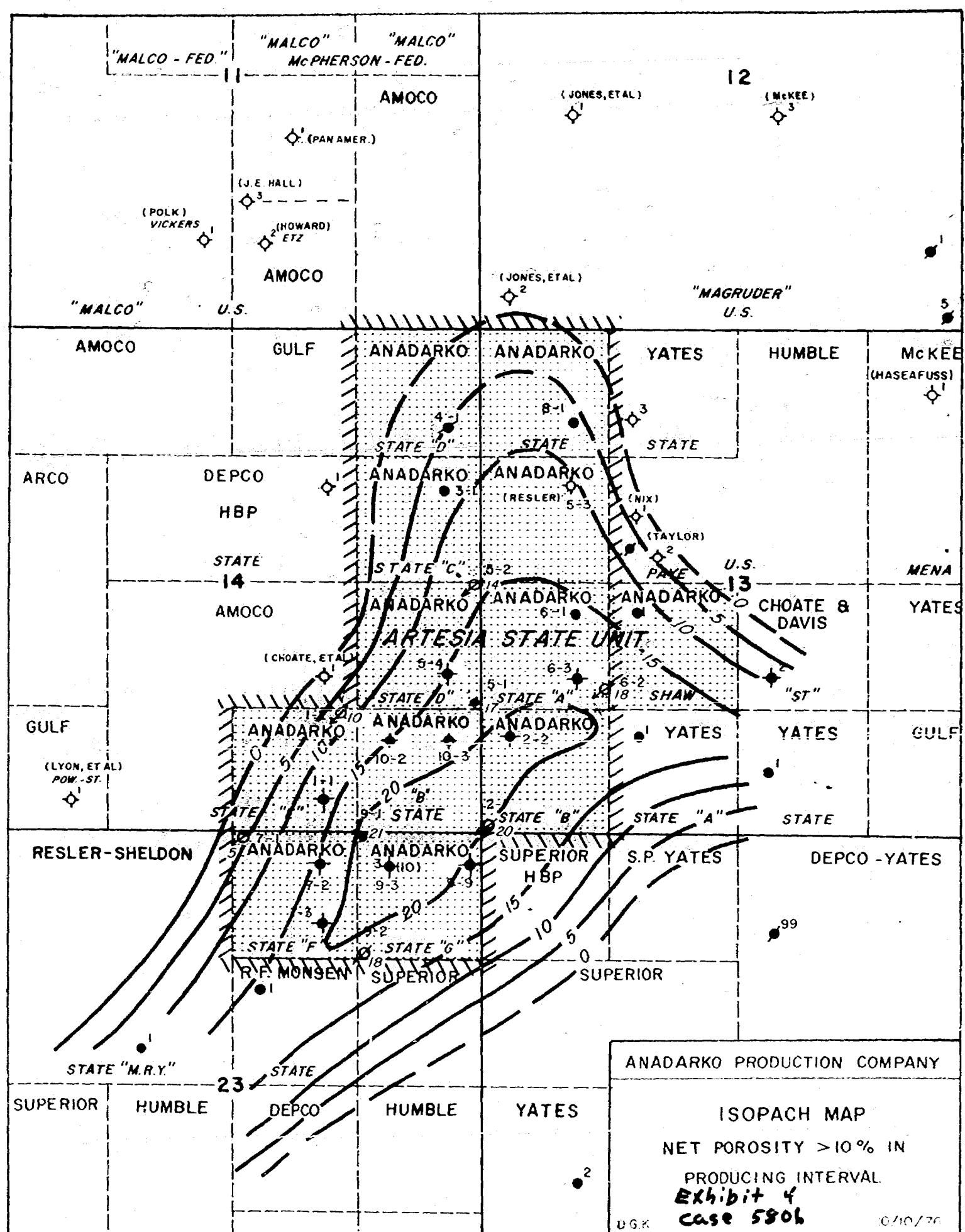


PORTION OF EDDY COUNTY,
NEW MEXICO

Exhibit 1
Case 5806







ARTESIA QUEEN GSA FIELD

Eddy County, New Mexico

ANADARKO PRODUCTION COMPANY
Artesia State Unit

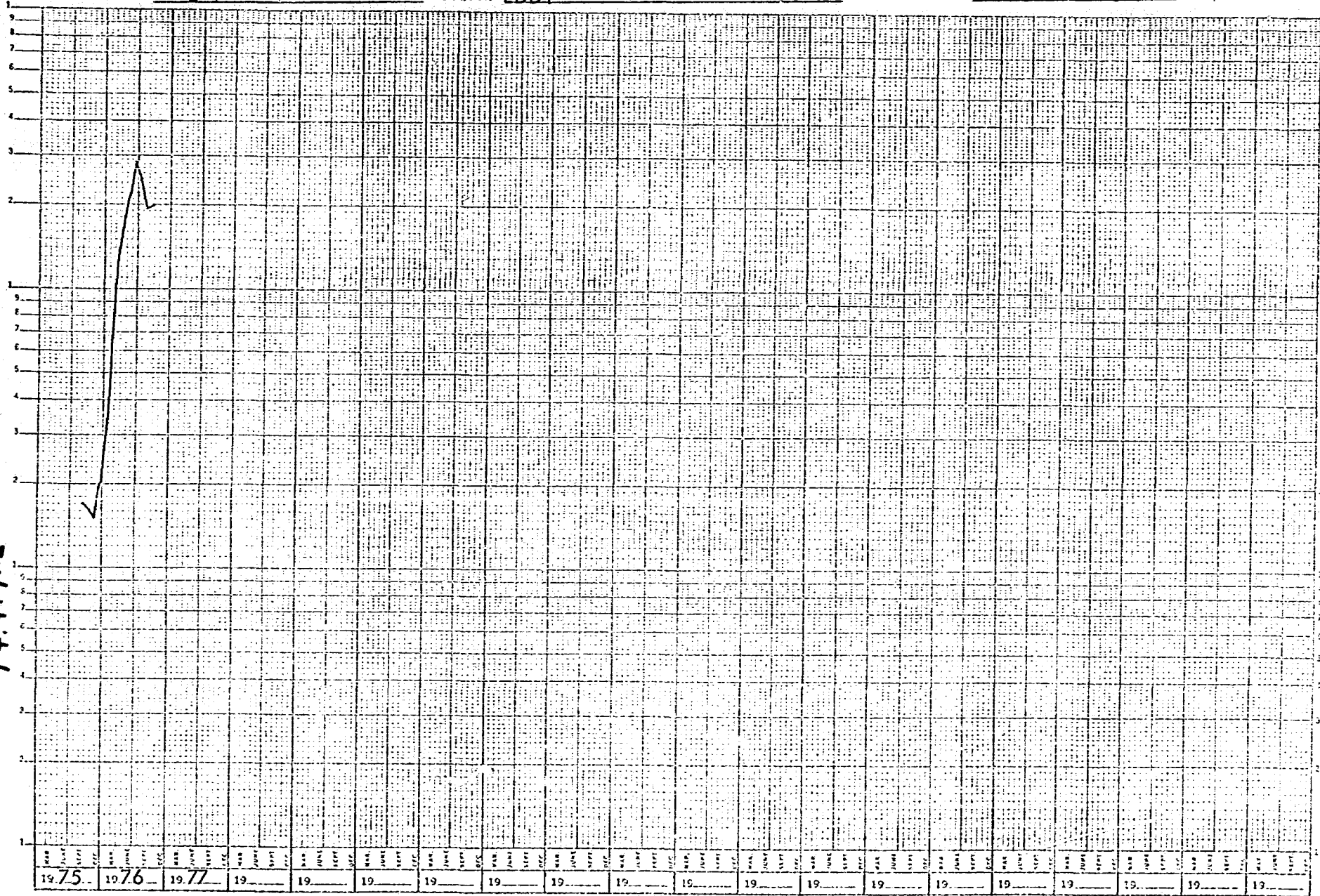
Month/Year	Well #5-1 14-18S-27E		Well #6-1 13-18S-27E		Well #9-1 23-18S-27E		Shaw #1 13-18S-27E		R. Momsen N. State #1-G 23-18S-23E		Yates Drlg. Co. M Y #1-N 13-18S-27E	
	Oil	Wtr	Oil	Wtr	Oil	Wtr	Oil	Wtr	Oil	Wtr	Oil	Wtr
Jan 1974	-	-	6	-	-	-	46	-	52	-	-	-
Feb	-	-	25	-	-	-	42	-	67	-	-	-
Mar	-	-	24	-	-	-	47	-	87	-	-	-
Apr	-	-	20	-	-	-	52	-	29	-	-	-
May	-	-	18	-	-	-	50	-	48	-	-	-
June	-	-	26	-	-	-	35	-	40	-	-	-
July	-	-	30	-	-	-	49	-	13	-	-	-
Aug	-	-	-	-	-	-	51	-	84	-	-	-
Sept	-	-	9	-	-	-	22	-	39	-	-	-
Oct	-	-	27	-	-	-	33	-	39	-	-	-
Nov	-	-	3	-	-	-	45	-	81	-	-	-
Dec	-	-	19	-	-	-	52	-	55	10	-	-
Total	-	-	207	-	-	-	524	-	634	10	-	-
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Apr	-	-	-	-	-	-	56	-	69	10	45	20
May	-	-	-	-	-	-	53	-	71	-	80	20
June	-	-	-	-	-	-	65	-	65	10	52	20
July	SI	-	-	-	SI	-	45	-	73	10	63	20
Aug	SI	-	-	-	-	-	68	-	67	10	57	20
Sept	170	560	6	-	176	580	62	-	62	10	68	20
Oct	165	-	31	-	163	-	64	-	68	-	170	20
Nov	151	440	27	-	160	440	40	-	76	-	334	20
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May	2163	3327	683	600	272	3100	1592	-	143	-	798	20
June	2791	2292	516	2975	298	3000	1553	-	132	-	685	20
July	2448	2046	301	3004	509	2700	1607	-	115	15	771	20
Aug	1918	1980	84	3100	963	3100	1439	-	138	-	489	20
Sept	1993	1980	32	1100	981	3000	927	-	41	-	626	20
Total	15323	21548	3867	12018	3828	24530	9578	-	991	25	6296	180

EXHIBIT 5
CASE 5806

STATE: NM

OPERATOR: _____

LOCATION: SE Cor 1 Sec 14



ACCT. CODE NO.

LEASE NAME

WELL NO. 5-1

FIELD: ARTESIA QUEEN GSA

RESERVOIR: _____

STATE: NM

LEASE/UNIT: ARTESIA STATE UT

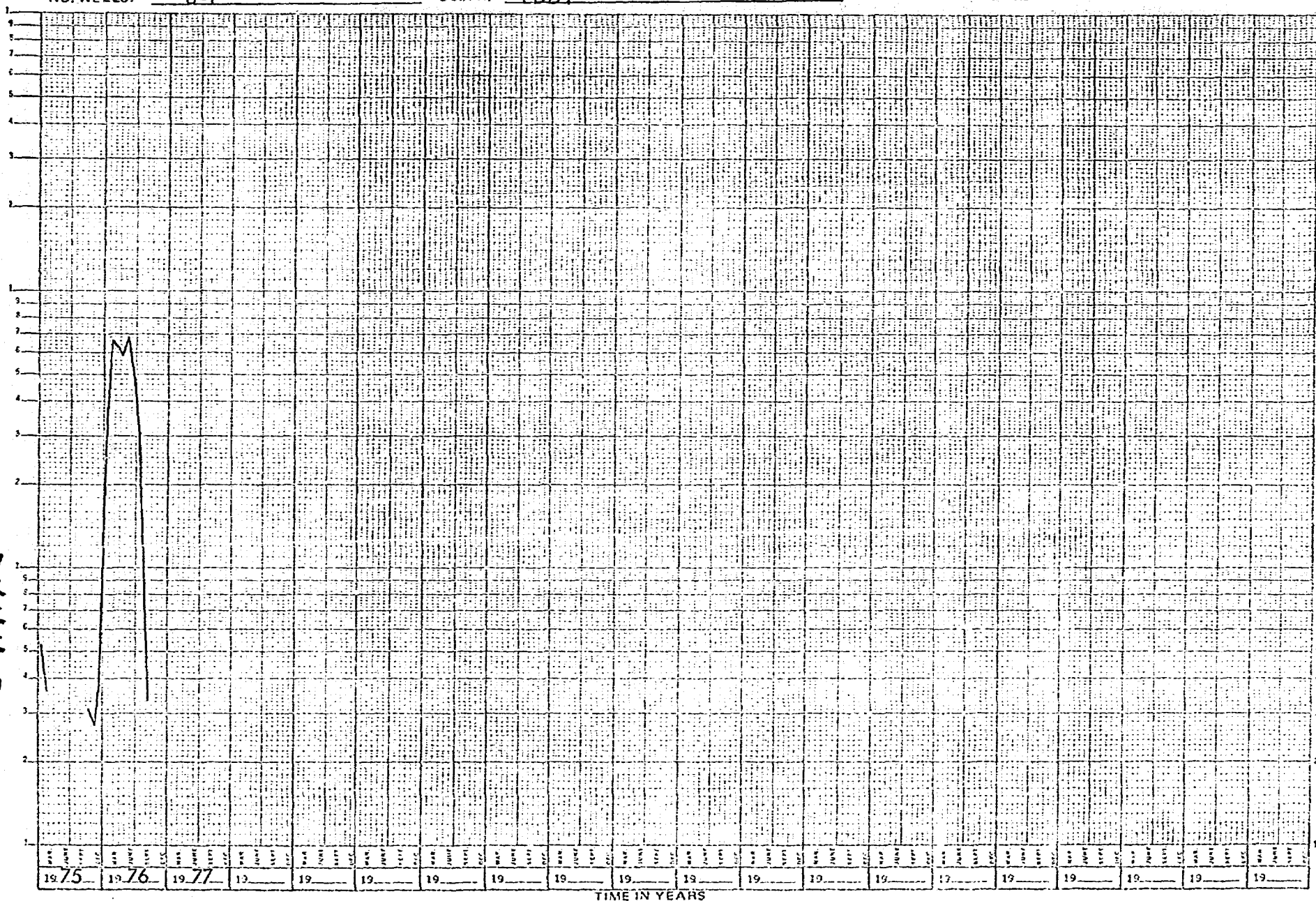
PERFS: _____

OPERATOR: _____

NO. WELLS: # 6-1

CO./PH. EDDY

LOCATION: _____



ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. 6-1

BBLs, OR MCF PER

EXHIBIT 7
CASE 5806

FIELD: ARTESIA QUEEN GSA

RESERVOIR: _____

STATE: NM

LEASE/UNIT: ARTESIA STATE UT

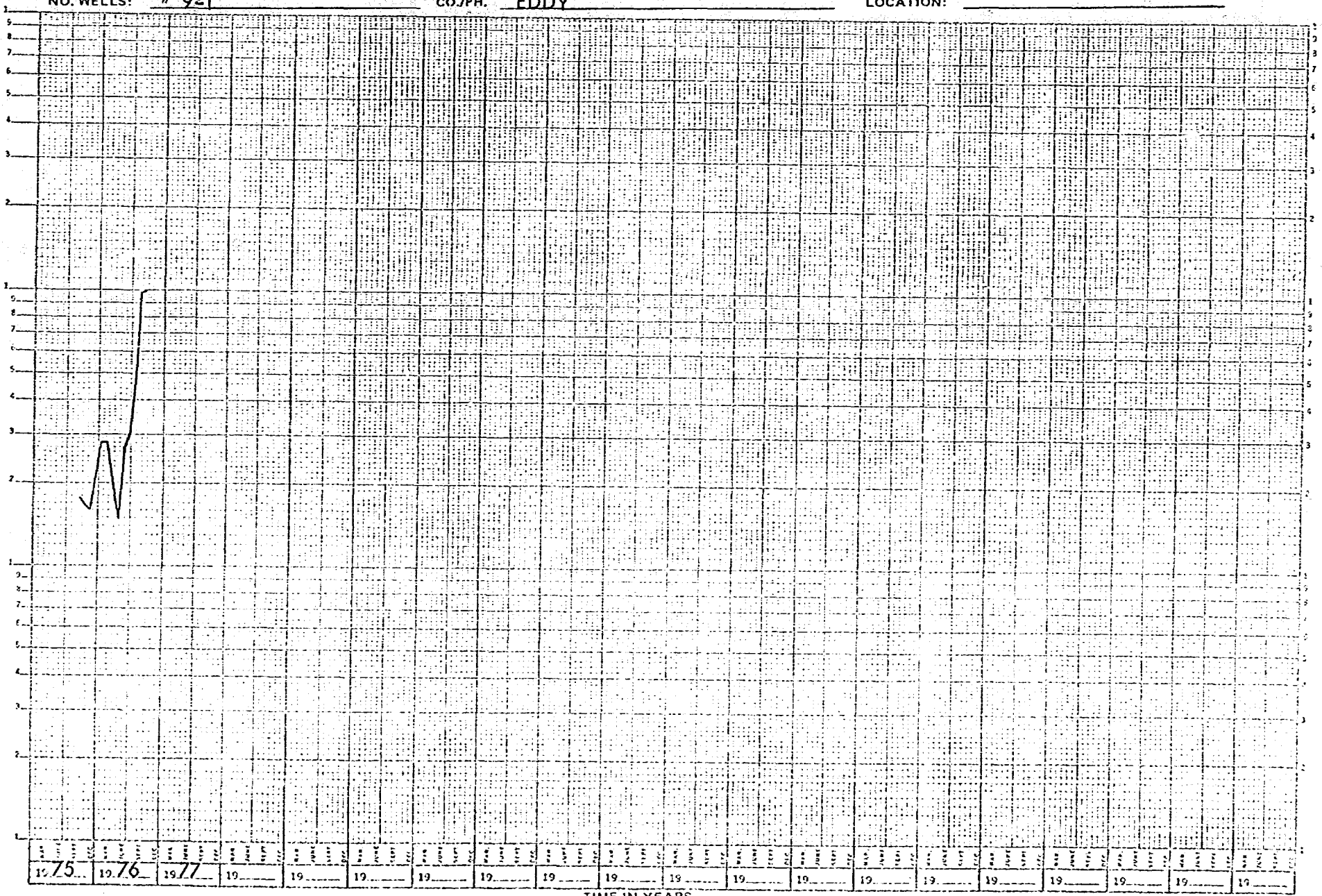
PERFS: _____

OPERATOR: _____

NO. WELLS: # 9-1

CO./PH. EDDY

LOCATION: _____



TIME IN YEARS

ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. 9-1

BBLS. OR MCF PER

Exhibit 8
Case 5806

FIELD: ARTESIA QUEEN GSA

RESERVOIR: _____

STATE: NM

LEASE/UNIT: ARTESIA STATE UT

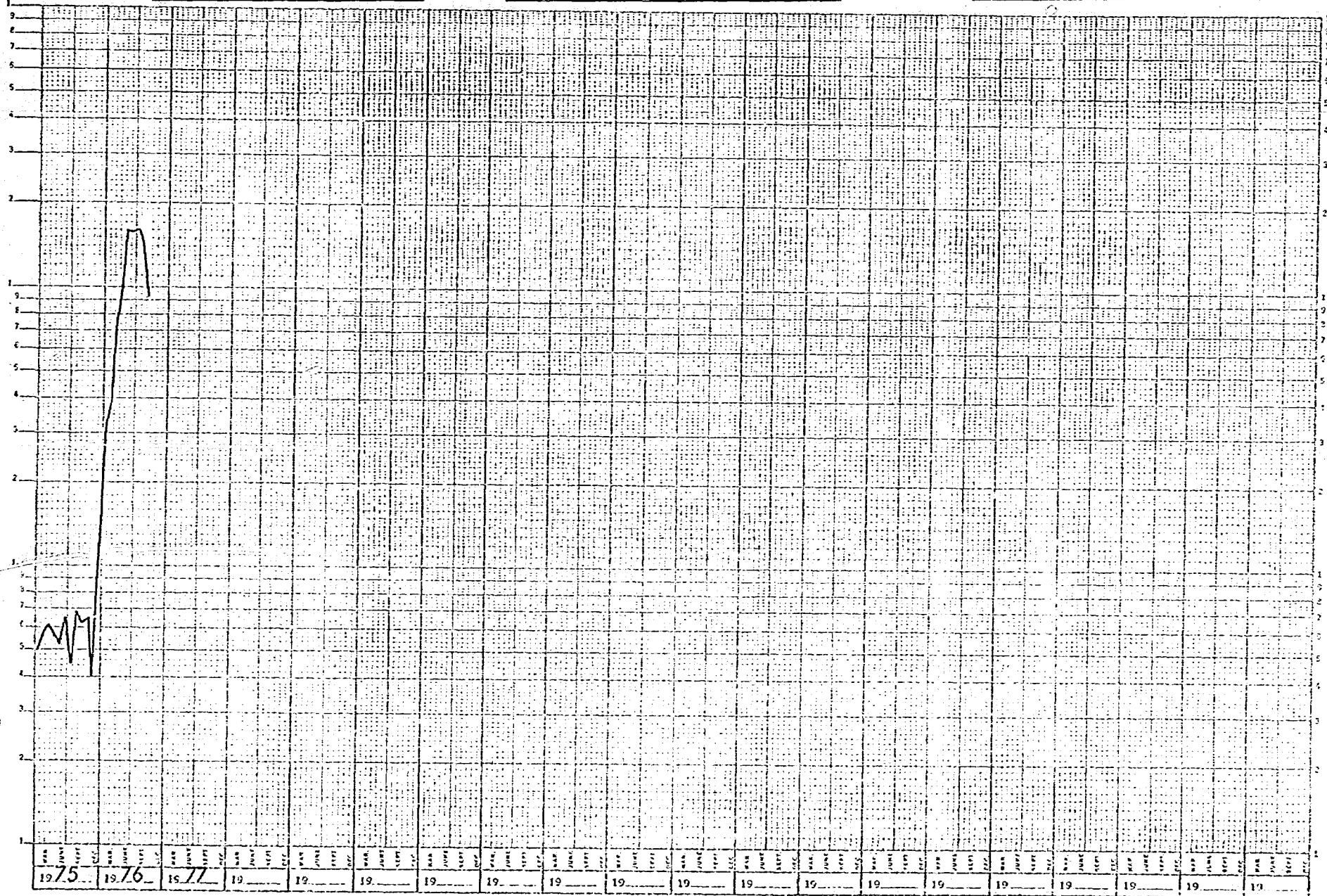
PERFS: _____

OPERATOR: Offset Well APC

NO. WELLS: SHAW #1

CO./PH. EDDY

LOCATION: _____



BBL'S OR MCF PER

EXhibit 9
Case 5806

ACCT CODE NO _____ LEASE NAME _____ WELL NO. _____

FIELD: ARTESIA QUEEN GRAYBRUG

RESERVOIR: _____

STATE: NM

LEASE/UNIT: N. STATE 1-G

PERFS: _____

OPERATOR: Reuben E. Momsen

NO. WELLS: _____

CO./PH. _____

LOCATION: _____



Exhibit 10
Case 5806

ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. _____

17

FIELD: ARTESIA QUEEN GRAYBURG

RESERVOIR: _____

STATE: NM

LEASE/UNIT: MY #1-N

PERFS: _____

OPERATOR: YATES DRLG

NO. WELLS: _____

CO./PH. _____

LOCATION: _____



Exhibit 11
Case 5806

ACCT. CODE NO. _____

LEASE NAME _____

WELL NO. _____

CASE 5805: Application of Morris R. Antweil for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Morrow formations underlying the N/2 of Section 3, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location in Unit G of said Section 3. 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 5806: Application of Anadarko Production Company for two unorthodox well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of its Artesia State Unit Well No. 9-5 to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23 and its Artesia State Unit Well No. 2-3 to be drilled 50 feet from the South line and 1270 feet from the West line of Section 13, both in Township 18 South, Range 27 East, Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

CASE 5797: Application of C&K Petroleum, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Dallas Ranch Unit Area comprising 5746 acres, more or less, of State, Federal, and fee lands in Township 9 South, Range 26 East, Chaves County, New Mexico.

CASE 5807: Application of C&K Petroleum, Inc., for compulsory pooling and a non-standard unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to form a non-standard 336.6-acre unit to be dedicated to a well located 1680 feet from the North line and 1930 feet from the East line 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 5808: Application of C&K Petroleum, Inc., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to and including the Pennsylvanian formation underlying the SE/4 SE/4, NE/4 SE/4, NW/4 SE/4, and SW/4 SE/4 of Section 21, Township 16 South, Range 37 East, Lea County, New Mexico, to form four 40-acre oil proration units, the first to be dedicated to a well to be drilled at a point 660 feet from the South and East line of said Section 21 to test the Strawn formation and each of the others to a well subsequently drilled thereon. 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 5785: (Continued from October 27, 1976 Examiner Hearing)

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 5790: Application of Dome Petroleum Corporation for pool creation and assignment of a discovery allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production and the assignment of approximately 58,770 barrels of oil discovery allowable to the discovery well, being the Federal 21 Well No. 1 located in Unit K of Section 21, Township 20 North, Range 5 West, McKinley County, New Mexico.

CASE 5776: (Continued from October 27, 1976, Examiner Hearing)

Application of Continental Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its James Ranch Unit Well No. 8 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.

Docket No. 31-76

Dockets Nos. 32-76 and 33-76 are tentatively set for hearing on November 23 and December 15, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 10, 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. Hutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(2) Consideration of the allowable production of gas for December, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5796: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Hixon Development Company, National Surety Corporation, and all other interested parties to appear and show cause why the Central Bisti Unit Wells Nos. 41, 46, 47, 49 and 50 located in Units D, I, K, M, and O, respectively, of Section 16, Township 25 North, Range 12 West, Bisti-Lower Gallup Pool, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5798: Application of Exxon Corporation for a unit agreement, Sierra and Dona Ana Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the Prisor Unit Area comprising 24,910 acres, more or less, of State, Federal, and fee lands in Townships 16 and 17 South, Ranges 1 East and 1 West, Sierra and Dona Ana Counties, New Mexico.

CASE 5799: Application of Gulf Oil Corporation for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico, to be dedicated to applicant's J. N. Carson Well No. 9 located at an unorthodox location 1874 feet from the South line and 2086 feet from the West line of said Section 28.

CASE 5809: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard, Tubb, and Blinbry production in the wellbore of its Manda "B" Well No. 1, located in Unit C of Section 28, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 5800: Application of Yates Petroleum Corporation for salt water disposal well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Morrow formation through the perforated interval from 8983 feet to 9129 feet in its Bob Gushwa Well No. 1 located in Unit J of Section 21, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 5801: Application of Atlantic Richfield Company for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 275-acre non-standard gas proration unit comprising the W/2 E/2, W/2 NW/4, and SE/4 NW/4 of Section 19, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's State 176 Wells Nos. 3 and 6 located, at unorthodox locations in Units J and C, respectively, of said Section 19.

CASE 5802: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its San Juan 28-7 Unit Well No. 75 located in Unit L of Section 15, Township 28 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5803: Application of El Paso Co., Inc., for downhole commingling and simultaneous dedication, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Fruitland and Pictured Cliffs gas production in the wellbore of its Valdez "A" Well No. 1, located in Unit P of Section 24, Township 29 North, Range 11 West, San Juan County, New Mexico. Applicant further seeks approval for the simultaneous dedication of the SE/4 of said Section 24 to said well and its Valdez Well No. 1 located in Unit I of said Section 24.

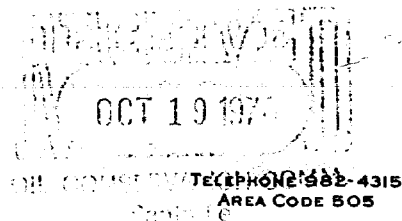
CASE 5804: Application of Stevens Oil Company for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its O'Brien "C" Well No. 2 located in Unit D of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico, to produce oil from the San Andres and Devonian formations through parallel strings of tubing.

Case 5806

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
800 DON GASPAR AVENUE
POST OFFICE BOX 1788
SANTA FE, NEW MEXICO 87501

October 18, 1976



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

Dear Mr. Ramey:

Please find enclosed the original and two copies
of the application of Anadarko Production Company for
two unorthodox well locations, Eddy County, New Mexico.

We would appreciate this being set for the November
10th hearing.

Yours very truly,

Jason Kellahin
Jason W. Kellahin

CC: Mr. Dan Kernaghan
Mr. Irley Bonnette

JWK:kjf

Enclosure

Case 5806

OCT 19 1941

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF ANADARKO PRODUCTION COMPANY
FOR TWO UNORTHODOX WELL LOCATIONS,
EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Anadarko Production Company and applies to the Oil Conservation Commission of New Mexico for approval of unorthodox well locations for two wells in its Artesia State Unit, Eddy County, New Mexico, and support thereof would show the Commission:

1. Applicant is the operator of the Artesia State Unit, and proposes to drill two protective wells, as follows:
 - a. The Artesia State Unit No. 9-5 well, to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23, Township 18 South, Range 27 East, N.M.P.M.
 - b. The Artesia State Unit No. 2-3 Unit No. 2-3 Well, to be drilled 50 feet from the South line, and 1270 feet from the West line of Section 13, Township 18 South, Range 27 East, N.M.P.M.
2. The proposed wells are necessary to prevent unit oil from being displaced across lease lines, and to insure efficient and economical operation of the secondary recovery project.
3. Attached is a plat showing the unit outline, offsetting wells, and the proposed unorthodox well locations.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as

Case 5806

required by law, the Commission enter its order approving the unorthodox well locations as requested.

Respectfully submitted,

ANADARKO PRODUCTION COMPANY

By Jason Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

OCT 19 1947

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF ANADARKO PRODUCTION COMPANY
FOR TWO UNORTHODOX WELL LOCATIONS,
EDDY COUNTY, NEW MEXICO

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1. Applicant is the operator of the Artesia State Unit, and proposes to drill two protective wells, as follows:
 - a. The Artesia State Unit No. 9-5 well, to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23, Township 18 South, Range 27 East, N.M.P.M.
 - b. The Artesia State Unit No. 2-3 Unit No. 2-3 Well, to be drilled 50 feet from the South line, and 1270 feet from the West line of Section 13, Township 18 South, Range 27 East, N.M.P.M.
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WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as

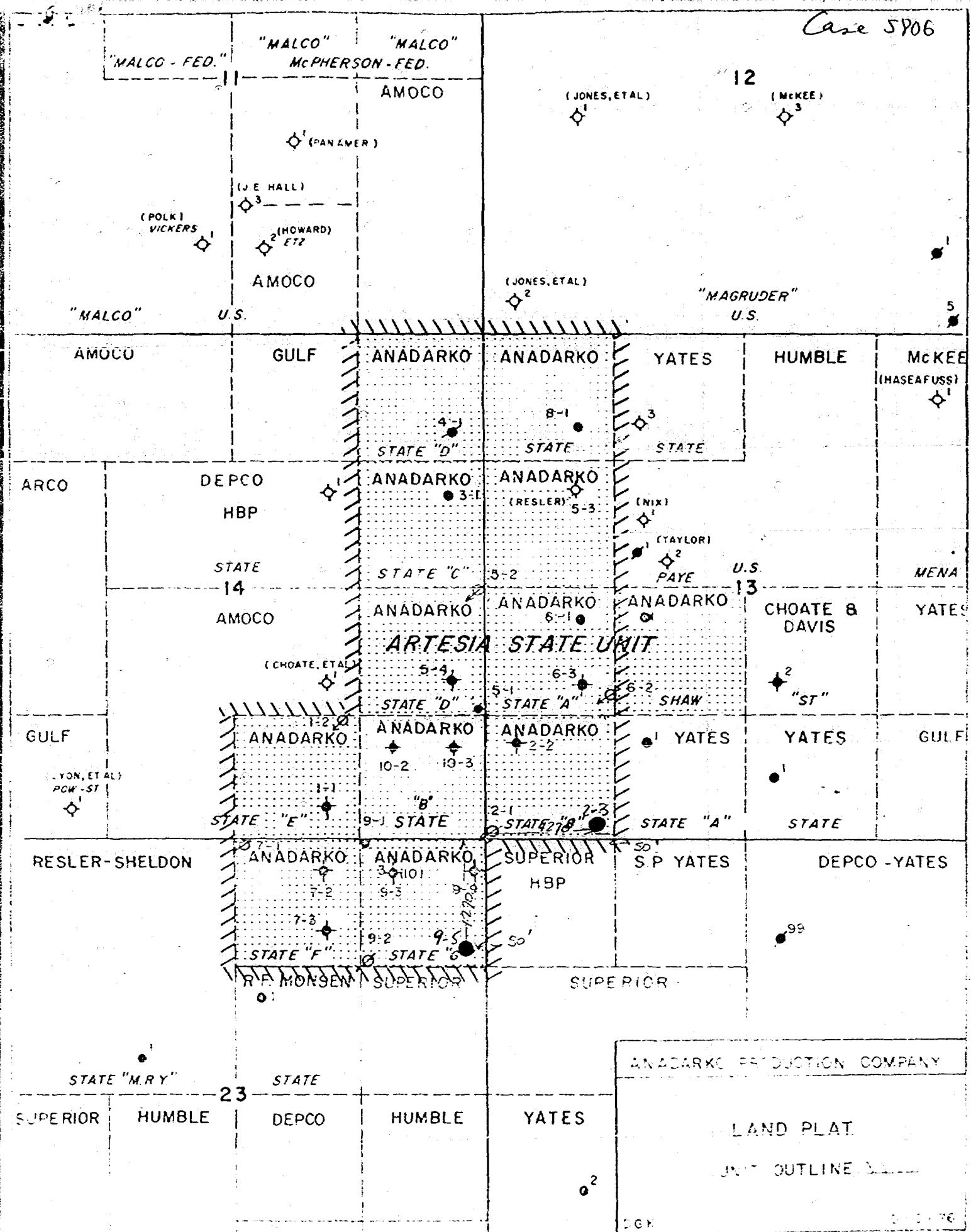
Case 5806

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the unorthodox well locations as requested.

Respectfully submitted,
ANADARKO PRODUCTION COMPANY

By Jaron Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF ANADARKO PRODUCTION COMPANY
FOR TWO UNORTHODOX WELL LOCATIONS,
EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

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1. Applicant is the operator of the Artesia State Unit, and proposes to drill two protective wells, as follows:
 - a. The Artesia State Unit No. 9-5 well, to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23, Township 18 South, Range 27 East, N.M.P.M.
 - b. The Artesia State Unit No. 2-3 Unit No. 2-3 Well, to be drilled 50 feet from the South line, and 1270 feet from the West line of Section 13, Township 18 South, Range 27 East, N.M.P.M.
2. The proposed wells are necessary to prevent unit oil from being displaced across lease lines, and to insure efficient and economical operation of the secondary recovery project.
3. Attached is a plat showing the unit outline, offsetting wells, and the proposed unorthodox well locations.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as

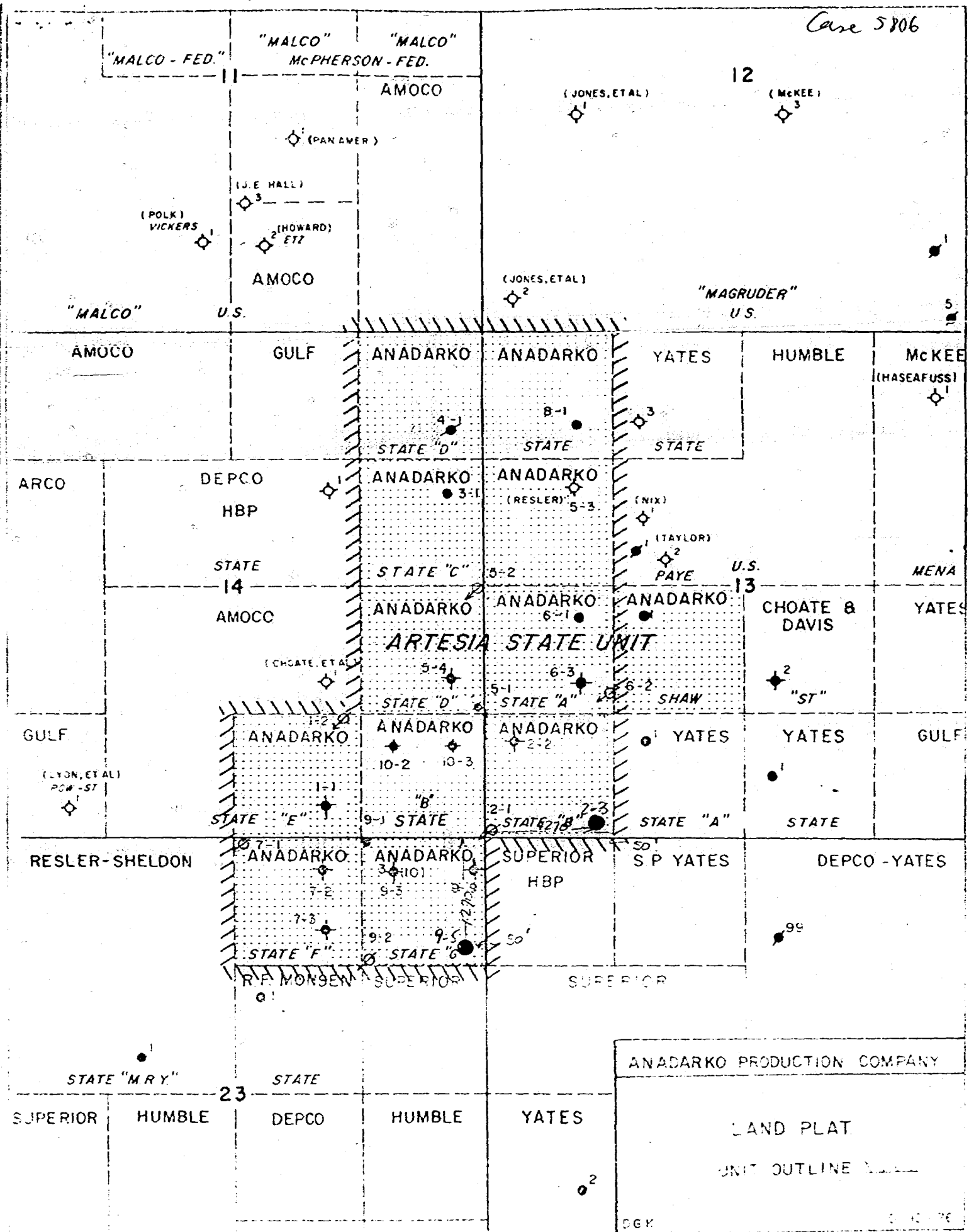
Case 5806

required by law, the Commission enter its order approving
the unorthodox well locations as requested.

Respectfully submitted,
ANADARKO PRODUCTION COMPANY

By Jason Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant



DRAFT

dr/

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

CASE NO. 5806

Order No. R- 5328

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR TWO UNORTHODOX WELL LOCATIONS,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10,
19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of November, 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, Anadarko Production Company, seeks
approval of two unorthodox well locations for its Artesia State Unit
Well No. 5 to be drilled 1270 feet from the North line and 50 feet
from the East line of Section 23 and its Artesia State Unit Well No. 3
to be drilled 50 feet from the South line and 1270 feet from the West
line of Section 13, both in Township 18 South, Range 27 East, Artesia
Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

~~(3) That the _____ of said Section 23 and the _____ of said Section 13 are to be dedicated to the above described wells.~~

(1) That wells at said unorthodox locations will better enable applicant to ~~produce the oil underlying the proration unit.~~ *prevent oil from being swept outside its Artesia State Unit waterflood project.*

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

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

IT IS THEREFORE ORDERED:

(1) That two unorthodox well locations for applicant's *Tract 1* Artesia State Unit Well No. 5 to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23 and its *Tract 2* Artesia State Unit Well No. 3 to be drilled 50 feet from the South line and 1270 feet from the West line of Section 13, both in Township 18 South, Range 27 East, Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico, are hereby approved.

(2) That the ~~_____ of said Section 23 and _____ of said Section 13 shall be dedicated to the above-described wells.~~

(2) 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.