

CASE 2627: Application of LA PLATA
GATHERING for an unorthodox gas
well location.

5-1-1-1-1-1

2627

Section, Transcript,
Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

October 19, 1962

Mr. Richard Morris
Attorney at Law
Box 828
Santa Fe, New Mexico

Re: CASE NO. 2627 and
2649, 2650, 2651, 2652 and
2653
ORDER NO. R-2328 R-2329

APPLICANT:

La Plata Gathering System, Inc.
and Tidewater Oil Company

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC _____
Aztec OCC X (Case No. 2627)

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. 2627
Order No. R-2328

APPLICATION OF LA PLATA GATHERING
SYSTEM, INC., FOR AN UNORTHODOX
GAS WELL LOCATION, RIO ARriba
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 11, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of October, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, La Plata Gathering System, Inc., proposes to drill a gas well at an unorthodox location in the Blanco-Mesaverde Gas Pool, 1790 feet from the North line and 790 feet from the West line of Section 24, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool require wells to be located 990 feet from the outer boundary of either the NE/4 or SW/4 of the section.
- (4) That the applicant has failed to establish that a well drilled in the SW/4 of Section 24 in accordance with the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool will not efficiently and economically drain the NW/4 of said Section 24.
- (5) That the drilling of a Blanco-Mesaverde gas well in the NW/4 of Section 24 will leave unrecoverable gas in the SW/4 of said section, thereby causing waste.

-2-

CASE No. 2627
Order No. R-2328

(6) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



E L Mechem

EDWIN L. MECHEM, Chairman

E S Walker
E. S. WALKER, Member

A L Porter, Jr.

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

esr/

Sumner

Case 2627

Received 9-11-62

Rec. 9-24-62

1. Sumner proposes to drill a MV well. 1700/N + 780/W line sec. 24-32N-6W. Applicant has drilled an MV well in the NE/4 of sec. 24. Applicant has also drilled a Dakota well in the SW/4 of sec. 24 which is a std. location for the MV well which they now wish to drill in the non std. location in the NW/4.

There is no apparent reason why the MV well could not have been drilled with the DK well in the SW/4.

The only reason given for wanted to drill in the NW/4 is that a better (higher deliverability) ~~would~~ ^{might be completed} if this well is drilled in the NW/4 it will be draining an area which is now being drained by the 2-23 El Paso 3255 unit well which is located NE/4-23-32-6. Therefore a well drilled in the NW/4 of sec. 24, will not efficiently drain at all, the SW/4 of said sec.

It would not be in the interest of conservation to allow this location and in all probability will cause waste by leaving unrecoverable gas in the reservoir
(over) ~~thus a~~

I recommend for these reasons
that the application be denied.

W. H. D. P.

DOCKET: EXAMINER HEARING - TUESDAY - SEPTEMBER 11, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, alternate examiner:

CASE 2612 (Continued)

Application of Texaco Inc. for a tubing exception, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to produce its C. C. Fristoe (b) NCT-2 Well No. 6, located in Unit H of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, North Justis-Devonian Pool, through a string of 1 1/2-inch OD tubing run with a packer inside of a 2 7/8-inch OD casing.

CASE 2626: Application of La Plata Gathering System, Inc., for a dual completion at an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a Basin Dakota-Blanco Mesaverde dual completion at an unorthodox location 1680 feet from the South line and 734 feet from the East line of Section 19, Township 32 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 2627: Application of La Plata Gathering System, Inc., for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Blanco Mesaverde well location 1,790 feet from the North line and 790 feet from the East line of Section 24, Township 32 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 2628: Application of Marathon Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Atoka-Pennsylvanian Gas Pool at a point 990 feet from the North line and 990 feet from the East line of Section 30, Township 18 South, Range 26 East, Eddy County, New Mexico.

CASE 2629: Application of S. P. Yates Drilling Company for approval of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pecos River Deep Unit Agreement comprising 17,257.82 acres, more or less, of State, Federal and Fee lands in Township 19 South, Ranges 26 and 27 East, and Township 20 South, Range 26 East, Eddy County, New Mexico.

Docket No. 26-62

Examiner Hearing September 11, 1962

CASE 2630: Application of Gulf Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Graham State (NCT-I) Well No. 1, located in Unit M of Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Paddock, Blinebry and Drinkard Oil Pools with the production of oil from all three zones to be through parallel strings of tubing.

CASE 2631: Application of Moran Oil Producing and Drilling Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its Owen Well No. 1, located in Unit E, Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce Blinebry oil, Tubb gas, and Drinkard oil through parallel strings of tubing.

CASE 2632: Application of Humble Oil & Refining Company for an order establishing special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico, to include provisions for 80-acre oil proration units therein.

CASE 2633: Application of General American Oil Company of Texas for expansion of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks expansion of its waterflood project in the Loco Hills Pool by the conversion to water injection of its Beeson F Well No. 10, located in Unit B of Section 31, Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 2634: Application of Ambassador Oil Corporation for approval of a unit agreement and waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Grayburg-Jackson Pool, with the initial injection of water to be through six wells located in Sections 22, 23, and 26, Township 17 South, Range 30 East, Eddy County, New Mexico, said project to be governed by Rule 701. Applicant further seeks approval of the Grayburg-Jackson Unit Agreement embracing 1600 acres, more or less, of federal and State lands in Township 17 South, Range 30 East, Eddy County, New Mexico.

Docket No. 26-62

Examiner Hearing September 11, 1962

- CASE 2635: Application of L. R. French, Jr. for an order creating a new pool and establishing temporary rules or extension of the South Lane Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new pool for Pennsylvanian production: the discovery well for said pool is the Gulf-State Well No. 1, located in Unit A of Section 18, Township 11 South, Range 34 East, Lea County, New Mexico, completed in the Bough "C" zone of the Pennsylvanian formation. Applicant further seeks establishment of special rules and regulations governing said pool, including 80-acre proration units. As an alternative, applicant seeks extension of the South Lane Pennsylvanian Pool to include said Gulf-State Well No. 1.
- CASE 2639: Application of General American Oil Company of Texas for a water-flood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a pilot waterflood project in the Upper San Andres formation, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into its Keeley "B" Well No. 13, located in Unit H, Section 26, Township 17 South, Range 29 East.
- CASE 2640: Application of General American Oil Company of Texas for a water-flood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a pilot waterflood project in the Grayburg zone of the San Andres formation, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into its Keeley "C" Well No. 25, located in Unit O, Section 25, Township 17 South, Range 29 East.
- CASE 2641: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 80-acre gas proration unit, Blinbry Gas Pool, Lea County, New Mexico, said unit to comprise the NW/4 NW/4 and SE/4 NW/4 of Section 10, Township 21 South, Range 37 East, and be dedicated to applicant's State 10 Well No. 1, located in the NW/4 NW/4 of said Section 10.

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DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6651

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 11, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of La Plata Gathering
System, Inc., for an unorthodox gas
well location, Rio Arriba County,
New Mexico. Applicant, in the above-
styled cause, seeks approval for an
unorthodox Blanco Mesaverde well
location 1,790 feet from the North
line and 790 feet from the East line
of Section 24, Township 32 North,
Range 6 West, Rio Arriba County,
New Mexico.

Case 2627

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2627.

MR. DURRETT: Application of La Plata Gathering System,
Inc., for an unorthodox gas well location, Rio Arriba County,
New Mexico.

MR. MORRIS: Mr. Examiner, I'm Richard Morris, Seth,
Montgomery, Federici and Andrews, Santa Fe, New Mexico, appear-
ing for La Plata Gathering System. We have one witness.

MR. UTZ: Let the record show that this witness has been



sworn in the previous case. Are there any other appearances in this case? You may proceed.

MR. MORRIS: At the outset of this case, Mr. Examiner, I call your attention to a letter which I believe you have in your file from Mr. William G. Webb, Vice President of La Plata Gathering System requesting an amendment of the original application which would change the location of the well as applied for and as advertised and as appears on the docket. The only change would be, rather than 790 feet from the east line of Section 24, subject well is to be located 790 feet from the west line of Section 24.

MR. UTZ: How far is it from the east line, actually?

MR. MORRIS: Well, this is a full-size section.

MR. UTZ: I see.

MR. MORRIS: Now, the only offset operator in this area is El Paso Natural Gas Company, and I have received this morning a telegram from El Paso waiving objection to the change in location and stating that it has no objection to the location of the well as per the amendment. With the Examiner's permission, I would like to proceed on that basis.

MR. DURRETT: Would you like to introduce this into the record as an exhibit?

MR. MORRIS: All right.

MR. UTZ: El Paso is the only offset operator within

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1500 feet?

MR. MORRIS: Mr. Examiner, I believe that is correct. Our Exhibit No. 1 is a plat of the area and it will more fully depict the ownership of acreage in this area. El Paso is the operator which would be affected by the moving of the location to the west inasmuch as they are the owners of acreage that would be crowded, so-to-speak, by the change in the application.

MR. UTZ: In view of the fact that El Paso has sent the telegram waiving any objection to the shifting of the well from 790 feet from the east line to 790 feet from the west line, the Examiner will allow the application to be corrected in this manner.

(Whereupon, Applicant's Exhibit C was marked for identification.)

MR. MORRIS: Mr. Examiner, I offer the telegram just referred to as Applicant's Exhibit No. C in this case.

(Whereupon, Applicant's Exhibit C was offered into evidence.)

JAMES P. MORRIS

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q Mr. Morris, please state your name for the record.

A James P. Morris.

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Q What is your position, Mr. Morris?

A Geologist with La Plata Gathering System, Inc.

Q And you've previously qualified as an expert witness before the Oil Commission or one of its Examiners?

A Yes.

Q Are you familiar with La Plata's application in Case 2627?

A Yes.

Q Would you describe what La Plata seeks by its application?

A Requests for an unorthodox location in the Blanco Mesaverde Gas Pool, location being 1790 feet from the north line and 790 feet from the west line, Section 24, Township 32 North, Range 6 West, Rio Arriba County.

Q Mr. Morris, inasmuch as the Blanco Mesaverde Gas Pool rules require that the well be located either in the Northeast Quarter or Southwest Quarter of the section, the subject case is occasioned by the fact that you propose to locate the well in the Northwest Quarter of Section 24, is that correct?

A Right.

Q Would you state your reasons for proposing the location of the well in the Northwest Quarter rather than in the Southwest Quarter of the section?

A Log analysis of the Mesaverde section in La Plata



Gathering System Well No. 1-24, Well No. 2-24 --

Q Let me interrupt you just a moment. Maybe it would be a proper time to have your plat which you've prepared marked as Exhibit A and described.

MR. UTZ: It would be quite helpful.

(Whereupon, Applicant's Exhibits A and B were marked for identification.)

Q (By Mr. Morris) Mr. Morris, what is the instrument that has been marked as Exhibit A by the reporter?

A It is a location plat of the subject well.

Q That well is shown in the Northwest Quarter of Section 24, 1790 feet from the north line, 790 feet from the west line?

A Correct.

Q Would you proceed with your explanation of why La Plata proposes to location its well on the Northwest Quarter rather than in the Southwest Quarter of this section?

A A log analysis of the Mesaverde section in La Plata Gathering System, Wells Nos. 1-24, 2-23 and 2-23, San Juan Unit 32-5.

Q Those wells all being shown on this exhibit?

A All being shown on this exhibit and also on Exhibit B, which is a cross section; the log analyses indicate the Mesaverde sands are much thinner in the Southwest Quarter of the Section 24,

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Township 32 North, Range 6 West than they would be in the Northwest Quarter Quarter of this section. If you will examine the cross section you'll note at the bottom of the location plat showing the three wells in the proposed location the cross section is indicated by dotted lines which goes from west to east, 2-23, 1-24 and 2-24 well.

Now, if you will note the Mesaverde section in the cross section you can see, although the Mesaverde sands are present in the Southwest Quarter Well No. 1-24, they are much better developed to the north or in the wells numbered 2-23 and 2-24.

Q Mr. Morris, does La Plata Gathering System have an obligation to drill a well in the West Half of Section 24 pursuant to its unit agreement in this area?

A Yes. The West Half of Section 24 in 32 North, 6 West is committed to the San Juan 32-5 Unit Agreement and has become a part of the participating area for the Mesaverde formation and is an intervening drilling block in the six spans effective February 1, 1962. Under the terms of the unit agreement the well must be commenced on this intervening drilling block on or before February 1st, 1962.

As was brought out in the application submitted to the Commission, there's no topographic conditions prevailing, but it is felt that we can expect better Mesaverde sand development in



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the Northwest Quarter of Section 24 and, therefore, attain a much better Mesaverde well, which will be in the best interest of the royalty and working interest owners within the Mesaverde participating area.

Q For that reason, Mr. Morris, would it be your conclusion and your opinion that the drilling of the well in the Northwest Quarter rather than in the Southwest Quarter would tend to protect the correlative rights of all Mesaverde operators in this area?

A Yes.

Q Were Exhibits A and B prepared by you or under your supervision?

A Yes.

MR. MORRIS: Mr. Examiner, Exhibit C having previously been offered, we now offer Exhibits A and B in this case, and that concludes the direct examination of Mr. Morris.

MR. UTZ: Without objection, Exhibits A and B will be entered into the record of this case.

(Whereupon, Applicant's Exhibits A and B were entered into evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Morris, what is your acreage dedication now on Section 24?

A In the Well 2-24 it's the East Half, Mesaverde.



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And the West Half will be dedicated as 3-24 in the Mesaverde.

Q What is the 1-24 well now?

A It's a Dakota well.

Q It's not a dual completion?

A No, sir.

Q It's a single completion? Can't help but wondering why you don't dual that well.

A It's kind of a long story. At the time we drilled this well, if you will notice on the induction log there, the Mesaverde sand looks, and evidence since then has indicated, that these sands are not necessarily wet. I mean we had a water resistivity which is much saltier than the rest of the basin, in fact, .75. The log calculations indicate that this lower resistivity will produce gas in the Mesaverde in the 32-5 Unit. Since we've drilled the 1-24 we've drilled the 2-24, and, as I pointed out on this cross section, you can see that the sands are much better developed in these two wells than they are in the 1-24. The reason we don't go back and dual the one 1-24 is because that well belongs to El Paso now.

Q How about the 2-24, does it belong to El Paso now?

A No, sir. Yes, that belongs to El Paso now.

Q What kind of a deliverability do you have on the 2-24 and the 2-23 and the 1-24, if you have that information?



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A No, sir, I don't. The deliverability on 1-24, initial deliverability, this is approximate, was about six and a half million in the Dakota. The Mesaverde initial deliverability will run between 750 and a thousand.

MR. MORRIS: If the Examiner desires, we can furnish that information.

A Let me look here, I may have it in my brief case. Mr. Examiner, would the Commission desire the deliverabilities on Wells 1, 2 and 3 that we have been referring to here?

MR. UT Z: Actually, the Commission records can show that. I was interested in having that information here. It won't be necessary, we can look it up.

Q (By Mr. Utz) You feel sure, Mr. Morris, that the 2-23 is considerably higher than the 2-24, do you not?

A Yes, sir. I believe I can say that.

Q It appears that the La Plata Gathering System drills these wells and then sells them to El Paso?

A Yes.

Q Does the deliverability of the well have any bearing on the price that La Plata gets for these wells?

A Yes, sir.

Q On the 1-24, well, looking at that log do you see a great difference in the development of the Mesaverde in the



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Southwest Quarter than you do in the 2-23 well?

A Yes, sir. If you will notice, that sand at 5500 feet in the 2-23 is well developed, and if you'll go straight across there it is practically gone in the 1-24.

Q It is considerably better than the 2-24?

A Yes, sir.

Q Is there anything in your sales contract to El Paso to prevent you from drilling a Mesaverde well in the Southwest Quarter?

A No, sir.

MR. UTZ: Any other questions of the witness? The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any statements in this case?

MR. MORRIS: That's all we have to offer, Mr. Examiner.

MR. UTZ: The case will be taken under advisement.



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 27th day of September, 1962.

Ada Dearnley
 Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2627 heard by me on September 19, 1962.
[Signature], Examiner
 New Mexico Oil Conservation Commission

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JULIAN M. MEER
JAMES B. FRANCIS
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WILLIAM L. MCINERNEY
WILLIAM Q. WEBB
LEWIS CHANDLER
WILLIAM C. HERNDON, JR.
B. THOMAS MCELROY
C. SIDNEY MCCLAIN
JOSEPH P. DONAHUE
LANCASTER SMITH
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RICHARD A. FRELING
RAY PEARCE
JAMES J. HARTNETT
PAUL E. AVE
JAMES L. TRUITT
WILLIAM D. WHITE, JR.
ROBERT C. MCGUIRE

TURNER, WHITE, ATWOOD, MEER AND FRANCIS

ATTORNEYS AND COUNSELORS AT LAW

1900 MERCANTILE DALLAS BUILDING

DALLAS 1, TEXAS

August 21, 1962

Case 2 627

Secretary
Oil Conservation Commission
of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

Please find enclosed herewith Application for
Unorthodox Gas Well Location in the Blanco-Mesaverde Gas
Pool, Rio Arriba County, New Mexico. Please advise of
the date for the hearing of such application.

Yours very truly,

TURNER, WHITE, ATWOOD, MEER
and FRANCIS

By William G. Webb
William G. Webb

WGW:mch
Enclosures
CC: Mr. Fred C. Hannahs

Robert
mailed
8/31/62
R

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This is a fac message
unless its deferred char-
acter is indicated by the
proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-60)

SYMBOLS
DL = Day Letter
NL = Night Letter
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LA2223 DA498 SSC336L

1962 SEP 10 PM 6 17

D EPA579 PD=WUX EL PASO TEX 10 435P MSI=

RICHARD S MORRIS CARE SEITH & MONTGOMERY=

SANTA FE NMEX=

THIS IS TO ADVISE THAT EL PASO HAS APPROVED THE DRILLING
OF A MESAVERDE WELL 1790 FEET FROM THE NORTH LINE AND
790 FEET FROM THE WEST LINE OF SEC. 24, T-32=N, R-6=W,
N.M.P.M., RIO ARriba COUNTY, NEW MEXICO. A COPY OF A
LETTER APPROVING YOUR APPLICATION DATED AUGUST 21, 1962,
UNDER CASE NUMBER 2627 IS BEING MAILED ON THIS DATE TO
YOU=

CHARLES T RICHARDSON EL PASO NATURAL GAS CO=

=1790 790 24 T=32=N R=6=W N.M.P.M.

5 PATRONS CONCERNING ITS SERVICE

BEFORE EXAMINER UTZ

CH. CONSERVATION COMMISSION

Aguel EXHIBIT NO. *C*

CASE NO. *2627*

September 4, 1962

La Plata Gathering System, Inc.
1940 Mercantile Dallas Building
Dallas 1, Texas

Re: Case Number 2627
New Mexico Oil Conservation Commission

Gentlemen:

We have been furnished with a copy of your Application filed with the New Mexico Oil Conservation Commission under date of August 21, 1962 and designated Case Number 2627, together with letter of amendment thereof dated August 27, 1962. It is our understanding that the well which is the subject of said Application is to be drilled to the Mesaverde Formation at a location 1,790 feet from the North line and 790 feet from the West line of Section 24, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

This letter will advise that we have no objection to the drilling of said well at said location and you are authorized to submit this letter to the New Mexico Oil Conservation Commission upon the hearing of the captioned cause to evidence the waiver of the drilling of such well by us.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By


Sam Smith

Attorney-in-Fact

LA PLATA GATHERING SYSTEM, INC.

1940 MERCANTILE DALLAS BUILDING

DALLAS 1, TEXAS

AUG 27 1962

Chad
2627

Mr. A. L. Porter, Jr., Secretary
Oil Conservation Commission
of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: Unorthodox Gas Well Location
Blanco Mesaverde Gas Pool
Rio Arriba County, New Mexico
W/2 of Section 24, T-32-N, R-6-W

Dear Sir:

Under date of August 21, 1962, the undersigned filed an application for an unorthodox gas well location in the Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico. Said application erroneously stated that the proposed location was to be 1,790 feet from the North line and 790 feet from the East line of Section 24, Township 32 North, Range 6 West. Such application should have stated that the proposed location was to be 1,790 feet from the North line and 790 feet from the West line of said Section 24. Please accept this letter as an amendment of said application as originally filed.

1320
790
530

Yours very truly,

LA PLATA GATHERING SYSTEM, INC.

By William G. Webb
William G. Webb, Vice President

WGW:mch

CC: Mr. Richard S. Morris

Docket
mailed
8/31/62
JP

22

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
LA PLATA GATHERING SYSTEM, INC.,
FOR AN ORDER AUTHORIZING AN
UNORTHODOX GAS WELL LOCATION IN THE
BLANCO-MESAVERDE GAS POOL,
RIO ARRIBA COUNTY, NEW MEXICO

CASE NUMBER

2627

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO:

Comes now LA PLATA GATHERING SYSTEM, INC., as Unit Operator of the San Juan 32-5 Unit Area, and respectfully requests an exception to Order Number R-1670, Rule 2, for an unorthodox location for a well to be drilled to the Mesaverde Formation at a location 1,790 feet from the North line and 790 feet from the East line of Section 24, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and, for cause, would show as follows:

I

The W/2 of Section 24, Township 32 North, Range 6 West, is committed to the San Juan 32-5 Unit Agreement and has become a part of the Participating Area for the Mesaverde Formation as an intervening drilling block in the Sixth Expansion of said Participating Area effective February 1, 1962. Under the applicable terms of the San Juan 32-5 Unit Agreement, a well must be commenced on this intervening drilling block on or before February 1, 1963.

II

This application for an unorthodox well location as an exception to Order Number R-1670, Rule 2, is not based on topographic conditions. A well could be physically located

on a pattern in the SW/4 of said Section 24 or the existing Dakota Formation gas well presently located in the SW/4 of Section 24 could be dually completed in the Mesaverde Formation. However, log analysis of the Mesaverde section in the San Juan 32-5 Unit Well Number 1-24 indicates the Mesaverde Formation section to be very shaley and log control from surrounding wells indicates that the Mesaverde section would, undoubtedly, have better producing characteristics in the NW/4 of said Section 24.

III

As stated aforesaid, the W/2 of Section 24, as an intervening drilling block, is presently participating in production from the Mesaverde Formation from the San Juan 32-5 Unit Area. Pursuant to the terms of the San Juan 32-5 Unit Agreement, said tract will continue to participate in the production from said Participating Area regardless of whether or not a commercial well is completed on said tract. It is submitted that a non-commercial well on said tract will not aid the economic characteristics of the Mesaverde Participating Area for the subject Unit. On the contrary, it is submitted that it will be to the best interests of the royalty and working interest owners within such Participating Area to drill and complete such compulsory well at the most advantageous location within said drilling unit.

IV

A plat showing the proposed location, offset wells, and offset operators is attached hereto as Exhibit "A". The ownership of all oil and gas leases within a radius of 790 feet of the proposed location is common with the ownership of the oil and gas lease under the proposed location. A surveyor's plat showing the proposed location of the subject well is attached hereto as Exhibit "B".

V

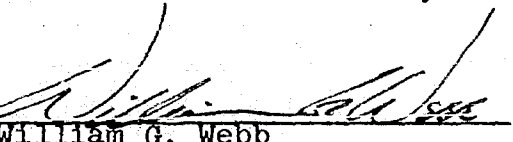
Applicant would respectfully show that the approval of the subject application will neither cause waste nor impair correlative rights.

Premises considered, the undersigned, as Operator of the San Juan 32-5 Unit Area, respectfully requests an exception to Order Number R-1670, Rule 2, of the Commission in order to provide for an unorthodox gas well location as aforesaid.

Respectfully submitted,

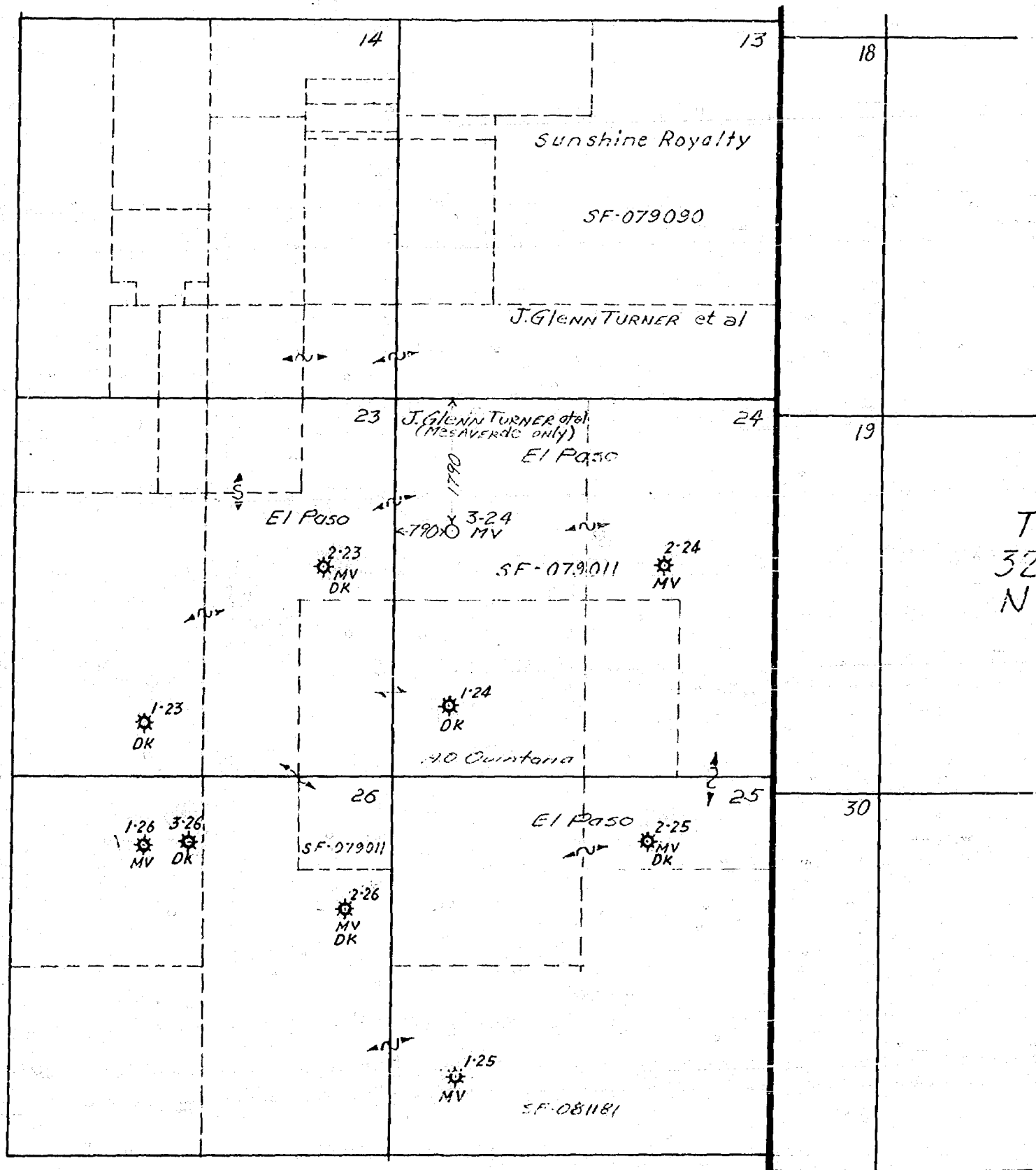
LA PLATA GATHERING SYSTEM, INC.

By


William G. Webb
Vice President

R-6-W

R-5-W



Case 2627 RIO ARRIBA CO. NEW MEXICO

Scale: 3"=1 Mile

EXHIBIT "A"

Well Location and Acreage Dedication Plat

Section A.

Date _____

Operator LA PLATA GATHERING SYSTEM Lease _____
 Well No. _____ Unit Letter E Section 24 Township 32 NORTH Range 6 WEST, NMPM
 Located 1790 Feet From the NORTH Line, 790 Feet From the WEST Line
 County RIO ARRIBA G. L. Elevation 6428.0 Dedicated Acreage _____ Acres
 Name of Producing Formation MESA VERDE Pool _____

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes _____ No _____
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes", Type of Consolidation _____
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

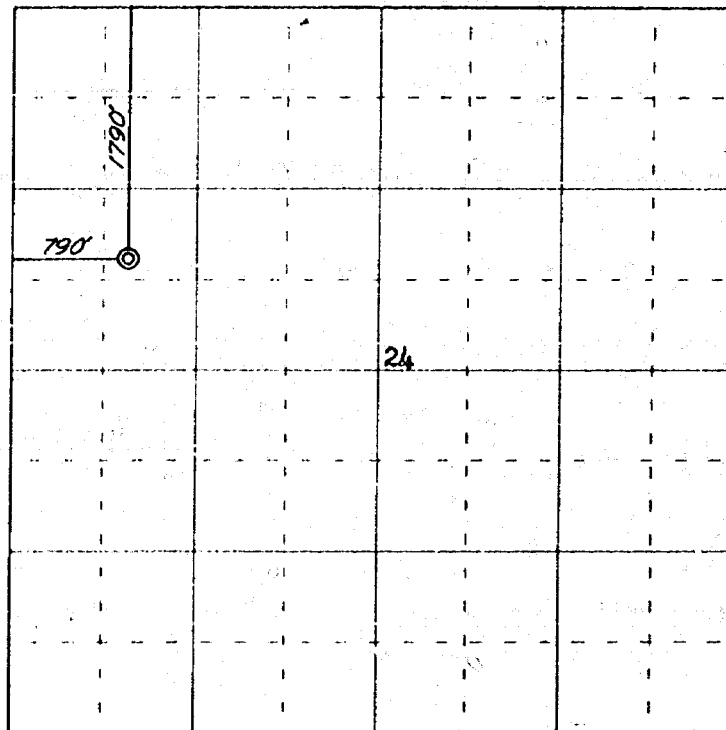
(Operator)

(Representative)

(Address)

Ref: GLO plat dated 29 June 1887

Note: All distances must be from outer boundaries of section.



0 330 660 990 1320 1650 1980 2310 2640 2000 1800 1600 1400 1200 1000 800 600 400 200 0

Scale 4 inches equal 1 mile



Farmington, New Mexico

Case 2627

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

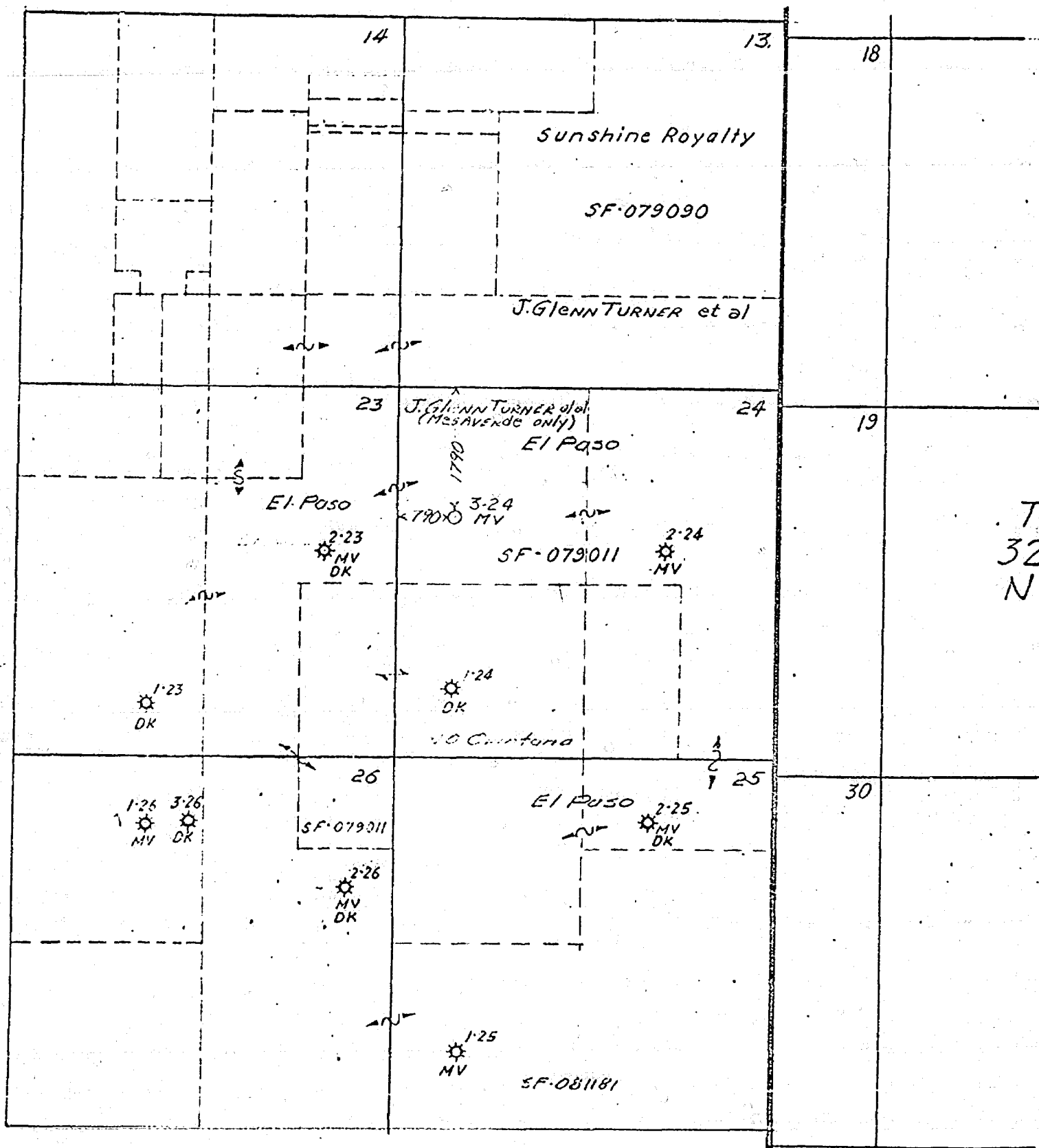
Date Surveyed 3 July 1962

James P. Lease
 Registered Professional Engineer and/or Land Surveyor
 James P. Lease N. Mex. Reg. No. 1463
 San Juan Engineering Company

EXHIBIT "B"

R-6-W

R-5-W



T
32
N

RIO ARRIBA CO. NEW MEXICO

Scale: 3"=1 Mile

EXHIBIT "A"

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
Appd.	EXHIBIT NO. <u>A</u>
CASE NO.	<u>2627</u>