

CASE 3525: Application of ROBERT
A. DEAN for a non-standard gas
well location, Eddy County, N.M.

600-550

25/4
13



3000

25/4
13

Orig perf's 3635-45
Pumped Pioneer oil 3000/2
total production 75 bbls
set bridge plug @ 3430
perf's upper Queen 3358-70

wt Smith H²O
AOE 1,000,000 cu ft / day
\$12,753 est addl
attempting
lower Queen
oil well

CASE No.
3525

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

February 13, 1967

Mr. Robert A. Dean
Suite 823 Midland Tower
Midland, Texas
78701

Re: Case No. 3543
Order No. R-3193
Applicant:
Robert A. Dean

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.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other Mr. Charles Read - Mr. Jack McClellan

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. 3525
Order No. R-3193

APPLICATION OF ROBERT A. DEAN
FOR A NON-STANDARD GAS WELL
LOCATION, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of February, 1967, 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, Robert A. Dean, seeks approval of an unorthodox location for his Southern Union 13 State Well No. 1, located 2310 feet from the South line and 2310 feet from the East line of Section 13, Township 16 South, Range 31 East, NMPM, West Mesa-Upper Queen Gas Pool, Eddy County, New Mexico.

(3) That said well was previously drilled to the Penrose member of the Queen formation, another horizon, and that said well was drilled at an orthodox location for said prior horizon.

(4) That applicant's drilling to the Penrose Sand and attempted completion therein was in good faith and consonant with the operations of a prudent operator.

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CASE No. 3525
Order No. R-3193

(5) That approval of the subject application will prevent waste and will not violate correlative rights.


IT IS THEREFORE ORDERED:

(1) That an unorthodox location is hereby approved for the Robert A. Dean Southern Union 13 State Well No. 1, located 2310 feet from the South line and 2310 feet from the East line of Section 13, Township 16 South, Range 31 East, NMPM, West Mesa-Upper Queen Gas Pool, Eddy County, New Mexico.

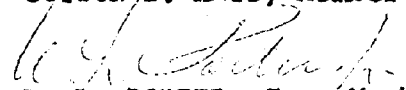
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/

*NSL-392
issue 1-23-67*
Robert A. DeanSUITE 823 MIDLAND TOWER
MIDLAND, TEXAS 79701

December 30, 1966

*West Mesa Queen
Gas Pool
Case 3525*

Mr. Dan Nutter
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Nutter:

This is a request for an exception to rule 104C, which the secretary director has the authority to grant under rule 104F.

The reason for this request is as follows:

Robert A. Dean drilled the Southern Union 13 State to a total depth of 3669 feet at an orthodox oil location being 2310 feet from south and east lines of Section 13, T-16-S, R-31-E, Eddy County, New Mexico. Dean set 4 1/2" casing to total depth and perforated the Penrose oil zone from 3636 - 45 and treated this interval with 30,000 lbs. sand and 20,000 gallons of jelled brine water. Dean then installed pumping unit and after 31 days of continuous pumping this zone is producing at the rate of 3 barrels oil and 1 barrel of load water. With the paraffin problem in the Penrose in this area this is not a commercial well. Therefore, Dean requests permission to plug back to the Queen sand and to produce the gas from the Queen zone. If I may point out at this time that field rules have been established permitting a 330 location in the Mesa Queen Field which is producing from this same Queen zone just across the county line in Lea County.

Permission has been granted to communitize the SE quarter of Section 13 by Southern Union, Mobil, Pan American and Continental each owning a forty acre tract.

Copies of this request are being sent to the offset operators as of this date.

Yours very truly,

Robert A. Dean

Robert A. Dean

DOCKET MAILED

Date 1-26-67

RAD/kd

cc: Sinclair Oil & Refining Co.
C. B. Read
Gulf Oil Corporation

R

CHARLES B. READ

OIL PROPERTIES

P. O. BOX 1822

ROSWELL, NEW MEXICO 88201

January 19, 1967

Mr. D. S. Nutter
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Page 3525

Dear Mr. Nutter:

The undersigned offset operator does hereby protest the request of Robert A. Dean for an exception to Rule 104 C. The proposed unorthodox location should not be granted for the following reasons:

1. Robert A. Dean, the operator of the well for which the unorthodox location is sought, is also the operator of five other gas wells in the West Mesa-Upper Queen Field and was fully acquainted with the field rules for gas production in this area. He was advised before drilling operations were commenced that a Queen test to comply with field rules must be drilled 660 feet from the property line.
2. The primary purpose of the operator for crowding the west line with a 330 foot location is to gain structural and sand thickness advantage over the undersigned offset operator.
3. The undersigned is the operator of the west offset to the proposed unorthodox location. Our well has a low flowing tubing pressure and it is necessary to buck a 600# line pressure in order to sell our gas. Crowding of the west line by the unorthodox location will prematurely reduce our bottom hole pressure resulting in insufficient tubing pressure to flow our gas into the pipe line. This would result in a non-commercial operation on our lease and cause early abandonment of the property.

DOCKET MAILED

Date _____

Mr. D. S. Nutter
January 19, 1967
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4. The unorthodox location will allow Mr. Dean to drain an area larger than the standard 160 acre gas unit and will infringe upon the correlative rights of the offset owners.
5. There are no unusual topographical conditions to prevent the drilling of a Queen gas well in accordance with existing field rules.

It is respectfully requested that the correlative rights of the offset owners to the proposed unorthodox location be protected, and the application of Robert A. Dean for an unorthodox location at 2310 feet from the south and east lines of Section 10, Township 10 South, Range 31 East, Eddy County, New Mexico, should be denied.

Yours very truly,


CHARLES B. READ

CBR:ab



dearnley-meier reporting & investigations

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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

February 8, 1967

IN THE MATTER OF

Application of Robert A. Dean for a non-
standard gas well location, Eddy County,
New Mexico.

Case 3525

Before: Daniel S. Nutter

TRANSCRIPT OF HEARING

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MR. NUTTER: Case No. 3525.

MR. HATCH: Case 3525, Application of Robert A. Dean for a non standard gas well location, Eddy County, New Mexico.

ROBERT A. DEAN, called as a witness in his own behalf, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. NUTTER:

Q Would you state your name?

A Robert A. Dean, Midland, Texas.

Q Are you an owner or a part owner of Southern Union Thirteen State Well Number 1, which is the subject matter of Case 3525?

A Yes, sir.

Q And in this case, you seek to approve a non-standard gas well location for the well, is that correct?

A Yes, sir.

Q Would you state, Mr. Dean, the circumstances under which this well is drilled and why you are seeking this non-standard location?

A We drilled this well in the Northwest-Southeast unit joining Section 13-16-31, Eddy County, 3690. We set pipe to 36 units, four and a half 9.5 pounds.

MR NUTTER: You haven't been sworn yet, have you?

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THE WITNESS: No, sir.

(Witness sworn)

A We perforated the Penrose Zone, Penrose sand to 45. We treated this well and fracked it with 30,000 pounds of sand, 20,000 barrels of jell brine water, we shut the well in overnight and came back the next morning and swabbed it dry. So we put it on a pump and pumped the well continually for thirty-one days. At the end of thirty-one days, this well was making two to three barrels of oil and about a barrel of jell brine, which is low water.

We didn't feel like this was a commercial well in the Penrose, so we requested permission to plug back to the Queen, set out bridge plug at 3430, perforated the Queen from 3358 to 70 and only produced the Queen gas; and this, we have done this operation, we have perforated the Queen from 3358 to 70. There is twelve holes. We broke this zone down with 500 gallons of clean-up acid, our shut-in tubing pressure on this well is 835 pounds. We have 18 feet gross sand thickness, and request the normal allowable for this well.

Q (By Mr. Nutter) Let me see, Mr. Dean, your original perforations were 3636?

A 45, in the Penrose sand zone.

Q Which is an oil zone, is that correct?

A That's correct.

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Q You set a pump on it and pumped the well for thirty days?

A Yes.

Q And what was the total production during that thirty-day period?

A We have approximately 75 barrels of oil in our test tank.

Q A little over two barrels per day?

A Yes.

Q And did you not regard this two barrels per day as commercial well then in the Penrose oil center?

A No.

Q So you set your bridge plug at what point?

A 3430.

Q And your Queen perforations?

A 3358 to 70.

Q Now, do you have the potency on the well in the upper Queen?

A I do not have the papers on it, the C-122. Have you received them yet, Dick?

MR. STAMETS: I hadn't when I left.

THE WITNESS: W. L. Smith, out at Hobbs, ran that, and he called me Monday morning. The potential at open flow would be one million and fifty.

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Q One million and fifty cubic feet per day?

A Yes.

Q Now, the well is in the West Mesa-Upper Queen Gas Pool, is that correct? Within the horizontal limits of the Upper Mesa-Queen Gas Pool?

A On the West Mesa Field-Queen limits are --

MR. STAMETS: This well would be just outside.

Q (By Mr. Nutter) And does the Upper Mesa-Queen Pool have any special pool rules?

A Not that I know of.

Q So it would be governed by state-wide rules?

A This would be equivalent to six sections of outside boundary from 160-acre tracts. Yes, sir, I believe that's right.

MR. NUTTER: Are there any other questions of Mr. Dean?

MR. HATCH: Mr. Dean, you made a few statements before you were sworn. Would you adopt those statements?

THE WITNESS: Yes, sir.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Dean, is there any type of liquid product with this gas?

A No, sir.

Q No oil-water condensate?

A No liquids. There would probably be a barrel of water per day once we get it in production.

REDIRECT EXAMINATION

BY MR. NUTTER:

Q Do you have a connection for this well, Mr. Dean?

A Yes, sir. It is not connected now.

Q You have a contract for it?

A We do have a contract and Phillips said that they expected to hook us up next week sometime.

Q That was with the knowledge of this potential that they have?

A I don't know that they have this potential. No, sir, I don't know that they have that. It's my knowledge that they do not, but they are familiar with the wells.

MR. NUTTER: Are there any other questions of Mr. Dean? If not, he may be excused. Do you have anything further?

THE WITNESS: No, sir, I have nothing further, but I would like to reserve the right to come back if I could.

MR. NUTTER: You have always got that right.

(Witness excused)

MR. NUTTER: Does anyone have anything they wish to offer in this case?

MR. REED: My name is Charles Reed and I am an offset operator to the west and have a well in the West Mesa-Queen Field, and right now I am opposed to the unorthodox location as proposed by Mr. Dean for reasons that I feel there is

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sufficient information available to include this well in the West Mesa-Queen Field and this information, of course, at the time the well was drilled, it was relatively common knowledge among the operators in the area. We have got a little problem on our well to the west.

Mr. Dean stated that his shut-in tubing pressure was approximately 812 pounds. Our pressure is, our tubing pressure, our flowing tubing pressure right now is about 600 pounds. We got line pressure out there about 550 to 600 pounds. It fluctuates from time to time, and I don't know how to work this thing out. We have taled to Mr. Dean about it, or I have, to be fair to everybody, it is either his well or my well.

We produced, let's see, we are a long ways from being paid out on our particular well right now. During the month of January, we produced, on our Bogle Farms Number 1, that is the west offset to Mr. Dean's Well 11, that is January 1967, we produced 11.9 million cubic feet of gas. We have run flowing tube pressures there for the last four or five days and on the 29th of January, 30th, 31st, and February the 1st and --

MR. NUTTER: I think this statement is getting a little more in the line of testimony rather than a statement of position in this case. Would you object ot being sworn and offering this under oath?

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MR. REED: No.

(Witness sworn)

MR HATCH: Mr. Reed, you made some statements before you were sworn. Do you adopt those statements as your statements after being sworn?

THE WITNESS: Yes, sir, I do.

MR. NUTTER: Go ahead, Mr. Reed.

THE WITNESS: Our problem is trying to get our own well paid out and line pressure out there is a problem, plus the possibility that the admission of another well from an offset operator with a higher tubing pressure than ours would cause premature abandonment or cause us not to be able to get into the line or maybe early abandonment of our lease. All we want to do is what is fair.

I don't know, Mr. Examiner, how to approach this. We have tried to work it out and the field rules were pretty stable before drilling operations were commenced, and the evidence in the area indicated that this probably was primarily a G.S. prospect and, although Mr. Dean did penetrate the Penrose formation at 3600 feet, it is not necessarily what most operators would consider a commercial reservoir in that immediate area at that time.

I have a well which is the west offset to Mr.

Dean's well in my Boyle farm, which did penetrate the Penrose

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formation and is presently producing from the Penrose formation. It makes anywhere from, oh, six to seven or eight barrels of oil a day, and it is hardly what you would classify as an objective for commercial operations, or we would certainly not consider it as a commercial well for production in that particular area. It is primarily a gas field and the West Mesa-Queen Field does produce sold gas, and there have been several wells drilled in this field, and structurally, why, there seems to be no problem in defining what is considered a structural trap in that area for Queen gas.

I feel that well that was drilled offsetting my property should have been drilled in accordance with the West Mesa-Queen Field rules which would provide for 640-acre spacing.

MR. NUTTER: 160.

THE WITNESS: Beg your pardon?

MR. NUTTER: 160, isn't it?

THE WITNESS: Yes, that's right. I mean 660 feet from the line, or the field rules. Now the West Mesa-Queen Field does provide that wells will be drilled 660 feet from the line, and although this particular 40-acre subdivision was not included in this West Mesa-Queen Field at that time, it did offset three producing wells that were in the West Mesa Queen Gas Field and all other wells out there being drilled

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on 660 footage from the property line, and this does violate, in essence, the intent of what most of these other operators have tried to do. We have all tried to stay within the filed rules and abide by the regulations and I don't hardly see how you could consider this anything other than a Queen's gas prospect, in fact, a part of the West Mesa-Queen Gas Field.

MR. NUTTER: Mr. Dean, reminding you that you are still under oath, what would be the additional cost of drilling this well from the Upper Queen Pay or where the perforation is 3070, then you took it on down to the lower Queen, what was the additional cost of drilling that well in that extra three hundred and some feet and treating it with 30,000 pounds of sand and 20,000 barrels of jell brine water?

THE WITNESS: Approximately, we feel that the difference in completing the Penrose Zone, since it is just a straight Queen gas zone, the upper Queen, 3,012.

MR. NUTTER: Additional expenditure, \$12,753.00?

MR. McCLELLAN: I would like to make an objection. I am Jack McClellan, New Mexico Oil Conservation Commission. At the time that well was drilled, that was a legal location for oil. I know that the statement was obvious to everyone that that wasn't an oil prospect on the line. We spent \$12,750.00 feeling that it was within the realm of protective probability.

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MR. NUTTER: That was the point I was trying to make with Mr. Reed. Mr. Reed, you say that you feel the operator here had obvious gas prospects, but with extra expenditure of \$12,750.00, wouldn't you agree that they did make an honest effort to try to complete?

THE WITNESS: Yes, I will agree with that. I don't think there is any question about that.

MR. NUTTER: And not getting a paying well in the lower Queen, might the not be entitled to salvage some value from the well?

THE WITNESS: Well, I agree with that point, Mr. Examiner, because they did follow the prudent completion procedure of the Penros formation by setting pipe and fracking and so forth. I think as far as what I am concerned with here is the question of drainage and insofar as my particular lease is concerned, a structural position out there is rather obvious. To go west or to go north and west. You don't gain structural position in the Queen sand reservoir, possibly some advantage would be gained in sand thickness by crowding the west line and the north line, which was the indication in this case, according to the interpretation that we have made of the are. I think that the reservoir is a marginal reservoir and what we are trying to do is drain a normal gas unit of 160 acres under our well and I am sure there is going to be some drainage

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incurred from our property by the unorthodox location, how much, I think it would just be questionable. I do know that if we can connect a well to that pipeline with 800 pounds pressure and we get one with 600 pounds pressure, why, it is going to be a little difficult in there for us to have sufficient flowing tubing pressure to get into the system.

MR. NUTTER: Well, Mr. Reed, the record shows the locality of Sunwell, and I presume it would have dedicated to it the southeast quarter of Section 13. For the record, what is the location of the nearest well and what is dedicated to that well?

THE WITNESS: My understanding is that the well, it is located in the center of the northwest to the southwest of Section 13, and the entire southwest quarter is dedicated to gas production, and the northwest quarter of the southwest quarter is dedicated to oil production from the Penrose sand. Presently we are comingling the Penrose oil and the Queen gas by a gas lift.

MR. NUTTER: That was the well that you had the hearing on and got the dual completion approved?

THE WITNESS: Yes.

MR. McCELLAN: It seems to me the whole crux of this is Mr. Reed's own basis for objection. The fact that well is 330 feet further northwest than a legal location may have been -- my question is, had the well been drilled in a

normal location, the same drainage would not have occurred. I mean, do you not think that the same drainage would have occurred, regardless of 330 foot discrepancy ultimately. You are speaking about line pressure, Mr. Reed. That this well is going to knock your wells off. Whatever occurs, is it not going to occur, whether it is in this unorthodox location in which it is now situated, or in the normal gas location? All you are talking about is 330 foot difference.

THE WITNESS: I think that is correct, whether it had been drilled 330 feet from the line, or 660 feet from the line. I'm sure that your reservoir pressure or your shut-in tubing pressure would have been substantially the same, and the question is just -- a pattern of drainage, I think, is what we are concerned with.

MR. McCLELLAN: Well, I don't know how this works. I would like to make a statement on this, I mean, it is my opinion we weren't trying to --

MR. NUTTER: We might get you under oath, if you aren't careful. Do you have any further questions of Mr. Reed?

MR. McCLELLAN: No, I think not.

MR. STAMETS: I have a couple of questions of Mr. Reed. I would imagine that we should probably include Form C-125, Gas Well Shut-In Pressure Report, as a part of this

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hearing, because I'm going to refer to it now. If I remember correctly, on Form C-125, the shut-in pressure reported to the Commission in Artesia on your wells this year, ranges from about 600 to 650 pounds, is that correct?

THE WITNESS: I believe that's correct, I'm just going by memory, I don't have a copy of that report with me.

MR. STAMETS: And the well in question here is a shut-in pressure tube of 835 pounds?

THE WITNESS: That's right.

MR. STAMETS: A higher pressure?

THE WITNESS: Yes, sir.

MR. STAMETS: The gas does not normally drain from a low pressure well to a high pressure well, is that correct?

THE WITNESS: That's correct.

MR. STAMETS: So, subsurface drainage at this time with these pressures, is not a logical step, would not logically occur?

THE WITNESS: I would not say, but I think the history of the field in there is such that within a period of maybe six months, or maybe three four, a year, why, all these pressures will drastically reduce themselves. I mean, our well started out with 800 as the pounds shut-in tubing pressure, but we have been on production up there about eight or nine months now, and our production, our pressures

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have probably dropped as much as 200 pounds. I think there is going to be a period in here of, oh, a certain number of months, maybe six to eight months, that there, the reservoir will not be stabilized. His pressures will probably exceed our shut-in pressures.

MR. STAMETS: But so long as his pressures remain higher than yours, there should be no subsurface drainage?

THE WITNESS: I tried to do that, but when this event, or when this reservoir does stabilize, when they have enough wells out there that have been drilled, and the pressures are fairly, fairly constant throughout the field, depending upon the like of the particular well, I mean how long it has been in, and that seems to control right now what your shut-in tubing pressures are, you see, a new well is going to have a higher pressure than the old well.

MR. STAMETS: Could you tell us what the contract line pressure is in that pool?

THE WITNESS 600 pounds.

MR. STAMETS: That's all the questions I have.

MR. NUTTER: Are there any further questions of Mr. Reed? He may be excused. (Witness excused)

MR. DEAN: May I make a statement, sir?

MR. NUTTER: Yes, Mr. Dean.

MR. DEAN: In regard to Mr. Reed's statement of drainage, there are three things that I think should be considered. First of all, is the high pressure that we have, and high pressure will not drain a low pressure gas, and we are 29 feet below, structurally, to him, we have a thicker sand body than he does, so I don't see how we can possibly drain in regard to knocking him off of the line, which seems to be Mr. Reed's main contention here. I went to the Phillips Buckeye Plant and talked to them about the reasons why Mr. Reed was not producing his wells, why his wells weren't producing any more. They told me this, that this line pressure is a function of the production out there, this line is not full, it can handle more gas of other wells on that same line, it is not going to affect the principal well one iota, so I cannot see why he is objecting and saying that we will knock him off of the line, because the line is not full and can handle more gas. The reason his well is not producing more than it is, is because of the back pressure that Phillips holds on the line.

MR. NUTTER: Well, would an addition of 800 pounds pressure to his line increase that back pressure?

THE WITNESS: No, sir.

MR. NUTTER: If the line is not full, the pressure will drop then?

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THE WITNESS: The pressure on the well is not a function of back pressure at all.

MR. NUTTER: Does anyone have anything further?

MR. MCCLELLAN: This is strictly based on a geological, any geological interpretation of this thing that the field as a whole; Mr. Reed's two wells north and Mr. Dean's discovery well, the McCoy Stevens, which has been in some two years, I believe, his pressure is quite a bit in excess to Mr. Reed's two wells to the south, indicates that the reservoir, as a whole, is not being pulled down, but reasonably stable. I feel that the two wells that Mr. Reed has are approaching a pinch-out zone, that the well Mr. Ean has completed is also approaching this pinch-out zone, as evidenced by low volume absolute open-flow possibility of this well. I'm familiar with the Hanson well to the south, which is a cable tool hole, which I recall, way back had no gas whatsoever in the Queen zone; so it appears that this reservoir, Mr. Reed is approaching the end of it, as we are approaching the end of it, that the main reservoir is perhaps in the well to the north, because their pressures up there, I believe, I stand corrected, but I believe they are all quite a bit older than the two wells you have to the south. I know our McCoy and Stevens is quite capable of going into that line, and it is the oldest well out there and has been producing

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steadily since its completion.

MR. NUTTER: It may be of interest to the parties concerned in this case to know that the Commission has scheduled on its regular nomenclature case which will be held February 15, 1967, graphs T and U of Case Number 2538, proposing a graph of that case, and this is the results of study by the Commission staff. The West Mesa-Upper Queen Gas Pool in Eddy County, New Mexico. The pool comprises Township 16, South, Range 31 East, Section 12, the northwest quarter and south half, Section 13, the north half and southwest quarter, and Section 14, the northeast quarter. Graph U in the subject case proposes to extend the Mesa-Queen Pool in Lea County, New Mexico, to include all of the Queen formation in the following areas, being Township 16, South, Range 32, East, Section 18, the northwest quarter, and south half, and to include the Upper Queen Gas Pay, only in the following area in Eddy County: Township 16, South, Range 31 East, Section 12, all Section 13, all, and Section 14, northeast quarter. This belongs to the West Mesa-Upper Queen Pool. Extension of the Mesa-Queen Pool to include the old West Mesa-Upper Queen Gas Pool, would result in the well in this area in Eddy County being brought into the Mesa-Queen Pool, which is in Lea County. The well would be governed by rules of the Mesa-Queen Pool in Lea County. As I stated, this

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is a result of study made by the staff of the Commission, and it will come on for hearing February 15.

I thought I might just mention that to the operators in the West Mesa-Queen, since they are here today. If there is nothing further in Case Number 3525, we will take the case under advisement.

dearnley-meier hearing services, inc.

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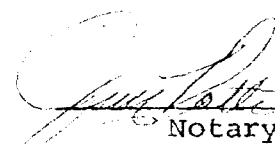
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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, JERRY POTTS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


Witness my Hand and Seal this 24th day of March, 1967


Notary Public

My Commission expires:

July 10, 1970

I do hereby certify that the foregoing is a true and correct record of the proceedings in the hearing of Case No. 3525 heard by me on 2/8, 1967.


Presider
New Mexico Oil Conservation Commission

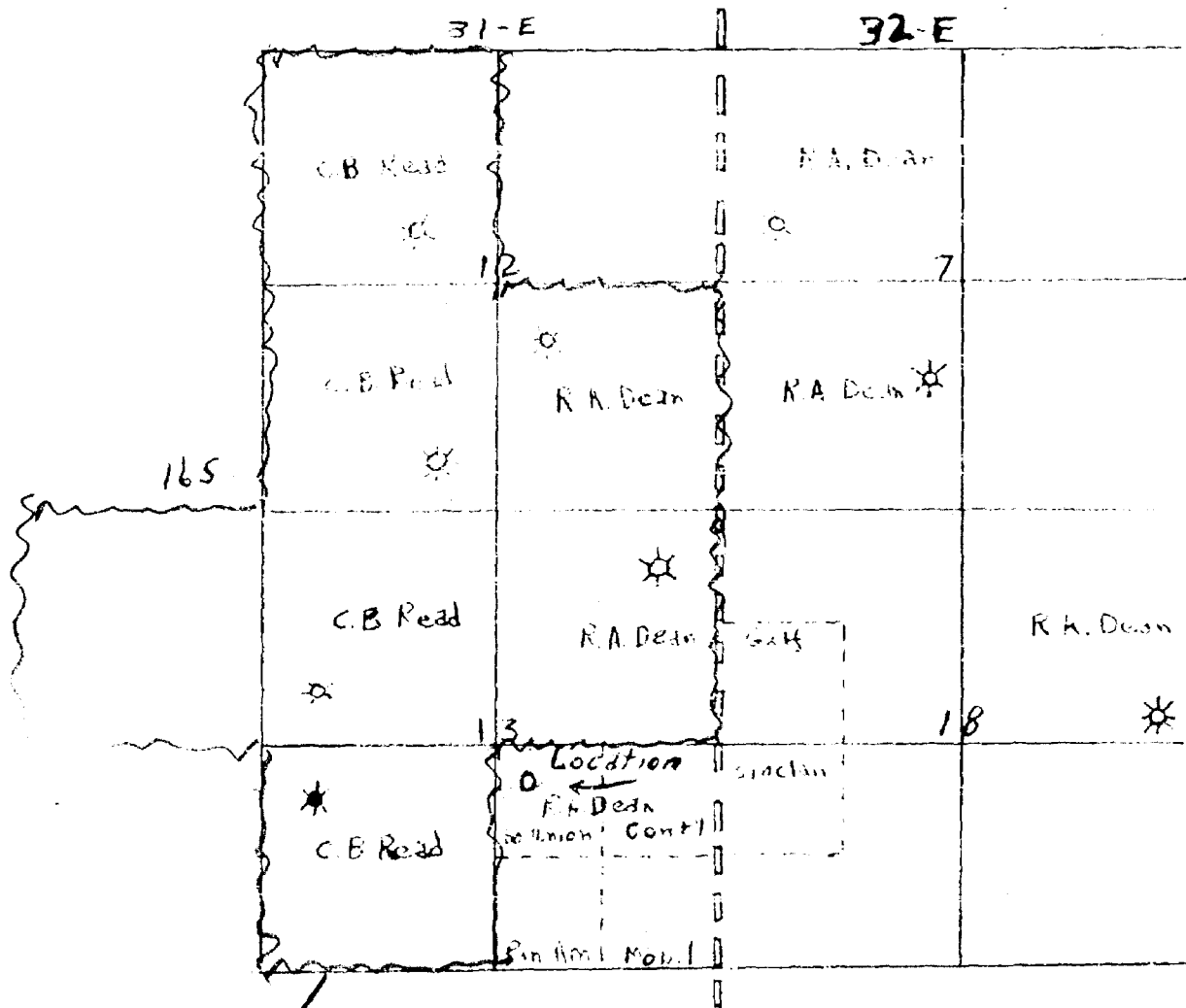
NEW MEXICO

Eddy County

Lea County

31-E

32-E



Scale 1" = 2000'

Boundary
W. Mesa
Gor

Case 3525

**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

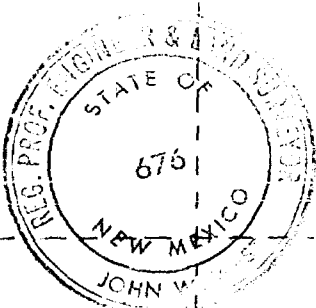
Operator ROBERT A. DEAN			Lease SOUTHERN UNION 13 STATE		Well No. 1
Unit Letter J	Section 13	Township 16 SOUTH	Range 31 EAST	County EDDY	
Actual Footage Location of Well:					
2310		feet from the SOUTH	line and	2310	feet from the EAST
Ground Level Elev.	Producing Formation		Pool	Dedicated Acreage: <div style="text-align: right;">Acres</div>	

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.

 <div style="border: 1px solid black; padding: 5px; margin-top: 20px;"> <p>NOTE: GROUND ELEVATION IS 5.2 FEET HIGHER THAN ROBERT A. DEAN PAN AM 13 STATE NO. 1.</p> </div>	CERTIFICATION
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p>
	<p>Name _____</p> <p>Position _____</p> <p>Company _____</p> <p>Date _____</p>
	<p><i>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.</i></p>
<p>Date Surveyed Nov. 8, 1966</p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p align="right"><i>John W. West</i> Certificate No. 676</p>	

0 320 640 960 1280 1600 1920 2240 2560 2880 3200 3520 3840 4160 4480 4800 5120 5440 5760 6080 6400 6720 7040 7360 7680 8000 8320 8640 8960 9280 9600 9920 10240 10560 10880 11200 11520 11840 12160 12480 12800 13120 13440 13760 14080 14400 14720 15040 15360 15680 16000

Case 35-25