

CASE 5863: AMERADA HESS CORPORATION FOR
AN UNDERGROUND GAS WELL LOCATION, RIO
ARriba COUNTY, NEW MEXICO

5863

Application
Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 9, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Hess Corporation
for an unorthodox oil well location,
Rio Arriba County, New Mexico.

CASE
5863
(Cont'd.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARINGA P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

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

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General Court Reporting Service
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Phone (505) 982-9212

1 MR. NUTTER: We will call Case Number 5863.

2 MS. TESCHENDORF: Case 5863, application of Amerada
3 Hess Corporation for an unorthodox oil well location, Rio Arriba
4 County, New Mexico.

5 MR. NUTTER: Case Number 5863 has been previously
6 heard but was readvertised due to an error in the ad.

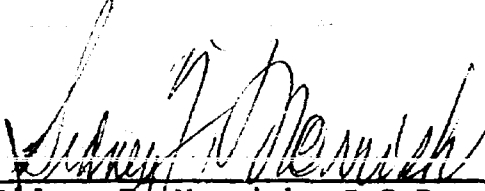
7 Are there now any appearances to be made in Case
8 Number 5863? If not we will take the case under advisement.

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REPORTER'S CERTIFICATE

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

8
9 
10 Sidney F. Morrish, C.S.R.

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14
15 I do hereby certify that the foregoing is
16 a complete record of the proceedings in
the Examiner hearing of Case No. 5863,
heard by me on 3/7, 19 77.

17 , Examiner
18 New Mexico Oil Conservation Commission
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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 16, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Hess Corporation) CASE
for an unorthodox oil well location,) 5863
Rio Arriba County, New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
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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GRANT B. MILLER

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Stamets

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EXHIBIT INDEX

	<u>Offered</u>	<u>Admitted</u>
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Applicant's Exhibit One

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Applicant's Exhibit Two

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Applicant's Exhibit Three

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Applicant's Exhibit Four, Form C-104

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1 MR. STAMETS: At this time we will call Case 5863.

2 MS. TESCHENDORF: Case 5863, application of Amerada
3 Hess Corporation for an unorthodox oil well location,
4 Rio Arriba County, New Mexico.

5 MR. KELLAHIN: Jason Kellahin, Kellahin and Fox,
6 appearing for the applicant and we do have one witness to be
7 sworn.

8 MR. STAMETS: If you will stand and be sworn,
9 please?

10 (THEREUPON, the witness was duly sworn.)

11
12 GRANT B. MILLER

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

15
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Would you state your name, please?

19 A Grant B. Miller.

20 Q By whom are you employed and in what position,
21 Mr. Miller?

22 A Amerada Hess Corporation in Seminole, Texas.

23 Q What is your position?

24 A Petroleum Engineer.

25 Q Have you ever testified before the Oil Conservation

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1 Commission or one of its Examiners?

2 A. No, I have not.

3 Q. For the benefit of the Examiner would you briefly
4 outline your education and experience as a petroleum
5 engineer?

6 A. I received a Bachelor of Science degree from Texas
7 Tech in petroleum engineering in 1959. Since that time I have
8 been employed with the Amerada Hess Corporation in various
9 engineering assignments in New Mexico, Texas, Oklahoma and
10 Louisiana. I have been working in the area in question, the
11 San Juan Basin, for the past two years.

12 Q. Now, in connection with your work did you have
13 anything to do with the area involved in the application
14 before the Examiner at this time; does that come under your
15 jurisdiction?

16 A. Yes.

17 MR. KELLAHIN: Are the witness' qualifications
18 acceptable?

19 MR. STAMETS: They are.

20 Q. (Mr. Kellahin continuing.) Mr. Miller, what does
21 the applicant, Amerada Hess Corporation, propose in Case
22 Number 5863?

23 A. Amerada Hess seeks approval for an unorthodox
24 location of our Jicarilla Apache "B" No. 16 Well in Section 29,
25 Township 25 North, Range 5 West in Rio Arriba County.

1 Q Now, what occasioned the unorthodox location for
2 this well?

3 A Well, this well was originally staked and drilled
4 as a Basin-Dakota gas well and had a standard location for
5 a gas well. The completion of the well was made in both the
6 Upper and Lower Dakota sections and the well tested, pumping
7 twenty barrels of oil per day, five barrels of water with
8 forty-nine and a half MCF per day of gas, casinghead gas.

9 Q So under the classification of the Commission's
10 Rules you have an oil well?

11 A Yes, sir, that is correct.

12 Q And you anticipated a gas well?

13 A That is correct.

14 Q Is there any other oil producing well in the
15 vicinity of the well that is the subject of this hearing?

16 A Not from the Dakota formation, no, sir.

17 Q Now, referring to what has been marked as applicant's
18 Exhibit Number One, would you identify that exhibit?

19 A Exhibit One is a map of the area. The Amerada Hess
20 Jicarilla Apache "B" is the shaded area, four sections, 19,
21 20, 29 and 30. The well in question is in the southwest
22 quarter of Section 29, Well No. 16,

23 All of the wells shown on red on this map are
24 Dakota producers, all of which are gas except the well in
25 question.

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1 The legend down at the bottom indicates the
2 Pictured Cliffs wells and Chacra and so on but the wells of
3 interest here are those marked in red, the Dakota gas completions.

4 Q And you have forty acres dedicated to the well at
5 the present time, what is the forty acres dedicated?

6 A Well, that's on Exhibit Two.

7 Q Would you refer to Exhibit Number Two?

8 A Yes, Exhibit Number Two is a C-102 which is the
9 location plat with the forty acres, the northeast quarter of
10 the southwest quarter of that Section 29 with the location
11 being fifteen hundred feet from the west line and eighteen
12 hundred and fifty feet from the south line which is a standard
13 gas well location, however, it is not standard for the oil well
14 location.

15 Q How close would you be to the quarter-quarter
16 section line, approximately?

17 A The well is one hundred and eighty feet from the
18 quarter-quarter section line.

19 Q And that is closer than permitted by the Rules?

20 A Yes, the Rules state three hundred and thirty feet.

21 Q Now, referring to what has been marked as Exhibit
22 Number Three, would you identify that exhibit?

23 A Exhibit Three is a compensated neutron log in our
24 Jicarilla Apache "B" 16, section over the Dakota zones. The
25 Upper Dakota section or the top of the Upper Dakota is at a

1 depth of sixty-six, oh, nine drilling depth, is marked in red
2 at the top. The Lower Dakota section, the top is at a drilling
3 depth of sixty-seven, seventeen. The perforated intervals
4 from sixty-six ten to sixty-six, eighty, that's the Upper
5 Dakota and the Lower is between sixty-seven, eighteen and
6 sixty-seven, forty.

7 Now, this is the only well of our wells in the
8 Dakota zone on this map that have both the Upper and the
9 Lower Dakota open in the well.

10 Q Are the others open only in the Upper?

11 A That is correct.

12 Q Is it your belief that the oil is coming from the
13 Lower Dakota?

14 A That is correct, we do.

15 Q Are you making any great volume of gas from the
16 Upper?

17 A No, the total gas is forty-nine and a half MCF per
18 day which is extremely low for the Dakota.

19 Q It does not compare with the production from the
20 other Dakota wells?

21 A No.

22 Q Would you consider this an unusual well in this
23 area?

24 A Yes, we do.

25 Q Now, referring to what has been marked as Exhibit

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1 Number Four, would you identify that exhibit?

2 A Exhibit Four is a C-104 which is submitted and down
3 at the bottom the Form indicates that the well test, which I
4 have stated previously, twenty barrels of oil, five barrels of
5 water and forty-nine and a half MCF of gas per day. The GOR
6 is twenty-four, seventy-five.

7 Q And what are you doing with the gas?

8 A Currently the gas is being -- well, the well is closed
9 in right now.

10 Q You have a pump on the well, don't you?

11 A Yes.

12 Q Will the gas be used for lease purposes for the
13 most part?

14 A Some of the gas will be used for a gas engine and
15 treater.

16 Q As to any excess gas, what are your plans?

17 A We have planned to temporarily vent the gas and we
18 have received approval to vent this on an application for
19 exception to the no-flare rule.

20 Q And that has been approved?

21 A Yes.

22 Q Were Exhibits One through Four prepared by you or
23 under your supervision?

24 A Yes, they were.

25 MR. KELLAHIN: At this time we offer Exhibits One

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1 through Four, inclusive.

2 MR. STAMETS: These exhibits will be admitted.

3 (THEREUPON, Applicant's Exhibits One
4 through Four were admitted into evidence.)

5 MR. KELLAHIN: That's all we have at this time,
6 Mr. Examiner.

7

8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Miller, does Amerada Hess plan to drill anymore
11 wells on this quarter section?

12 A Not at this time, no, sir.

13 Q The Upper Dakota that is open here is the same
14 Upper Dakota that is open in those wells shown in red, at
15 least as far as your acreage is concerned on Exhibit Number One?

16 A That is correct. Now, some of those may have the
17 Graneros directly above the Upper Dakota but that is all
18 classified as Dakota but none of them have the Lower Dakota
19 open.

20 Q Is there any difference in the working interest,
21 royalty interest, whatever, between the forty acres that is
22 dedicated to the well and the rest of the quarter section?

23 A No, all four sections are the same, full sections.

24 Q How does the gas volume from this well compare to
25 the volumes from other Dakota wells in the area, is it much less?

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1 A. Much less, yes, especially with an initial completion.
2 Usually it's in the neighborhood of over a half million cubic
3 feet a day on up to over a million a day but that's flowing.
4 Now, this well wouldn't flow, we had to continually swab the
5 well and as a result we put it on beam pump.

6 Q. How much gas do you anticipate you will have to vent?

7 A. Probably about eighty percent of it, eighty percent
8 of the fifty MCF per day, which would be about forty.

9 Q. Is there any way that you can economically sell that
10 gas?

11 A. We don't think we can. Our plans are to test this
12 well for four or five months and then go back and look at maybe
13 restimulating the Upper Dakota and make a normal gas completion
14 out of the well.

15 MR. STAMETS: Okay, any questions of the witness?

16 Mr. Kendrick?

17 MR. KENDRICK: Well, not of the witness. There are
18 problems here with this Docket and I suspect the legal ad
19 shows this well to be in Township 25 North instead of Township
20 24 North. It first came to my attention when the witness prior
21 to the introduction of Exhibit One identified the area in
22 25 North instead of 24 North.

23 MR. MILLER: That's right, it's 24 North.

24 MR. STAMETS: It would appear that we would need to
25 readvertise this particular case as far as that matter is

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1 concerned but no additional testimony will be required from
2 the applicant at that time.

3 Anything else?

4 MR. KELLAHIN: If the Examiner please, in view of
5 the fact that this case has to be readvertised, the well is
6 shut in awaiting approval of the location and we can't sell the
7 oil so we would ask that some testing allowable, something
8 in that nature be assigned to this well until such time as we
9 can readvertise it.

10 MR. STAMETS: Since there is no difference in the
11 ownership between the acreage that the well is located on and
12 the acreage that it is crowding, so to speak, I don't believe
13 there would be any problem with assigning a testing allowable
14 to the well until an order is issued and then the final assigned
15 allowable would go back to the date of the testing allowable.

16 MR. KENDRICK: I would like to issue an allowable
17 effective today if there is no adverse testimony at this case.

18 MR. STAMETS: The witness may be excused.

19 (THEREUPON, the witness was excused.)

20 MR. STAMETS: Is there anything further in this case?

21 MR. KELLAHIN: That's all, Mr. Examiner, thank you.

22 MR. STAMETS: The case will be taken under advise-
23 ment.


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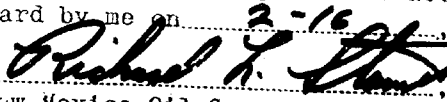
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REPORTER'S CERTIFICATE

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

8
9 
10 Sidney F. Morrish, C.S.R.

11
12
13 I do hereby certify that the foregoing is
14 a complete record of the proceedings in
15 the Examiner hearing of Case No. 5863
16 heard by me on 3-16-77, 1977
17 , Examiner
18 New Mexico Oil Conservation Commission
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OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
March 16, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico 87501

Re: CASE NO. 5863
ORDER NO. R-5394

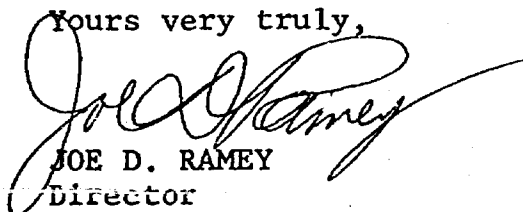
Applicant:

Amerada Hess Corporation

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC X

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. 5863
Order No. R-5394

APPLICATION OF AMERADA HESS CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, 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, Amerada Hess Corporation, seeks
approval of an unorthodox oil well location for its Jicarilla
Apache "B" Well No. 16, completed as an oil well in the Dakota
formation at a point 1850 feet from the South line and 1500 feet
from the West line of Section 29, Township 24 North, Range 5
West, Rio Arriba County, New Mexico, said well having been
projected as a Basin-Dakota gas well at a standard gas well
location for said pool.

(3) That the NE/4 SW/4 of said Section 29 is to be dedicated
to the well.

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

-2-

Case No. 5863
Order No. R-5394

(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 an unorthodox oil well location is hereby approved for applicant's Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 24 North, Range 5 West, Rio Arriba County, New Mexico.

(2) That the NE/4 SW/4 of said Section 29 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

dr/

Dockets Nos. 9-77 and 10-77 are tentatively set for hearing on March 23 and April 6, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 9, 1977

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5863: (Continued & Readvertised)

Application of Amerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.

CASE 5857: (Continued & Readvertised)

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North and East lines of Section 7, Township 19 South, Range 34 East, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction and complete it in the Morrow formation at a point no closer than 330 feet to the outer boundary of the proration unit, the E/2 of said Section 7.

CASE 5873: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the filing of information required on Form C-115, Operator's Monthly Report, in the manner and sequence prescribed by the Commission.

CASE 5874: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres formation through the perforated interval from 5926 to 5946 feet of its New Mexico "R" State Well No. 5, located in Unit B of Section 2, Township 18 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 5866: (Continued from February 16, 1977, Examiner Hearing)

Application of Union Texas Petroleum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 5048: (Reopened) (Continued from January 19, 1977, Examiner Hearing)

In the matter of Case 5048 being reopened pursuant to the provisions of Order No. R-4637-A, which order extended the temporary special pool rules for the South Dagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5117: (Reopened) (Continued from February 2, 1977, Examiner Hearing)

In the matter of Case 5117 being reopened pursuant to the provisions of Order No. R-4691-A, which order extended the temporary special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the special depth bracket allowable should be retained.

- CASE 5875: Application of Atlantic Richfield Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre non-standard Jalmat gas proration unit comprising the W/2 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to its William H. Harrison "A" WN Well No. 2 located in Unit D and William H. Harrison "D" Wells Nos. 1 and 6 in Units L and N, respectively, of said Section 29. Applicant further seeks approval of an unorthodox location for its William H. Harrison "D" WN Well No. 6 at a location 660 feet from the South line and 1980 feet from the West line of said Section.
- CASE 5876: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Cavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 28 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5820: (Continued from February 16, 1977, Examiner Hearing)
- Application of Texas Oil & Gas Corporation for compulsory pooling, 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 W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 5867: (Continued from February 16, 1977, Examiner Hearing)
- Application of Texas Oil & Gas Corporation for compulsory pooling, 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 S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of 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 completion of said well.
- CASE 5877: Application of Great Lakes Chemical Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the SE/4 of Section 3, and the NW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.
- CASE 5878: Application of Michael T. Gottlieb for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the NE/4 of Section 3, and the SW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.
- CASE 5879: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 12, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 5880: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 20, Township 18 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 5881: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Amoco State Well No. 1, completed in the Atoka formation at a point 660 feet from the South and West lines of Section 28, Township 16 South, Range 33 East, Lea County, New Mexico, the W/2 of said Section 28 to be dedicated to the well.

CASE 5859: (Continued & Readvertised)

Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota production in the wellbore of its Breech D Well No. 307, located in Unit M of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Chacra formation in said well.

Docket No. 7-77

Dockets Nos. 8-77 and 9-77 are tentatively set for hearing on March 9 and March 23, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - FRIDAY - FEBRUARY 11, 1977

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

The following case will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5872: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the suspension of Rules 15(A) and 15(B) of the General Rules for Prorated Gas Pools as promulgated by Order No. R-1670, as amended, to permit overproduced wells to continue to produce gas during the present severe weather conditions without danger of being shut in for overproduction.

Docket No. 6-77

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 16, 1977

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one-year period beginning April 1, 1977, for both of the above areas.

CASE 5856: Application of Amoco Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elliott Gas Com "F" 1-R Well No. 1A to be drilled 1244 feet from the South line and 820 feet from the East line of Section 33, Township 30 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico.

CASE 5857: Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North and East lines of Section 7, Township 19 South, Range 34 East, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction and complete it in the Morrow formation at a point no closer than 330 feet to the outer boundary of the proration unit, the E/2 of said Section 7.

CASE 5858: Application of Union Oil Company of California for 320-acre spacing, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of 320-acre spacing and proration units for the North Quail Ridge-Morrow Gas Pool, Lea County, New Mexico. In the absence of objection, the Commission will adopt such 320-acre spacing.

CASE 5859: (This case will be continued and readvertised.)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Basin-Dakota and Blanco-Mesaverde production in the wellbore of its Breech D Well No. 307 located in Unit M of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5860: Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the open hole interval from 4176 feet to 5500 feet of its Hobbs SWD Well No. P-16, located in Unit P of Section 16, Township 19 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

CASE 5861: Application of Hanson Oil Corporation for a salt water disposal well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open hole interval from 1926 to 1978 feet in its Sulphate Sister Well No. 1, located in Unit E of Section 13, Township 25 South, Range 26 East, Eddy County, New Mexico.

CASE 5862: Application of Palmer Oil and Gas Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 1 Well No. 1 located 1525 feet from the South line and 820 feet from the East line of Section 1, Township 31 North, Range 13 West, Blanco Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 5863: Application of Amerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1950 feet from the South line and 1500 feet from the West line of Section 29, Township 25 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.

CASE 5864: Application of Agua, Inc. for the amendment of Order No. R-5137, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the further amendment of Order No. R-5137, which authorized the disposal of produced salt water into the San Andres formation through the open-hole interval from approximately 4000 feet to 5000 feet in applicant's Blinebry-Drinkard SWD System Well No. A-22, located in Unit A of Section 22, Township 22 South, Range 37 East, Blinebry-Drinkard-Langlie Mattix Area, Lea County, New Mexico. Said order, as amended, limited surface injection pressures to 800 psi, and applicant seeks its amendment to permit surface injection pressures up to 1500 psi.

CASE 5865: Application of Inexco Oil Co. for 320-acre spacing, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of 320-acre spacing and proration units for the West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico. In the absence of objection, the Commission will adopt such 320-acre spacing.

CASE 5866: Application of Union Texas Petroleum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 5867: Application of Texas Oil & Gas Corporation for compulsory pooling, 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 S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of 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 completion of said well.

CASE 5820: (Continued from the February 2, 1977, Examiner Hearing.)

Application of Texas Oil & Gas Corporation for compulsory pooling, 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 W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 5868: Application of Harvey E. Yates 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 Travis Deep Unit Well No. 1 to be drilled 1980 feet from the South line and 1684 feet from the West line of Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, the S/2 of said Section 18 to be dedicated to the well.

CASE 5846: (Continued and Readvertised)

Application of Harvey E. Yates 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 Empire South Deep Unit Well No. 13 to be drilled 660 feet from the South line and 1432 feet from the West line of Section 30, Township 17 South, Range 29 East, South Empire Field, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

- CASE 5869:** Application of Harvey E. Yates 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 Big Boggy Well No. 1 to be drilled 990 feet from the South line and 2080 feet from the East line of Section 36, Township 17 South, Range 26 East, Atoka Pennsylvanian Gas Pool, Eddy County, New Mexico, the S/2 of said Section 36 to be dedicated to the well.
- CASE 5870:** Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its South Maljama Deep Unit Well No. 2 to be drilled 990 feet from the South line and 1980 feet from the West line of Section 30, Township 17 South, Range 32 East, Lea County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.
- CASE 5871:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Friendly Frenchman Well No. 1 to be drilled 1005 feet from the South line and 660 feet from the East line of Section 32, Township 16 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 32 to be dedicated to the well.
- CASE 5810:** (Continued from the February 2, 1977, Examiner Hearing)
Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Stonewall "EP" Com Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico, to produce gas from the North Burton Flat-Wolfcamp Gas Pool and an undesignated Morrow gas pool.
- CASE 5847:** (Continued from the February 2, 1977, Examiner Hearing)
Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Gossett "SU" Well No. 1, located in Unit K of Section 26, Township 17 South, Range 25 East, Eddy County, New Mexico, in such a manner as to produce gas from the Lower Wolfcamp or Upper Pennsylvanian and the Lower Pennsylvanian formations through the casing-tubing annulus and tubing, respectively.
- CASE 5848:** (Continued from the February 2, 1977, Examiner Hearing)
Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Pipkin HE Well No. 1 to be drilled 660 feet from the South and West lines of Section 4, Township 18 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Section 4 to be dedicated to the well.

AMENDED

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator Amerada Hess Corporation			Lease Jucarilla Apache "B"		Well No. 16
Unit Letter K	Section 29	Township 24N	Range 5W	County Rio Arriba	
Actual Footage Location of Well:					
1850 feet from the South line and		1500 feet from the West line			
Ground Level Elev. 6595'	Producing Formation Dakota	Pool Otero	Dedicated Acreage: 40 Acres		

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

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

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: 2px solid black; padding: 5px; transform: rotate(-2deg);"> <p>BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION <i>Amerada</i> EXHIBIT NO. <u>2</u> CASE NO. <u>5843</u> Submitted by <u>Mail</u> Hearing Date <u>2-16-77</u></p> </div>		Sec. 29
		40 ac. to Dakota
1500'		
1850'		

320 640 96 1280 1600 1920 2240 2560 2880 3200 3520 3840 4160 4480 4800

CERTIFICATION

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

E. B. Fisher

Name

Supv. Adm. Ser.

Position

Amerada Hess Corporation

Company

January 12, 1977

Date

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

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

(2)

Amerada Hess Corp.
J. Apache "B" #16
1850' FSL, 1500' FWL
29 24N 5W

Compensated Neutron Log
8/14/76

T. UPPER DAKOTA

6609'

(+0)

T. LOWER DAKOTA

6717'

(-108)

Casing Collar at Surface Depth

Casing Collar
Recorded Depth
(13' Deep)

BEFORE EXAMINER STAMPS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 5843

Submitted by

NEUTRON POROSITY

3

SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	<input checked="" type="checkbox"/> OIL <input type="checkbox"/> GAS
OPERATOR	
PRODUCTION OFFICE	

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-105
Effective 1-1-65

I. OPERATOR

Operator: Amerada Hess Corporation

Address: Drawer D, Monument, New Mexico 88265

Reason(s) for filing (Check proper box):

New Well <input checked="" type="checkbox"/>	Change in Transporter of:	Other (Please explain)
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/>	Dry Gas <input type="checkbox"/>
Change in Ownership <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/>	Condensate <input type="checkbox"/>

If change of ownership give name and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE

Lease Name <u>J. Apache "B"</u>	Well No. <u>16</u>	Pool Name, Including Formation <u>Otero - Dakota</u>	Kind of Lease State, Federal or Fee <u>Federal</u>	Lease No. <u>11</u>
Location				
Unit Letter _____; <u>1850</u> Feet From The <u>South</u> Line and <u>1500</u> Feet From The <u>West</u>				
Line of Section <u>29</u> Township <u>24N</u> Range <u>5W</u> , NMPM, <u>Rio Arriba</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
<u>Permian Corporation</u>	<u>Box 3119, Midland, Texas 79701</u>
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	
Unit <u>29</u> Sec. <u>24N</u> Twp. <u>5W</u>	Is gas actually connected? <u>No - Gas used as lease fuel</u> When _____

If this production is commingled with that from any other lease or pool, give commingling order number: _____

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well <input type="checkbox"/>	New Well <input checked="" type="checkbox"/>	Workover <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input type="checkbox"/>	Same Res'v. <input type="checkbox"/>	Diff. Res'v. <input type="checkbox"/>
Date Spudded <u>7-7-76</u>	Date Compl. Ready to Prod. <u>12-29-76</u>	Total Depth <u>6800'</u>		P.B.T.D.				
Elevations (DF, RKB, RT, GR, etc.) <u>Gr. 6595'</u>	Name of Producing Formation <u>Dakota</u>	Top Oil/Gas Pay <u>6600'</u>		Tubing Depth <u>6596'</u>				
Perforations <u>6610' - 6620', 6718' - 6740'</u>				Depth Casing Shoe <u>6798'</u>				
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET		SACKS CEMENT				
<u>12-1/4"</u>	<u>8-5/8" 24#</u>	<u>349'</u>		<u>275 sks.</u>				
<u>7-7/8"</u>	<u>5-1/2" 15.5# &</u>	<u>6798'</u>		<u>2025 sks.</u>				
	<u>5-9/16" 15.63#</u>							

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks <u>11-26-76</u>	Date of Test <u>12-29-76</u>	Producing Method (Flow, pump, gas lift, etc.) <u>Pump (2" x 1-1/4" x 16')</u>	
Length of Test <u>24 hrs.</u>	Tubing Pressure <u>-</u>	Casing Pressure <u>-</u>	Choke Size <u>-</u>
Actual Prod. During Test	Oil-Bbls. <u>20</u>	Water-Bbls. <u>5</u>	Gcs-MCF <u>49.5</u>

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Supervisor of Administrative Services
(Title)
1-5-77
(Date)

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

APPROVED Amerada Hess EXHIBIT NO. 4

CASE NO. 2443

TITLE Submitted by Miller

This form is being dated 12-29-76 with 11-26-76.

If this is a request for allowance for a new well, this form must be accompanied by a statement of the test taken on the well in accordance with Rule 111.

All sections of this form must be filled out completely for allowance on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of name, well name or number, or transporter or other such change of information.

Separate Forms C-104 must be filed for each pool in multiple.

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

JAN 27 1977

CONSERVATION COMM.
SANTA FE

KELLAHIN AND FOX
ATTORNEYS AT LAW
800 DON GASPAR AVENUE
POST OFFICE BOX 1750
SANTA FE, NEW MEXICO 87501

January 26, 1977

TELEPHONE 952-4315
AREA CODE 505

Case 5863

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

Dear Mr. Ramey:

Enclosed in triplicate is the application of Amerada Hess Corporation for approval of an unorthodox well location for production of oil from the Dakota Formation, Rio Arriba County, New Mexico.

It is our understanding that this case will be advertised for hearing on the February 16, 1977 docket.

Yours very truly,

Jason Kellahin
Jason W. Kellahin

CC: Mr. Gib Miller

JWK:kfm

Enclosure

JAN 24 1967

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA HESS CORPORATION FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, RIO ARriba COUNTY, NEW
MEXICO

Case 5863

A P P L I C A T I O N

Comes now Amerada Hess Corporation and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location on its Jicarilla Apache "B" lease for the production of oil from the Dakota formation, as provided by Commission Rule 104, and in support thereof would show the Commission:

1. Applicant drilled its Jicarilla Apache well at a location 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 24 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico.

2. The well was projected to the Dakota formation, Basin Dakota Gas Pool, and completed at a total depth of 6800 feet. On initial tests the well produced 49.5 m.c.f. of gas and 50 barrels of oil per day.

3. The well location is unorthodox for an oil well, and approval is sought for the location as provided by Rule 104.

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 required by the law the Commission enter its order approving

the well location for the production of oil, and for such other relief as may be proper.

Respectfully submitted,
AMERADA HESS CORPORATION

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

Attorneys for Applicant

Lee
Kearney

Amurda Hess

Jicarilla Apache B

Dakota 4800'

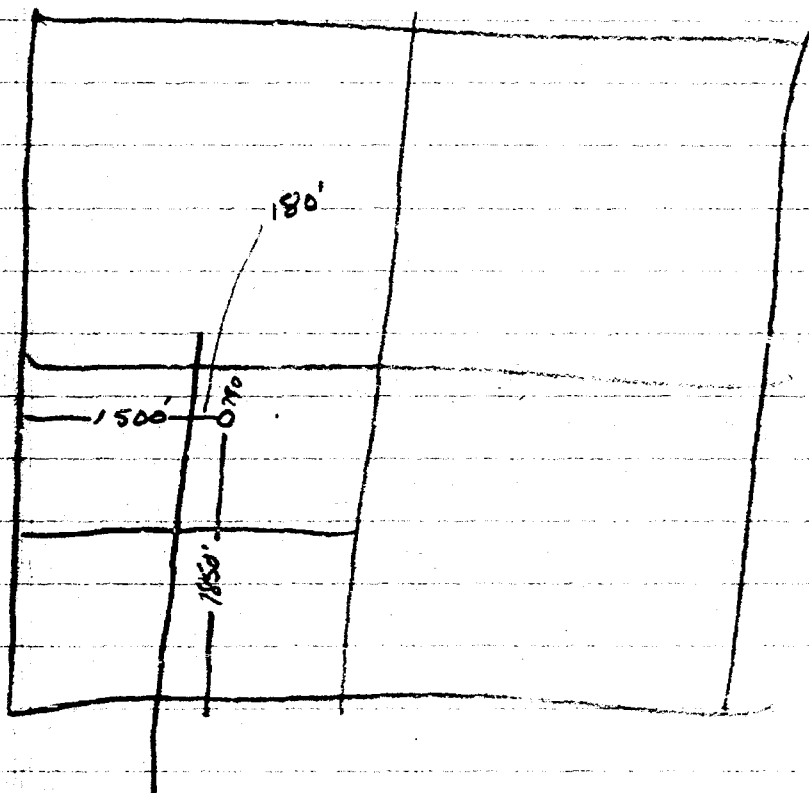
1850' FSL

1500 FWL

29-24N-5W

Rio Arriba

projected as gas well @ gas well loc. got
oil well instead of gas well



2640
1850
790

1500
1320
180

called in by Jason K 1/26/72

Application of Amerada Hess Corporation
for an unorthodox oil well location,
Rio Arriba County, New Mexico.

Applicant in the above styled case
seeks approval for the unorthodox
location of its Jicarilla Apache "B"
Well No 16, completed in the Dakota
formation at a point 1850 feet from
the South line and 1500 feet from the
West line of Section 29, Township 25
North, Range 5 West, Rio Arriba County,
New Mexico, said well having been
projected as a Basin Dakota gas
well at a standard gas well location
for said pool.

ROUGH

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5863

Order No. R- 5394

APPLICATION OF AMERADA HESS CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on ~~February 16,~~ ^{March 9,} 1977, at Santa Fe, New Mexico, before Examiner ~~Richard L. Stamets.~~

NOW, on this ^{March} day of ~~February~~, 1977, 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, Amerada Hess Corporation, seeks approval of an unorthodox oil well location for its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township ²⁴~~25~~ North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.

(3) That the NE/4 SW/4 of said Section 29 is to be dedicated to the well.

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

(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 an unorthodox oil well location for the ~~Basin~~ formation is hereby approved for applicant's Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dakota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township ²⁴~~25~~ North, Range 5 West, Rio Arriba County, New Mexico, ~~said well having been projected as a Basin Dakota gas well at a standard gas well location for said pool.~~

(2) That the NE/4 SW/4 of said Section 29 shall be dedicated to the above-described well.

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

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