

Case Number

5897

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 6, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc., for) CASE
an unorthodox gas well location, Chaves) 5897
County, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Donald G. Stevens, Esq.
Attorney at Law
214 Old Santa Fe Trail
Santa Fe, New Mexico

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825 Calle Mojila, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E XPageJACK AHLEN

Direct Examination by Mr. Stevens

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Cross Examination by Mr. Nutter

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EXHIBIT INDEXOffered Admitted

Applicant's Exhibit One, Map

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Applicant's Exhibit Two, Map

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Applicant's Exhibit Three, Structure Map

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Applicant's Exhibit Four, Isopach Map

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Applicant's Exhibit Five, Dip Meter Inter.

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Applicant's Exhibit Six, Cross Section

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Applicant's Exhibit Seven, Cross Section

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1 MR. NUTTER: We will call Case Number 5897.

2 MS. TESCHENDORF: Case 5897, application of Read &
3 Stevens, Inc., for an unorthodox gas well location, Chaves
4 County, New Mexico.

5 MR. STEVENS: Mr. Examiner, I'm Don Stevens an
6 attorney in Santa Fe representing the applicant in this case
7 and we have one witness to be sworn.

8 (THEREUPON, the witness was duly sworn.)

9
10 JACK AHLEN

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

13
14 DIRECT EXAMINATION

15 BY MR. STEVENS:

16 Q Would you state your name, your residence, your
17 occupation and your relationship to the applicant in this
18 case?

19 A My name is Jack Ahlen, I'm a consulting geologist
20 in Roswell, New Mexico. Read & Stevens has hired me as a
21 consultant to investigate the circumstances of this applica-
22 tion.

23 Q Have you previously testified before this Commission
24 and had your qualifications accepted and are you familiar
25 with this application and the area involved?

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1 A. Yes, yes, yes.

2 MR. STEVENS: Are the witness's qualifications
3 acceptable, Mr. Examiner?

4 MR. NUTTER: Yes.

5 Q (Mr. Stevens continuing.) Would you briefly state
6 what the applicant seeks herein, please?

7 A. The applicant seeks an unorthodox location in the
8 south half of Section 18, Township 15 South, Range 27 East,
9 Chaves County, New Mexico. An unorthodox location would be
10 nine hundred and ninety feet from the west line and sixteen
11 hundred and fifty feet from the south line in said section. A
12 normal location would be somewhere in the southeast quarter
13 of this section.

14 MR. STEVENS: Mr. Examiner, I would like to ask
15 the Commission to take administrative notice of some five
16 unorthodox location applications and approvals by this
17 Commission on producing wells in this field and probably three,
18 four or five other dry holes.

19 MR. NUTTER: Can you identify them by case number
20 or by well?

21 MR. STEVENS: I can't at this moment. I can by
22 wells just by looking at the map, if you would like for me to
23 do so.

24 MR. NUTTER: You don't need to read the name of the
25 well, just the quarter section or section would be sufficient.

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1 MR. STEVENS: The quarter section? All right, sir,
2 in Section 35, Township 14 south, Range 27 East in the northeast
3 quarter.

4 THE WITNESS: And the southwest quarter.

5 MR. STEVENS: In Section 36, the southwest quarter of
6 that Township and Range and Township 14 South, Range 28 East.
7 Section 31 which is a dry hole.

8 MR. NUTTER: But it was drilled off pattern?

9 MR. STEVENS: Yes, sir. Township 15 South, Range 27
10 East in Section 3, the northeast quarter. Section 11, the
11 northeast quarter and in Township 15 South, Range 28 East in
12 Section 5, the southwest quarter.

13 MR. NUTTER: The dry hole?

14 MR. STEVENS: Yes, sir. Section 6, the southwest
15 quarter, it is a producer. Section 7, the southwest quarter,
16 a dry hole. I believe that's all in the Township.

17 MS. TESCHENDORF: Mr. Stevens, our ad says Range 28
18 East, is that right?

19 MR. STEVENS: That's affirmative. Did you state
20 28 East?

21 THE WITNESS: I hope I did.

22 MS. TESCHENDORF: I think he said 27 in that.

23 THE WITNESS: If so, that's a correction.

24 Q (Mr. Stevens continuing.) Referring to what has
25 been marked as Exhibit Number One would you explain that,

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1 please?

2 A. Yes, this is a Xerox copy of the Midland Map Company
 3 map showing the current acreage situation in the area. It also
 4 indicates the proposed location and it also indicates the
 5 proration unit under question and it also shows the line of
 6 cross Section AB and CB.

7 Q The red outline?

8 A. Yes, the red outline is the proposed limit of the
 9 proration unit. You will also notice that Read & Stevens has
 10 an interest in adjacent acreage in the area.

11 Q Is this also true of the acreage in Section 19?

12 A. They had a small interest in the Depco well, a
 13 dry hole.

14 Q Referring to what has been marked as Exhibit Number
 15 Two, would you explain that, please?

16 A. This is a map which I prepared in the proposed unit
 17 area, excuse me, proration area of Section 18. It shows the
 18 structural configuration of the Atoka marker horizon. It
 19 shows a gentle southeast dip.

20 Q Is that a normal dip in this particular area?

21 A. Yes, sir, it is.

22 Q Referring to what has been marked as Exhibit Number
 23 Three, would you explain it, please?

24 A. This is a structure map on the top of the
 25 Mississippian horizon. It shows a gentle southeast dip also

1 but a very significant difference between it and the Atoka
2 marker is the structural ditch that runs diagonally northwest-
3 southeast through Section 12 of 15, 27 and 13 of 15, 27,
4 through the approximate area of the proposed location and on
5 down into Section 19 of 15, 28.

6 Q This ditch, as you phrase it, would be a low area,
7 lower than would be normal under ordinary regional dip, is
8 that correct?

9 A Yes, sir, it is. Normal regional dip in here is
10 the same as it is at the Atoka marker horizon. However, there
11 is a very significant erosional unconformity at the top of
12 the Mississippian limestone. Pre-Pennsylvanian or Early
13 Pennsylvanian erosion created a topographic relief in this
14 area on top of the Mississippian lime. The Atoka formation
15 has filled in this topographic ditch or valley. It would be
16 called a valley today if it were on today's surface, with
17 channel deposits and most of the channel deposits are the
18 coarse clastics which are the productive members in the Atoka
19 formation and the locus of most of these porous zones is in
20 this valley, in this ditch as expressed on this structural map.

21 Q Does Exhibit Four give further evidence and informa-
22 tion concerning this ditch or valley?

23 A Yes, sir. Exhibit Four is an isopach map which
24 expresses the difference between the Atoka structure map and
25 the Mississippian structure map, in other words, the datums,

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1 one is subtracted from the other and that is the total thickness
2 of the Atoka sediment in this particular area. Within this
3 sediment the Atoka productive sands are located. You will note
4 that the thickness of the Atoka on this particular map varies
5 from three hundred and sixty-two feet in Section 7 to its
6 thickest of four hundred and eighty-seven feet in Section 19.

7 Q The proposed location site then, could you explain
8 the difference of the proposed location and a standard
9 location based on the evidence submitted so far?

10 A Okay, statistically speaking, the best productive
11 wells in this pool are located where the Atoka sediments are
12 the thickest, in other words, in the middle of the valley.
13 Most of the dry holes and the poorer wells are located on the
14 flanks of this valley or high on the hills and based on my
15 investigation it appears as though the best location for a
16 productive well is in the southwest quarter of Section 18,
17 taking advantage of our previous knowledge in the area.

18 Even though I'm specific in specific areas, such as
19 the well in Section 19, where it is extremely thick, there is
20 still a possibility of a dry hole.

21 Q In your opinion would you still recover gas if you
22 drilled a well in a standard location?

23 A I think so, yes. However, it would not get as much
24 gas out of the Atoka as a well that was better located in the
25 best location where you would get all of your gas out of your

1 proration unit.

2 Q In your opinion would a well located in a standard
3 location recover the gas underlying this tract based upon your
4 opinion of the amount of gas underlying the southwest quarter
5 of this section?

6 A Probably not as much. Probably most of the gas
7 would be recovered by other wells, taking it out from under
8 Section 18. In other words, someone else would produce the
9 gas that you would normally produce in this unorthodox
10 location.

11 Q Referring to what has been marked as Exhibit Number
12 Five, would you explain it, please?

13 A Yes, sir, Exhibit Number Five is an interpretation
14 of the dip meter survey run in the Depco well located in
15 Section 19. What it attempts to do is show the locus of the
16 primary sand channels that were drilled while drilling in the
17 Depco well. In other words, the locus of a sand channel
18 that is productive and in that particular well five major
19 sand bodies were intercepted by wellbore and the direction
20 of the arrow is Schlumberger's interpretation of the direction
21 those channels were going.

22 MR. NUTTER: Are they numbered one to five from top
23 to bottom?

24 A Yes, sir, one through five from top to bottom. You
25 will note that three of the channels were flowing in a general

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1 east-southeast direction and two of the channels were flowing
2 in a generally south direction. The summation of those is
3 the direction of the channel and obviously a dip meter is good
4 for that, for hole only, and I have projected the arrows quite
5 a length but we all know the channels are sinuous in nature.

6 Q (Mr. Stevens continuing.) Does this interpretation
7 tend to reinforce your interpretation of the valley and channel
8 sand deposition in the valley?

9 A Yes, sir, it certainly does in that the summation of
10 the direction is the same direction as the channel which I
11 have mapped on the isopach map.

12 Q And there are no dips contrary to your previous
13 interpretation, is that correct?

14 A I would say not, no. The best probability of
15 achieving a successful well would be in the southwest of
16 Section 18.

17 Q Referring to what has been marked as Exhibit Number
18 Six, would you explain that, please?

19 A Yes, sir, this is a stratigraphic cross section
20 showing the detail log in the Read & Stevens No. 1 Piat
21 located in Section 18 of 15, 28 and the Depco No. 2 Federal
22 located in 19 of the same Township. It is a north-south
23 stratigraphic cross section. The primary purpose is to
24 illustrate the sands that are productive in the area. You
25 will note how the sands are randomly located in that well.

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1 Generally speaking there is a main sand body in the upper
2 half of the Atoka section and then there are scattered sand
3 channels in the lower half of that clastic section.

4 The Piat is productive in the interval below eighty-
5 six hundred feet, from eighty-six hundred to eighty-six
6 fifty.

7 Drill stem tests in the Depco well in Section 18
8 recovered four hundred and ten feet of gas cut mud from the
9 interval eighty-seven twenty to eighty-eight fifty and
10 recovered two hundred and ten feet of gas cut mud in the
11 interval of eighty-eight forty-nine to eighty-nine ninety-eight.

12 I have also interpreted the electrical logs in
13 this well. I interpreted a gas sand at a depth of eighty-eight
14 twenty and another gas sand at nine thousand twenty-five. The
15 uppermost of those two was included in one of these test
16 intervals, the lower one was not.

17 Q Based on your examination then, is it your
18 opinion that the dry hole located in the northwest quarter
19 of Section 19 would produce some gas if completed?

20 A Yes, sir, I was also the consulting geologist for
21 Depco at the time -- excuse me, not Depco, Husky, who was also
22 a partner in this well and I did recommend a completion
23 attempt but they considered it noncommercial.

24 Q Does the gas found in this well and your intrepr-
25 tation thereof reinforce your opinion that the entire south

1 half of Section 18 is underlain by gas?

2 A. Yes, sir, it certainly does.

3 Q. Referring to what has been marked as Exhibit Number
4 Six, would you explain this exhibit, please?

5 A. Exhibit Six is a northwest-southeast stratigraphic
6 cross section.

7 Q. Is this Exhibit Seven?

8 A. Yes, it is Exhibit Seven, showing the same circum-
9 stances as the north-south, except that it connects with two
10 wells in the middle of the channel. You note that I have
11 marked the perforations on those electric logs in the Read &
12 Stevens Langlie Com producing out of the interval approximately
13 eighty-six thirty to eighty-six fifty and in the Read & Stevens
14 Rose No. 1 in Section 13, perforations below eighty-six
15 twenty to eighty-seven hundred and then there is another set
16 of perforations at eighty-seven fifty, approximately. Those
17 at eighty-seven fifty were tight and again the illustration
18 of the Depco No. 2 Federal on the extreme right.

19 Q. Have you any further comments concerning any of
20 these exhibits?

21 A. No.

22 Q. In your opinion, based on your examination of this
23 area, would the granting of this application tend to prevent
24 waste and protect correlative rights?

25 A. Yes, it would.

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1 Q Were Exhibits One through Seven prepared by you or
2 under your direction?

3 A Yes, they were.

4 MR. STEVENS: We would like to move the introduction
5 of Exhibits One through Seven at this time, Mr. Examiner.

6 MR. NUTTER: Applicant's Exhibits One through Seven
7 will be admitted into evidence.

8 (THEREUPON, Applicant's Exhibits One through
9 Seven were admitted into evidence.)

10 MR. STEVENS: We have no further questions on
11 direct.

12
13 CROSS EXAMINATION

14 BY MR. NUTTER:

15 Q Mr. Ahlen, referring to your Exhibit Number Six, you
16 don't show the perforated interval of the Piat No. 1, do you
17 have that information with you?

18 A I think the perforated interval is present there
19 but it didn't come out very well on the print. I get a
20 shadow of an image there from eighty-six twenty-five to about
21 thirty-three, yes.

22 Q I see a little mark there, about eighty-six twenty-
23 five to about eighty-six what?

24 A Thirty-five and then eighty-six forty-eight to
25 fifty-four.

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1 Q Okay, and then I didn't get the information you gave
 2 on the DST on the Depco well. What was the interval of the
 3 first one?

4 A The upper test was eighty-seven thirty-two to eighty-
 5 eight fifty.

6 Q Eighty-seven thirty-two to eighty-eight fifty and
 7 that recovered four hundred feet of gas cut mud, did you say?

8 A Four hundred and ten feet of gas cut mud.

9 Q And the other interval was eighty-eight forty-nine to
 10 eighty-nine ninety-eight and what was the result on that one?

11 A Two hundred and ten feet of gas cut mud.

12 Q And although you recommended a completion there that
 13 well was P&A?

14 A Yes, sir. My recommendation also included the sand
 15 that was not drill stem tested.

16 Q Now, your proposed location would be a midway point
 17 on this cross section on Exhibit Six, is that right?

18 A Yes, sir.

19 MR. NUTTER: Are there any further questions of
 20 Mr. Ahlen? He may be excused.

21 (THEREUPON, the witness was excused.)

22 MR. NUTTER: Do you have anything further, Mr. Stevens?

23 MR. STEVENS: Nothing further, Mr. Examiner.

24 MR. NUTTER: Does anyone have anything they wish to
 25 offer in Case Number 5897? We will take the case under advise-
 ment.

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.

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11
12
13
14
15
16 I do hereby certify that the foregoing
17 a complete record of the proceedings in
18 the Examiner hearing of Case No. 5897
19 heard by me on 4/6, 1977

20 , Examiner
21 New Mexico Oil Conservation Commission
22
23
24
25

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. 5897
Order No. R-5416

APPLICATION OF READ & STEVENS FOR
AN UNORTHODOX GAS WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 6, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of April, 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, Read & Stevens, seeks approval of
an unorthodox gas well location for its Rose Well No. 2 to be
drilled at a point 1650 feet from the South line and 990 feet
from the West line of Section 18, Township 15 South, Range 28
East, NMPM, to test the Pennsylvanian formation, Buffalo Valley-
Pennsylvanian Gas Pool, Chaves County, New Mexico.

(3) That the S/2 of said Section 18 is to be dedicated to
the well.

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

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

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

-2-

Case No. 5897

Order No. R-5416

IT IS THEREFORE ORDERED:

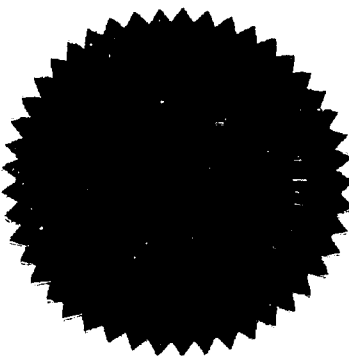
(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for the Read & Stevens Rose Well No. 2 to be drilled at a point 1650 feet from the South line and 990 feet from the West line of Section 18, Township 15 South, Range 28 East, NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

(2) That the S/2 of said Section 18 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
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

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

S E A L

jr/

Dockets Nos. 12-77 and 14-77 are tentatively set for hearing on April 20 and May 11, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 6, 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:

CASE 5884: (Continued & Readvertised)

Application of BCO, Inc., for an unorthodox location and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Greenhorn, Graneros and Dakota production in the wellbore of its Dunn Well No. 1 at an unorthodox Dakota location in Unit M of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5894: Application of Consolidated Oil & Gas, Inc., for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Well No. 5-34, at a point 790 feet from the South line and 1850 feet from the East line of Section 34, Township 26 North, Range 3 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to the E/2 of said Section 34.

CASE 5895: Application of C & K Petroleum, Inc., for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 12, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 840 feet from the South line and 1760 feet from the East line of said Section 12. 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 5896: Application of Exxon Company, USA, for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of a special gas-oil ratio limit of 6000 cubic feet of gas per barrel of oil for the Wantz-Abo Pool, Lea County, New Mexico.

CASE 5897: Application of Read & Stevens, Inc., for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rose Well No. 2 to be located 1650 feet from the South line and 990 feet from the West line of Section 18, Township 15 South, Range 28 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

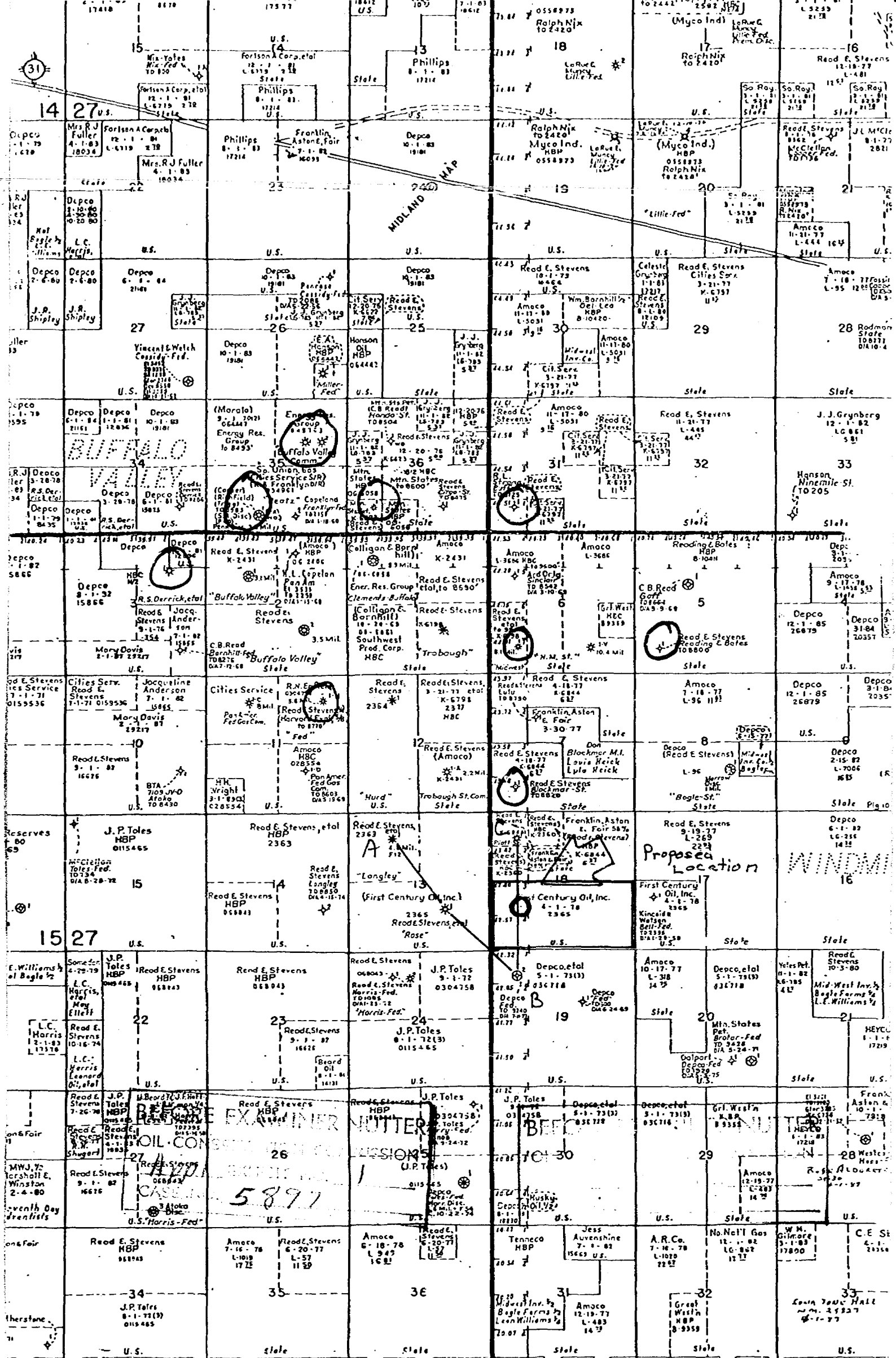
CASE 5653: (Reopened)

In the matter of Case 5653 being reopened pursuant to the provisions of Order No. R-5191 which order established temporary special pool rules for the Daisey-Wolfcamp Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5898: Application of Chece Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Ballard-Pictured Cliffs and South Lindrith Gallup-Dakota production in the wellbore of its Jicarilla 70 Well No. 3 located in Unit C of Section 33, Township 24 North, Range 4 West, Rio Arriba County, New Mexico. In the alternative, applicant seeks authority to commingle said production at the surface without prior measurement and waiver of the gas-oil ratio test requirement.

CASE 5899: (This case will be continued and will be heard by the Commission at 2 p.m. on April 20, 1977, Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico)

Application of Robert P. Wallach, Ray A. Wallach, and Patricia Louise Wallach House for an exception to Order No. R-3221, Lea County, New Mexico. Applicants, in the above-styled cause, seek, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate several earthen evaporation pits in the gravel pits in the SW/4 of Section 29, Township 21 South, Range 38 East, Lea County, New Mexico, for the disposal of produced salt water from oil and gas wells in Lea County, New Mexico.

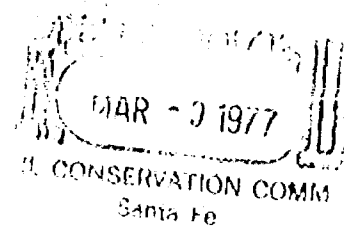


R28E

X-1

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF READ & STEVENS, INC.
FOR AN ORDER APPROVING AN UNORTHODOX
GAS WELL LOCATION, BUFFALO VALLEY PENN
GAS POOL, CHAVES COUNTY, NEW MEXICO



A P P L I C A T I O N

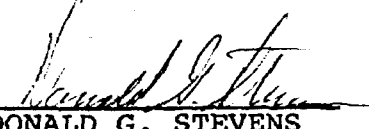
COMES NOW, Read & Stevens, Inc. and applies to the Oil Conservation Commission of the State of New Mexico for the approval of an order authorizing an unorthodox gas well location designated as Read & Stevens #2 Rose, to be located 1650 feet from the South line and 990 feet from the West line of Section 18, Township 15 South, Range 28 East, Buffalo Valley Penn Gas Pool, Chaves County, New Mexico, as an exception to the field rules of said Buffalo Valley Penn Gas Pool. Said well is proposed to be drilled to depth sufficient to test the Pennsylvanian pay in said pool and in support thereof Applicant would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Pennsylvanian formation in Lots 3 and 4, E/2 SW/4, and SE/4 of Section 18, above Township and Range.
2. Unless Applicant is granted approval of an unorthodox gas well location as proposed herein, it will be denied its right to obtain its just and equitable share of the gas underlying its lands.
3. Approval of the application will result in the recovery of gas that probably would not otherwise be recovered, will prevent waste, and correlative rights of the other owners in the area will be protected.

THEREFORE Applicant requests that this matter be set for hearing before the Commission, or before the Commission's duly appointed examiner on Wednesday, April 6, 1977, and that after notice and hearing as required by law, the Commission enter its order approving an unorthodox gas well location for Pennsylvanian production, as requested above.

Respectfully submitted,

READ & STEVENS, INC.

By 
DONALD G. STEVENS
P.O. Box 1797
Santa Fe, New Mexico 87501
ATTORNEY FOR APPLICANT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

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

[Signature]
CASE NO 5897

Order No. R- 5416

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APPLICATION OF READ & STEVENS
FOR AN UNORTHODOX GAS WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 6, 19 77,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of April, 19 77, 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, Read & Stevens, seeks
for its Rose Well No. 2 to be drilled at a point
approval of an unorthodox gas well location 1650 feet from the South
line and 990 feet from the West line of Section 18, Township
15 South, Range 28 East, NMPM, to test the Gas
Pennsylvanian formation, Buffalo Valley-Pennsylvanian Pool,
Chaves County, New Mexico.

(3) That the sr of said Section 18 is to be dedicated to the
well.

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

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

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(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent 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 gas well location for the Pennsylvanian ~~the~~ Read & Stevens Rose Well No. 2 to be ~~located~~ drilled formation is hereby approved for ~~a well to be located~~ at a point 1650 feet from the South line and 990 feet from the West line of Section 18, Township 15 South, Range 28 East NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

(2) That the 3/2 of said Section 18 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.

