

CASE NO.

6207

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO  
APRIL 19, 1978

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
 )  
 )

Application of Belco )  
Petroleum Corporation )  
for an unorthodox location, )  
Eddy County, New Mexico. )  
 )  
----- )

Case 6207

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 Division:

Lynn Teschendorf, Esq.  
Legal Counsel for the Division

For the Applicant:

Tom Kellahin, Esq.  
Attorney at Law  
Kellahin & Fox  
500 Don Gaspar  
Santa Fe, New Mexico

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54 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

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MR. STAMETS: Call next Case 6207.

MS. TESCHENDORF: Case 6207. Application of Belco Petroleum Corporation for an unorthodox location, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox appearing on behalf of Belco and I have one witness.

LEE NERING

the witness herein, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, by whom you are employed and in what capacity?

A Lee Nering, I'm employed as Administrative Geologist for Belco Petroleum Corporation of Houston, Texas.

Q Mr. Nering, you've previously testified before the Commission and had your qualifications as an expert witness accepted and made a matter of record?

A Yes.

Q Have you made a study of and are you familiar with the facts surrounding this particular application?

A I have.

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MR. KELLAHIN: We tender Mr. Nering as an expert.

MR. STAMETS: The witness is considered qualified.

Q (By Mr. Kellahin) Mr. Nering, would you please refer to what we have marked as Exhibit No. 1, identify it and tell us what Belco is seeking to accomplish?

A Exhibit No. 1 is a map of the portion of the City of Carlsbad, New Mexico. This map is not to any particular scale. It was derived from the City. The City Engineers office. But it does illustrate position of Belco's south Carlsbad, Cherry Canyon Field in which there are three oil wells and one dry hole, which is temporarily abandoned for future potential as an injection well by Belco.

It also illustrates that the wells are presently located totally within the City of Carlsbad. Also it illustrates that the area has presently been annexed less than one year ago. It also illustrates the proposed location known to Belco as the Little et. al No. 1, which is within what is described as the Getty Subdivision.

MR. STAMETS: I believe that's Gentry.

A Gentry, excuse me.

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Q (By Mr. Kellahin) Please refer to what we have marked as Exhibit 2 and identify it?

A Exhibit No. 2 is a portion of the City of Carlsbad's ordinance No. 748 which described the prohibition of operation within certain distances from building. This is highlighted. It states that no well shall be drilled nearer than 500 feet to any residence, hospital, school or commercial building located within the city.

Q Does the ordinance provide for any exception to that?

A The ordinance has to this date provided no exception.

Q Is that the reason for seeking the unorthodox location?

A That is correct. Our location is located, excuse me, and orthodox location is located well within 500 feet of several residences, which we will show by later exhibits.

Q Let's go to Exhibit No. 3 and have you identify it.

A Exhibit No. 3 is a copy of print that we have had enlarged of a portion of an aerial photograph of this area. The scale on the print that you're looking at

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the scale on the print that you're looking at and the scales on the print are different. The scale on the print that you're looking at is one inch equals 200 feet, whereas the scale on the Exhibit No. 3 is 1 inch equals 200 feet, which is keeping with a to be developed map of the City of Carlsbad.

It illustrates the difficulty we've had in locating an orthodox location in the southeast-southwest quarter of Section 20 of 22 south and 27 east in Eddy County, which is a direct offset to the producing well in the same quarter section.

The 500 foot radius is shown on both the exhibit as well as on the print that you're looking at, which is, of course, a better print and you're able to see very clearly on that print the residence, the houses and on the exhibit these houses are located by yellow color.

The exhibit also shows, what I refer to as the orthodox drilling island. And it becomes obvious that there are no places within that orthodox island where an orthodox location can be obtained.

We have attempted at some difficulty to find a place within the southeast quarter of the southwest

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one-quarter of section 20 to locate a reasonable location and as such we've been forced to pick a location which is unorthodox in terms of the State regulations.

Q Would you refer to what we have marked as Exhibit No. 5 and identify that.

A Exhibit No. 5 is a copy of the New Mexico Form C 102 which is in effect survey plat. It illustrates that we have had a survey engineering team out there. I've personally been on the ground and this location is in fact surveyed and our distances are correct as far as the section lines are concerned.

Our engineering firm, has in addition, measured distances to the houses.

Q Would you identify what we have marked as Exhibit No. 4?

A Exhibit No. 4 is a geological structure map. The scale on this is correct. It's one inch equals 2,000 feet and illustrates the current wells in the south Carlsbad Cherry Canyon Field, which incidentally is a delaware sand field at a depth of about 3,400 feet. Illustrates that's a relatively compact field.

It illustrates that the southeast quarter of Section--southeast of the southwest of Section 20 would

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be the most logical direct additional offset to the current three producing oil wells.

The geological map I think illustrates that being denied the drilling of the Delaware test in this particular quarter-quarter section will deny the correlative rights of the working interest owners within the west half of Section 20, which are the same throughout, however, there are several working interests, consolidated by communitization, originating with the drilling of Belco Martin No. 1, a morrow gas well, which is shown on the map.

In addition, I think the denial of the drilling of any well in southeast-southwest of 20 will create waste as terms of the eventual extraction of all hydrocarbons from the Cherry Canyon Field.

Q Mr. Nering, were Exhibit 1, 3, 4, and 5 compiled by you?

A Yes, all exhibits were prepared by me. I would like to point out that there was question in Belco's mind whether or not this particular location could have qualified for administrative exception under the Division's present rules regarding exceptions due to topographic reasons. Recognizing there is a moot point over whether or

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not culture meaning buildings, agriculture, improvements upon existing surface is a topographic condition.

There is precedence, Belco at one time did obtain an administrative exception for an unorthodox location due to proximity to a farm house, a ranch, also in Eddy County.

We made the decision that we thought it best that we would illustrate what our condition was. We still, of course, have to apply to the City of Carlsbad to receive ultimately a drilling permit from them and they are, of course, rather astute in going out and measuring distances. They do check.

MR. KELLAHIN: We would move the introduction of Exhibit 1 through 5.

MR. STAMETS: These exhibits will be admitted.

(WHEREUPON, Applicant's Exhibit Nos. 1 through 5 admitted into evidence.)

MR. KELLAHIN: If the Examiner please, it would be of some benefit to us in future drilling in the Carlsbad area, especially if the Commission would advise us as to how they would define topography and whether that would include structures, residential improvements in

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this nature, so that in dealing with the City of Carlsbad and if we find a location that has to be moved that we may do so with the Commission's approval administratively, rather than have the matter set for hearing each time we have to move our location.

MR. STAMETS: It's a good question, Mr. Kellahin. I might add, of course, seems like we have for a long time interpreted topography to include buildings, improvements, fields, drainage ditches, irrigation ditches and so on. But whether or not the City ordinance could be interpreted as to topography, I don't know.

MR. NERING: We are still bound by the 500 feet and as such, we felt it would be better to explain our position to the Commission and show you exactly what was happening.

I would point out that Belco is making efforts to attempt to alter the City ordinance to be somewhat in keeping with the County ordinance which also calls for a minimum distances from buildings in the county.

MR. STAMETS: Any questions of the witness? You may be excused. Anything further in this case? The case will be taken under advisement.

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(WHEREUPON, hearing was concluded.)

\* \* \* \* \*

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REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, CSR-RPR with offices in Santa Fe, New Mexico, do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me stenographically and reduced to typewritten transcript by me or under my supervision.

DATED at Santa Fe, New Mexico, this eleventh day of May, 1978.

*Betty J. Lanphere*  
Betty J. Lanphere, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examination hearing of Case No. 6207 heard by me on 4-19, 1978.  
*Richard P. Stamm*, Examiner  
New Mexico Oil Conservation Commission

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SANTA FE, NEW MEXICO 87501



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6207  
Order No. R-5717

APPLICATION OF BELCO PETROLEUM  
CORPORATION FOR AN UNORTHODOX  
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Belco Petroleum Corporation, seeks approval of an unorthodox location for its Little et al Well No. 1 to be drilled 1290 feet from the South line and 1720 feet from the West line of Section 20, Township 22 South, Range 27 East, NMPM, South Carlsbad-Cherry Canyon Pool, Eddy County, New Mexico.

(3) That the SE/4 SW/4 of said Section 20 is to be dedicated to the well.

(4) That the unorthodox location is necessitated due to City of Carlsbad Ordinance No. 748 requiring that no well be drilled nearer than 500 feet to any residence, hospital, school, or commercial building located within the City.

(5) That a well at said unorthodox location will enable applicant to drill upon and to produce the oil underlying the proration unit.

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

-2-

Case No. 6207  
Order No. R-5717

(7) 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.

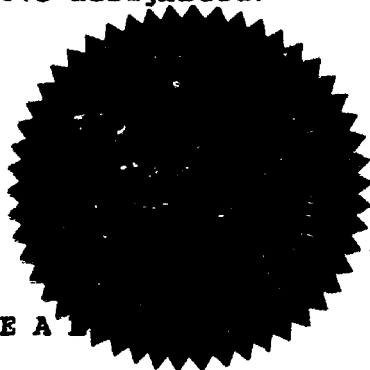
IT IS THEREFORE ORDERED:

(1) That an unorthodox well location is hereby approved for Belco Petroleum Company's Little et al Well No. 1 to be located at a point 1290 feet from the South line and 1720 feet from the West line of Section 20, Township 22 South, Range 27 East, NMPM, South Carlsbad-Cherry Canyon Pool, Eddy County, New Mexico.

(2) That the SE/4 SW/4 of said Section 20 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 Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.



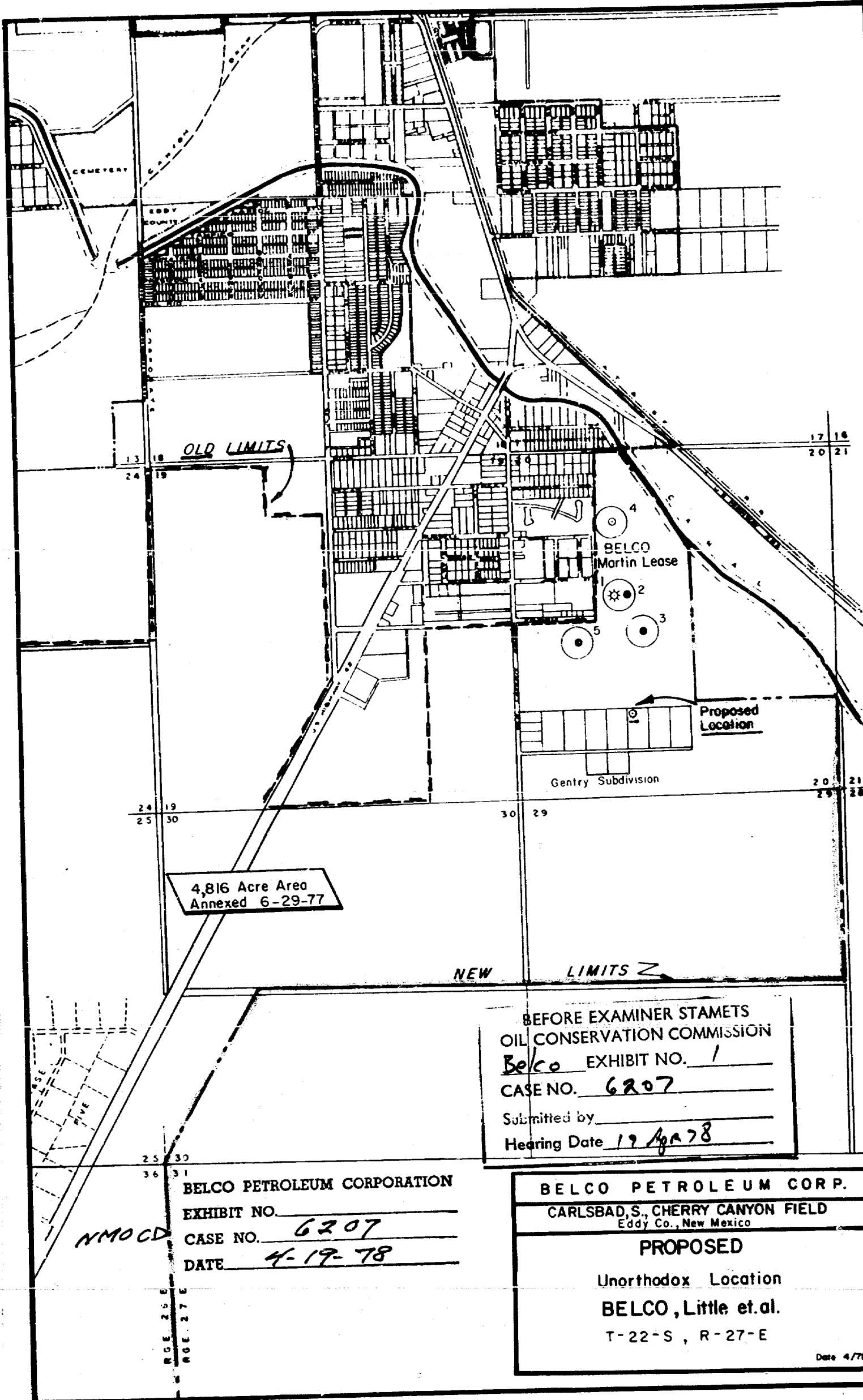
STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Division Director

S E A L

jr/





BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION  
Belco EXHIBIT NO. 1  
CASE NO. 6207  
Submitted by \_\_\_\_\_  
Hearing Date 19 Apr 78

NMOC  
BELCO PETROLEUM CORPORATION  
EXHIBIT NO. \_\_\_\_\_  
CASE NO. 6207  
DATE 4-19-78

BELCO PETROLEUM CORP.  
CARLSBAD, S., CHERRY CANYON FIELD  
Eddy Co., New Mexico

PROPOSED  
Unorthodox Location  
BELCO, Little et.al.  
T-22-S, R-27-E

Date 4/78

AN ORDINANCE TO ESTABLISH REGULATIONS PERTAINING TO THE DRILLING FOR AND THE OPERATION OF OIL AND GAS WELLS AND PIPELINES WITHIN THE CITY LIMITS; CONTAINING DEFINITIONS; REQUIRING PERMITS AND ESTABLISHING PROCEDURES AND FEES FOR OBTAINING SAME; REQUIRING BOND AND INSURANCE; REGULATING USE OF STREETS AND ALLEYS; PROHIBITING OPERATIONS WITHIN CERTAIN DISTANCES FROM BUILDINGS; PROHIBITING USE OF CERTAIN TYPES OF RIGS AND REQUIRING REMOVAL; ESTABLISHING PRACTICES AND STANDARDS FOR OPERATIONS AND EQUIPMENT; REQUIRING TESTS; REQUIRING CLEANLINESS AND SANITATION; PROHIBITING USE OF CERTAIN STORAGE TANKS AND REGULATING OTHERS; REQUIRING CERTAIN SAFETY STANDARDS AND DEVICES AND FENCES; CONTAINING CERTAIN FIRE PREVENTION REGULATIONS; PROVIDING FOR ATTORNEY'S FEES AND AGENTS FOR SERVICE OF PROCESS; PROVIDING PENALTIES; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE.

WHEREAS, the Council finds that there is increased drilling activity for oil and/or gas in the vicinity of the City of Carlsbad; and

WHEREAS, the Council further finds that it is in the public interest to establish reasonable standards and regulations governing such activities within the City of Carlsbad.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CARLSBAD, NEW MEXICO: .....

Section 12. PROXIMITY OF WELL, TANKS, OR PIPELINES TO BUILDINGS:

A. No well shall be drilled, and no permit shall be issued for any well to be drilled at any location or storage tank to be located nearer than 500 feet to any residence, hospital, school, or commercial building located within the City, unless said residence or building is owned or controlled by the permittee. Provided, however, that the Council may, in exceptional cases, in considering any application for a permit, require a greater distance, depending on the circumstances, and so specify in the permit. ....

PASSED, APPROVED AND ADOPTED THIS 12th DAY OF July, 1974.

CITY OF CARLSBAD

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Belco	EXHIBIT NO. <u>2</u>
CASE NO. <u>6207</u>	
Submitted by	
Hearing Date <u>19 Aug 78</u>	
ATTEST:	

By Walter Villalobos  
Mayor

City Clerk

BELCO PETROLEUM CORPORATION

EXHIBIT NO. \_\_\_\_\_

CASE NO. 6207

DATE 4-19-78

NMOCO

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

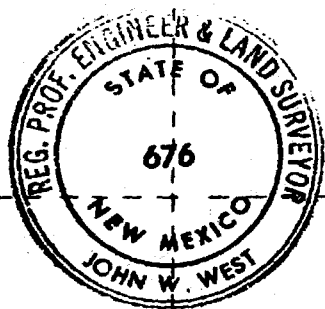
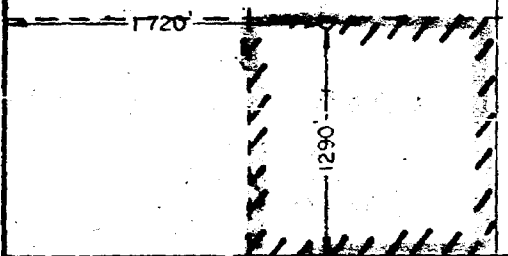

Operator <b>Belco Petroleum Corp.</b>		Lease <b>Little et al</b>		Well No. <b>1</b>
Tract Letter <b>N</b>	Section <b>20</b>	Township <b>22 South</b>	Range <b>27 East</b>	County <b>Eddy</b>
Actual Well Location of Well:				
<b>1290</b>	feet from the <b>South</b>	line and	<b>1720</b>	feet from the <b>West</b>
Ground Level Elev. <b>3140.7</b>	Producing Formation <b>Delaware</b>	Pool <b>Carlsbad, S., Cherry Canyon</b>	Dedicated Acreage <b>40</b> 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?

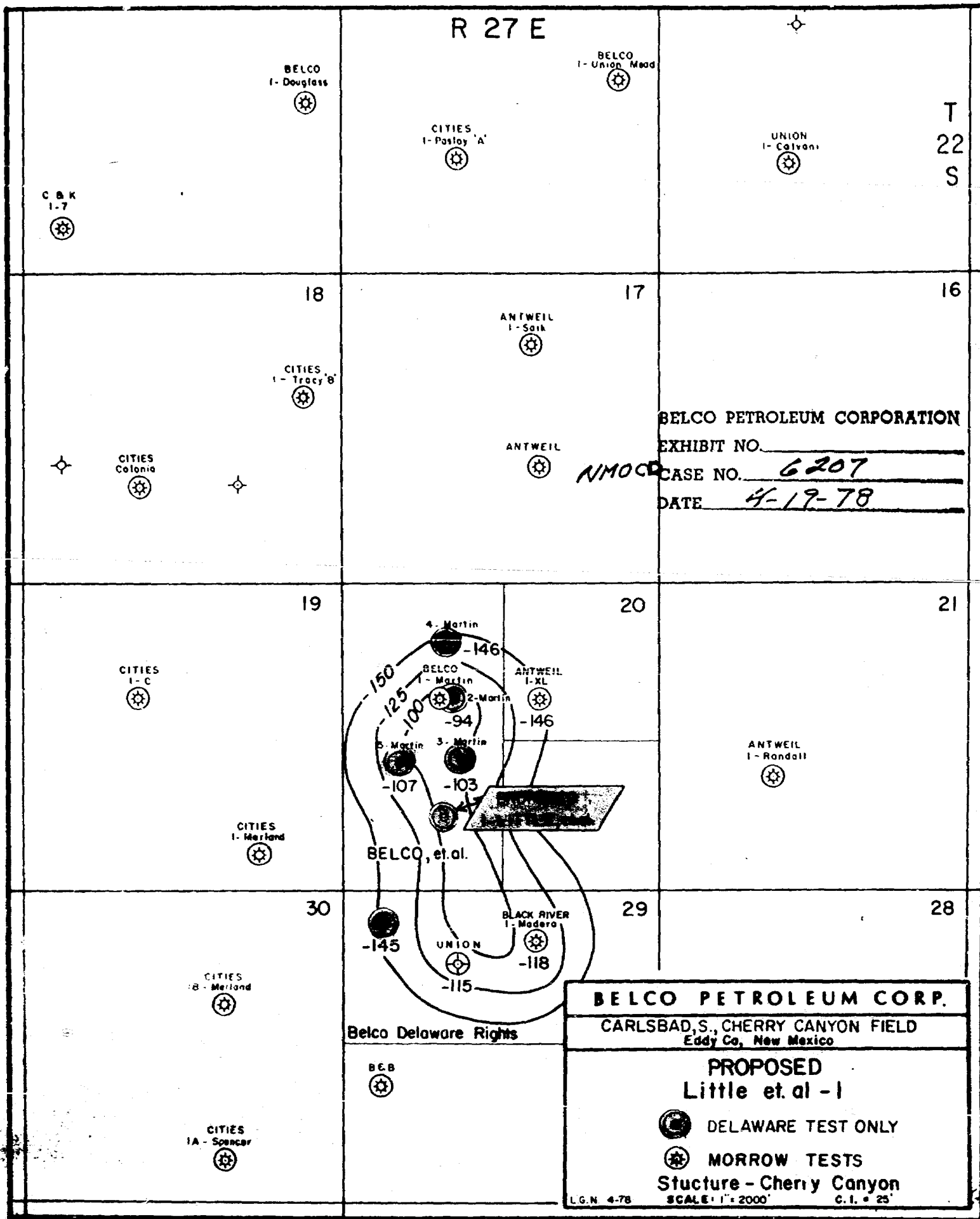
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_

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.

<b>BELCO PETROLEUM CORPORATION</b> EXHIBIT NO. _____ <b>NMOC</b> CASE NO. <b>6207</b> DATE <b>4-19-78</b>	
	
	
	

<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name <i>Lee G. Nering</i>	Lee G. Nering
Position <b>Administrative Geologist</b>	Company <b>BELCO PETROLEUM CORPORATION</b>
Date <b>April 19, 1978</b>	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 <b>3/28/78</b>	Registered Professional Engineer and/or Land Surveyor <i>John W. West</i>
Certificate No. <b>John W. West 676</b> <b>Ronald J. Eidson 3239</b>	



Dockets Nos. 16-78 and 17-78 are tentatively set for hearing on May 3 and 17, 1978. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 19, 1978

9 A.M. - OIL CONSERVATION DIVISION 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 May, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6151: (Continued from March 22, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Vega Petroleum Corporation, American Employers' Insurance Company, and all other interested parties to appear and show cause why the North Caprock Queen Unit No. 1 Well No. 5Y located in Unit E of Section 8, Township 13 South, Range 32 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6199: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marion B. Edmonds and O. A. Peters and all other interested parties to appear and show cause why the Edmonds & Peters Federal Well No. 1 located in Unit M of Section 3, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6200: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Astro-Tex Oil Corp., American Employers' Insurance Co., and all other interested parties to appear and show cause why the Cain Well No. 2 located in Unit J of Section 22, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6201: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paul Haskins and all other interested parties to appear and show cause why the Federal "17" Well No. 1 located in Unit P of Section 17, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6202: Application of Amoco Production 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 Teledyne Fed. Gas Com Well No. 1 to be located 660 feet from the South line and 1980 feet from the East line of Section 4, Township 23 South, Range 29 East, Eddy County, New Mexico, the E/2 of said Section 4 to be dedicated to the well.

CASE 6203: Application of Walter W. Krug DBA Wallen Production Co., for special casing-cementing rules in the Potash-Oil Area, Lea County, New Mexico. Applicant, in the above-styled cause, asks that the special cable tool casing-cementing rules for wells in the North Lynch Yates-Seven Rivers Pool, as promulgated by Order No. R-42-3, be extended to encompass additional lands, including all or portions of Sections 20, 21, 27, 28, 33 and 34, Township 20 South, Range 34 East, Lea County, New Mexico.

CASE 6204: Application of Producing Royalties, Inc., for exemption from the Natural Gas Pricing Act, San Juan County, New Mexico. Applicant, in the above-styled cause, proposes to drill a replacement Pictured Cliffs gas well in the same proration unit as its Payne Well No. 2, that is, the NW/4 of Section 12, Township 29 North, Range 12 West, San Juan County, New Mexico, and seeks exemption from the Natural Gas Pricing Act pursuant to a finding that the new well is justified for reasons other than avoiding the application of said act.

CASE 6205: Application of Gifford, Mitchell & Wisenbaker for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Quannah Parker Well No. 2-Y to be located 2770 feet from the South line and 2310 feet from the East line of Section 28, Township 26 South, Range 36 East, West Scarborough-Yates Pool, Lea County, New Mexico, the SW/4 NE/4 of said Section to be dedicated to the well.

CASE 6206: Application of Cleary Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well at a point 4650 feet from the South line and 1980 feet from the West line of Section 5, Township 21 South, Range 32 East, South Lake-Morrow Field, Lea County, New Mexico, Lots 11, 12, 13, and 14, and SW/4 of said Section 5 to be dedicated to the well.

CASE 6207: Application of Belco Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Little et al Well No. 1 to be drilled 1290 feet from the South line and 1720 feet from the West line of Section 20, Township 22 South, Range 27 East, South Carlsbad-Cherry Canyon Pool, Eddy County, New Mexico, the SE/4 SW/4 of said Section 20 to be dedicated to the well.

CASE 6208: Application of Layton Enterprises, Inc., for two non-standard oil proration units and two unorthodox locations, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard oil proration units in Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, each to be dedicated to a well to be drilled at an unorthodox location thereon. The first unit would comprise 102.55 acres being the N/2 NW/4 and Lot 1 of Section 16 with the well located 800 feet from the North line and 450 feet from the East line of the section; the second unit would comprise 101.84 acres being the S/2 NW/4 and Lot 2 of Section 16 with the well located 2120 feet from the North line and 450 feet from the East line of the section.

CASE 6209: Application of Southern Union Exploration Co., for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NW/4 of Section 18, Township 25 North, Range 13 West, San Juan 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 6210: Application of Orla Petco, Inc., for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Upper Delaware formation through the perforated interval from 2560 feet to 2690 feet in its Sanders Well No. 1 located in Unit G of Section 6, Township 23 South, Range 28 East, Herradura Bend-Delaware Field, Eddy County, New Mexico.

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

KELLAHIN and FOX  
ATTORNEYS AT LAW  
800 DON GASPAR AVENUE  
P. O. BOX 1769  
SANTA FE, NEW MEXICO 87501

Case  
6207  
MAR 25 1978  
OIL CONSERVATION COMMISSION  
TELEPHONE 982-4318  
AREA CODE 505

March 27, 1978

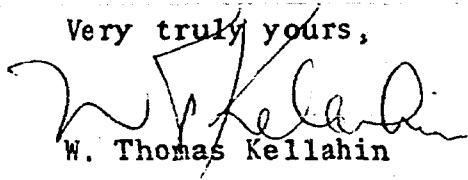
Mr. Joe Ramey  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Belco Petroleum Corporation

Dear Mr. Ramey:

Please set the enclosed application for hearing on  
April 19, 1978.

Very truly yours,

  
W. Thomas Kellahin

CC: Mr. Lee Nering

WTK:kfm

Enclosure

Case  
6207

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
FOR BELCO PETROLEUM CORPORATION  
FOR AN UNORTHODOX LOCATION, EDDY  
COUNTY, NEW MEXICO

A P P L I C A T I O N

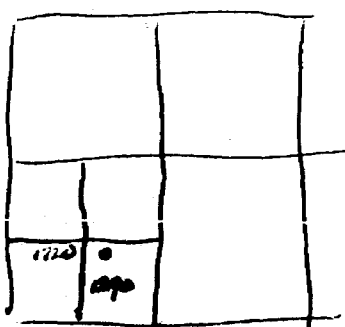
Comes now BELCO PETROLEUM CORPORATION, and applies to the Oil Conservation Commission of New Mexico for authority to drill a Delaware test well at an unorthodox location 1720 feet from the West line and 1290 feet from the South line of Section 20, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill on the SE/4SW/4 of Section 20, T22S, R27E, Eddy County, New Mexico to be dedicated to a well located 1720 feet from the West line and 1290 feet from the South line of said Section.

2. That subject well will be called the Belco Petroleum Corporation Little et al #1 and is to be completed in the South Carlsbad Cherry Canyon field as a Delaware test.

3. Applicant seeks the unorthodox well location in order to comply the drilling rules, regulations and requirements of the City of Carlsbad, New Mexico.

4. A well located as requested will adequately drain the proposed proration unit and will not impair the correlative rights of others, and will prevent wastes.



1320	1720
1290	1320
<u>30</u>	<u>1100</u>



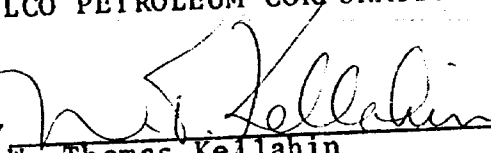
Case 6207

WHEREFORE Applicant respectfully requests that this application be set for hearing before the Commission's duly appointed examiner and that upon hearing an order be entered authorizing the unorthodox location as requested.

Respectfully submitted,

BELCO PETROLEUM CORPORATION

By

  
W. Thomas Kellahin

Kellahin & Fox

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

Case  
62.07  
JUN 28 1978  
OIL CONSERVATION COMMISSION

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
FOR BELCO PETROLEUM CORPORATION  
FOR AN UNORTHODOX LOCATION, EDDY  
COUNTY, NEW MEXICO

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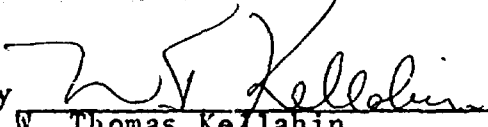
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Care  
6207

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Respectfully submitted,

BELCO PETROLEUM CORPORATION

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

ATTORNEYS FOR APPLICANT

May 24 1978

CONSERVATION COMMISSION

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
FOR BELCO PETROLEUM CORPORATION  
FOR AN UNORTHODOX LOCATION, EDDY  
COUNTY, NEW MEXICO

A P P L I C A T I O N

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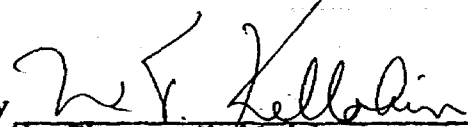
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Respectfully submitted,

BELCO PETROLEUM CORPORATION

By

  
W. Thomas Kellahin  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6207

ORDER NO. R- 5717

APPLICATION OF BELCO PETROLEUM CORPORATION

FOR AN UNORTHODOX ~~GAS WELL~~ LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 19,  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this        day of April, 1978, the Division  
Director, 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 Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Belco Petroleum Corporation,  
for its Little et al Well No. 1 to be ~~tax~~ drilled  
seeks approval of an unorthodox ~~gas well~~ location/ 1290

feet from the South line and 1720 feet from the  
West line of Section 20, Township 22 South

Range 27 East, NMPM, ~~to test the~~

~~formation~~, South Carlsbad-Cherry Canyon Pool, Eddy  
County, New Mexico.

(3) That the SE/4 SW/4 of said Section 20 is to be  
dedicated to the well.

(5) That a well at said unorthodox location will ~~better~~  
<sup>drill upon and to</sup>  
enable applicant to produce the oil underlying the proration unit.

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

(4) That the unorthodox location is necessitated due to City of Carlsbad Ordinance No. 748 requiring that no well be drilled nearer than 500 feet to any residence, hospital, school, or commercial building located within the City.

-2-

Case No. \_\_\_\_\_

Order No. R- \_\_\_\_\_

(7) 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:

*Beico Petroleum Company*  
(1) That an unorthodox ~~gas~~ well location for the \_\_\_\_\_  
's Little et al Well No. 1  
formation is hereby approved for ~~a well~~ to be located at a point 1290  
feet from the South line and 1720 feet from the West  
line of Section 20, Township 22 South, Range 27 East  
NMPM, South Carlsbad-Cherry Canyon Pool, Eddy County,  
New Mexico.

(2) That the SE/4 SW/4 of said Section 20 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 Division may deem necessary.

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



# Memo

From  
R. L. STAMETS  
TECHNICAL  
SUPPORT CHIEF

To Joe Durkee  
Arroyo Houston Potash  
Area Bass well  
E/24 235-1-9 location on fee  
tract

By Tom Hellum 3-27-78  
NSL Belco

Belco Pet. Corp. Little  
etal #1 1290 S 20-22S-R29E  
1720 W  
Eddy Co S. Carlsbad -  
Cherry Canyon Pool  
Dedicate SE SW (40 acres)

OIL CONSERVATION COMMISSION-SANTA FE