

Case NO.

6567

Application

Transcripts

Small Exhibits

ETC.

MEWBOURNE OIL COMPANY

1010 WALL TOWERS WEST
MIDLAND, TEXAS 79701

915-682-3715

June 22, 1979

Re: Mewbourne Oil Company
State "25" Comm. - Well No. 1
S/2 Section 25 - T14S - R27E
Chaves County, New Mexico

State of New Mexico
Department of Minerals and Energy
Oil Conservation Division
Santa Fe, New Mexico 87501

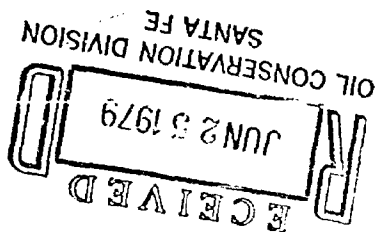
Gentlemen:

Attached is a waiver from Energy Reserves Group for the location for the captioned well. The hearing for this unorthodox location was held on June 13, 1979 in Case No. 6767.

Yours very truly,

Donald G. Haden
Donald G. Haden
District Manager

DGH/tg
Attachment



May 24, 1979

Order No. 16561
June 2, 1979

State of New Mexico
Department of Minerals and Energy
Oil Conservation Division
Santa Fe, New Mexico

Re: Mewbourne Oil Company
State "25" Comm. - Well No. 1
S/2 Section 25 - T14S - R27E
Chaves County, New Mexico

As an offset operator, we hereby agree to a Waiver of Division Order No. R-1670-H (Buffalo Valley - Pennsylvanian Gas Pool Rules) requiring wells to be located either in the Northwest or Southeast Quarter of any section and no closer than 990 feet to an outer boundary nor 330 feet to any quarter section, so as to allow the drilling by Mewbourne Oil Company of its No. 1 State "25" Communitized well at a location 1650 feet from the West Line and 660 feet from the South line of the captioned Section 25.

Yours very truly,

Energy Reserves Group

BY: *Richard L. Zimmerman*
Dist. Prod. Mgr.

6-20-79

RECEIVED
JUN 25 1979
OIL CONSERVATION DIVISION
SANTA FE

RECEIVED

MAY 29 1979

ENERGY RESERVES GROUP
NEW YORK, N.Y. 10101

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
13 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Mewbourne Oil Com- CASE
pany for an unorthodox well loca- 6567
tion, Chaves County, New Mexico.

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

M. A. "ART" CUSTER, JR.

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E X H I B I T S

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1 MR. NUTTER: Call Case Number 6567.

2 MR. PADILLA: Application of Mewbourne
3 Oil Company for an unorthodox well location in Chaves
4 County, New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Santa Fe,
6 New Mexico, appearing on behalf of the applicant and I
7 have one witness.

8
9 (Witness sworn.)

10
11 M. A. "ART" CUSTER, JUNIOR
12 being called as a witness and having been duly sworn upon
13 his oath, testified as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

17 Q Would you please state your name, by whom
18 you're employed, and in what capacity?

19 A My name is M. A. Custer, Junior. I'm
20 employed as a District Geologist for Mewbourne Oil Company,
21 Midland, Texas.

22 Q Mr. Custer, have you previously testified
23 before the New Mexico Oil Conservation Division?

24 A No, sir, I have not.

25 Q Would you summarize for the Examiner where

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1 you were educated and when you obtained your degree in
2 geology?

3 A I graduated with a degree in geology from
4 Oklahoma State University in 1952.

5 Q Subsequent to graduation in 1952, where
6 have you been employed in the capacity of a geologist?

7 A I worked for Exxon Corporation for about
8 twenty years as -- in doing exploration and exportation
9 geology.

10 I worked for Coquina Oil Corporation for
11 about four and one-half years doing the same type of work.

12 Q How long have you been employed by Mew-
13 bourne Oil Company?

14 A About one year.

15 Q During the course of that employment have
16 you made a study of and are you familiar with the facts
17 of this case?

18 A Yes, sir.

19 MR. KELLAHIN: We tender Mr. Custer as an
20 expert geologist.

21 MR. NUTTER: Mr. Custer is qualified.

22 Q (Mr. Kellahin continuing.) Would you
23 please refer to Mewbourne Exhibit Number One and identify
24 that?

25 A Yes, sir. This is a structure map on top

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1 of the Atoka formation of the north portion of the Buffalo
2 Valley-Penn Gas Pool, Chaves County, New Mexico.

3 Q What is the spacing in the Buffalo Valley-
4 Pennsylvanian Gas Pool?

5 A 320 acres.

6 Q And what is the proration unit to be dedi-
7 cated to this well?

8 A The south half of Section 25, 14, 27.

9 Q What is the proposed footage location?

10 A The proposed footage location is 1650 feet
11 from the west line and 660 feet from the south line of
12 Section 25.

13 Q What do the Buffalo Valley-Penn Gas Pool
14 rules provide for with regards to the location of wells to
15 be drilled in that pool?

16 A The pool rules provide that each location
17 should be either in the southeast or the northwest of each
18 section and be further than 990 feet from the lease line.

19 Q Will you describe the wells generally de-
20 picted on your plat and indicate the significance of the
21 color code on those wells?

22 A Yes. As I mentioned, this is a structure
23 map. The subsea values I have colored red. The wells
24 that are colored orange and the lines that connect them
25 are part of a cross section to be shown later. The wells

1 that are colored green are wells that have cumulative
2 production exceeding 5-billion cubic feet of gas as of
3 January, or as of 1-79.

4 The wells that are colored blue have a
5 cumulative 2-1/2 to 5-billion cubic feet of gas as of the
6 same date, and the wells that are colored purple are wells
7 that have either recovered 1- to 2-1/2-billion cubic feet
8 of gas as of the same date, or I have estimated an ultimate
9 recovery of that same rank.

10 Q Your plat indicates a cumulative production
11 figure. That's a cumulative production through what period?

12 A That's through January 1st, 1979.

13 Q Will you locate for us the discovery well
14 for this pool?

15 A Yes, sir. The discovery well is the well
16 that's colored green that's in position N, letter N, of
17 Section 35 of 14, 27.

18 Q In Section 35?

19 A Yes, sir, the second well that's colored
20 orange on the west/east cross section. This one here.

21 Q My plat doesn't show that to be color
22 coded green, but that -- what has been the cumulative
23 production on that well in Section 35.

24 A Over 5-billion cubic feet of gas.

25 Q Why have you chosen the particular loca-

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1 tion for this well rather than a standard location?

2 A. Well, the information that I have obtained
3 in studying this field indicates that the Buffalo Valley
4 Field is located on a nose extending to the southeast off
5 of the northwest shelf.

6 Located on this nose are several local
7 highs, which I have indicated on the structure map.

8 The wells that appear to be the best pro-
9 ducers are wells that are located near some of these highs.
10 The quality and the quantity of sand at these locations
11 also enhance the recovery from these good wells.

12 The reason that we have staked this loca-
13 tion where it is, is that we would like to be located at
14 off -- near, as near to one of these local highs and on
15 a structural trend with some of these good wells, producing
16 wells.

17 Q. Is structure the only factor you considered
18 in making the recommendation as to a proposed location?

19 A. No, sir, the -- the amount of sand that
20 we expect to encounter at this location.

21 Q. Would you describe generally what the
22 geology is of this area?

23 A. Well, as the -- do you want me to describe
24 it right now for this plat or off the other one?

25 The geology --

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1 Q Whichever one you'd like to use.

2 A In addition to the -- in addition to the

3 structure, I have mapped this, if you will --

4 Q Let's look at Exhibit Number Two.

5 A -- look at Exhibit Number Two along with

6 Number One, which is an Isopach map of the net Atoka Sand,

7 and my --

8 Q Let me ask you this. The only difference

9 in Exhibit One and Two is that in Exhibit Number Two you

10 have identified the net Atoka Sand adjacent to each well

11 by the -- by the number indicated?

12 A Yes, sir. The net sand is colored red on

13 Exhibit Two.

14 And I think that this Buffalo Valley Field

15 is part of a delta system and that these producing sands

16 are a channel sand of this system with the source of these

17 sands coming from the north.

18 The -- as you can see on Exhibit Number

19 Two, the thickest sand, the wells that have the thickest

20 sand, are wells that are located to the south of our pro-

21 posed location, and are some of the better producing wells.

22 Q Would you go for a moment now to Exhibit

23 Number Four and then in reference to that exhibit and

24 looking at either Exhibit Number One or Two, indicate for

25 us in a general way what wells are at an unorthodox location

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1 with regards to these spacing rules?

2 A. Well, to date there have been eleven loca-
3 tions that are unorthodox that have been approved in this
4 field.

5 The closest ones to our location is the
6 location in -- in position M of Section 36, which is about
7 a mile south of our location.

8 Q The wells listed on Exhibit Number Four
9 are unorthodox insofar as they were drilled on the wrong
10 quarter section, is that correct?

11 A. That is correct, yes, sir.

12 Q What if any wells have been drilled closer
13 than 1990 from an outer boundary?

14 A. Yes, sir. Only one well has been -- that
15 I can -- that I've been able to figure out that has been
16 drilled closer than the pool rules, and that is the well
17 that is located in position F of Section 5 of 15-28.

18 Q The Read and Stevens well?

19 A. It's a Read -- no, it's a Read No. 1 Gulf
20 Well, which is located about two miles, 2-1/2 miles south-
21 east of our proposed location.

22 MR. NUTTER: It was a dry hole, wasn't it?

23 A. Yes, sir, a dry hole.

24 Q Would you refer to Exhibit Number Three
25 now and identify it? That's your cross section.

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1 A. Number Three is a west/east cross section
2 that I -- actually two cross sections, that is shown on the
3 two plats, starting over on the west of the field at a
4 dry hole and going to the east of the field, which is also
5 a dry hole.

6 The upper -- the upper cross section is a
7 structural section. There's no horizontal datum. Excuse
8 me, there is no horizontal scale on either section. The
9 vertical scale on the upper section, which is a structure
10 section, as mentioned, is one inch to a hundred.

11 The lower section is a stratigraphic sec-
12 tion with no horizontal scale, and the vertical scale is
13 one inch to forty feet.

14 They both cover the same wells. Our
15 proposed location is noted between wells No. 5 and 6.

16 Q. What's indicated by the yellow color?

17 A. The yellow on the two sections are the
18 producing sands.

19 Q. And what is indicated by the red color?

20 A. The red on the lower section, I didn't
21 have to put it on the upper section, the red on the lower
22 section is the producing interval of the wells that are
23 producing that are located on this section.

24 The green color are -- shows intervals
25 that were drill stem tested during the course of the drilling,

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1 of each well.

2 Q Based upon your studies, Mr. Custer, do
3 you have an opinion with regards to whether you could drill
4 a well at a standard location within the south half of
5 Section 25 that would be as good as the proposed unorthodox
6 location?

7 A Based on this study I think if you drilled
8 at a standard location you would have a far greater chance
9 of drilling a dry hole than you would where we're going to
10 drill our well.

11 Q In your opinion is the proposed unorthodox
12 location the optimum location from which to drain this
13 particular proration unit?

14 A Yes, sir.

15 Q In your opinion will approval of this
16 application be in the best interest of conservation, the
17 prevention of waste, and the protection of correlative
18 rights?

19 A Yes, sir.

20 Q Were Exhibits One through Four prepared by
21 you directly or compiled under your direction and super-
22 vision?

23 A I prepared them.

24 MR. KELLAHIN: Move the introduction of
25 Exhibits One through Four.

1
2 MR. NUTTER: Applicant's Exhibits One
3 through Four will be admitted in evidence.
4

5 CROSS EXAMINATION

6 BY MR. NUTTER:

7 Q Mr. Custer, --

8 A Yes, sir.

9 Q The two cross sections are both the same
10 cross section. One is hung on sea level datum and the
11 other is just hung on a common datum across here just to
12 show the stratigraphic section.

13 A Yes, sir. Yes, sir.

14 Q And they're all a straight line with the
15 exception that you have brought in this old Miller Federal
16 from the side up here.

17 A That's right, yes, sir.

18 Q And then you've also spotted your proposed
19 location, which is carried in from the side.

20 A Yes, sir.

21 Q Now, has that Miller well been plugged
22 and abandoned?

23 A Yes, sir, it has, after producing 118.219
24 million cubic feet of gas.

25 Q So it wasn't a very good well, then.

A No, sir, it was not.

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1 Q Now, the color coding on the green and
2 the blue wells is actual cumulative production through
3 January the 1st of '79.

4 A That is correct.

5 Q And then the purple wells, some of them
6 is actual cumulative and others --

7 A It's an estimate of the ultimate recovery.

8 Q Or is it an extrapolation of ultimate re-
9 covery on all of the purple wells?

10 A No. It could be either/or.

11 Q I see. So the age of some of these wells
12 may enter into their actual cumulative recovery or would
13 have done.

14 A Yes, sir, that is correct.

15 MR. NUTTER: Are there any other questions
16 of Mr. Custer? He may be excused.

17 Do you have anything further, Mr. Kellahin?

18 MR. KELLAHIN: Not in this case.

19 MR. NUTTER: Does anyone have anything
20 they wish to offer in Case Number 6567?

21 We'll take the case under advisement.

22

23 (Hearing concluded.)

24

25

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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6567 heard by me on 6/13/79.

[Signature], Examiner
Oil Conservation Division

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Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
13 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Mewbourne Oil Com-
pany for an unorthodox well loca-
tion, Chaves County, New Mexico.

CASE
6567

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
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Santa Fe, New Mexico 87503

For the Applicant:

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I N D E X

M. A. "ART" CUSTER, JR.

Direct Examination by Mr. Kellahin 3
Cross Examination by Mr. Nutter 12

E X H I B I T S

Applicant Exhibit One, Map 4
Applicant Exhibit Two, Map 8
Applicant Exhibit Three, Cross Section 9
Applicant Exhibit Four, List 8

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22 Q Mr. Custer, have you previously testified
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23 map. The subsea values I have colored red. The wells
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25 are part of a cross section to be shown later. The wells

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1 that are colored green are wells that have cumulative
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3 January, or as of 1-79.

4 The wells that are colored blue have a
5 cumulative 2-1/2 to 5-billion cubic feet of gas as of the
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17 Section 35 of 14, 27.

18 Q In Section 35?

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21 Q My plat doesn't show that to be color
22 coded green, but that -- what has been the cumulative
23 production on that well in Section 35.

24 A Over 5-billion cubic feet of gas.

25 Q Why have you chosen the particular loca--

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1 tion for this well rather than a standard location?

2 A. Well, the information that I have obtained
3 in studying this field indicates that the Buffalo Valley
4 Field is located on a nose extending to the southeast off
5 of the northwest shelf.

6 Located on this nose are several local
7 highs, which I have indicated on the structure map.

8 The wells that appear to be the best pro-
9 ducers are wells that are located near some of these highs.
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25 The geology --

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1 Q Whichever one you'd like to use.

2 A In addition to the --- in addition to the
3 structure, I have mapped this, if you will --

4 Q Let's look at Exhibit Number Two.

5 A --- look at Exhibit Number Two along with
6 Number One, which is an Isopach map of the net Atoka Sand,
7 and my --

8 Q Let me ask you this. The only difference
9 in Exhibit One and Two is that in Exhibit Number Two you
10 have identified the net Atoka Sand adjacent to each well
11 by the -- by the number indicated?

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13 Exhibit Two.

14 And I think that this Buffalo Valley Field
15 is part of a delta system and that these producing sands
16 are a channel sand of this system with the source of these
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19 Two, the thickest sand, the wells that have the thickest
20 sand, are wells that are located to the south of our pro-
21 posed location, and are some of the better producing wells.

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23 Number Four and then in reference to that exhibit and
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25 us in a general way what wells are at an unorthodox location

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1 with regards to these spacing rules?

2 A. Well, to date there have been eleven loca-
3 tions that are unorthodox that have been approved in this
4 field.

5 The closest ones to our location is the
6 location in -- in position M of Section 36, which is about
7 a mile south of our location.

8 Q The wells listed on Exhibit Number Four
9 are unorthodox insofar as they were drilled on the wrong
10 quarter section, is that correct?

11 A That is correct, yes, sir.

12 Q What if any wells have been drilled closer
13 than 1990 from an outer boundary?

14 A Yes, sir. Only one well has been -- that
15 I can -- that I've been able to figure out that has been
16 drilled closer than the pool rules, and that is the well
17 that is located in position F of Section 5 of 15-28.

18 Q The Read and Stevens well?

19 A It's a Read -- no, it's a Read No. 1 Gulf
20 Well, which is located about two miles, 2-1/2 miles south-
21 east of our proposed location.

22 MR. NUTTER: It was a dry hole, wasn't it?

23 A Yes, sir, a dry hole.

24 Q Would you refer to Exhibit Number Three
25 now and identify it? That's your cross section.

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1 A. Number Three is a west/east cross section
2 that I -- actually two cross sections, that is shown on the
3 two plats, starting over on the west of the field at a
4 dry hole and going to the east of the field, which is also
5 a dry hole.

6 The upper -- the upper cross section is a
7 structural section. There's no horizontal datum. Excuse
8 me, there is no horizontal scale on either section. The
9 vertical scale on the upper section, which is a structure
10 section, as mentioned, is one inch to a hundred.

11 The lower section is a stratigraphic sec-
12 tion with no horizontal scale, and the vertical scale is
13 one inch to forty feet.

14 They both cover the same wells. Our
15 proposed location is noted between wells No. 5 and 6.

16 Q. What's indicated by the yellow color?

17 A. The yellow on the two sections are the
18 producing sands.

19 Q. And what is indicated by the red color?

20 A. The red on the lower section, I didn't
21 have to put it on the upper section, the red on the lower
22 section is the producing interval of the wells that are
23 producing that are located on this section.

24 The green color are -- shows intervals
25 that were drill stem tested during the course of the drilling,

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1 of each well.

2 Q Based upon your studies, Mr. Custer, do
3 you have an opinion with regards to whether you could drill
4 a well at a standard location within the south half of
5 Section 25 that would be as good as the proposed unorthodox
6 location?

7 A Based on this study I think if you drilled
8 at a standard location you would have a far greater chance
9 of drilling a dry hole than you would where we're going to
10 drill our well.

11 Q In your opinion is the proposed unorthodox
12 location the optimum location from which to drain this
13 particular proration unit?

14 A Yes, sir.

15 Q In your opinion will approval of this
16 application be in the best interest of conservation, the
17 prevention of waste, and the protection of correlative
18 rights?

19 A Yes, sir.

20 Q Were Exhibits One through Four prepared by
21 you directly or compiled under your direction and super-
22 vision?

23 A I prepared them.

24 MR. KELLAMIN: Move the introduction of
25 Exhibits One through Four.

1 MR. NUTTER: Applicant's Exhibits One
2 through Four will be admitted in evidence.
3

4 CROSS EXAMINATION

5 BY MR. NUTTER:

6 Q Mr. Custer, --

7 A Yes, sir.

8 Q The two cross sections are both the same
9 cross section. One is hung on sea level datum and the
10 other is just hung on a common datum across here just to
11 show the stratigraphic section.

12 A Yes, sir. Yes, sir.

13 Q And they're all a straight line with the
14 exception that you have brought in this old Miller Federal
15 from the side up here.

16 A That's right, yes, sir.

17 Q And then you've also spotted your proposed
18 location, which is carried in from the side.

19 A Yes, sir.

20 Q Now, has that Miller well been plugged
21 and abandoned?

22 A Yes, sir, it has, after producing 118.219
23 million cubic feet of gas.

24 Q So it wasn't a very good well, then.

25 A No, sir, it was not.

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1 Q Now, the color coding on the green and
2 the blue wells is actual cumulative production through
3 January the 1st of '79.

4 A That is correct.

5 Q And then the purple wells, some of them
6 is actual cumulative and others ---

7 A It's an estimate of the ultimate recovery.

8 Q Or is it an extrapolation of ultimate re-
9 covery on all of the purple wells?

10 A No. It could be either/or.

11 Q I see. So the age of some of these wells
12 may enter into their actual cumulative recovery or would
13 have done.

14 A Yes, sir, that is correct.

15 MR. NUTTER: Are there any other questions
16 of Mr. Custer? He may be excused.

17 Do you have anything further, Mr. Kellahin?

18 MR. KELLAHIN: Not in this case.

19 MR. NUTTER: Does anyone have anything
20 they wish to offer in Case Number 6567?

21 We'll take the case under advisement.

22

23

(Hearing concluded.)

24

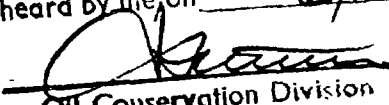
25

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6567 heard by me on 6/13 1979.

 Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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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. 6567
Order No. R-6039

APPLICATION OF MEWBOURNE OIL COMPANY
FOR AN UNORTHODOX WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, 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, Mewbourne Oil Company, seeks
approval of an unorthodox gas well location for its State 25
Com Well No. 1, to be drilled at a point 660 feet from the
South line and 1650 feet from the West line of Section 25,
Township 14 South, Range 27 East, NMPM, to test the Pennsylvanian
formation, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County,
New Mexico.

(3) That the S/2 of said Section 25 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 un-
orthodox location.

-2-

Case No. 6567

Order No. R-6039

(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:

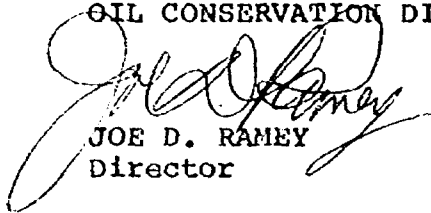
(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for the Mewbourne Oil Company State 25 Com Well No. 1 to be drilled at a point 660 feet from the South line and 1650 feet from the West line of Section 25, Township 14 South, Range 27 East, NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

(2) That the S/2 of said Section 25 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fd/

Dockets Nos. 24-79 and 25-79 are tentatively set for hearing on June 27 and July 11, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 6, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6495: (DE NOVO)

Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 23 and 24, Township 19 South, Range 29 East, Sections 1, 4, 5, 6, 7, 11, 12, 13, 14, 19, 20, 23, 24, and 29, Township 19 South, Range 30 East, and Sections 7, 8, 17, 18, and 19, Township 19 South, Range 31 East, all in Eddy County, New Mexico.

Upon application of Amax Chemical Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 23-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 13, 1979

9 A.M. - OIL CONSERVATION DIVISION 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 July, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6560: Application of Exxon Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (combination) of its "AB" State Well No. 4 located in Unit A of Section 16, Township 24 South, Range 37 East, to produce gas from the Langlie Matrix Pool and oil from the Fowler-Upper Yeso Pool, through parallel strings of casing cemented in a common well bore.

CASE 6561: Application of Amoco Production Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, proposes to directionally drill its State "HC" Well No. 1 located 1980 feet from the South and West lines of Section 21, Township 16 South, Range 35 East, Townsend Field, to a bottom hole location within 100 feet of a point 990 feet from the South line and 2310 feet from the East line of said Section 21, the S/2 of said Section 21 to be dedicated to the well.

CASE 6562: 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 Ramsey Sand of the Bell Canyon formation through the open hole interval from 2498 feet to 2508 feet in its Corley-Federal Well No. 4 located in Unit J of Section 31, Township 22 South, Range 28 East, Herradura Bend-Delaware Pool.

CASE 6563: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6564: Application of Herndon Oil & Gas Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O. A. Woody Well No. 1 in the center of Unit F, Section 35, Township 16 South, Range 38 East, Knowles-Devonian Pool.

CASE 6565: Application of Lewis B. Burleson, Inc. for compulsory pooling, a non-standard gas proration unit, and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 SE/4 of Section 20, Township 25 South, Range 37 East, to form an 80-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South and East lines of said Section 20. 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 6566: Application of Lewis B. Burleson, Inc. for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 10, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled 2310 feet from the South and West lines of said Section 10.
- CASE 6567: Application of Newbourne Oil Company for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 25 Com Well No. 1 660 feet from the South line and 1650 feet from the West line of Section 25, Township 14 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, the S/2 of said Section 25 to be dedicated to the well.
- CASE 6568: Application of Dallas McCasland for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of his Woolworth Well No. 5 located in Unit P of Section 28, Township 24 South, Range 37 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6569: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Lockhart A-17 Well No. 2 located in Unit I of Section 17, Township 21 South, Range 37 East, to produce gas from the Eumont Gas Pool through the casing-tubing annulus and oil from the Blinbry Oil and Gas Pool through tubing.
- CASE 6570: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, Eumont Gas Pool, to be simultaneously dedicated to applicant's Lockhart A-18 Wells Nos. 2, 3, and 4, located in Units O, K, and M, respectively, of said Section 18.
- CASE 6571: Application of Continental Oil Company for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool to include the lowermost 165 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the following described lands: SW/4 W/2 SE/4 and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East; and NW/4, W/2 NE/4, and SE/4 NE/4 of Section 1, Township 24 South, Range 36 East.
- CASE 6537: (Continued from May 9, 1979, Examiner Hearing)
- Application of Harper Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its West Ranger Lake Unit Area, comprising 1,120 acres, more or less, of State lands in Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 6553: (Continued from May 23, 1979, Examiner Hearing)
- Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.
- CASE 6572: Application of ARCO Oil and Gas Company to drill a horizontal drainhole, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill and complete its Empire Abo Unit Well No. K-142, located in Unit K of Section 2, Township 18 South, Range 27 East, Empire-Abo Pool, with a single horizontal drainhole of about 200 feet in length in the Abo formation.
- CASE 6573: Application of Mesa Petroleum Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of its Well No. 7 in the Nash Unit, the surface location of which would be 685 feet from the North line and 1295 feet from the West line of Section 18, to be vertically drilled to approximately 7,000 feet, and then directionally drilled to a bottom hole location in the Morrow formation within 400 feet of a point 1315 feet from the South line and 1320 feet from the West line of Section 7, all in Township 23 South, Range 30 East.
- CASE 6574: Application of Texas Oil & Gas Corp. for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the E/2 of Section 6, Township 17 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of said Section 6. 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 6535: (Continued from May 23, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6575: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting the vertical limits, and extending the horizontal limits of certain pools in Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Cass Draw-Wolfcamp Gas Pool. The discovery well is Black River Corporation Miller Com Well No. 1 located in Unit C of Section 10, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 10: N/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the Runyan Ranch-Abo Gas Pool. The discovery well is Mesa Petroleum Company Runyan Federal Com Well No. 1 located in Unit E of Section 17, Township 19 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
Section 17: NW/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Runyan Ranch-Morrow Gas Pool. The discovery well is Mesa Petroleum Company Gardner State Well No. 1 located in Unit K of Section 8, Township 19 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
Section 8: W/2

(d) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 16: SE/4
Section 17: NE/4

(e) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 28: N/2

(f) EXTEND the Avalon-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 21: SW/4
Section 28: N/2

(g) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 6: N/2

(h) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 12: S/2
Section 13: N/2

(i) EXTEND the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 34: SW/4

(j) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 22: N/2
Section 35: N/2

- (k) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 12: N/2
- (l) EXTEND the Dublin Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 21: E/2
- (m) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 13: S/2
- (n) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: S/2
- (o) EXTEND the Eumont Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 32: W/2
- (p) EXTEND the Hardy-Blaine Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: E/2 SE/4 and SW/4 SE/4
- (q) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 5: E/2 NW/4
- (r) EXTEND the Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 25: S/2
Section 36: W/2
- (s) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 10: S/2
Section 11: S/2
Section 16: E/2
- (t) EXTEND the East Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 32: W/2
- (u) EXTEND the Logan Draw-Cisco Canyon Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 28: W/2
- (v) EXTEND the West Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 16: N/2
- (w) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 25: N/2
- (x) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:
TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: NW/4

(y) CONTRACT the vertical limits of the Shoe Bar-Pennsylvanian Gas Pool in Lea County, New Mexico, to the Atoka formation only and redesignate said pool as the Shoe Bar-Atoka Gas Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 34: SW/4

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 3: N/2

(z) EXTEND the Teague-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: S/2
Section 27: NE/4

(aa) EXTEND the Todd-Wolfcamp Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Section 22: NE/4

(bb) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 30: W/2

(cc) EXTEND the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: NW/4

(dd) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 14: W/2
Section 15: E/2
Section 23: All
Section 24: W/2

(ee) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: SE/4
Section 10: NE/4

UNORTHODOX LOCATIONS
Buffalo Valley - Penn. Gas Pool
Chaves County, New Mexico

Operator	Well Name	Location	Order #
1. R. L. Strong	Buffalo State 1	31-14-28(M)	
2. Mountain States Petroleum Corp.	State Com. 1	36-14-27(M)	4756
3. *Southwest Production Corp.	Buffalo Valley Com.1	35-14-27(G)	
4. *Southwest Production Corp.	Buffalo Valley Com.2	35-14-27(H)	3830
5. Depco Inc.	Derrick 1	3-15-27(G)	
6. Robert Enfield	Fed "N" 1	11-15-27(A)	
7. Read & Stevens	Midwest 1	6-15-28(M)	3974
8. Read & Stevens	Reaching & Bates 1	5-15-28(M)	4175
9. Read & Stevens	Blackmar St. Com. 1	7-15-28(M)	5034
10. Depco	R & S Fed. 1	17-15-28(L)	5738
11. Read & Stevens	Rose 2	18-15-28(L)	

* Operated by Energy Reserves Group

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Membrane EXHIBIT NO. 4
CASE NO. 6567

UNORTHODOX LOCATIONS
Buffalo Valley - Penn. Gas Pool
Chaves County, New Mexico

Operator	Well Name	Location	Order #
1. R. L. Strong	Buffalo State 1	31-14-28(M)	
2. Mountain States Petroleum Corp.	State Com. 1	36-14-27(M)	4756
3. *Southwest Production Corp.	Buffalo Valley Com.1	35-14-27(G)	
4. *Southwest Production Corp.	Buffalo Valley Com.2	35-14-27(H)	3830
5. Depco Inc.	Derrick 1	3-15-27(G)	
6. Robert Enfield	Fed "N" 1	11-15-27(A)	
7. Read & Stevens	Midwest 1	6-15-28(M)	3974
8. Read & Stevens	Reaching & Bates 1	5-15-28(M)	4175
9. Read & Stevens	Blackmar St. Com. 1	7-15-28(M)	5034
10. Depco	R & S Fed. 1	17-15-28(L)	5738
11. Read & Stevens	Rose 2	18-15-28(L)	

* Operated by Energy Reserves Group

Exhibit 4
Case 6567

UNORTHODOX LOCATIONS
Buffalo Valley - Penn. Gas Pool
Chaves County, New Mexico

Operator	Well Name	Location	Order #
1. R. L. Strong	Buffalo State 1	31-14-28(M)	
2. Mountain States Petroleum Corp.	State Com. 1	36-14-27(M)	4756
3. *Southwest Production Corp.	Buffalo Valley Com.1	35-14-27(G)	
4. *Southwest Production Corp.	Buffalo Valley Com.2	35-14-27(H)	3830
5. Depco Inc.	Derrick 1	3-15-27(G)	
6. Robert Enfield	Fed "N" 1	11-15-27(A)	
7. Read & Stevens	Midwest 1	6-15-28(M)	3974
8. Read & Stevens	Reaching & Bates 1	5-15-28(M)	4175
9. Read & Stevens	Blackmar St. Com. 1	7-15-28(M)	5034
10. Depco	R & S Fed. 1	17-15-28(L)	5738
11. Read & Stevens	Rose 2	18-15-28(L)	

* Operated by Energy Reserves Group

Exhibit 4
Case 6567

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Telephone 982-4285

Area Code 505

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

May 16, 1979

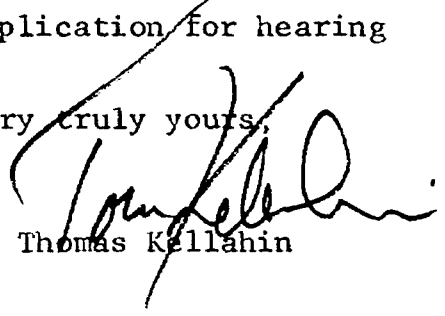
Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Mewbourne Oil Company
Unorthodox well location

Dear Joe:

Please set the enclosed Application for hearing
on June 13, 1979.

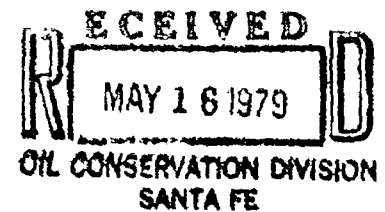
Very truly yours,


W. Thomas Kellahin

WTK:eps
Enclosure

cc: Mr. Donald C. Haden

STATE OF NEW MEXICO
DEPARTMENT OF MINERALS AND ENERGY
OIL CONSERVATION DIVISION



IN THE MATTER OF THE
APPLICATION OF MEWBOURNE OIL
COMPANY FOR UNORTHODOX WELL
LOCATION, CHAVES COUNTY,
NEW MEXICO

Case 6567

A P P L I C A T I O N

COMES NOW MEWBOURNE OIL COMPANY, by its attorneys and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location, 1650 feet from the West line and 660 feet from the South line of Section 25, T14S, R27E, NMPM, Chaves County, New Mexico, being an exception to the Division Order No. R-1670-H, Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool, and would show the Division:

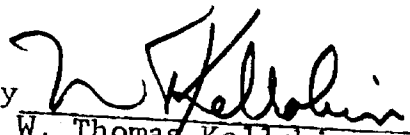
1. Applicant has the right to drill and develop acreage with the SW/4 of Section 25, T14S, R27E, NMPM.
2. Applicant proposes to drill its Mewbourne #1 State 25 Com Well at an unorthodox well location 1650 feet from the West line and 660 feet from the South line of said Section 25 and to dedicate the S/2 of said Section 25 to the subject well.
3. Applicant's proposed location is in the SW/4 of Section 25 and requires an exception from Division Order No. R-1670-H (Buffalo Valley-Pennsylvanian Gas Pool Rules) requiring wells to be located either in the Northwest or the Southeast Quarter of any section and no closer than 990 feet to an outer boundary nor 330 feet to any quarter section.

4. Said location will recover gas that would not otherwise be recovered at a standard location, would be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required be law, the Division enter its order approving this application.

Respectfully submitted,

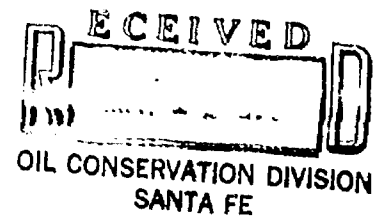
KELLAHIN & KELLAHIN

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

ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF MINERALS AND ENERGY
OIL-CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF MEWBOURNE OIL
COMPANY FOR UNORTHODOX WELL
LOCATION, CHAVES COUNTY,
NEW MEXICO



Case 6567

A P P L I C A T I O N

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1. Applicant has the right to drill and develop acreage with the SW/4 of Section 25, T14S, R27E, NMPM.
2. Applicant proposes to drill its Mewbourne #1 State 25 Com Well at an unorthodox well location 1650 feet from the West line and 660 feet from the South line of said Section 25 and to dedicate the S/2 of said Section 25 to the subject well.
3. Applicant's proposed location is in the SW/4 of Section 25 and requires an exception from Division Order No. R-1670-H (Buffalo Valley-Pennsylvanian Gas Pool Rules) requiring wells to be located either in the Northwest or the Southeast Quarter of any section and no closer than 990 feet to an outer boundary nor 330 feet to any quarter section.

4. Said location will recover gas that would not otherwise be recovered at a standard location, would be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required be law, the Division enter its order approving this application.

Respectfully submitted,

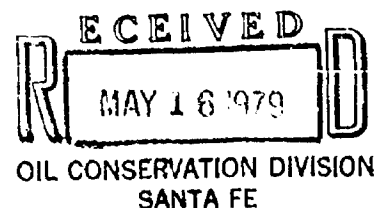
KELLAHIN & KELLAHIN

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

ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF MINERALS AND ENERGY
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF MEWBOURNE OIL
COMPANY FOR UNORTHODOX WELL
LOCATION, CHAVES COUNTY,
NEW MEXICO



Case 6567

A P P L I C A T I O N

COMES NOW MEWBOURNE OIL COMPANY, by its attorneys and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location, 1650 feet from the West line and 660 feet from the South line of Section 25, T14S, R27E, NMPM, Chaves County, New Mexico, being an exception to the Division Order No. R-1670-H, Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool, and would show the Division:

1. Applicant has the right to drill and develop acreage with the SW/4 of Section 25, T14S, R27E, NMPM.
2. Applicant proposes to drill its Mewbourne #1 State 25 Com Well at an unorthodox well location 1650 feet from the West line and 660 feet from the South line of said Section 25 and to dedicate the S/2 of said Section 25 to the subject well.
3. Applicant's proposed location is in the SW/4 of Section 25 and requires an exception from Division Order No. R-1670-H (Buffalo Valley-Pennsylvanian Gas Pool Rules) requiring wells to be located either in the Northwest or the Southeast Quarter of any section and no closer than 990 feet to an outer boundary nor 330 feet to any quarter section.

4. Said location will recover gas that would not otherwise be recovered at a standard location, would be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required be law, the Division enter its order approving this application.

Respectfully submitted,

KELLANIN & KELLANIN

By 

W. Thomas Kellanin
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. 6567

ORDER NO. R- 6039

APPLICATION OF MEWBOURNE OIL COMPANY

FOR AN UNORTHODOX ~~GAS~~ WELL LOCATION,

CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of June, 1979, 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, Mewbourne Oil Company
(State 25 Com Well No. 1, to be drilled at a point,
seeks approval of an unorthodox gas well location for its

660 feet from the South line and 1650 feet from the
West line of Section 25, Township 14 South
Range 27 East, NMPM, to test the Pennsylvanian
Gas
formation, Buffalo Valley-Pennsylvanian /pool, Chaves
County, New Mexico.

(3) That the S/2 of said Section 25 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.

-2-

Case No. _____

Order No. R- _____

(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 Mewbourne Oil Company State 25 Com Well No. 1 formation is hereby approved for ~~xxxxx~~ to be drilled at a point 660 feet from the South line and 1650 feet from the West line of Section 25, Township 14 South, Range 27 East NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

(2) That the S/2 of said Section 25 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.