

Case No.

6571

Large

Exhibits

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: 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 Mattix 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 Courley-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 E, 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 Jaimat 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 Hound-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-Blinbry 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

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. 6505
Order No. R-5972

APPLICATION OF DOYLE HARTMAN FOR
VERTICAL POOL LIMIT REDEFINITION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stanets.

NOW, on this 9th day of April, 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, Doyle Hartman, seeks an order
extending the vertical limits of the Langlie Mattix Pool in
Lea County, New Mexico, to include the lowermost 200 feet of
the Seven Rivers formation and the concomitant contraction of
the vertical limits of the Jalmat Gas Pool underlying the
following described lands:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 35: SW/4, S/2 SE/4 and NW/4 SE/4
Section 36: W/2 SW/4

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 1: NW/4, S/2 NE/4 and NW/4 NE/4
Section 2: W/2

(3) That the applicant proposed to amend the subject
application to involve only the lowermost 165 feet of the Seven
Rivers formation rather than 200 feet.

(4) The amendment of the application should be approved.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
CONF.	EXHIBIT NO. 4
CASE NO.	6571

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Case No. 6505
Order No. R-5972

(5) That Doyle Hartman is the owner and operator of certain wells on applicant's leases in said Section 36 and said Section 2.

(6) That some of said wells have been completed within the vertical limits of the Langlie Mattix Oil Pool in Lea County, New Mexico.

(7) That because of the applicant's use of an incorrect geologic marker certain of said wells were also completed above the upper limit of said Langlie Mattix Pool but within 65 feet thereof as presently defined.

(8) That the applicant seeks the proposed amendment to the vertical limits of said Langlie Mattix and Jalmat Pools to permit production of said wells without the necessity for working over and plugging off of the upper zones therein.

(9) That no offset operator or other owner in either of said pools appeared and objected to the application.

(10) That there are areas within said Langlie Mattix Pool which have similar extensions to the vertical limits thereof.

(11) That the proposed change in the vertical limits of said pools should apply only to the applicant's acreage in said Section 36 and said Section 2 and not to said Section 35 and said Section 1 which contain leases owned by a different operator who filed a written protest.

(12) That to avoid drilling unnecessary wells, to prevent waste, and to protect correlative rights, the application to amend the vertical limits of said pools should be approved as to applicant's acreage in said Section 36 and said Section 2.

IT IS THEREFORE ORDERED:

(1) That effective April 1, 1979, the vertical limits of the Langlie Mattix Pool in Lea County, New Mexico, are hereby extended to include the lowermost 165 feet of the Seven Rivers formation and the vertical limits of the Jalmat Gas Pool are concomitantly contracted by exclusion of said lowermost 165 feet of the Seven Rivers formation underlying the following described lands:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPN
Section 36: W/2 SW/4

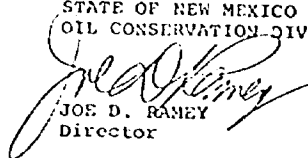
TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPN
Section 2: W/2

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Case No. 6505
Order No. R-5972

(2) 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/

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. 6571
Order No. R-6043

APPLICATION OF CONTINENTAL OIL
COMPANY FOR VERTICAL POOL LIMIT
REDEFINITION, LEA 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, Continental Oil Company, seeks an
order extending the vertical limits of the Langlie Mattix Pool
in Lea County, New Mexico, 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:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 35: SW/4, W/2 SE/4, and SE/4 SE/4

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 1: NW/4, W/2 NE/4 and SE/4 NE/4

(3) That the applicant, Continental Oil Company, is the
owner and operator of certain wells on its leases comprising
the above-described lands.

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Case No. 6571
Order No. R-6043

(4) That an offset operator to the above-described lands, through error in identification of the upper limits of the Langlie Mattix Pool, recently perforated certain wells in the lower portion of the Jalmat Pool and the upper portion of the Langlie Mattix Pool, whereupon he sought and did receive approval for the redelineation of the vertical limits of the pools in the area offsetting the above-described lands in a manner similar to that sought by the applicant in this case.

(5) That in order to protect its correlative rights, the applicant in this case seeks the proposed amendment to the vertical limits of said Langlie Mattix and Jalmat Pools to permit production from the zones perforated by the offset operator without the necessity for dually completing its wells on the aforesaid lands or drilling new wells thereon.

(6) That no offset operator or other owner in either of said pools appeared and objected to the application.

(7) That the proposed change in the vertical limits of said pools should apply only to the applicant's acreage in said Section 35 and said Section 1.

(8) That to avoid drilling unnecessary wells, to prevent waste, and to protect correlative rights, the application to amend the vertical limits of said pools should be approved as to applicant's acreage in said Section 35 and said Section 1.

IT IS THEREFORE ORDERED:

(1) That effective July 1, 1970, the vertical limits of the Langlie Mattix Pool in Lea County, New Mexico, are hereby extended to include the lowermost 165 feet of the Seven Rivers formation and the vertical limits of the Jalmat Gas Pool are concomitantly contracted by exclusion of said lowermost 165 feet of the Seven Rivers formation underlying the following described lands:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 35: SW/4, W/2 SE/4, and SE/4 SE/4

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 1: NW/4, W/2 NE/4, and SE/4 NE/4

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

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Case No. 6571
Order No. R-5043

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
Director

fd/

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

June 13, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company) CASE
for vertical pool limit re-definition,) 6571
Lea 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.
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I N D E X

JERRY HOOVER

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Nutter 8

E X H I B I T S

Applicant Exhibit One, Plat 3

Applicant Exhibit Two, Log 5

Applicant Exhibit Three, Cross Section 6

Applicant Exhibit Four, Order 7

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (598) 471-2462
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1 MR. NUTTER: We'll call now Case No. 6571.

2 MR. PADILLA: Application of Continental
3 Oil Company for vertical pool limit re-definition, Lea
4 County, New Mexico.

5 MR. KELLAHIN: If the Examiner please,
6 I'd like the record to reflect the same appearance, that
7 Mr. Hoover is previously qualified and is still under oath.

8 MR. NUTTER: The record will so show.

9
10 JERRY HOOVER
11 being called as a witness and having been duly sworn upon
12 his oath, testified as follows, to-wit:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q All right, sir, would you refer to what
17 we've marked as Exhibit Number One, identify that, and
18 tell me what Continental is seeking to accomplish?

19 A Yes. Exhibit One is a plat showing the
20 Langlie-Mattix oil wells in the area of our Stevens A-35
21 B, B-35, and our Vaughn A-1 leases.

22 We are seeking with this application the
23 extension of the vertical limits of the Langlie-Mattix
24 Pool to include the lowermost 165 feet of the Seven Rivers
25 formation and the simultaneous contraction of the vertical

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1 limits of the Jalmat Gas Pool underlying the acreage out-
2 lined in red on this exhibit.

3 Q All right. The acreage outlined in yellow
4 means what?

5 A The Commission recently issued an order,
6 Number R-5972, which extended the vertical limits of the
7 Langlie-Mattix Pool from 100 feet above the top of the
8 Queen to 165 feet for the area outlined in yellow.

9 MR. KELLAHIN: If the Examiner please,
10 that was on application by Doyle Hartman in Case Number
11 6505. That was heard on March 28th, 1979, and the Divi-
12 sion's Order R-5972 was entered on April 9th, 1979.

13 We request that the transcript and record
14 in that case be incorporated by reference in our case and
15 that the Examiner take administrative notice of the
16 transcript and order entered in the previous case.

17 MR. NUTTER: What was the number of the
18 other case?

19 MR. KELLAHIN: It's Case Number 6505.

20 MR. NUTTER: We will take administrative
21 notice of the record in Case 6505.

22 Q (Mr. Kellahin continuing.) Now, the
23 application of Mr. Hartman in the previous case originally
24 included the Continental Oil acreage that's outlined in
25 red at this point, did it not?

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Santa Fe, New Mexico 87501

1 A. That is correct.

2 Q. And at a hearing in that case Mr. Hartman

3 deleted the Continental Oil acreage.

4 A. It was deleted in the final order.

5 Q. And the final order then had approved for

6 the acreage outlined in yellow the same redefinition of

7 the vertical limits as you are seeking for your own acreage

8 at this point.

9 A. That is correct.

10 Q. All right, sir.

11 Let's look at Exhibit Number Two and have

12 you identify that for me.

13 A. Exhibit Two is a copy of the density

14 neutron log from our Stevens B-35 No. 1 over the subject

15 interval.

16 The log shows the geological tops of the

17 Seven Rivers and Queen formations, and the definition of

18 the Langlie-Mattix Pool, as it was defined by the Oil

19 Commission Division after Order Number R-5972 granted the

20 vertical extension of the pool.

21 The lowermost horizontal line is the

22 Queen top, as it has been defined by the Oil Conservation

23 Division.

24 The second line from the bottom was the

25 Queen formation as defined by Mr. Hartman, and then the

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1 dashed line is the newly established Langlie-Mattix Pool
2 upper limit.

3 Q Why are we doing this, Mr. Hoover?
4 What is the reason?

5 A Well, we feel in order to protect our
6 correlative rights and to prevent drainage of this section
7 of the Seven Rivers that has been redesignated to the
8 Langlie-Mattix Pool, we need to be able to open this zone
9 in our Langlie-Mattix well immediately offsetting Mr. Hart-
10 man's wells.

11 Q Now, the Hartman wells that are of speci-
12 fic concern to you are located where?

13 A They are located in Section 36, Township
14 23 South, Range 36 East. They are the Citgo LM Nos. 1 and
15 2, and they immediately offset our Stevens B-35 and Vaughn
16 B-1 leases.

17 Q What do you propose to do on your acreage
18 in 35?

19 A The well -- the Stevens B-35 No. 1 was
20 just recently drilled and we would like to be able to
21 complete this well in the expanded vertical pool.

22 And then on the Vaughn B-1 lease to the
23 south we would like to open additional pay in order to
24 prevent drainage in this section of the zone.

25 Q All right. Let's look at Exhibit Number

1 Three and have you describe the information on that exhibit.

2 A Exhibit Three is a cross section showing
3 the correlative geological tops in Hartman's Citgo LM No.
4 2 and Conoco's new well, the Stevens B-35 No. 1, and in our
5 Vaughn B-1 No. 5.

6 It also shows the producing interval in
7 Mr. Hartman's well, and our desired completion interval in
8 the Stevens B-35 No. 1.

9 Q In your opinion, Mr. Hoover, will approval
10 of Continental's application be in the best interests of
11 conservation, the prevention of waste, and the protection
12 of correlative rights?

13 A Yes, it will.

14 Q And were Exhibits One, Two, and Three,
15 prepared by you or compiled under your direction?

16 A Yes.

17 MR. KELLAHIN: We move the introduction
18 of Exhibits One through Three.

19 MR. NUTTER: Conoco's Exhibits One through
20 Three will be admitted in evidence.

21 MR. KELLAHIN: In addition, Mr. Nutter,
22 we have marked as Exhibit Number Four the order in the
23 Hartman case, and I would also ask that that be admitted
24 in this case.

25 MR. NUTTER: Exhibit Four will also be

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admitted.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hoover, at the time Mr. Hartman had his hearing, I think he claims that he had picked the top of the Queen a little bit differently than the historical top that the Commission has recognized for years.

Were you here at that hearing?

A. No, I was not.

Q You're acquainted with Mr. Hartman's situation at the time, though, aren't you?

A. Yes.

Q And because he had picked this top differently, he had extended his perforations out of the Langlie-Mattix and up into the Jalmat Pool.

A. That is correct. From his pick of the Queen he took the legal 100 feet above, which is shown --

Q But his pick was too high.

A. According to the way we interpret the Queen top it was.

Q Now you haven't made a similar mistake on yours. You just want to be able to go in and perforate the same sections that Hartman's got perforated in his wells.

A. That is correct.

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Santa Fe, New Mexico 87501

1 Q How many wells do you have that you think
2 you will recomplete here on this land that you're talking
3 about today?

4 I see in Section 35 your A-35 lease ap-
5 pears to have -- appears to have no wells on it in this
6 pool, and the B-35 has one, is that correct?

7 A That is correct. We do have plans to
8 drill, though, along the southern half of Section 35.

9 Q Well, then you'd propose perforations
10 in both pools there or --

11 A That is correct.

12 Q -- in one single extended pool here, as
13 your application shows.

14 A Yes.

15 Q And then the Vaughn B-5, I presume you
16 would recomplete immediately, too, is that it?

17 A That is correct.

18 Q So you're talking about two wells now
19 that you would recomplete and then some additional wells
20 you might drill.

21 A Yes, sir.

22 Q Has Hartman recompleted this well over
23 here in Section 2? Is that a well that's directly under-
24 neath the little "1" in Citgo? The word "Citgo"?

25 A Yes, that should have a 1 -- no, that's

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1 a 3; it should have a 3 on it.

2 Q I see, No. 3 Well.

3 A Yes. That is a Langlie-Mattix well.

4 Q Has he completed it in the Jalmat?

5 A No, not in the Jalmat. This plat does
6 not reflect the Jalmat completions. There is a Jalmat well
7 in Unit C.

8 Q I mean has he -- has he perforated up
9 higher than the vertical limit of the Langlie-Mattix and
10 gotten into the Jalmat, is what I meant, on that well.

11 A He has perforated -- he has perfed within
12 the new vertical limit established by the recent order.

13 Q Okay, that's what I meant.

14 So you would have to offset him if you
15 were to protect yourself.

16 A That is correct.

17 Q With a well there.

18 MR. NUTTER: Are there any other questions
19 of the witness? He may be excused.

20 Do you have anything further, Mr. Kellahin?

21 MR. KELLAHIN: No, sir.

22 MR. NUTTER: Does anyone have anything
23 they wish to offer in Case Number 6571?

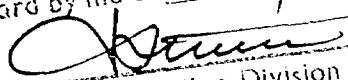
24 We'll take the case under advisement.

25 (Hearing concluded.)

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 and correct transcript of the proceedings in
the Examiner hearing of Case No. 6576
heard by me on 6/13 1979.
 Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-3482
Santa Fe, New Mexico 87501

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

June 13, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company) CASE
for vertical pool limit re-definition,) 6571
Lea 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

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

I N D E X

JERRY HOOVER

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Nutter 8

E X H I B I T S

Applicant Exhibit One, Plat 3

Applicant Exhibit Two, Log 5

Applicant Exhibit Three, Cross Section 6

Applicant Exhibit Four, Order 7

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1 MR. NUTTER: We'll call now Case No. 6571.

2 MR. PADILLA: Application of Continental
3 Oil Company for vertical pool limit re-definition, Lea
4 County, New Mexico.

5 MR. KELLAHIN: If the Examiner please,
6 I'd like the record to reflect the same appearance, that
7 Mr. Hoover is previously qualified and is still under oath.

8 MR. NUTTER: The record will so show.

9
10 JERRY HOOVER
11 being called as a witness and having been duly sworn upon
12 his oath, testified as follows, to-wit:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q All right, sir, would you refer to what
17 we've marked as Exhibit Number One, identify that, and
18 tell me what Continental is seeking to accomplish?

19 A Yes. Exhibit One is a plat showing the
20 Langlie-Mattix oil wells in the area of our Stevens A-35
21 B, B-35, and our Vaughn A-1 leases.

22 We are seeking with this application the
23 extension of the vertical limits of the Langlie-Mattix
24 Pool to include the lowermost 165 feet of the Seven Rivers
25 formation and the simultaneous contraction of the vertical

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1 limits of the Jalmat Gas Pool underlying the acreage out-
2 lined in red on this exhibit.

3 Q All right. The acreage outlined in yellow
4 means what?

5 A The Commission recently issued an order,
6 Number R-5972, which extended the vertical limits of the
7 Langlie-Mattix Pool from 100 feet above the top of the
8 Queen to 165 feet for the area outlined in yellow.

9 MR. KELLAHIN: If the Examiner please,
10 that was on application by Doyle Hartman in Case Number
11 6505. That was heard on March 28th, 1979, and the Divi-
12 sion's Order R-5972 was entered on April 9th, 1979.

13 We request that the transcript and record
14 in that case be incorporated by reference in our case and
15 that the Examiner take administrative notice of the
16 transcript and order entered in the previous case.

17 MR. NUTTER: What was the number of the
18 other case?

19 MR. KELLAHIN: It's Case Number 6505.

20 MR. NUTTER: We will take administrative
21 notice of the record in Case 6505.

22 Q (Mr. Kellahin continuing.) Now, the
23 application of Mr. Hartman in the previous case originally
24 included the Continental Oil acreage that's outlined in
25 red at this point, did it not?

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1 A. That is correct.

2 Q. And at a hearing in that case Mr. Hartman

3 deleted the Continental Oil acreage.

4 A. It was deleted in the final order.

5 Q. And the final order then had approved for

6 the acreage outlined in yellow the same redefinition of

7 the vertical limits as you are seeking for your own acreage

8 at this point.

9 A. That is correct.

10 Q. All right, sir.

11 Let's look at Exhibit Number Two and have

12 you identify that for me.

13 A. Exhibit Two is a copy of the density

14 neutron log from our Stevens B-35 No. 1 over the subject

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16 The log shows the geological tops of the

17 Seven Rivers and Queen formations, and the definition of

18 the Langlie-Mattix Pool, as it was defined by the Oil

19 Commission Division after Order Number R-5972 granted the

20 vertical extension of the pool.

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22 Queen top, as it has been defined by the Oil Conservation

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2 upper limit.

3 Q Why are we doing this, Mr. Hoover?
4 What is the reason?

5 A Well, we feel in order to protect our
6 correlative rights and to prevent drainage of this section
7 of the Seven Rivers that has been redesignated to the
8 Langlie-Mattix Pool, we need to be able to open this zone
9 in our Langlie-Mattix well immediately offsetting Mr. Hart-
10 man's wells.

11 Q Now, the Hartman wells that are of speci-
12 fic concern to you are located where?

13 A They are located in Section 36, Township
14 23 South, Range 36 East. They are the Citgo LM Nos. 1 and
15 2, and they immediately offset our Stevens B-35 and Vaughn
16 B-1 leases.

17 Q What do you propose to do on your acreage
18 in 35?

19 A The well -- the Stevens B-35 No. 1 was
20 just recently drilled and we would like to be able to
21 complete this well in the expanded vertical pool.

22 And then on the Vaughn B-1 lease to the
23 south we would like to open additional pay in order to
24 prevent drainage in this section of the zone.

25 Q All right. Let's look at Exhibit Number

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1 Three and have you describe the information on that exhibit.

2 A Exhibit Three is a cross section showing
3 the correlative geological tops in Hartman's Citgo LM No.
4 2 and Conoco's new well, the Stevens B-35 No. 1, and in our
5 Vaughn B-1 No. 5.

6 It also shows the producing interval in
7 Mr. Hartman's well, and our desired completion interval in
8 the Stevens B-35 No. 1.

9 Q In your opinion, Mr. Hoover, will approval
10 of Continental's application be in the best interests of
11 conservation, the prevention of waste, and the protection
12 of correlative rights?

13 A Yes, it will.

14 Q And were Exhibits One, Two, and Three,
15 prepared by you or compiled under your direction?

16 A Yes.

17 MR. KELLAHIN: We move the introduction
18 of Exhibits One through Three.

19 MR. NUTTER: Conoco's Exhibits One through
20 Three will be admitted in evidence.

21 MR. KELLAHIN: In addition, Mr. Nutter,
22 we have marked as Exhibit Number Four the order in the
23 Hartman case, and I would also ask that that be admitted
24 in this case.

25 MR. NUTTER: Exhibit Four will also be

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1 admitted.

2

3

CROSS EXAMINATION

4 BY MR. NUTTER:

5

6

7

8

Q. Mr. Hoover, at the time Mr. Hartman had his hearing, I think he claims that he had picked the top of the Queen a little bit differently than the historical top that the Commission has recognized for years.

9

Were you here at that hearing?

10

A. No, I was not.

11

12

Q. You're acquainted with Mr. Hartman's situation at the time, though, aren't you?

13

A. Yes.

14

15

16

Q. And because he had picked this top differently, he had extended his perforations out of the Langlie-Mattix and up into the Jalmat Pool.

17

18

A. That is correct. From his pick of the Queen he took the legal 100 feet above, which is shown --

19

20

Q. But his pick was too high.

21

A. According to the way we interpret the Queen top it was.

22

23

24

Q. Now you haven't made a similar mistake on yours. You just want to be able to go in and perforate the same sections that Hartman's got perforated in his wells.

25

A. That is correct.

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1 Q How many wells do you have that you think
2 you will recomplete here on this land that you're talking
3 about today?

4 I see in Section 35 your A-35 lease ap-
5 pears to have -- appears to have no wells on it in this
6 pool, and the B-35 has one, is that correct?

7 A That is correct. We do have plans to
8 drill, though, along the southern half of Section 35.

9 Q Well, then you'd propose perforations
10 in both pools there or --

11 A That is correct.

12 Q -- in one single extended pool here, as
13 your application shows.

14 A Yes.

15 Q And then the Vaughn B-5, I presume you
16 would recomplete immediately, too, is that it?

17 A That is correct.

18 Q So you're talking about two wells now
19 that you would recomplete and then some additional wells
20 you might drill.

21 A Yes, sir.

22 Q Has Hartman recompleted this well over
23 here in Section 2? Is that a well that's directly under-
24 neath the little "i" in Citgo? The word "Citgo"?

25 A Yes, that should have a l -- no, that's

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Santa Fe, New Mexico 87501

1 a 3; it should have a 3 on it.

2 Q I see, No. 3 Well.

3 A Yes. That is a Langlie-Mattix well.

4 Q Has he completed it in the Jalmat?

5 A No, not in the Jalmat. This plat does
6 not reflect the Jalmat completions. There is a Jalmat well
7 in Unit C.

8 Q I mean has he -- has he perforated up
9 higher than the vertical limit of the Langlie-Mattix and
10 gotten into the Jalmat, is what I meant, on that well.

11 A He has perforated -- he has perferd within
12 the new vertical limit established by the recent order.

13 Q Okay, that's what I meant.

14 So you would have to offset him if you
15 were to protect yourself.

16 A That is correct.

17 Q With a well there.

18 MR. NUTTER: Are there any other questions
19 of the witness? He may be excused.

20 Do you have anything further, Mr. Kellahin?

21 MR. KELLAHIN: No, sir.

22 MR. NUTTER: Does anyone have anything
23 they wish to offer in Case Number 6571?

24 We'll take the case under advisement.

25 (Hearing concluded.)

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.

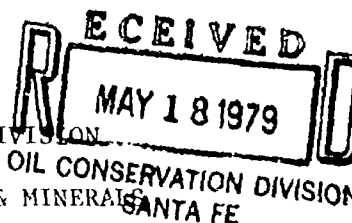
Sally W. Boyd C.S.R.
 Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 8020 Plaza Blanca (505) 471-2462
 Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
 a complete and correct transcript of the proceedings in
 the hearing held on the 6th day of June, 1979.
 heard by me on 6/23/79

[Signature], Examiner
 Oil Conservation Division

BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS



IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF VERTICAL POOL LIMIT REDEFINITION
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, SW/4, W/2 SE/4,
SE/4 SE/4 OF SECTION 35, T-23-S, R-36-E,
AND NW/4, W/2 NE/4, SE/4 NE/4 OF SECTION
1, T-24-S, R-36-E, LEA COUNTY, NEW MEXICO.

Case 6571

APPLICATION

Applicant, CONTINENTAL OIL COMPANY, respectfully requests the extension of 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, SE/4 SE/4 of Section 35, T-23-S, R-36-E, and NW/4, W/2 NE/4, SE/4 NE/4 of Section 1, T-24-S, R-36-E, Lea County, New Mexico, and in support thereof will show:

1. Applicant is operator and co-owner of the Stevens A-35 Lease which includes the SW/4 and W/2 SE/4 of Section 35; the Stevens B-35 Lease which includes the SE/4 SE/4 of Section 35, T-23-S, R-36-E; the Vaughan B-1 Lease which includes the NW/4, E/2 NE/4 and SE/4 NE/4 of Section 1, T-24-S, R-36-E, Lea County, New Mexico.

2. Applicant plans to drill and complete in the Langlie Mattix Pool its Stevens B-35 Well No. 1 to be located in the SE/4 SE/4 of Section 35, T-23-S, R-36-E, Lea County, New Mexico.

3. Contingent upon the success of the Stevens B-35 No. 1, applicant plans to continue development of its leases in the area shown on the attached plat.

4. Applicant plans to open additional pay in the Langlie Mattix Pool in its Vaughan B-1 Well No. 5, located in the NW/4 NW/4 of Section 1, T-24-S, R-36-E, Lea County, New Mexico.

5. That the granting of this application will allow the applicant to meet offset development and protect its correlative rights.

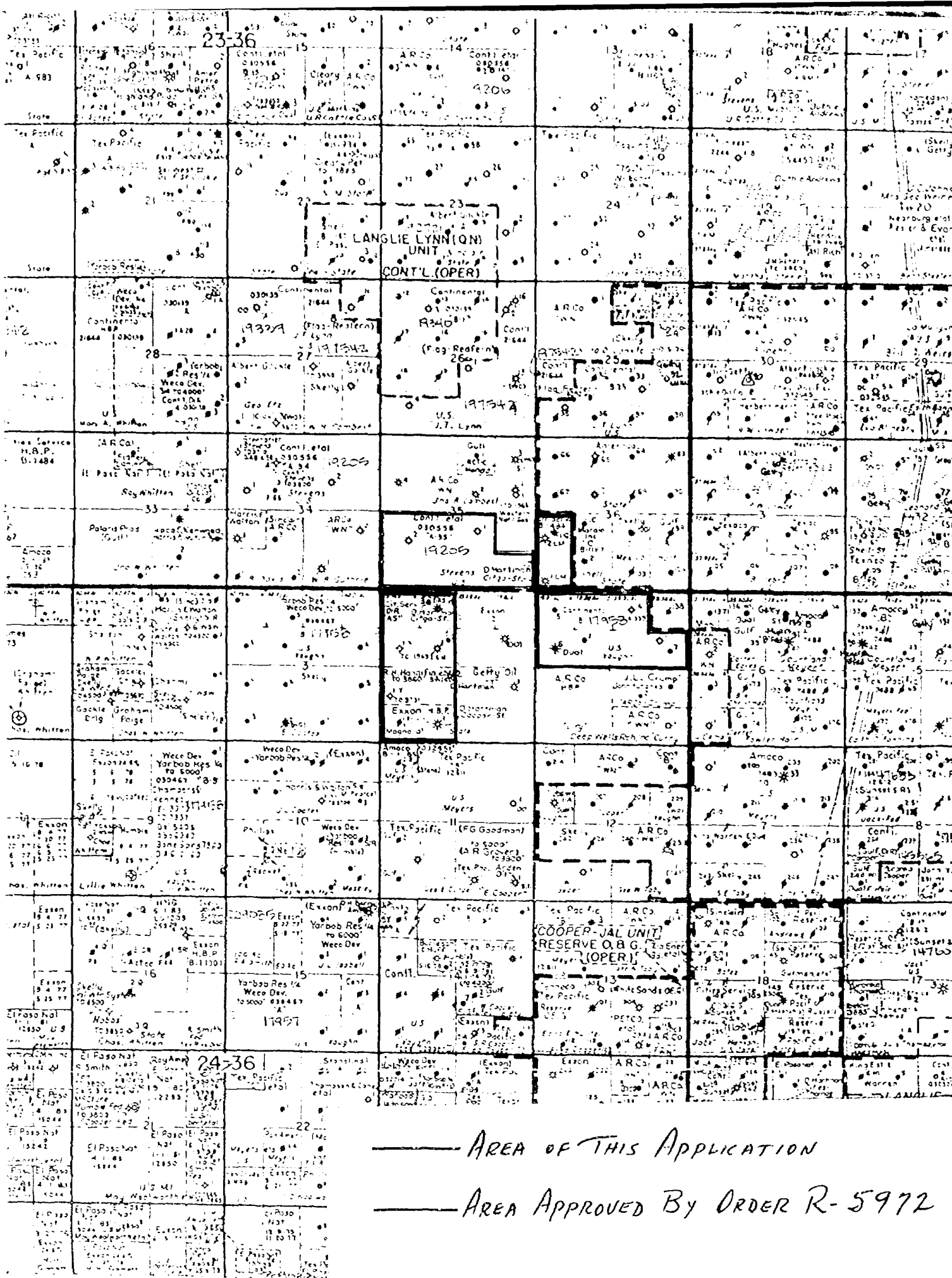
6. That the granting of this application will prevent waste and will not impair correlative rights.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner and, upon hearing, an order be entered approving the redefinition described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By John R. Kemp
JOHN R. KEMP
Assistant Division Manager of Production



— AREA OF THIS APPLICATION

— AREA APPROVED BY ORDER R-5972

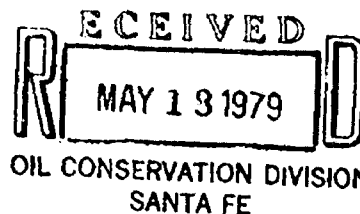


L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141



May 15, 1979

Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

Application for Redefinition of Vertical Pool Limit for Certain Lands
in the Langlie Mattix Pool, Lea County, New Mexico

Attached in triplicate is Continental Oil Company's application for redefinition of vertical pool limits for the Langlie Mattix and Jalmat Pools for certain tracts in Lea County, New Mexico.

Please set this matter for hearing on the earliest available examiner docket.

Yours very truly,

HAI:cab

cc: J. W. Kellahin, Santa Fe
VTL, Houston

BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF VERTICAL POOL LIMIT REDEFINITION
EXTENDING THE VERTICAL LIMITS OF THE
LANGLIE MATTIX POOL TO INCLUDE THE
LOWERMOST 165 FEET OF THE SEVEN
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CONTRACTION OF THE VERTICAL LIMITS OF
THE JALMAT GAS POOL, SW/4, W/2 SE/4,
SE/4 SE/4 OF SECTION 35, T-23-S, R-36-E,
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1. Applicant is operator and co-owner of the Stevens A-35 Lease which includes the SW/4 and W/2 SE/4 of Section 35; the Stevens B-35 Lease which includes the SE/4 SE/4 of Section 35, T-23-S, R-36-E; the Vaughan B-1 Lease which includes the NW/4, E/2 NE/4 and SE/4 NE/4 of Section 1, T-24-S, R-36-E, Lea County, New Mexico.
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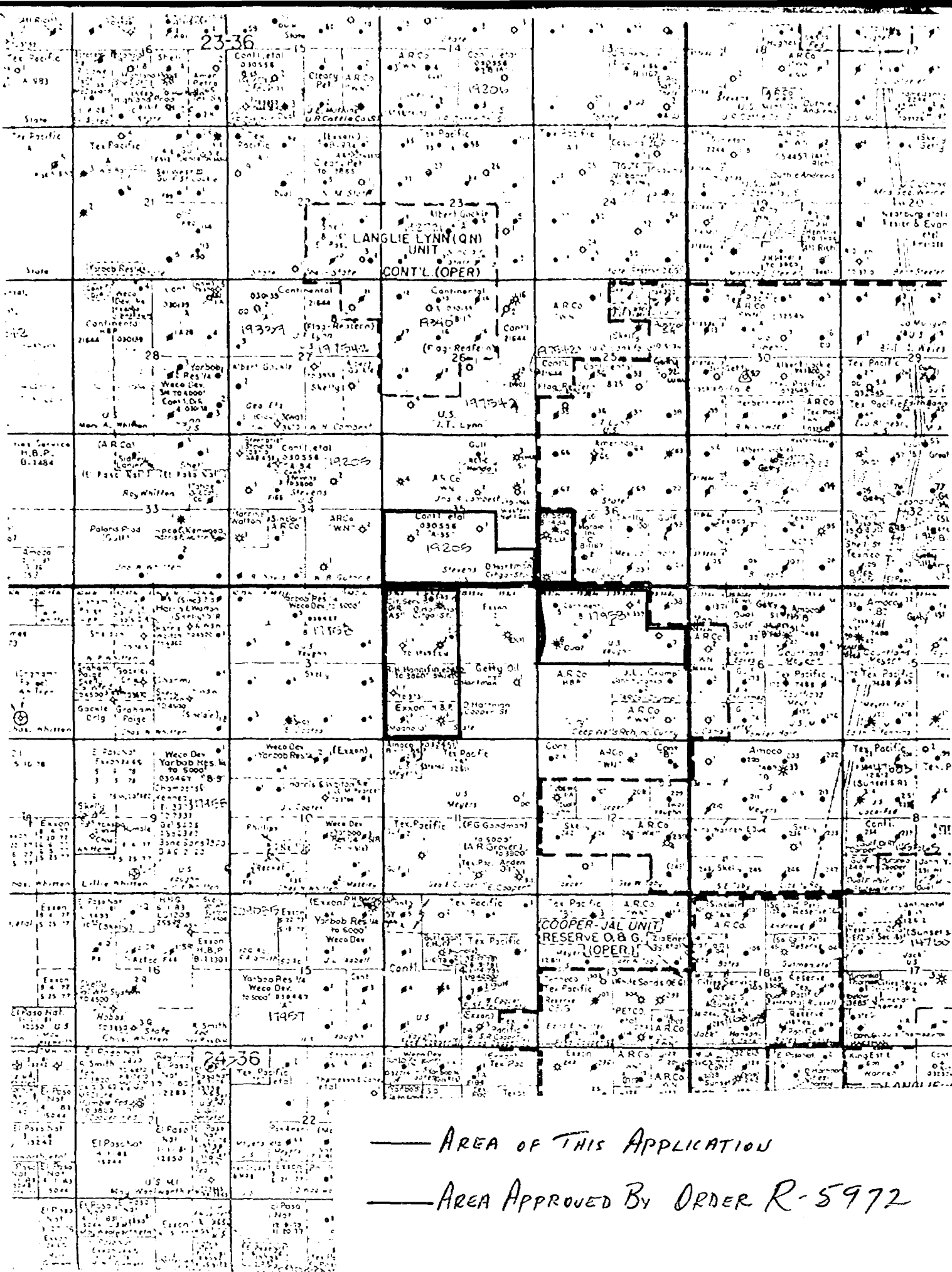
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WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner and, upon hearing, an order be entered approving the redefinition described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By John R. Kemp
JOHN R. KEMP
Assistant Division Manager of Production



ROUGH

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. 6571

Order No. R-6043

APPLICATION OF CONTINENTAL
OIL COMPANY FOR VERTICAL POOL
LIMIT REDEFINITION, LEA 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 _____ 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, Continental Oil Company, seeks an
order extending the vertical limits of the Langlie Mattix Pool
in Lea County, New Mexico, 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:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPH
Section 35: SW/4, W/2 SE/4, and SE/4 SE/4

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPH
Section 1: NW/4, W/2 NE/4, and SE/4 NE/4

The applicant,

(3) That Continental Oil Company, is the owner and operator of certain wells on ~~its leases comprising the above-described~~ *its leases comprising the above-described* ~~applicant's leases in said Section 35 and~~ *lands.* ~~said Section 1.~~

(4) That an offset operator to the above described lands, through error in identification of the upper limits of the Langlie Mattix Pool, recently perforated certain wells in the lower ^{portion} of the Jalmat Pool and the upper portion of the Langlie Mattix Pool, whereupon he sought and did receive approval for the redelineation of the vertical limits of the pools in the area affecting the above-described lands in a manner similar to that sought by the applicant in this case.

(5) That in order to protect its correlative rights, ~~the applicant in this case just to permit said~~ *applicant to recover its just and*

~~(6) That the applicant seeks the proposed amendment to the~~
vertical limits of said Langlie Mattix and Jalmat Pools to ~~permit production of said wells without the necessity for~~ *from the zones perforated by the offset operator* ~~dually completing its wells on the aforesaid lands or drilling~~ *permit production of said wells without the necessity for* ~~working over and plugging off of the upper zones therein.~~ *new wells thereon.*

(6) That no offset operator or other owner in either of said pools appeared and objected to the application.

~~(8) That there are areas within said Langlie Mattix Pool which have similar extensions to the vertical limits thereof.~~

(7) That the proposed change in the vertical limits of said pools should apply only to the applicant's acreage in said Section 35 and said Section 1.

(8) That to avoid drilling unnecessary wells, to prevent waste, and to protect correlative rights, the application to amend the vertical limits of said pools should be approved as to applicant's acreage in said Section 35 and said Section 1.

IT IS THEREFORE ORDERED:

(1) That effective the July 1, 1979, the vertical limits of the Langlie Mattix Pool in Lea County, New Mexico, are hereby extended to include the lowermost 165 feet of the Seven Rivers formation and the vertical limits of the Jalmat Gas Pool are concomitantly contracted by exclusion of said lowermost 165 feet of the Seven Rivers formation underlying the following described lands:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 35: SW/4, W/2 SE/4, and SE/4 SE/4

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 1: NW/4, W/2 NE/4, and SE/4 NE/4

(2) 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.