

CASE 6804: THE SUPERIOR OIL COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO

Case NO.

6804

Application

Transcripts

Small Exhibits

ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

March 12, 1980

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Conrad E. Coffield
Hinkle, Cox, Eaton, Coffield
& Hensley
Attorneys at Law
P. O. Box 3588
Midland, Texas 79702

Re: CASE NO. 6804
ORDER NO. R-6278

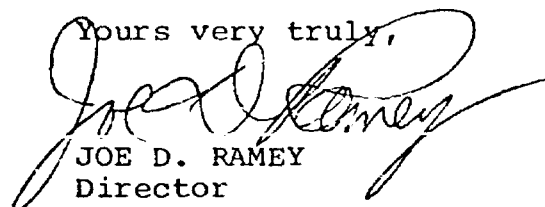
Applicant:

The Superior Oil Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Gene Daniel

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. 6804
Order No. R-6278

APPLICATION OF THE SUPERIOR OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 1980, 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, The Superior Oil Company, seeks approval of an unorthodox gas well location for its Bondurant Federal Com Well No. 1, to be drilled at a point 1980 feet from the South line and 660 feet from the East line of Section 1, Township 19 South, Range 32 East, NMPM, to test the Morrow formation, West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico.

(3) That the S/2 of said Section 1 is proposed to be dedicated to the well.

(4) That a well at said unorthodox location will enable the applicant to achieve a better structural position than a well drilled at an orthodox location on the proposed proration unit.

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

-2-

Case No. 6804

Order No. R-6278

(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.

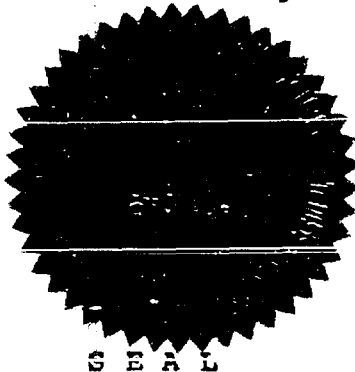
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Superior Oil Company Bondurant Federal Com Well No. 1 to be drilled at a point 1980 feet from the South line and 660 feet from the East line of Section 1, Township 19 South, Range 32 East, NMPM, West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico.

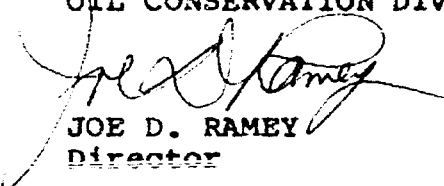
(2) That the S/2 of said Section 1 shall be dedicated to the above-described well.

(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

ed/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 February 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of The Superior Oil Com-) CASE
pany for an unorthodox gas well loca-) 6804
tion, 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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: Conrad Coffield, Esq.
Hinkle Law Firm
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LEE PIEKARSKI

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EXHIBITS

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1 MR. NUTTER: We'll now call Case Number
2 6804.

3 MR. PADILLA: Application of The Superior
4 Oil Company for an unorthodox gas well location, Lea County,
5 New Mexico.

6 MR. COFFIELD: Conrad Coffield, with the
7 Hinkle Law Firm of Midland, Texas, appearing on behalf of
8 the Applicant, and I have one witness to be sworn.

9
10 (Witness sworn.)

11
12 LEE PIEKARSKI
13 being called as a witness and having been duly sworn upon his
14 oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. COFFIELD:

18 Q Mr. Piekarski, would you please state your
19 name, address, occupation, and employer?

20 A Okay. My name is Lee Piekarski. I live
21 in Spring, Texas. Occupation, geologist; employer is Superior
22 Oil in Conroe, Texas.

23 Q Mr. Piekarski, have you previously testi-
24 fied before the Oil Conservation Division as a geologist?

25 A No, I have not.

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1 Q Would you please state for the Examiner's
2 benefit your educational background and work experience as
3 a geologist?

4 A I received my Bachelor's and Master's of
5 Science in 1974 and 1976 from Brigham Young University.

6 My work experience, I went to work for
7 Gulf Oil in 1976 in Hobbs, New Mexico. In 1979 I went to
8 work for Superior Oil in Conroe, Texas.

9 My experience has been in southeast New
10 Mexico ever since I was employed in 1976, mainly in the
11 Morrow field, the Morrow trends.

12 Q Mr. Piekarski, are you familiar with
13 Superior's application in this case?

14 A Yes, I am.

15 Q And are you familiar with the property
16 as well as the proposed well location involved here?

17 A Yes.

18 MR. COFFIELD: Do you have any other
19 questions, Mr. Examiner?

20 MR. NUTTER: No. He's qualified.

21 Q Mr. Piekarski, would you please state
22 what it is The Superior Oil Company seeks by its application?

23 A Approval for the unorthodox location of
24 its Bondurant Federal Com Well No. 1, a Morrow test to be
25 drilled 1980 from the south line, 660 from the east line, of

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1 Section 1, Township 19 South, Range 32 East, the south half
2 of the said Section 1 to be dedicated to the well.

3 Q Mr. Piekarski, on what general basis does
4 the Superior Oil Company believe that this proposed location
5 is more desireable than the standard location?

6 A For geological reasons we feel it's --
7 it's a more excellent location.

8 Q And, Mr. Piekarski, where would the stand-
9 ard well location be place compared to the location sought?

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11 Q So you're moving closer to the easterly
12 line of Section 1?

13 A That's correct.

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16 One, and I ask you to explain this to the Examiner.

17 A Okay. Exhibit One is a standard land plat
18 that Superior Oil prepares on all their well proposals.

19 The yellow on the land plat is Superior's
20 acreage 100 percent, Superior acreage. The red colored
21 acreage is partially owned Superior acreage, and the brown
22 acreage is acreage owned by other companies. And the white
23 is acreage that we're not completely sure who the leaseholder
24 is.

25 Q Then is -- is Superior Oil Company the

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1 leasehold owner as well as the proposed operator on the
2 property on which this proposed well is to be located?

3 A. Yes, we are.

4 Q. And are you seeking a communitization of
5 that south half of Section 1?

6 A. Yes, we are.

7 Q. Okay, let's go to what we've marked as
8 Exhibit Two and please explain that to the Examiner.

9 A. Exhibit Two is a structure map contoured
10 on the base of the Morrow C Shale. The structures were drawn
11 from well data in the area, mainly. The contour interval
12 is every 100 feet and it's, as I said, contoured every 100
13 feet intervals.

14 Q. And have you spotted the Morrow wells in
15 the area, both producing and dry holes, as well?

16 A. Yes, we have.

17 Q. And what do you show there as the closest
18 well control data?

19 A. The closest well control is in Section 6
20 of 19, 33, Amoco's two well locations, and then the well down
21 in Section 12 of 19, 32, Inexco's well.

22 Q. Where is the closest producing well on
23 this, Mr. Piekarski?

24 A. It would be in Section 6, Amoco's Knowles
25 No. 3. in the northwest of Section 6 of 19, 33.

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1 Q So does this exhibit then demonstrate that
2 your proposed location, the unorthodox location, is then
3 moving toward -- closer toward well control data?

4 A Yes.

5 Q Known well information?

6 A Yes, it's moving towards -- that's correct.

7 Q Did you have anything else to explain on
8 that exhibit?

9 A Not that I can --

10 Q Okay, let's go on to Exhibit Three and
11 explain that exhibit to the Examiner, please.

12 A Okay. Exhibit Three is a net pay Isopach
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14 our proposed location and accumulated the net pay. What
15 we mean by net pay is we feel producible sand, producible
16 gas sands, in the area, either that have been tested or that
17 appear to be favorable through petrophysical analysis to
18 be producible sands.

19 We took as a cutoff approximately -- about
20 10 to 12 percent porosity unit with a low water saturation.
21 From there we constructed an Isopach map of the area.

22 Q And have you spotted the proposed well
23 location here with the red dot?

24 A Yes, with the red dot and the arrow
25 marked next to it.

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1 Q And what does this exhibit demonstrate
2 relative to the pay thickness and the location of the well?

3 A It shows that, we feel, the most favorable
4 location in this south half of the section is where we have
5 marked our proposed location.

6 Q So it's a significantly thicker pay.

7 A As far as net pay goes, yes.

8 Q Did you have anything else to offer on
9 this exhibit?

10 A No.

11 Q Were these Exhibits One, Two, and Three,
12 either prepared by you, Mr. Piekarski, or under your super-
13 vision?

14 A Yes, they were.

15 Q And in your opinion will the approval of
16 this application by The Superior Oil Company prevent the
17 drilling of unnecessary wells and otherwise prevent waste
18 and protect correlative rights?

19 A Yes.

20 MR. COFFIELD: Mr. Examiner, I move the
21 admission of Exhibits One, Two, and Three.

22 MR. NUTTER: Superior Exhibits One through
23 Three will be admitted in evidence.

24 MR. COFFIELD: And I have no further
25 questions of Mr. Piekarski on direct examination.

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CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Piekarski, if you had dedicated the east half of Section 1 to this well, it would be a standard location.

A That's correct.

Q But inasmuch as you're dedicating the south -- south half, it's non-standard.

A That's correct, yes.

Q Now, I see a well that's shown as a location in the southwest northeast of Section 12.

A Yes.

Q And yet you do have a top for the Morrow C Shale and you've got a thickening for the Morrow.

A Oh, okay.

Q What's the status of that well?

A That well is trying -- they are trying to complete the well, but unsuccessfully. They have drilled to the Morrow formation and they have perforated several zones in the Morrow, but unsuccessfully; four times, as a matter of fact. They perforated -- there's one rather fat sand down there of approximately 20, 30 feet. They have perforated that sand three times and acidized it twice unsucces-

1 fully, and were not able to recover any production.

2 And then they perforated a fourth time
3 numerous scattered other zones in the Morrow itself, and they
4 were also unsuccessful in that.

5 They are currently trying to complete in
6 the Wolfcamp and they're trying to evaluate their results
7 to see why the failure in the completion.

8 Q. Although you do show it with six feet of
9 net pay in the Morrow --

10 A. That is from a petrophysical analysis.
11 Remember when I showed my map, we said that that was either
12 tested or pay that we think would be producable, and there
13 is a zone, a 6-foot zone in there that for, you know, all
14 the other zones -- we think we can offer an explanation of
15 maybe why they weren't producing, but the one zone, we are
16 very critical on it, but the one zone seemed to stick out
17 that should have been a pay.

18 Now the others, maybe not, you know, they
19 might have lost their permeability, but --

20 Q. You think there may have been some kind of
21 mechanical damage to the formation?

22 A. There is that possibility. There is that
23 possibility. But there is also the other possibility that
24 the permeability did not develop in the other zones, but
25 the 6-foot zone, after all considering, you know, may be

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1 damaged. We're not sure yet, and they have not finished
 2 their testing of the data.

3 MR. NUTTER: Are there any further ques-
 4 tions of Mr. Piekarski? He may be excused.

5 Do you have anything further, Mr. Coffield?

6 MR. COFFIELD: No, sir, I do not.

7 MR. NUTTER: Does anyone have anything
 8 they wish to offer in Case Number 6304?

9 MR. DANIEL: If I may?

10 MR. NUTTER: Yes, sir.

11 MR. DANIEL: Gene Daniel, Geological Sur-
 12 vey.

13 We have discussed this case with Superior
 14 Oil Company and we do not agree with the south half of Sec-
 15 tion 1.

16 MR. NUTTER: Mr. Daniel, it would be the
 17 GS's preference that they should dedicate the east half of
 18 the section rather than the south half?

19 MR. DANIEL: The east half is a -- is one
 20 lease and if they dedicated the east half there would be no
 21 need for communitization, and besides that it's a standard.

22 In fact, I believe Superior brought their
 23 geology up and presented it in Albuquerque.

24 MR. NUTTER: I see. Thank you, Mr.
 25 Daniel.

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MR. COFFIELD: May I?

MR. NUTTER: Yes, sir.

MR. COFFIELD: For a point of clarification.

Your objection to the location has to do with the acreage dedication and not necessarily the geology involved, is that true?

MR. DANIEL: It has to do with the acreage dedication, right, which would not require a communitization agreement.

MR. COFFIELD: Because it would be in one -- because it would be in one lease, one Federal lease, on the east half of Section 1, is that correct?

MR. DANIEL: Right.

MR. NUTTER: If there is nothing further, we'll take the case under -- Case Number 6804 under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a correct and true transcript of the hearing in the case of 6804 heard by me on 2/13 1980.
[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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SANTA FE, NEW MEXICO
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1 leasehold owner as well as the proposed operator on the
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5 that south half of Section 12?

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16 this application by The Superior Oil Company prevent the
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21 admission of Exhibits One, Two, and Three.

22 MR. NUTTER: Superior Exhibits One through
23 Three will be admitted in evidence.

24 MR. COFFIELD: And I have no further
25 questions of Mr. Piekarski on direct examination.

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CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Piekarski, if you had dedicated the east half of Section 1 to this well, it would be a standard location.

A That's correct.

Q But inasmuch as you're dedicating the south -- south half, it's non-standard.

A That's correct, yes.

Q Now, I see a well that's shown as a location in the southwest northeast of Section 12.

A Yes.

Q And yet you do have a top for the Morrow C Shale and you've got a thickening for the Morrow.

A Oh, okay.

Q What's the status of that well?

A That well is trying -- they are trying to complete the well, but unsuccessfully. They have drilled to the Morrow formation and they have perforated several zones in the Morrow, but unsuccessfully; four times, as a matter of fact. They perforated -- there's one rather fat sand down there of approximately 20, 30 feet. They have perforated that sand three times and acidized it twice unsuccessful-

1 fully, and were not able to recover any production.

2 And then they perforated a fourth time
3 numerous scattered other zones in the Morrow itself, and they
4 were also unsuccessful in that.

5 They are currently trying to complete in
6 the Wolfcamp and they're trying to evaluate their results
7 to see why the failure in the completion.

8 Q Although you do show it with six feet of
9 net pay in the Morrow --

10 A That is from a petrophysical analysis.
11 Remember when I showed my map, we said that that was either
12 tested or pay that we think would be producible, and there
13 is a zone, a 6-foot zone in there that for, you know, all
14 the other zones -- we think we can offer an explanation of
15 maybe why they weren't producing, but the one zone, we are
16 very critical on it, but the one zone seemed to stick out
17 that should have been a pay.

18 Now the others, maybe not, you know, they
19 might have lost their permeability, but --

20 Q You think there may have been some kind of
21 mechanical damage to the formation?

22 A There is that possibility. There is that
23 possibility. But there is also the other possibility that
24 the permeability did not develop in the other zones, but
25 the 6-foot zone, after all considering, you know, may be

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damaged. We're not sure yet, and they have not finished their testing of the data.

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

Do you have anything further, Mr. Coffield?

MR. COFFIELD: No, sir, I do not.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6304?

MR. DANIEL: If I may?

MR. NUTTER: Yes, sir.

MR. DANIEL: Gene Daniel, Geological Survey.

We have discussed this case with Superior Oil Company and we do not agree with the south half of Section 1.

MR. NUTTER: Mr. Daniel, it would be the GS's preference that they should dedicate the east half of the section rather than the south half?

MR. DANIEL: The east half is a -- is one lease and if they dedicated the east half there would be no need for communitization, and besides that it's a standard.

In fact, I believe Superior brought their geology up and presented it in Albuquerque.

MR. NUTTER: I see. Thank you, Mr. Daniel.

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MR. COFFIELD: May I?

MR. NUTTER: Yes, sir.

MR. COFFIELD: For a point of clarification.

Your objection to the location has to do with the acreage dedication and not necessarily the geology involved, is that true?

MR. DANIEL: It has to do with the acreage dedication, right, which would not require a communitization agreement.

MR. COFFIELD: Because it would be in one -- because it would be in one lease, one Federal lease, on the east half of Section 1, is that correct?

MR. DANIEL: Right.

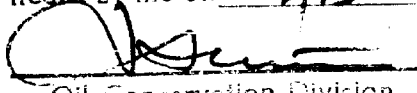
MR. NUTTER: If there is nothing further, we'll take the case under -- Case Number 6804 under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete and correct transcript of the hearing held by me on 2/13/80 before the Oil Conservation Division of State No. 6804.
 Examiner
Oil Conservation Division

Dockets Nos. 5-80 and 6-80 are tentatively set for February 27 and March 12, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 13, 1980

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 March, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for March, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1980, for both of the above areas.

CASE 6803: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State #1 Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6487: (Continued from January 3, 1980, Examiner Hearing)

Application of El Paso Natural Gas Company 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 its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

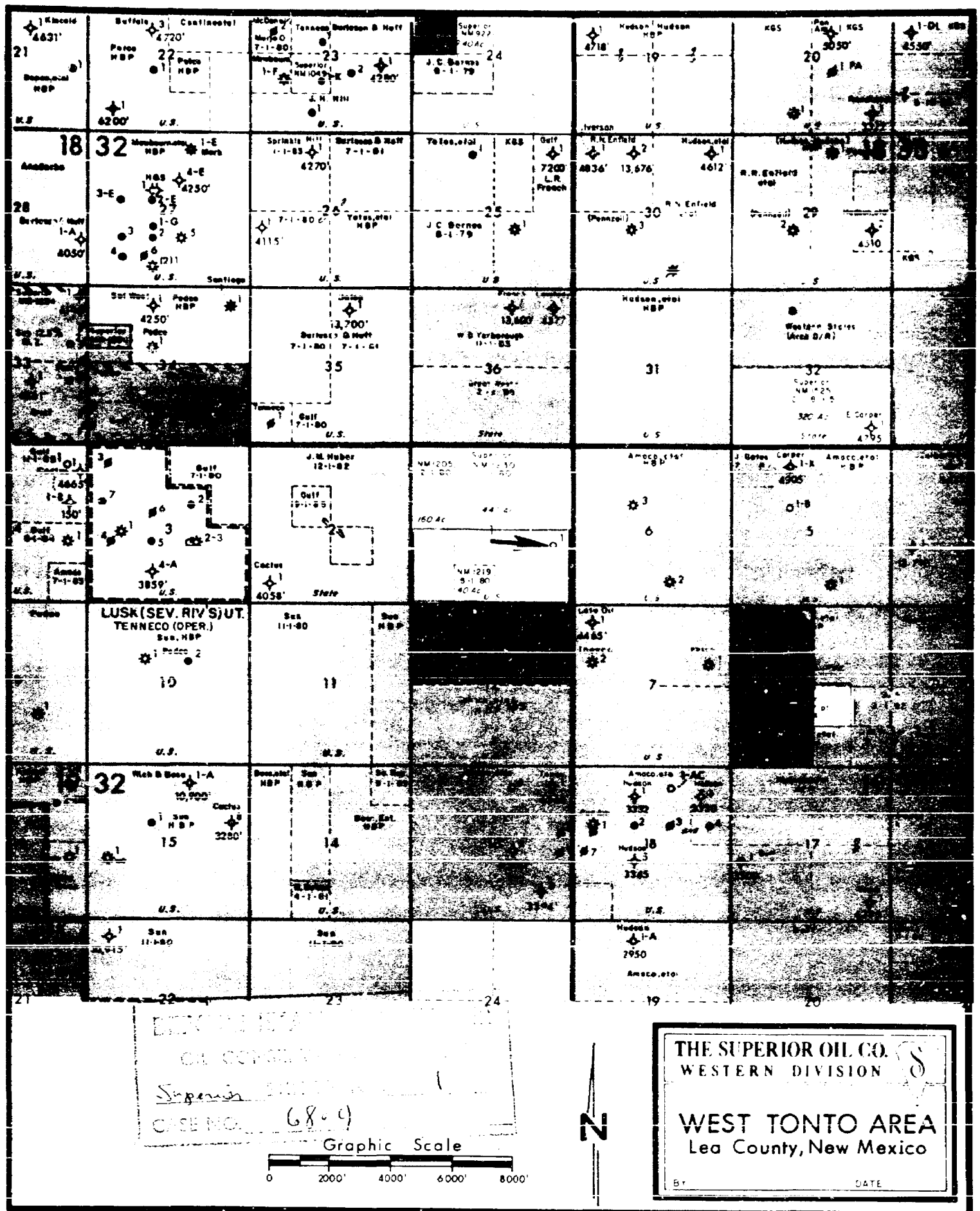
CASE 6804: Application of The Superior Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Bondurant Federal Com Well No. 1, a Morrow test to be drilled 1980 feet from the South line and 660 feet from the East line of Section 1, Township 19 South, Range 32 East, the S/2 of said Section 1 to be dedicated to the well.

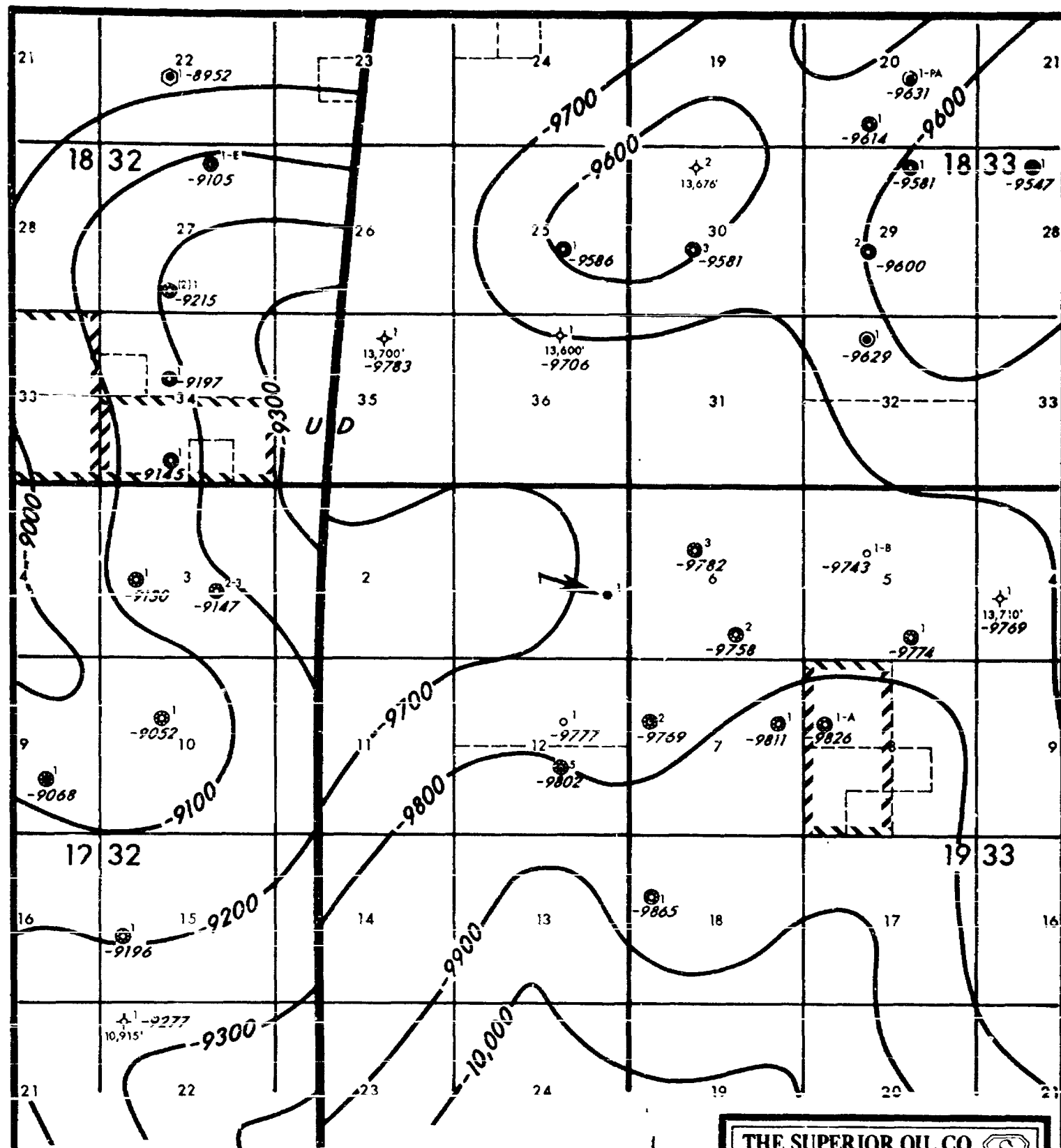
CASE 6767: (Continued from January 16, 1980, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6805: Application of Hondo Oil and Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 10 Well No. 1, a Wolfcamp-Pennsylvanian test to be drilled 1550 feet from the North line and 660 feet from the West line of Section 10, Township 18 South, Range 28 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6806: Application of Westall, Mask and Jennings for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into unlined surface pits adjacent to tank batteries in Sections 23, 24, 25, 26, 27, 34 and 35, Township 18 South, Range 31 East.





O - Morrow
 O - Penn
 BEFORE EXAMINER'S ATTENTION
 OIL CONSERVATION DIVISION
 C.I. = 100'
 Graphic Scale

0 2000' 4000' 6000' 8000'

EXHIBIT NO. Z

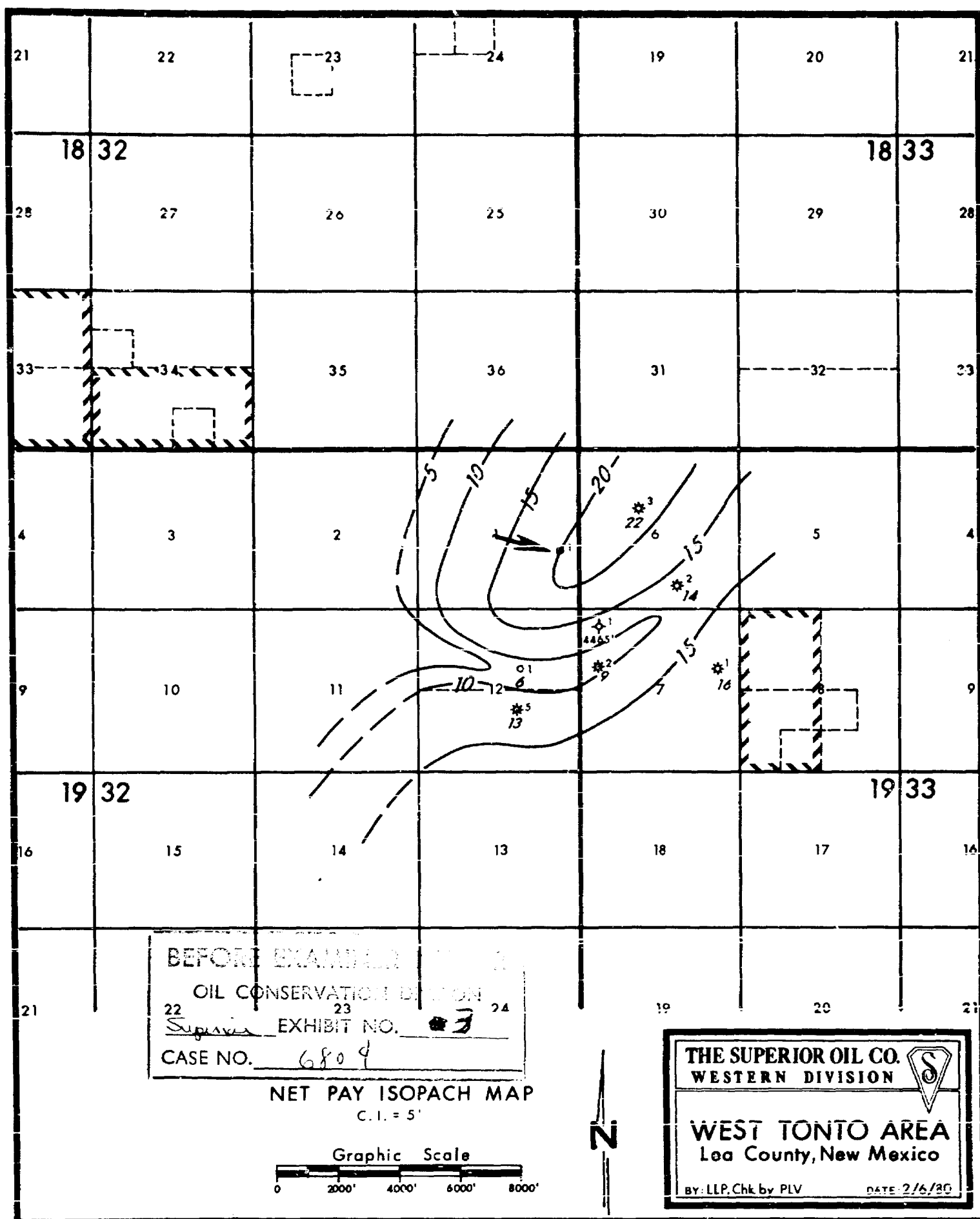
CASE NO. 6804

THE SUPERIOR OIL CO.
 WESTERN DIVISION

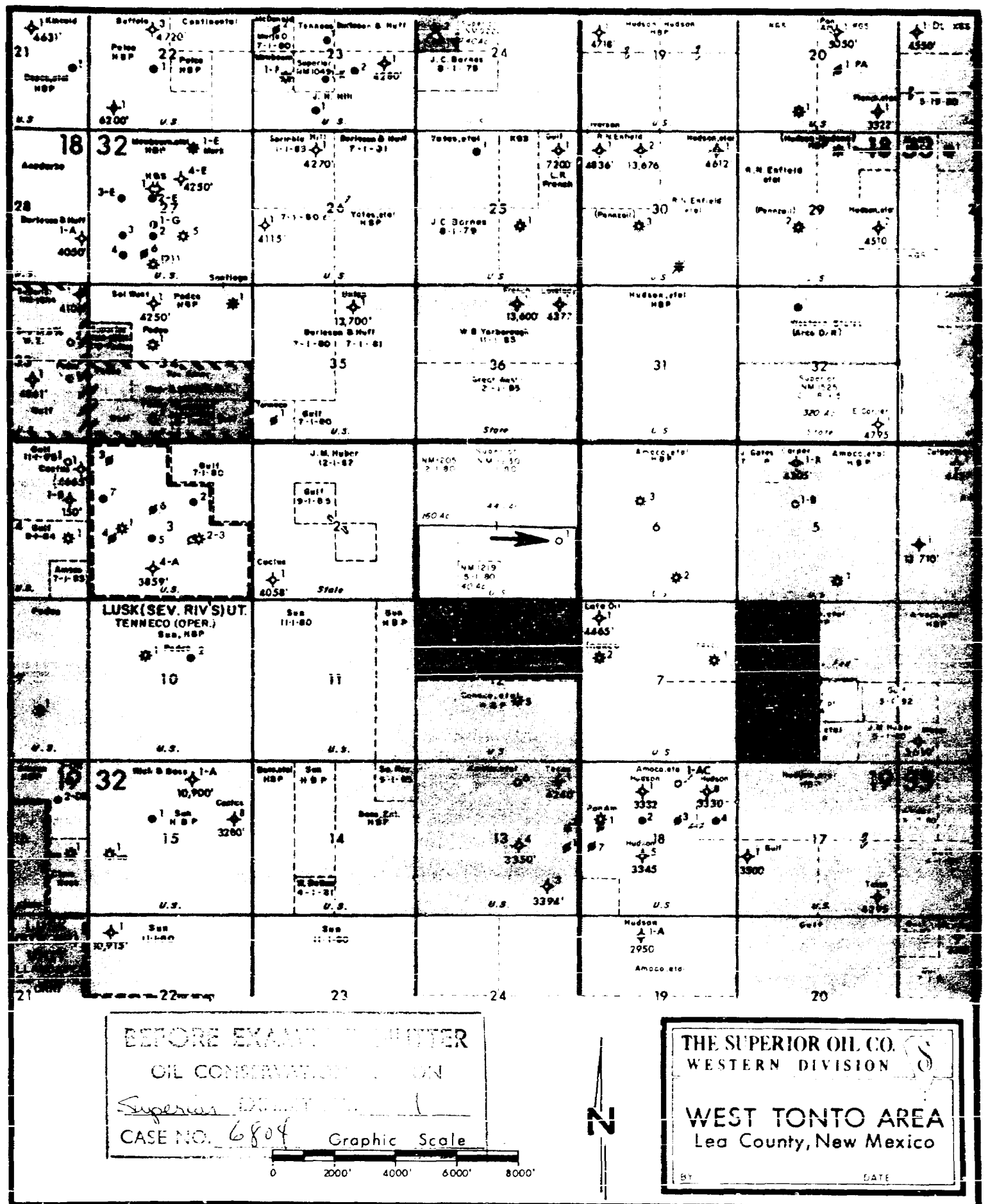
WEST TONTO AREA
 Lea County, New Mexico

BY: LLP, Chk. by PIV

DATE: 2/6/80

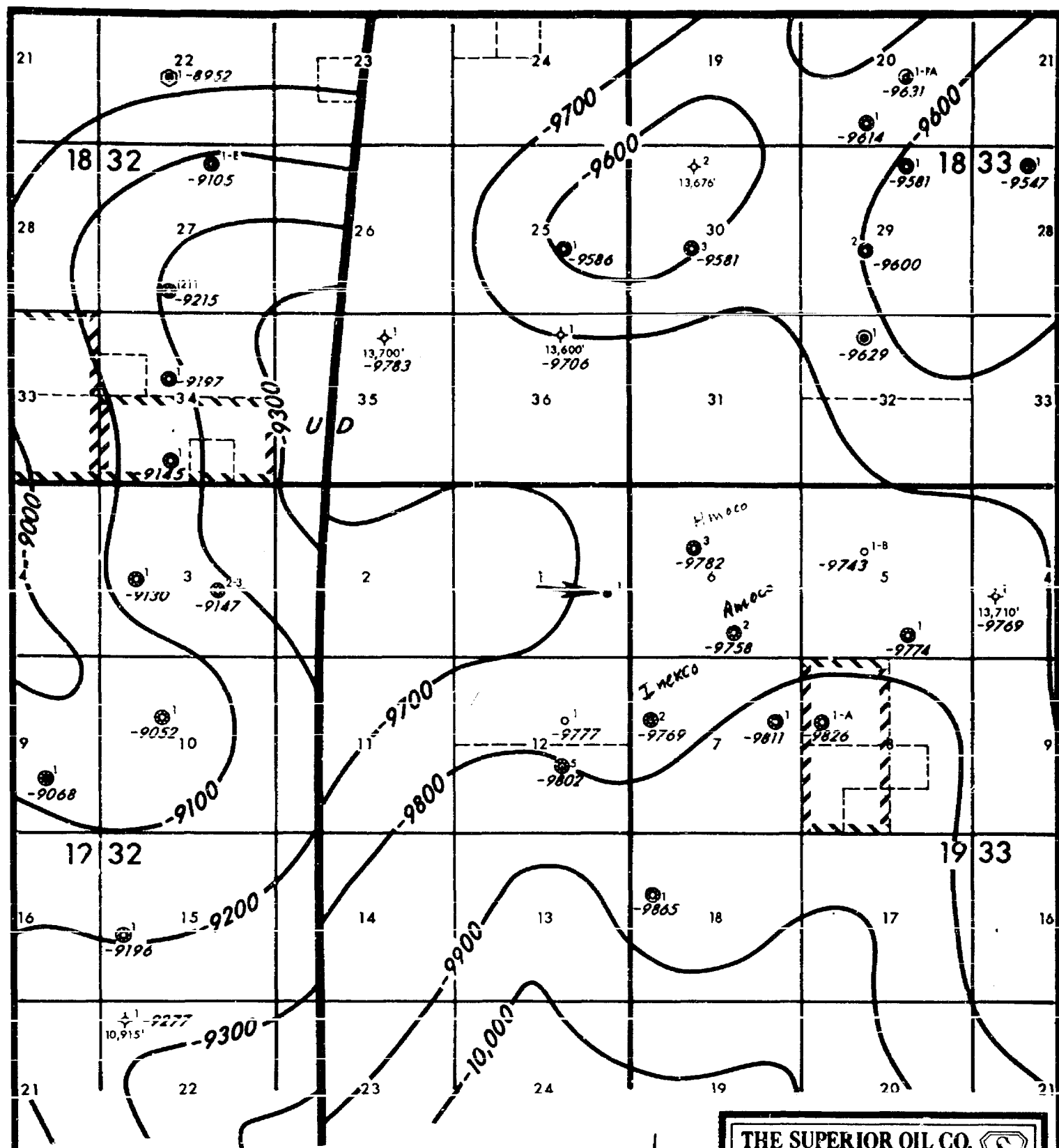


N40939



yellow 100% Superior
red partially owned
by Superior

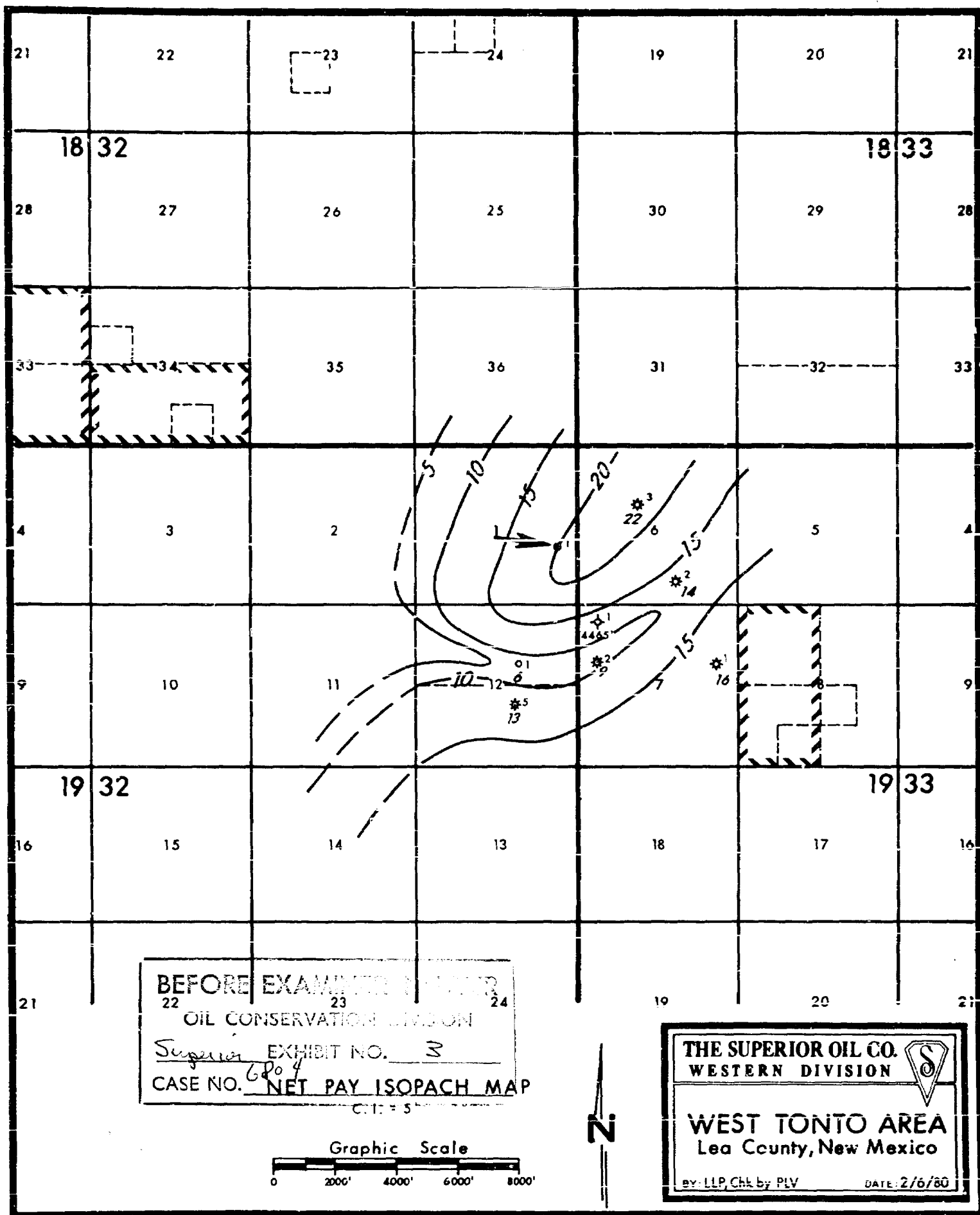
brown owned by other Companies
white they don't know who owns



STRUCTURE MAP
 CONTOURED ON
 BEFORE EXAMINED BASE OF MORROW "C" SHALE
 OIL CONSERVATION DIVISION
 EXHIBIT NO. 6809
 CASE NO. N40839



THE SUPERIOR OIL CO.
 WESTERN DIVISION
WEST TONTO AREA
 Lea County, New Mexico
 BY: LLP, Chk. by PLV DATE: 2/6/80



THE SUPERIOR OIL COMPANY

P. O. BOX 71

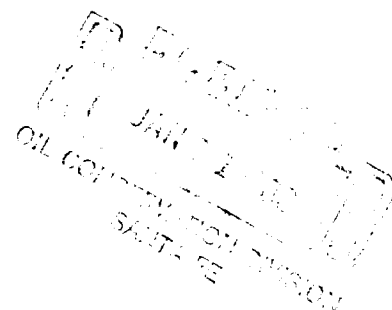
CONROE, TEXAS 77301

January 17, 1980

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Dan Nutter
Chief Engineer

RE: UNORTHODOX LOCATION
BONDURANT FEDERAL COM NO. 1 (Proposed)
1980' FSL & 660' PEL
SEC. 1, T-19-S, R-32-E



Case 6804

Dear Mr. Nutter:

This letter will confirm our verbal request this date for a hearing to consider the approval of the unorthodox location referenced above. The South half of Section One (1) is being communitized as a proration unit.

We appreciate your effort in this regard, and do let us know if you need additional information.

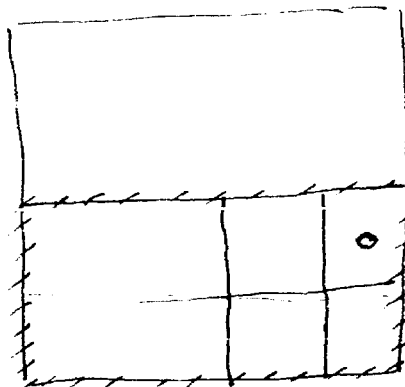
Yours very truly,

F. H. Speers
F. H. Speers *by JOL*

Regulatory Engineering Specialist

FHS/JVL/dvb

CC: TWC, RG, CF
Bill Lewis



1-19S-32E
Lea

The Superior Oil Company,
unorthodox gas well location

1980' FSL 660' FEL

1-195-32E Lea Co.

Bondurant Fed #1

S/v to be dedicated

marrow test

Feb 13, hrg.

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. 6804

ORDER NO. R- 2278

APPLICATION OF THE SUPERIOR OIL COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION,

LEA

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13,
1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this day of February, 1980, 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, The Superior Oil Company
for its Bondurant Federal Com Well No. 1, to be drilled at a point
seeks approval of an unorthodox gas well location 1980

feet from the South line and 660 feet from the

East line of Section 1, Township 19 South

Range 32 East, NMPM, to test the Morrow

formation, West Tonto-Pennsylvanian Gas Pool, Lea

County, New Mexico.

(3) That the S/2 of said Section 1 is to be
dedicated to the well.

(4) That a well at said unorthodox location will better
the applicant to achieve a better structural position than a well drilled
enable applicant to produce the gas underlying the production unit.
at an orthodox location on the proposed production 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 Morrow
the Superior Oil Company Bondurant Federal Com Well No. 1
formation is hereby approved for ~~a well~~ to be drilled at a point 1980
feet from the South line and 660 feet from the East
line of Section 1, Township 19 South, Range 32 East
NMPM, West Tonto-Pennsylvanian Gas Pool, Lea County,
New Mexico.

(2) That the S/2 of said Section 1 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.