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

Case NO. 6804 Application Transcripts Small Exhibits



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

BRUCE KING LARRY KEHOE SECRETARY POST OFFICE BOX 2008 STATE LAND OFFICE BUILDING SANTA FE, NEM: MEXICO 87501 (505) 827-2434

March 12, 1980

Re: CASE NO. ORDER NO. R-6278 Mr. Conrad E. Coffield Hinkle, Cox, Eaton, Coffield

Applicant:

The Superior Oil Company

6804

Dear Sir:

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

Pours very truly, CEM 1 1 JOE D. RAMEY Director

& Hensley

Attorneys at Law P. O. Box 3580 Midland, Texas 79702

# JDR/fd

the safe in a construction

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 COMFANY 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 <u>llth</u> 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 offsat 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 OPDERED:

(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

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	6 7 8	IN THE MATTER OF: Application of The	dox gas well loca- ) 6804
SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87501 Phone (505) 455-7409	9 10 11 12	BEFORE: Daniel S. Nutter	) PT OF HEARING
SALLY Sania	13 14 15 16		ARANCES
	17 18 19	For the Oil Conservation Division:	Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501
	20 21 22 23	For the Applicant:	Conrad Coffield, Esq. Hinkle Law Firm P. O. Box 3580 Midland, Texas
	24 25		

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	SALLY W. BOYD, C.S.R. Rt. I Box 193-B Santa Fe, New Mexico 87501 Phone (505) 455-7409	13	Applicant Exhibit One, Plat	5
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		Paga 3
	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:
	10	Q. Mr. Piekarski, would you please state your
	20	name, address, occupation, and employer?
	21	A. Okay. My name is Lee Piekarski. I live
	22	in Spring, Texas. Occupation, geologist; employer is Superior
:	23	Oil in Conroe, Texas.
:	24	Q. Mr. Piekarski, have you previously testi-
:	25	fied before the Oil Conservation Division as a geologist?
		A. No, I have not.

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

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1 Would you please state for the Examiner's 0. 2 benefit your educational background and work experience as 3 a geologist? 4 Å. 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. Ŷ 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 Mr. Piekarski, are you familiar with Q. 13 Superior's application in this case? 14 A. Yes, I am. 15 And are you familiar with the property Q. 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 gualified. 21 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

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

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	Page 5
Section 1,	Township 19 South, Range 32 East, the south half
of the sat	d Section 1 to be dedicated to the well.
ç	Mr. Piekarski, on what general basis does
the Super:	or Oil Company believe that this proposed location
is more de	sireable than the standard location?
7	For geological reasons we feel it's
it's a mon	e excellent location.
Q	And, Mr. Piekarski, where would the stand
ard well (	ocation be place compared to the location sought?
1	Farther to the west.
Ş	So you're moving closer to the easterly
line of Se	ction 1?
1	That's correct.
(	With the proposed location. All right,
Mr. Pieka:	ski, please refer to what we've marked as Exhibit
One, and	ask you to explain this to the Examiner.
i	Okay. Exhibit One is a standard land pla
that Supe	lor Oil prepares on all their well proposals.
	The yellow on the land plat is Superior's
acreage 1	0 percent, Superior acreage. The red colored
acreage i	partially owned Superior acreage, and the brown
acreage i	acreage owned by other companies. And the white
is acreag	that we're not completely sure who the leaseholde
is.	
	Then is is Superior Oil Company the

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SALLY W. BOYD, C.S.R. Rt. I Box 193-B Santa Fe, New Mexico 1/7501 Phone (505) 455-7469

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		Page6
leasehold	owner as	well as the proposed operator on the
property o	on which t	this proposed well is to be located?
A	ł.	Yes, we are.
ç	).	And are you seeking a communitization of
that south	n half of	Section 1?
Ą	j'	Yes, we are.
ç	).	Okay, let's go to what we've marked as
Exhibit Tv	wo and ple	ease explain that to the Examiner.
P	<b>].</b>	Exhibit Two is a structure map contoured
n the bas	se of the	Morrow C Shale. The structures were draw
from well	data in t	the area, mainly. The contour interval
is every ]	100 feet a	and it's, as I said, contoured every 100
feet inter	rvals.	
ç	2	And have you spotted the Morrow wells in
the area,	both prod	lucing and dry holes, as well?
1	ł.	Yes, we have.
ç	Q.	And what do you show there as the closest
well conti	rol data?	
I	A.	The closest well control is in Section 6
of 19, 33,	, Amoco's	two well locations, and then the well dow
in Section	n 12 of 19	9, 32, Inexco's well.
ç	Q.	Where is the closest producing well on
this, Mr.	Piekarski	1?
	A.	It would be in Section 6, Amoco's Knowles

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SALLY W. BOYD, C.S.R. Rt. 1 box 193-B Santa Fe, New Mexico 37501 Phone (305) 455-7435

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Page \_\_\_\_\_ 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? A. Yes. Q. Known well information? Yes, it's moving towards --- that's correct Δ. 7 Did you have anything else to explain on Q. 8 that exhibit? ÿ 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 Okay. Exhibit Three is a net pay Isopach A. 13 map. We took the total sand count of the wells surrounding 14 our proposed location and accumulated the net pay. What 15 we mean by net pay is we feel producable sand, producable 16 gas sands, in the area, either that have been tested or that 17 appear to be favorable through petrophysical analysis to 18 be producable 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 And have you spotted the proposed well Q. 23 location here with the red dot?

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B Santa Fc, New Mexico (7501 Phone (505) 455-7409

24

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

1 0. And what does this exhibit demonstrate 2 relative to the pay thickness and the location of the well? 3 λ. 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 So it's a significantly thicker pay. Ω. 7 As far as net pay goes, yes. A. 8 0. Did you have anything else to offer on ÿ this exhibit? 10 No. A. 11 Were these Exhibits One, Two, and Three, 0. 12 either prepared by you, Mr. Piekarski, or under your super-13 vision? 14 Yes, they were. A. 15 And in your opinion will the approval of Q. 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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ALILY W. BOYD, C.S.R. Rt. 1 Box 193-B Satta Fc, New Merico 87301 Phone (503) 455-7409

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	CROSS EXAMINATION
	BY MR. NUTTER:
	Q. Mr. Piekarski, if you had dedicated the
	east half of Section 1 to this woll, 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 loca-
	tion in the southwest northeast of Section 12.
	A. Yes.
	Q. And yet you do h is 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 perfor-
	ated that sand three times and acidized it twice unsuccess-

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

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fully, and were not able to recover any production.

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

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

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

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

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

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

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

SALLY W. BOYD, (**).S.R.** Rt. 1 Box 193-B 3anta Fc, New Mexico 81501 Phone (505) 455-7401 1

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Page 11 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? ŷ 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.

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fc, New Mexico 81501 Phone (505) 455-7409

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		1	MR. COFFIELD: May I?
		2	MR. NUTTER: Yes, sir.
		3	MR. COFFIELD: For a point of clarifica-
		4	tion.
		5	Your objection to the location has to do
		6	with the acreage dedication and not necessarily the geology
		7	involved, is that true?
		8	MR. DANIEL: It has to do with the acreage
		<del>9</del>	dedication, right, which would not require a communitization
	501 SOI	10	agreement.
	<b>LLY W. BOYD, C.S.</b> Rt. 1 Box 193-B Santa Fe, New Mexico 87501 Phone (505) 455-7409	11	MR. COFFIELD: Because it would be in
<b>~</b> .	W. BC 4. 1 Box e, New 1 ne (505)	12	one because it would be in one lease, one Federal lease,
	SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87501 Phone (505) 455-7409	13	on the east half of Section 1, is that correct?
	۵	14	MR. DANIEL: Right.
		15	MR. NUTTER: If there is nothing further,
		16	we'll take the case under Case Number 6804 under advise-
		17	ment.
		18	
		19	(Hearing concluded.)
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<sup>*</sup>		24	
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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.

Sully W. Boyd C.S.E.

I do her forecting is  $\sim 10^{-1}$  $\sigma c$ s in 1.5 11 heard 1 Examiner Oll Conservation Division

SALLY W. BOYD, C.S.R. Rt. I Box 143-B Santa Fe, New Mexico 87501 Phone (505) 455-7409 1

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1 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 2 OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. 3 SANTA FE, NEW MEXICO 13 February 1980 4 EXAMINER HEARING 5 6 IN THE MATTER OF: 7 Application of The Superior Oil Com-CASE ) 8 pany for an unorthodox gas well loca- ) 6804 tion, Lea County, New Mexico. ) 0 ) 10 BEFORE: Daniel S. Nutter 11 12 TRANSCRIPT OF HEARING 13 14 APPEARANCES 15 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 For the Applicant: Conrad Coffield, Esq. Hinkle Law Firm 21 P. O. Box 3580 Midland, Texas 22 23 24 25

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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fc, New Mexico 7501 Phone (305) 455-7403

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S.R.	10		
SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87301 Phone (305) 455-7409	11	EXHIBITS	
<b>W. BOYD,</b> Rt. I Box 193-B Fe, New Merico one (305) 455-74	12		
ALLY Banta F Santa F	13	Applicant Exhibit One, Plat	5
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	15	Applicant Exhibit Three, Isopach	7
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1		MR. UPPER: Dell now call Case Number
2	6804.	
3		UR. PADULA: Application of The Superior
4	Oil Company for an	unorthodox gas well location, Lea County,
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6		MR. COFFIDLD: Conrad Coffield, with the
7	Hinkle Law Firm of	Midland, Texas, appearing on behalf of
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5		
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12		LEE PIEKARSKI
13	being called as a	witness and having been duly sworn upon his
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15		
16		DIRECT EXAMINATION
17	BY MR. COFFIELD:	
18	Q.	Mr. Piekarski, would you please state your
19	name, address, occ	upation, 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, Tex	as.
23	Ŭ.	Mr. Piekarski, have you previously testi-
24	fied before the Oi	l Conservation Division as a geologist?
25	A	No, I have not.

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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe. New Mexico 87 501 Phone (505) 455-7409

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1 Would you please state for the Examiner's Û. 2 banefit your educational background and work experience as 3 a geologist? I received my Bachelor's and Master's of ٨. 5 Science in 1974 and 1976 from Brigham Young University. 6 My work emperience, 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 Mr. Piekarski, are you familiar with Û, 13 Superior's application in this case? 14 A. Yes, I am. 15 And are you familiar with the property Q 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 Mr. Piekarski, would you please state Q. 22 what it is The Superior Oil Company seeks by its application? 23 Approval for the unorthodox location of Α. 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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SALLY W. BOYD, C.S.R. Rt. I Box 193-B Santa Fe, New Mexico 87'501 Phone (505) 455-7405

1 Section 1. Township 19 South, Range 32 Mast, the south half 2 of the said Section 1 to be dedicated to the well. 3 Mr. Pickerski, on what general basis does Ω 4 the Superior Oil Company believe that this proposed location 5 is more desireable than the standard location? 6 For geological reasons we feel it's --λ 7 it's a more excellent location. 8 Ω And, Mr. Piekarski, where would the stand-9 ard well location be place compared to the location sought? 10 A, Farther to the west. 11 So you're moving closer to the easterly ۵ 12 line of Section 1? 13 A. That's correct. 14 With the proposed location. All right, a 15 Mr. Piekarski, please refer to what we've marked as Exhibit 16 One, and I ask you to explain this to the Examiner. 17 Okay. Exhibit One is a standard land plat A. 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 Then is -- is Superior Oil Company the Q.

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property on wh	ich this proposed well is to be located?
Α.	Men and the
Õ	And are you seeking a communitization
chat south hal	f of Section 1?
Х Ге	Yes, we are.
<i>b</i>	Okay, let's go to what we've marked as
xhibit Two an	d please explain that to the Examiner.
A.	Exhibit Two is a structure map contour
on the base of	the Morrow C Shale. The structures were d
from well data	in the area, mainly. The contour interval
s every 100 f	eet and it's, as I said, contoured every 10
feet intervals	
Q.	And have you spotted the Morrow wells
the area, both	producing and dry holes, as well?
Α.	Yes, we have.
Q.	And what do you show there as the clos
weli control d	ata?
Α.	The closest well control is in Section
of 19, 33, Amo	co's two well locations, and then the well
in Section 12	of 19, 32, Inexco's well.
Q.	Where is the closest producing well or
this, Mr. Piek	arski?
Α.	It would be in Section 6, Amoco's Know

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SALLY W. BOYD, I.S.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87301 Phone (305) 455-7403

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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico {7501 Phone (505) 455-7409

1 So does this exhibit then demonstrate that 0. 2 your proposed location, the unorthodox location, is then 3 moving toward - - closer loward well control data? Δ Yes. 0 Known well information? Yes, it's moving towards -- that's correct. A 7 Q Did you have anything else to explain on 8 that exhibit? Э Not that I can --Ã. 10 Okay, let's go on to Exhibit Three and 0. 11 explain that exhibit to the Examiner, please. 12 Okay. Exhibit Three is a net pay Isopach A. 13 map. We took the total sand count of the wells surrounding 14 our proposed location and accumulated the net pay. What 15 we mean by net pay is we feel producable sand, producable 16 gas sands, in the area, either that have been tested or that 17 appear to be favorable through petrophysical analysis to 18 be producable 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 And have you spotted the proposed well Q. 23 location here with the red dot? 24 Yes, with the red dot and the arrow A.

marked next to it.

1 And what does this exhibit demonstrate Ω 2 relative to the pay thickness and the location of the well? 3 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 ř., As far as net pay goes, yes. 8 Q. Did you have anything else to offer on ŷ this exhibit? 10 No. A. 11 Were these Exhibits One, Two, and Three, Q. 12 either prepared by you, Mr. Piekarski, or under your super-13 vision? 14 Yes, they were. Α. 15 And in your opinion will the approval of Q. 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.

Page

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B nta Fc. New Mexico 87501 Phone (505) 455-7409 Santa |

		CROSS EXAMUTATION
BY MR. NU	TTER:	
	<u>0</u>	Mr. Piekarski, if you had dedicated the
east half	of Section	on 1 to this well, it would be a standard
location.		
	ř).	That's correct.
	Q	But inasmuch as you're dedicating the
south	south hal:	f, it's non-standard.
	A.	That's correct, yes.
	Q.	Now, I see a well that's shown as a loca-
tion in t	he southwe	est northeast of Section 12.
	A.	Yes.
	Q.	And yet you do have a top for the Morrow
C Shale a	ind you've	got a thickening for the Morrow.
	Ā.	Oh, okay.
	Ç.	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 Morro	w formati	on and they have perforated several zones
in the Mo	prrow, but	unsuccessfully; four times, as a matter
of fact.	They per	forated there's one rather fat sand
		oximately 20, 30 feet. They have perfor-
ated that	: sand thr	ee times and acidized it twice unsuccess-

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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 17301 Phone (305) 455 7469

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fully, and were not able to recover any production.
And then they perforated a fourth time
numerous scattered other somes in the Morrow itself, and they
were also unsuccessful in that.

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

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

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

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

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

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

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico {7501 Phone (505) 455-7403 1

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Page 11 1 damaged. We're not sure yet, and they have not finished Z their testing of the data. 3 MR. HUTTER: Are there any further ques-4 tions of Mr. Piekarshi? 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.

**SALLY W. BOYD, C.S.R.** Rt. 1 Box 193-B Santa Fe, New Merico £7501 Phone (505) 455-7409

		Page 12								
	1	MR. COPPIPID: May 1?								
	2	MR. NUTTER: Yes, sir.								
	3	MR. COPPILID: For a point of clarifica-								
	4	tion.								
	5	Your objection to the location has to do								
	6	with the acreage dedication and not necessarily the geology								
	7	involved, is that true?								
	8	MR. DANIFL: It has to do with the acreage								
	3	dedication, right, which would not require a communitization								
C.S.R. 17501 09	ī0	agreement.								
SALLY W. BOYD, C.S.R. Rt. I Box 193-B Santa Fc. New Mexico 17301 Phone (303) 435-74(9	11	MR. COFFIELD: Because it would be in								
<b>V. BC</b> Rt. 1 Box 7c, New 1 3ne (503)	12	one because it would be in one lease, one Federal lease, on the east half of Section 1, is that correct?								
ALLY Santa I Pho	13									
<i>ΰ</i> ,	14	MR. DANIEL: Right.								
	15	MR. NUTTER: If there is nothing further,								
	16	we'll take the case under Case Number 6904 under advise-								
	17	ment.								
	18									
	19	(Hearing concluded.)								
	20									
	21									
	22									
	23									
~	24									
	25									
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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.

I do hereby certify that the foregoing is a complete more No sporturiin rr 6804 the End. And 9,80 heard by me on 713 , Examiner ~

Cil Concervation Division

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico (730) Phone (303) 455-7409 1

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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 FOOM. 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 Wesc, 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 promation 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 provation 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.

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# THE SUPERIOR OIL COMPANY

P. D. BOX 71

CONROE, TEXAS 77301

January 17, 1980

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

Attn: Mr. Dan Nutter Chief Engineer

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

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,

HA. Speers F. H. Speers by Jor Regulatory Engineering Specialist

FHS/JVL/dvb

CC: TWC, RG, CF Bill Lewis



Case 6804

The Superior Cil Campleau, unerthoday gas will forution 1980'FSC 660'FEL 1-195-32E Lea Co. Bondurant Fed # 1 5/2 to be dedicated

marrow test

Feb 13, hrg.

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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.	6804	
	ORDER NO. R-	6.278	
APPLICATION OF THE SUPERIOR OIL	COMPANY		
FOR AN UNCRTHODOX GAS WELL LOCA	TION, JR	1	
LEA COUNTY, NEW 1	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 , 19 80 , 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.

for it	That the applicant s Bondurant Feder roval of an unor	ral Com Well N	0. 1, m	be drilled	Lata point
seeks app	LOVAL OF AN MIOT	ulldox gas wer	I IUCACI	011 <u>1980</u>	
feet from	the South	line and $6$	<u>60</u> f	eet from t	he
East	line of Section	<u>    1                                </u>	mship	19 South	
Range	32 East	NMPM, to test	the $\underline{\mathcal{H}}$	corrow	2
formation	32 East , 1 west Tonto-Pen	ney Wanian Ga	P001,	Lea	
County, Ne	ew Mexico.				oronared
(3)	That the $S/2$	of said Sec	tion	1	is to be
dedicated	to the well.				
	That a well at a				

enable applicant to produce the at an orthoday location on the proposed provation wit.

(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 <u>Morrow</u> the Superior Oil Company Bondurant Federal Com Well No. 1 formation is hereby approved for/xxwelk to be drilled at a point <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line of Section <u>1</u>, Township <u>19 South</u>, <u>Range <u>32 Fast</u></u> NMPM, <u>West Touto-Pennsylvanian Gas</u> Pool, <u>Lea</u> County, New Mexico.

(2) That the  $\frac{S/2}{2}$  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 weem necessary.

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