

CASE 6813: PETROLEUM DEVELOPMENT CORP-  
ORATION TO AMEND ORDER NO. R-6196, EDDY ~  
COUNTY, NEW MEXICO

CONTINUED TO

MARCH 12

DISMISSED

READVERTISE FOR

MARCH 26 as Ca 6848

Case NO.

6813

Application

Transcripts

Small Exhibits

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Petroleum Development Cor-  
poration to amend Order No. R-6196, Eddy  
County, New Mexico.

CASE  
6813

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

*Hearing Register  
in this Transcript*

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

1 MR. NUTTER: Call Case Number 6813.

2 MR. PADILLA: Application of Petroleum  
3 Development Corporation to amend Order No. R-6196, Eddy  
4 County, New Mexico.

5 MR. NUTTER: Applicant failed to file a  
6 timely written application in this case. It will be dis-  
7 missed, and it has been re-advertised as Case Number 6848  
8 on the March 26th docket.

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

## 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.

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 correct and true transcript of the hearing held before the Oil Conservation Division on 3/12/80 at 6813. The Examiner heard the testimony of the parties in the hearing and the transcript is a true and correct record of the hearing.

[Signature] Examiner  
Oil Conservation Division



## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MARCH 12, 1980 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
W. V. Kellheim	Kellheim & Kellheim	Santa Fe
Randy Smith	Huyco	Midland
Ray Beck	Yato	Midland
Thomas R. Bass	V-F Petiska	Midland

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Petroleum Development Cor- ) CASE  
poration to amend Order No. R-6196, Eddy ) 6813  
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	Ernest L. Padilla, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.  
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Phone (505) 455-7409



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MR. JUSTICE: Call Case Number 6813.

MR. JUSTICE: Application of Petroleum Development Corporation to amend Order No. P-6196, Eddy County, New Mexico.

MR. JUSTICE: Applicant failed to file a timely written application in this case. It will be dismissed, and it has been re-advertised as Case Number 6848 on the March 26th docket.

(Hearing concluded.)

**SALLY W. BOYD, C.S.R.**  
Rt. 1 Box 195-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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 proceedings in the instant hearing of Case No. 6813 heard by me on 3/12 1980.

[Signature], Examiner  
Oil Conservation Division



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Re: CASE NO. 6813  
ORDER NO. R-6294

Mr. J. C. Johnson, President  
Petroleum Development Corporation  
9720-B Candelaria, NE  
Albuquerque, New Mexico 87112

Applicant:

Applicant:

Petroleum Development Corporation

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

~~Yours very truly,~~

JOE D. RAMEY  
Director

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other

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. 6813  
Order No. R-6294

APPLICATION OF PETROLEUM DEVELOPMENT  
CORPORATION TO AMEND ORDER NO. R-6196,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 12, 1980,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of March, 1980, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

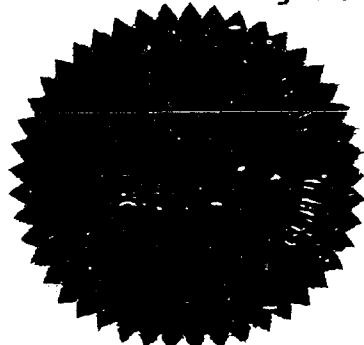
FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

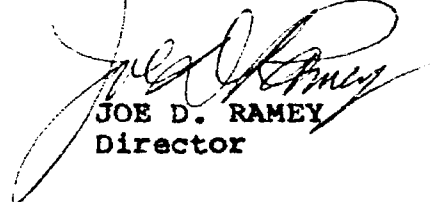
That Case No. 6813 is hereby dismissed.

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



S E A L  
fd/

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Petroleum Development ) CASE  
Corporation to amend Order No. R-6196, ) 6813  
Eddy County, New Mexico. )

BEFORE: Richard L. Stamets

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

SALLY W. BOYD, C.S.R.  
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MR. STAMETS: We'll call Case 6813.

MR. PADILLA: Application of Petroleum  
Development Corporation to amend Order No. R-6196, Eddy  
County, New Mexico.

MR. STAMETS: Call for appearances in this  
case. Anyone here in Case 6813?

Case 6813 will be continued to the  
March 12th Examiner Hearing.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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.

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 correct and true copy of the transcript of the hearing held on 2-27-80 at 680 hours. 19.80  
Richard L. Starn, Examiner  
Oil Conservation Division

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

EXAMINEE HEARING

IN THE MATTER OF:

Application of Petroleum Development Corporation to amend Order No. 7-6196, Eddy County, New Mexico. CASE 6813

BEFORE: Richard L. Starets

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

SALLY W. BOYD, C.S.R.  
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MR. STAMETS: We'll call Case 6813.

MR. PADILLA: Application of Petroleum Development Corporation to amend Order No. R-6196, Eddy County, New Mexico.

MR. STAMETS: Call for appearances in this case. Anyone here in Case 6813?

Case 6813 will be continued to the March 12th Examiner Hearing.

(Hearing concluded.)

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

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 and correct transcript of the proceedings in the Examination Hearing of Case No. 19, heard by me on 19.  
\_\_\_\_\_, Examiner  
Oil Conservation Division

Dockets Nos. 8-80 and 9-80 are tentatively set for March 26 and April 9, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - MARCH 11, 1980

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

CASE 6609: (DE NOVO) (Continued and Readvertised)

Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

Upon application of Yates Petroleum Corporation and Napeco Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220. Applicants allege this is not an "oil" pool but is a "volatile" oil pool.

CASE 6823: Application of Amoco Production Company for 640-acre carbon dioxide gas well spacing, Harding, Quay, and Union Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 104 of the Division Rules and Regulations to require that wildcat and development carbon dioxide gas wells projected to the Tubb or older formations in Harding, Quay, and Union Counties must be located on 640-acre spacing and proration units, and must be located no nearer than 1650 feet to the outer boundary of the tract and not nearer than 330 feet to any interior quarter-quarter section line.

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DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 12, 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 April, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves County, New Mexico.

(2) Consideration of the allowable production of gas for April, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

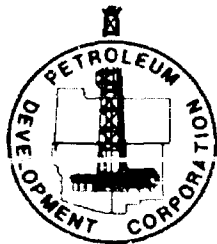
CASE 6813: (Continued from February 27, 1980, Examiner Hearing) (This case will be dismissed.)

Application of Petroleum Development Corporation to amend Order No. R-6196, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-6196 which authorized re-entry of a well at an unorthodox location in the Lusk-Morrow Gas Pool to be dedicated to the N/2 of Section 13, Township 19 South, Range 31 East. Applicant now seeks approval for a new revised location 750 feet from the North line and 660 feet from the West line of said Section 13.

CASE 6834: Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. (This case will be continued to March 26 and readvertised.)

Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its SEMU Burger Well No. 107 at an unorthodox location 2615 feet from the South and East lines of Section 24, Township 20 South, Range 38 East, to produce oil from the Blinebry Oil and Gas and Drinkard Pools.

CASE 6824: Application of American Trading and Production Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Talco Unit Area, comprising 4,800 acres, more or less, of State and Federal lands in Township 26 South, Range 35 East.



## PETROLEUM DEVELOPMENT CORPORATION

9720-B CANDELARIA, NE  
ALBUQUERQUE, NEW MEXICO 87112  
TELEPHONE (505) 293-4044

February 27, 1980

Mr. Daniel S. Nutter  
OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Nutter:

RE: Order No. R-6196 (Case No. 6813 2/27/80).

Inasmuch as Petroleum Development Corporation lost the right to drill the well on the revised location outlined in Case No. 6813 due to inactivity on the captioned lease within the allotted time period, we respectfully request that the re-hearing date of March 12, 1980 be canceled.

We sincerely apologize for the inadvertent failure to notify you of this situation earlier.

Sincerely,  
PETROLEUM DEVELOPMENT CORPORATION

*J. C. Johnson*  
J. C. Johnson, President

/cj

*Disregard in accordance with telephone  
conversation of February 29, 1980.*

Dockets Nos. 6-80 and 7-80 are tentatively set for March 12 and 26, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 27, 1980

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6787: (Continued from February 13, 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 6811: Application of Laguna Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 NE/4 of Section 13, Township 8 South, Range 32 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6812: Application of Maralo Inc. to amend Order No. R-5816, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-5816 to permit the seven waterflood injection wells authorized to be drilled at unorthodox locations by said order to be produced until May 1, 1980, or until depleted, prior to being placed on water injection.

CASE 6813: Application of Petroleum Development Corporation to amend Order No. R-6196, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-6196 which authorized re-entry of a well at an unorthodox location in the Lusk-Morrow Gas Pool to be dedicated to the N/2 of Section 13, Township 19 South, Range 31 East. Applicant now seeks approval for a new revised location 750 feet from the North line and 660 feet from the West line of said Section 13.

CASE 6814: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Betenbough Unit Area, comprising 1921 acres, more or less, of State and fee lands in Township 13 South, Range 36 East.

CASE 6797: (Continued from January 30, 1980, Examiner Hearing)

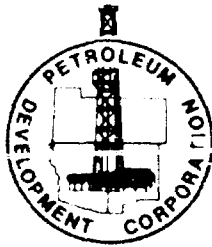
Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 28, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6815: Application of Florida Exploration 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 Ross Draw Unit Well No. 8, a Wolfcamp gas well 1650 feet from the North and East lines of Section 27, Township 26 South, Range 30 East, the N/2 of said Section 27 being dedicated to the well.

CASE 6816: Application of Hanson Oil Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Penrose Grayburg formation in the perforated interval from 3404 feet to 3633 feet in its Creek Well No. 1 located in Unit G of Section 35, Township 18 South, Range 30 East, Shugart Pool.

CASE 6817: Application of Mewbourne Oil Company to amend Order No. R-6100, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-6100 whereby the unorthodox Morrow location approved by said order would instead be applicable to the Wolfcamp and Bone Springs formations.

CASE 6818: Application of Tenneco Oil Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East.



# PETROLEUM DEVELOPMENT CORPORATION

3720-B CANDELARIA, NE  
ALBUQUERQUE, NEW MEXICO 87105  
TELEPHONE (505) 293-4044  
JAN 29 1980  
OIL COMMISSION DIVISION  
SANTA FE

January 29, 1980

Mr. J. D. Ramey, Secretary-Director  
New Mexico Oil & Gas Commission  
PO Box 2088  
Santa Fe, New Mexico 87501

Case 6813

RE: Order #6196

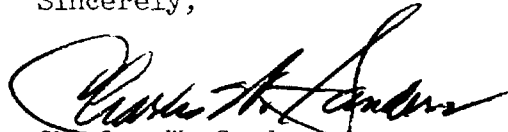
Dear Mr. Ramey:

Petroleum Development Corporation hereby requests to be placed on the docket for Examiner Hearing on February 27, 1980, to consider our application to amend order #6196 (approval for unorthodox location) to move the location 90' south to the following location:

660' FWL & 750' FNL of Section 13, T19S, R31E  
Eddy County, New Mexico

This move is necessitated by the failure of the re-entry attempt at the original location and the decision to drill a new hole for a Morrow Sand test. The new well will be designated the Llano-McKay Federal #2.

Sincerely,

  
Charles W. Sanders  
Vice President

CWS/pb

Feb 27th

Application of Petroleum  
Development Corporation to  
amend Order No. R-6196,  
Eddy Co. New Mexico

Applicant in the ~~amended~~ ~~same~~ ~~order~~ to  
amend Order No. R-6196 which authorized  
an unorthodox gas well location in the  
Rusk Morrow Gas Pool to be dedicated to  
the N/2 of Section 13, Township 19 South,  
Range 31 East. Applicant <sup>now</sup> seeks approval for  
a <sup>new</sup> revised location <sup>the</sup> 750 feet from the north  
line and 660 feet from the west line  
of said Section 13.

Chas Sanders  
Petr Dev Corp Atty  
1/29/80

orig order approved re-entry of old well  
660 from NE W lines of Sec 13. Closing  
troubles in old well. Now they want to  
move 100 feet S and drill new well.

Call USGS in Artesia (Geo Stewart or Ray Stahl  
Art 746-9838) and advise that case is pending -  
OK to conditionally approve new drl permit. ~~to~~

Dig  
Chris

DRAFT

dr/

*EP*

*RJL*

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

CASE NO. 6813

Order No. R- 6294

APPLICATION OF PETROLEUM DEVELOPMENT  
CORPORATION TO AMEND ORDER NO. R-6196,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 12  
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of March, 1980, the Division  
Director, having considered the record and the recommendations of  
the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6813 is hereby dismissed.

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