

CASE 6815: FLORIDA EXPLORATION COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case NO.

6815

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 Florida Exploration Com-
pany for an unorthodox gas well loca-
tion, Eddy County, New Mexico.

CASE
6815

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:

George H. Hunker, Esq.
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P. O. Box 1837
Roswell, New Mexico 88201

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I N D E X

JAMES W. ROGERS

Direct Examination by Mr. Hunker 3

Cross Examination by Mr. Nutter 7

JOHN SCOTT "SCOTTY" ALCORN

Direct Examination by Mr. Hunker 9

Cross Examination by Mr. Nutter 15

E X H I B I T S

Applicant Exhibit One, AFE 4

Applicant Exhibit Two, AFE 4

Applicant Exhibit Three, Plat 10

Applicant Exhibit Four, Structure Map 13

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1 MR. NUTTER: Call Case Number 6815.
2 MR. PADILLA: Application of Florida
3 Exploration Company for an unorthodox gas well location, Eddy
4 County, New Mexico.
5 MR. HUNKER: George Hunker, Hunker,
6 Fedric, Roswell, New Mexico, appearing on behalf of Florida
7 Exploration Company. I have two witnesses.
8
9 (Witnesses sworn.)
10
11 JAMES W. ROGERS
12 being called as a witness and having been duly sworn upon
13 his oath, testified as follows, to-wit:
14
15 DIRECT EXAMINATION
16 BY MR. HUNKER:
17 Q Mr. Rogers, will you state your name,
18 address, occupation, and position with the company?
19 A My name is James W. Rogers. My business
20 address is Suite 900, Vaughn Building, Midland, Texas. I
21 am Division Land Manager for Florida Exploration Company,
22 in Midland, Texas.
23 Q Have your qualifications as a petroleum
24 landman been previously accepted by the Commission?
25 A Yes, sir, they have.

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1 Q In connection with your responsibilities
2 with the company, do you prepare the AFE's in connection with
3 wells that are proposed to be drilled?

4 A Yes, sir, that is correct. I am respon-
5 sible for the preparation of AFE's.

6 Q Referring to Exhibits Numbers One and
7 Two, will you tell the Examiner what those exhibits show?

8 A Yes, sir. These two particular exhibits
9 are AFE's for the drilling of the Florida Exploration Com-
10 pany No. 8 Ross Draw Well, located 1650 from the north and
11 1650 from the east lines of Section 27, Township 26 South,
12 Range 30 East.

13 Q As originally proposed, what type of
14 test well did you contemplate?

15 A As originally proposed, the AFE was for
16 a 9200 foot Bone Spring test well.

17 Q Located on what type of a spacing unit?

18 A Located on a 160-acre spacing unit.

19 Q For an oil well, is that correct?

20 A For an oil well, yes, sir, that is cor-
21 rect.

22 Q What occasioned the preparation of Ex-
23 hibit Number Two, Mr. Rogers?

24 A After reaching the total depth of 9200
25 feet in the No. 8 Ross Draw Federal Well, and after the

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1 running of electric logs, examination of those logs, examin-
2 ation of all the data that we had to that point in time, a
3 management decision was made that we did not appear to have
4 a commercially -- a well commercially capable of production
5 at that point in time, and a management decision was made to
6 drill the No. 8 Ross Draw Federal Well to an additional depth
7 sufficient to test the Wolfcamp formation and at an approxi-
8 mate depth of 12,300 feet.

9 Q And was that prospect in fact drilled?

10 A Yes, sir, that is correct, after the
11 management decision was made, the well was continued to be
12 drilled to that depth at which point in time we ultimately
13 made a Wolfcamp gas well.

14 Q Will you give the Examiner the total
15 cost of that well and the producing information that you
16 have available at this time?

17 A Yes, sir. Our AFE for the 9200-foot
18 test well was \$653,500 and our supplemental AFE to drill the
19 well deeper to the Wolfcamp was an additional \$355,700, or
20 an actual AFE cost of \$1,009,200.

21 In actuality, the well cost \$1,072,000
22 as we over-expended the AFE by the amount being the differ-
23 ence of \$1,009,200 and \$1,072,000.

24 Q What production information do you have
25 with regard to the well?

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1 A Sir, the well was completed out of the
2 Wolfcamp formation for a calculated absolute open flow of
3 30.801-million cubic feet of gas per day.

4 Condensate on a 11/64ths choke was being
5 produced at the rate of 9.65 barrels per hour.

6 Q Is the well presently on stream?

7 A The well is presently shut-in waiting on
8 a gas connection.

9 Q Are you familiar with the application as
10 amended that's been filed in connection with this matter?

11 A Yes, sir, I am.

12 Q And why are you seeking approval of an
13 unorthodox location?

14 A We're seeking approval for an unorthodox
15 location because we originally had the well set up to go to
16 the Bone Spring to test the zones down through the Bone
17 Spring in the area with the anticipation of completing a Bone
18 Spring oil well, and as we have previously stated, upon
19 reaching that depth we did not have a well that we believed
20 to be capable of commercial production of either oil or gas
21 and a business decision was made at that point in time to
22 continue the drilling of the well.

23 Q If Florida's application is approved in
24 connection with this matter, is it your opinion that such
25 approval will be in the interest of conservation and the

1 prevention of waste and the prevention of the drilling of un-
2 necessary wells?

3 A Yes, sir, it is.

4 MR. HUNKER: I have no further questions.
5 I'd like to offer in evidence Exhibits Numbers One and Two.

6 MR. NUTTER: Applicant's Exhibits One
7 and Two will be admitted in evidence.

8
9 CROSS EXAMINATION

10 BY MR. NUTTER:

11 Q Mr. Rogers, although this original AFE
12 states that this No. 8 Ross Draw is in the Ross Draw Dela-
13 ware, it was not a Delaware prospect. It was a Bone Spring
14 prospect, is that correct?

15 A Yes, sir, it was a Bone Spring test that
16 we had set up.

17 Q And the 9200 feet that you had set up
18 on the AFE was to the Bone Spring and not the Delaware forma-
19 tion.

20 A Yes, sir, but I believe, although it's
21 not -- I couldn't testify as an expert witness to that point
22 in time, we believe the Bone Spring is a basal Delaware
23 member, and in that connotation that's --

24 Q I see.

25 A -- that's what we were trying to --

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1 Q I see, not the Delaware sand but --

2 A No, sir, it was a basal Delaware test

3 that we were wanting to drill there, sir.

4 Q And the potential on the well was 30.8-

5 million plus 9.65 barrels of condensate per hour.

6 A Yes, sir, that -- that was what the well

7 made in terms of condensate on one of the 4-point tests,

8 which I will give you. It was an 11/64ths choke for a 1-hour

9 time period. Flow tubing pressure of 7112; a gas volume of

10 6.612-million; and condensate at 9.65 barrels for that hour.

11 Q In one hour. When do you expect the

12 well to be connected?

13 A Sir, we would expect the well to be con-

14 nected within the next 60 days.

15 Q And was the location a standard location

16 for the original objective?

17 A Yes, sir, it was a standard location for

18 the original objective.

19 Q But since it was completed in the Wolf-

20 camp it's an unorthodox location.

21 A Yes, sir, that is correct. It's short

22 of 330 feet from the short side, being an unorthodox location.

23 Q And you're proposing to dedicate the

24 east half of the section to the well?

25 A Yes, sir, that is correct. We would want

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1 to dedicate the east half of that section as our proration
2 unit for the Wolfcamp production.

3 Q All right.

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

7 JOHN SCOTT "SCOTTY" ALCORN
8 being called as a witness and having been duly sworn upon
9 his oath, testified as follows, to-wit:

11 DIRECT EXAMINATION

12 BY MR. HUNKER:

13 Q Mr. Alcorn, for the record, will you state
14 your name, address, and occupation?

15 A My name is Scotty Alcorn. My business
16 address, 900 Vaughn Building. I'm Senior Geologist with
17 Florida Exploration Company of Midland, Texas.

18 Q Have you previously testified before the
19 Oil Conservation Division?

20 A Yes, sir.

21 Q And have your qualifications as a petro-
22 leum geologist been found to be acceptable?

23 A Yes, sir.

24 MR. HUNKER: Do you have any questions
25 of the witness, Mr. Examiner?

1 MR. NUTTER: Mr. Alcorn is qualified.
2 Please proceed.

3 Q Mr. Alcorn, referring to what's been
4 marked Exhibit Number Three.

5 A Yes, sir.

6 Q Will you explain to the Examiner what
7 this exhibit demonstrates?

8 A In the Ross Draw Unit area, which is out-
9 lined in red, we have attempted to mark the production legend
10 of all wells that are producing. Down at the Delaware Sand,
11 which is around the 3400 foot level is in purple. The Bone
12 Springs production in the southwest quarter of Section 27 is
13 in red; and Wolfcamp production is noted in orange.

14 It will be noted that a green plastic
15 dot is placed adjacent to the well No. 8, which would be an
16 orthodox location for the Wolfcamp, 330 feet south of where
17 it's presently drilled. That's what the green dot signifies.

18 Q And the green outline demonstrates the
19 spacing unit that you propose to dedicate to this well, is
20 that correct?

21 A Yes, sir, the green outline is the 320-
22 acre spacing unit we recommend in the east half of 27.

23 Q Why did you locate the No. 8 Well in the
24 location that it was located in?

25 A The No. 8 Well was originally recommended

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1 for drilling to 9200 feet for a Bone Spring test to evaluate
2 all Delaware sands above and the Bone Spring, as a diagonal
3 offset to the No. 5 Well in the southwest quarter. We
4 spaced it at 1650 from the north and east lines, as an ortho-
5 dox location, with the idea that we did not choose to crowd
6 No. 5 Well.

7 Q Is the Bone Spring formation a part of
8 the Delaware Mountain group?

9 A Yes, sir, it's considered the lowermost
10 unit of the Delaware area, is why the conflict of terminology
11 is there.

12 MR. NUTTER: Was the Bone Spring dry in
13 the well?

14 A Yes, sir. We -- excuse me.

15 Q At the time the well reached 9200 feet,
16 will you refer to the drilling log and tell the Examiner what
17 transpired at that particular time?

18 A Yes, sir. In evaluating the complete
19 Delaware Mountain, we had a hydrocarbon mud logging unit on
20 there for evaluation of samples while drilling. We noted
21 a show in the samples at approximately 6500 feet and tested.
22 We did not recover -- we recovered 60 feet of drilling mud,
23 which was evaluated as noncommercial at that zone.

24 At 9150 feet, with no shows encountered,
25 at the lower depths of the Bone Spring, we ran logs, open

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1 hole logs, evaluating the formations. We chose to run a
2 stratipacker drill stem test at the 9800 foot level, and
3 found 3 feet of free oil and drilling fluid, about 1500 feet
4 of drilling fluid.

5 It was at that time we evaluated the open
6 hole electric logs and the hydrocarbon sample logs and
7 realized that at this depth we had a noncommercial well.

8 Q How long did it take you to evaluate the
9 situation and how long did you wait before you started
10 drilling again?

11 A At the depth of 9150 feet we were at that
12 depth for -- on the drilling report, from November the 6th
13 through the 10th, is five -- five drilling report days, when
14 we were at that depth evaluating our Bone Spring position.
15 In due diligence we attempted, in all diligence, to complete
16 in the Bone Spring.

17 Q Did you submit your notice of intention
18 to drill to the United States Geological Survey?

19 A Yes, sir, we did.

20 Q Did you also submit the notice of inten-
21 tion to drill deeper to the USGS?

22 A Yes, sir.

23 Q Was there some mistake made at that time
24 with regard to the Oil Conservation Commission being noti-
25 fied?

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1 A. Yes, sir. What the situation was, our
2 production department that files all of our drilling forms,
3 was under the impression that as it was a Federal lease, that
4 the USGS would forward any information to the Oil Conservation
5 Commission and the State agencies, and we realize now that
6 the production department was in error in just filing the
7 forms with the USGS.

8 Q. Has the revised form now been filed with
9 both the USGS and the Oil Conservation Division?

10 A. Yes, sir, it has, and we've received
11 confirmation of -- of the receipt of that information, from
12 both agencies.

13 Q. In connection with Florida's application,
14 do you believe, in your opinion, Mr. Alcorn, that the approval
15 of the application will be in the interests of conservation,
16 the prevention of waste?

17 A. Oh, yes, sir, very definitely.

18 Q. Will it prevent the drilling of unnec-
19 essary wells?

20 A. Yes, sir, it certainly will.

21 Q. Turning to Exhibit Number Four.

22 A. Yes, sir.

23 Q. Will you just explain very briefly what
24 that exhibit shows?

25 A. Exhibit Number Four is a Wolfcamp pay

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1 structure map. It's mapped on the Wolfcamp pay itself, and
2 the dashed lines indicate what we interpret to be clean
3 carbonate thickness. It signifies that the dip is approxi-
4 mately 200 feet per mile to the east/southeast direction in
5 a regional monoclinal feature there.

6 Q In your opinion will this Wolfcamp well
7 drain 320 acres?

8 A Yes, sir, I feel as though it will at
9 this location and where it's situated. We did not -- we will
10 not take any unfair advantage because there is no structure
11 associated with this. It's just a stratigraphic regional
12 dip.

13 Q Have you testified before the Examiner
14 previously concerning this same exhibit?

15 A Yes, sir.

16 Q Was that in Case Number 6792?

17 A Yes, sir.

18 Q Did you offer in evidence at that time a
19 cross section containing a log of the No. 8 Well?

20 A Yes, sir, we did.

21 MR. HUNKER: We'd like the Examiner to
22 take administrative notice of the cross section exhibit that
23 was furnished to the Examiner in Case Number 6792.

24 MR. NUTTER: Do you happen to know that
25 Exhibit number, Mr Hunker?

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1 MR. HUNKER: It was Exhibit Number Five.
2 MR. NUTTER: And the case number again?
3 MR. HUNKER: 6792.
4 MR. NUTTER: Thank you. We will take
5 administrative notice of Exhibit Five in Case 6792.
6 MR. HUNKER: Thank you, sir.
7 Q. Do you have anything else to add with
8 regard to this particular exhibit, Mr. Alcorn?
9 A. No, sir, it is rather self-explanatory
10 in that we're attempting with due diligence of developing our
11 Ross Draw Unit for all horizons that we deem productive.
12 MR. HUNKER: At this time I'd like to
13 offer into evidence Exhibits Numbers Three and Four.
14 MR. NUTTER: Applicant's Exhibits Numbers
15 Three and Four will be admitted in evidence.
16 MR. HUNKER: And I have no further ques-
17 tions of the witness.
18
19 CROSS EXAMINATION
20 BY MR. NUTTER:
21 Q. Mr. Alcorn, on this Exhibit Number Four
22 I see three Wolfcamp wells, being your No. 8, your No. 7 in
23 Section 26, and this well down in Section 9 in the State of
24 Texas.
25 A. Yes, sir.

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1 Q As I recall, Case Number 6792 involved
2 Well No. 9 in Section 34, and it was to be a Wolfcamp pros-
3 pect, also.

4 A It would be a Wolfcamp prospect, yes, sir.

5 Q Has drilling on that well commenced yet?

6 A No, sir, we are at the present time
7 waiting on a rig. We are -- everything is -- the paperwork
8 is in order and we're waiting on the availability of a rig.

9 Q So still there are only the three Wolf-
10 camp wells in this immediate area?

11 A Yes, sir, yes, sir.

12 MR. NUTTER: Are there any further ques-
13 tions of the witness? He may be excused.

14 Do you have anything further, Mr. Hunker?

15 MR. HUNKER: No, sir, thank you very much.

16 MR. NUTTER: Does anyone have anything
17 they wish to offer in Case Number 6815?

18 We'll take the case under advisement.

19

20 (Hearing concluded.)

21

22

23

24

25

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.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the hearing of Case No. 6815
heard by me on 2/12 1980.
[Signature], Examiner
Oil Conservation Division

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1 presentation of waste and prevention of the drilling of un-
2 necessary wells?

3 A Yes, sir, it is.

4 Q Now, I have no further questions.
5 I'd like to offer in evidence Exhibits Numbers One and Two.

6 A ALL RIGHT: Apparent's Exhibits One
7 and Two will be admitted in evidence.

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9 CROSS EXAMINATION

10 BY MR. NUTTER:

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12 states that this No. 8 Ross Draw is in the Ross Draw Dela-
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23 member, and in that connotation that's --

24 Q I see.

25 A -- that's what we were trying to --

1 Q Now, of the Delaware sand but --

2 A Yes, sir, it was a Land Delaware test
3 that was run in the well.

4 Q And the potential in the well was 30.6-
5 million plus 2.65 barrels of condensate per hour.

6 Q Now, sir, that is that was what the well
7 rate in terms of condensate on one of the 4-point tests,
8 which I will give you. It was on 11/64ths choke for a 1-hour
9 time period. Flow tubing pressure of 7112; a gas volume of
10 6.612-million; and condensate at 2.65 barrels for that hour.

11 Q In one hour. When do you expect the
12 well to be connected?

13 A Sir, we would expect the well to be con-
14 nected within the next 60 days.

15 Q And was the location a standard location
16 for the original objective?

17 A Yes, sir, it was a standard location for
18 the original objective.

19 Q But since it was completed in the Wolf-
20 camp it's an unorthodox location.

21 A Yes, sir, that is correct. It's short
22 of 330 feet from the short side, being an unorthodox location.

23 Q And you're proposing to dedicate the
24 east half of the section to the well?

25 A Yes, sir, that is correct. We would want

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to dedicate the east half of that section as our oration
unit for the Indian, population.

10. *Chrysomelidae* (10 spp.)

Mr. L. A. Are there any further questions of Mr. Rogers? All may be discussed.

JOHN SCOTT "SCOTTY" ALCONI

Being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. WINNER:

Q Mr. Alcorn, for the record, will you state your name, address, and occupation?

1. My name is Scotty Alcorn. My business address, 900 Vaughn Building. I'm Senior Geologist with Florida Exploration Company of Midland, Texas.

Q Have you previously testified before the
Oil Conservation Division?

A. Yes, sir.

Q And have your qualifications as a petroleum geologist been found to be acceptable?

A. Yes, sir.

MR. HUNKER: Do you have any questions of the witness, Mr. Examiner?

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1 Q. Now, Mr. Alcorn is qualified.
2 Please proceed.

3 A. Yes, sir, according to what's been
4 marked on the map, we have the following:

5 Q. Now, sir,

6 Q. Will you explain to the Examiner what
7 this exhibit demonstrates?

8 A. In the Ross Draw Unit area, which is out-
9 lined in red, we have attempted to mark the production legend
10 of all wells that are producing. Down at the Delaware Sand,
11 which is around the 3400 foot level is in purple. The Bone
12 Springs production in the southwest quarter of Section 27 is
13 in red; and Wolfcamp production is noted in orange.

14 Q. It will be noted that a green plastic
15 dot is placed adjacent to the well No. 8, which would be an
16 orthodox location for the Wolfcamp, 330 feet south of where
17 it's presently drilled. That's what the green dot signifies.

18 Q. And the green outline demonstrates the
19 spacing unit that you propose to dedicate to this well, is
20 that correct?

21 A. Yes, sir, the green outline is the 320-
22 acre spacing unit we recommend in the east half of 27.

23 Q. Why did you locate the No. 8 Well in the
24 location that it was located in?

25 A. The No. 8 Well was originally recommended

1 for drilling to 9200 feet for a Bone Spring test to evaluate
2 all Delaware sands above and the Bone Spring, as a diagonal
3 offset to the No. 5 well in the southwest quarter. We
4 spaced it at 1650 from the north and east lines, as an ortho-
5 don location, with the idea that we did not choose to crowd
6 No. 5 Well.

7 Q At the Bone Spring formation a part of
8 the Delaware Mountain group?

9 A Yes, sir, it's considered the lowermost
10 unit of the Delaware area, is why the conflict of terminology
11 is there.

12 MR. NUTTALL: Was the Bone Spring dry in
13 the well?

14 A Yes, sir. We -- excuse me.

15 Q At the time the well reached 9200 feet,
16 will you refer to the drilling log and tell the Examiner what
17 transpired at that particular time?

18 A Yes, sir. In evaluating the complete
19 Delaware Mountain, we had a hydrocarbon mud logging unit on
20 there for evaluation of samples while drilling. We noted
21 a show in the samples at approximately 6500 feet and tested.
22 We did not recover -- we recovered 60 feet of drilling mud,
23 which was evaluated as noncommercial at that zone.

24 At 9150 feet, with no shows encountered,
25 at the lower depths of the Bone Spring, we ran logs, open

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1 hole logs, evaluating the formations. We chose to run a
2 stratipacker drill stem test at the 3000 foot level, and
3 found 3 feet of free oil and gas fluid, about 1500 feet
4 of drilling fluid.

5 At that time we evaluated the open
6 hole electric logs and the hydrocarbon sample logs and
7 realized that at this depth we had a noncommercial well.

8 Q How long did it take you to evaluate the
9 situation and how long did you wait before you started
10 drilling again?

11 A At the depth of 9150 feet we were at that
12 depth for -- on the drilling report, from November the 6th
13 through the 10th, is five -- five drilling report days, when
14 we were at that depth evaluating our Bone Spring position.
15 In due diligence we attempted, in all diligence, to complete
16 in the Bone Spring.

17 Q Did you submit your notice of intention
18 to drill to the United States Geological Survey?

19 A Yes, sir, we did.

20 Q Did you also submit the notice of inten-
21 tion to drill deeper to the USGS?

22 A Yes, sir.

23 Q Was there some mistake made at that time
24 with regard to the Oil Conservation Commission being noti-
25 fied?

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1 A. Well the situation was, our
 2 production department had all of our drilling forms,
 3 was under the impression that under a Federal lease, that
 4 the USCS would forward any information to the Oil Conservation
 5 Commission and the State Engineer, and we realize now that
 6 the production department was in error in just filing the
 7 forms with the USCS.

8 Q Has the revised form now been filed with
 9 both the USCS and the Oil Conservation Division?

10 A Yes, sir, it has, and we've received
 11 confirmation of -- of the receipt of that information, from
 12 both agencies.

13 Q In connection with Florida's application,
 14 do you believe, in your opinion, Mr. Alcorn, that the approval
 15 of the application will be in the interests of conservation,
 16 the prevention of waste?

17 A Oh, yes, sir, very definitely.

18 Q Will it prevent the drilling of unnec-
 19 essary wells?

20 A Yes, sir, it certainly will.

21 Q Turning to Exhibit Number Four.

22 A Yes, sir.

23 Q Will you just explain very briefly what
 24 that exhibit shows?

25 A Exhibit Number Four is a Wolfcamp pay

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1 structure map. It's mapped on the Wolfcamp map itself, and
2 the dashed lines indicate what we interpret to be clean
3 carbonate thickness. It's mapped that the dip is approxi-
4 mately 200 feet per mile to the east/southeast direction in
5 a regional monoclinel section there.

6 Q In your opinion will this Wolfcamp well
7 drain 320 acres?

8 A Yes, sir, I feel as though it will at
9 this location and where it's situated. We did not - we will
10 not take any unfair advantage because there is no structure
11 associated with this. It's just a stratigraphic regional
12 dip.

13 Q Have you testified before the Examiner
14 previously concerning this same exhibit?

15 A Yes, sir.

16 Q Was that in Case Number 6792?

17 A Yes, sir.

18 Q Did you offer in evidence at that time a
19 cross section containing a log of the No. 3 Well?

20 A Yes, sir, we did.

21 MR. HUNKER: We'd like the Examiner to
22 take administrative notice of the cross section exhibit that
23 was furnished to the Examiner in Case Number 6792.

24 MR. NUTTER: Do you happen to know that
25 Exhibit number, Mr Hunker?

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1 MR. NUTTER: It was Exhibit Number Five.

2 MR. NUTTER: And the case number again?

3 MR. NUTTER: 6792.

4 MR. NUTTER: Thank you. We will take
5 administrative notice of Exhibit Five in Case 6792.

6 MR. NUTTER: Thank you, sir.

7 Q Do you have anything else to add with
8 regard to this particular exhibit, Mr. Alcorn?

9 A No, sir. It is rather self-explanatory
10 in that we're attempting with due diligence of developing our
11 Ross Draw Unit for all horizons that we deem productive.

12 MR. NUTTER: At this time I'd like to
13 offer into evidence Exhibits Numbers Three and Four.

14 MR. NUTTER: Applicant's Exhibits Numbers
15 Three and Four will be admitted in evidence.

16 MR. NUTTER: And I have no further ques-
17 tions of the witness.

18

19 CROSS EXAMINATION

20 BY MR. NUTTER:

21 Q Mr. Alcorn, on this Exhibit Number Four
22 I see three Wolfcamp wells, being your No. 8, your No. 7 in
23 Section 26, and this well down in Section 9 in the State of
24 Texas.

25 A Yes, sir.

SALLY W. BOYD, C.S.R.

At. 1 Box 193-B

Fig. 1 New Mexico

0095 551 (505) 455 7400

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, CLERK, 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.
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Phone (505) 455-7409

I do hereby certify that the foregoing is a correct and true transcript of the hearing held on 3/12/80 at 6815. 18 80.
[Signature]
Oil Conservation Division Examiner



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

March 24, 1980

Mr. George Hunker
Hunker-Fedric
Attorneys at Law
Post Office Box 1837
Roswell, New Mexico 88201

Re: CASE NO. 6315
ORDER NO. R-6295

Applicant:

Florida Exploration 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	<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. 6815
Order No. R-6295

APPLICATION OF FLORIDA EXPLORATION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, 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 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, Florida Exploration Company, seeks approval of an unorthodox gas well location for its Ross Draw Unit Well No. 8, drilled at a point 1650 feet from the North line and 1650 feet from the East line of Section 27, Township 26 South, Range 30 East, NMPM, in an undesignated Wolfcamp gas pool, Eddy County, New Mexico.

(3) That the E/2 of said Section 27 is to be dedicated to the well.

(4) That said well was originally drilled as a Bone Spring test at an orthodox location and was subsequently deepened to the Wolfcamp formation.

(5) That no offset operator objected to the proposed un-orthodox location.

-2-

Case No. 6815
Order No. R-6295

(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.

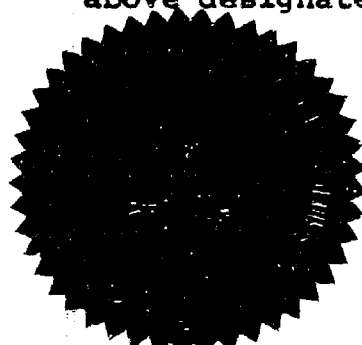
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Wolfcamp formation is hereby approved for the Florida Exploration Company Ross Draw Unit Well No. 8, drilled at a point 1650 feet from the North line and 1650 feet from the East line of Section 27, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) That the E/2 of said Section 27 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

fd/

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 Florida Exploration)
Company for an unorthodox gas well)
location, Eddy County, New Mexico.)
CAGE
0015

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

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Phone (505) 455-7409

1 MR. STAMETS: We'll call next Case 6815.
2 Application of Florida Exploration for unorthodox gas well
3 location, Eddy County, New Mexico.

4 This case will be readvertised and heard
5 at the March 12th Examiner Hearing.

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7 (Hearing concluded.)

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SALLY W. BOYD, C.S.R.
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STATE OF TEXAS

I, SALLY W. BOYD, County Clerk of Santa Fe County, 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 correct and true copy of the transcript in the case of _____ heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

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Santa Fe, New Mexico 87501
Phone (505) 435-7409

CASE 6812: (Continued and Readvertised)

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 E/2 of said Section 27 being dedicated to the well.

CASE 6825: Application of Husky Oil Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its North Shore Woolworth Well No. 5 to be located in Unit E of Section 33, Township 24 South, Range 37 East, Jalmat Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6826: Application of Tahoe Oil and Cattle Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Penrose Skelly Pool underlying the SE/4 SE/4 of Section 25, Township 21 South, Range 36 East, to be dedicated to its Bromlee Well No. 1 located thereon. Also to be considered will be the cost of recompleting 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 recompleting said well.

CASE 6827: Application of Consolidated Oil & Gas, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the SE/4 of Section 2, Township 30 North, Range 12 West, and in the Mesaverde formation underlying the S/2 of said Section 2, 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 6828: Application of Etheldred T. Ross for three non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval of the three following non-standard gas proration units, all in Township 19 North, Range 30 East: a 40-acre unit comprising the SW/4 NE/4 of Section 12; and two 80-acre units in Section 14, the first comprising the N/2 NW/4 and the second comprising the N/2 SE/4; each of said units would be dedicated to a well to be drilled to the Tubb formation at a standard location thereon.

CASE 6829: Application of Alpha Twenty-One Production Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks findings that the drilling of its El Paso Tom Federal Wells Nos. 1, 2, and 3, in Units D, E, and F, respectively, of Section 33, Township 25 South, Range 37 East, Langlie Mattix Pool, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be drained by the existing well on each of said well's respective proration unit.

CASE 6830: Application of Enserch Exploration, Inc. for special pool rules or, in the alternative, a special gas-oil ratio, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the South Peterson-Pennsylvanian Field including a special gas-oil ratio of 4,000 to 1, or in the alternative, establishing a special gas-oil ratio of 4,000 to 1 for its Lambirth Well No. 3, located in Unit G of Section 31, Township 5 South, Range 33 East.

CASE 6831: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the recompletion of its State "JM" Well No. 1 in the Wolfcamp thru Cisco formations at an unorthodox location 660 feet from the North and East lines of Section 25, Township 18 South, Range 24 East, the N/2 of said Section 25 to be dedicated to the well.

CASE 6832: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the recompletion of its Cities "JG" Well No. 1 in the Wolfcamp thru Cisco formations at an unorthodox location 660 feet from the South and East lines of Section 13, Township 18 South, Range 24 East, the E/2 of said Section 13 to be dedicated to the well.

CASE 6833: Application of Harvey E. Yates Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Betenbough Well No. 1, the surface location of which is 660 feet from the North line and 1980 feet from the West line of Section 32, Township 13 South, Range 36 East, in such a manner as to bottom it within 100 feet of a point 660 feet from the North line and 1830 feet from the West line of said Section 32 in the Austin-Mississippian Pool.

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 Florida Exploration) CASE
Company for an unorthodox gas well) 6315
location, 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	Ernest L. Padilla, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

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1 MR. STAMETS: We'll call next Case 6815.
2 Application of Florida Exploration for unorthodox gas well
3 location, Eddy County, New Mexico.

4 This case will be readvertised and heard
5 at the March 12th Examiner Hearing.

6
7 (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.

SALLY W. BOYD, C.S.R.

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I do hereby certify that the foregoing is
a true and correct copy of the transcript in
file No. 6815
dated 2/27/86
Richard A. Stambaugh Examiner
Oil Conservation Division

OPERATOR Florida Exploration Company				DIVISION Midland		AFE NO.	
PROSPECT NO.	Lease #	Well #	<input checked="" type="checkbox"/> WILDCAT <input type="checkbox"/> DEVELOPMENT <input type="checkbox"/> EXPLORATORY	PROPOSED WELL DEPTH			
00,400	0,2	0,1	<input type="checkbox"/> RECOMPLETE <input type="checkbox"/> REPAIR PROPOSED	9,200'			
WELL NAME No. 8 Ross Draw (Ross Draw-Delaware)							
LOCATION 1,650' FNL and 1,650' FEL							
Section 27, T-26-S, R-30-E							
CO/PARISH Eddy		STATE N.M.		FIELD Wildcat			

	ITEM DESCRIPTION	SUB A/C	DRILLING COST	COMPLETION COST	TOTAL
			ACCOUNT 720	ACCOUNT 721	
I N T A N G I B L E	COMPANY LABOR Rig move	01	35,000		35,000
	PERMITS AND SURVEYING	19	500		500
	CASING TOOLS, CREWS AND TONGS	50	2,500	5,000	7,500
	CONTRACT DRILLING FT. @ \$ /FT	51			
	CONTRACT DRILLING 38 DAYS @ \$ 4500/DAYS	52	171,000		171,000
	COMPLETION RIG 10 DAYS @ \$ 1100/DAYS	53		11,000	11,000
	BITS	54	20,000		20,000
	ROAD, DIRT WORK, PIT AND RESTORATION	56	25,000	5,000	30,000
	CEMENT AND SERVICES	57	16,000	8,000	24,000
	DRILLING MUD AND CHEMICALS	58	30,000	1,500	31,500
	ELECTRICAL LOGGING & SURVEYS	59	15,000	4,000	19,000
	STIMULATIONS	60			
	PERFORATIONS	61		2,500	2,500
	TESTING	62	7,000		7,000
	CORE ANALYSIS AND CORING	63			
	MUD LOGGER	64	7,500		7,500
	RENTAL TOOLS AND EQUIPMENT	67	10,000	5,000	15,000
	ENGINEERING AND SUPERVISION	68	12,000	3,000	15,000
	FUEL AND WATER	69	25,000	2,000	27,000
	CEMENTING - PLUG AND ABANDON	71	5,000		5,000
	MARINE COST	85			
	TRUCKING & RAIL FREIGHT	86	5,000	5,000	10,000
	GEOLOGICAL SERVICES	89			
	MISCELLANEOUS AND CONTINGENCIES	90	18,000	3,000	21,000
	OVERHEAD	91			
TOTAL INTANGIBLE COST			404,500	55,000	459,500

	QTY.	SIZE		ACCOUNT 724	ACCOUNT 725	
T A N G I B L E	DRIVE PIPE CASING	FT.	INCHES	01		
	SURFACE CASING	330 FT.	13-3/8 INCHES	02	6,000	6,000
	CASING HEADS			03	3,500	2,500
	PRODUCTION CASING	9,200 FT.	5 1/2 INCHES	04		58,000
	PRODUCTION TUBING	9,200 FT.	2-3/8 INCHES	05		28,500
	CHRISTMAS TREE			07		5,000
	PACKER AND PRODUCTION TUBING ACCESSORIES			08		4,000
	INTERMEDIATE CASING	3,600 FT.	9-5/8 INCHES	09	47,000	47,000
	DRILLING LINER	FT.	INCHES	10		
	MISCELLANEOUS AND CONTINGENCIES			29	2,500	5,000
TOTAL TANGIBLE COST				59,000	103,000	162,000

TOTAL COST THRU CHRISTMAS TREE	463,500	158,000	621,500
--------------------------------	---------	---------	---------

WI OWNER	% OWNERSHIP	PRODUCTION EQUIPMENT	Subac	ACCOUNT 730	
		STORAGE TANK	11	10,000	
Midland III	100,000	WALKWAYS AND STAIRWAYS	13		
		CHEMICAL LUBRICATORS	14		
BEFORE EXAMINER NUTTER		SEPARATORS Gas Pak	15	15,000	
		DEHYDRATORS	16		
OIL CONSERVATION DIVISION		TREATING EQUIPMENT	17		
		METERS & REGULATING EQUIP.	18	1,000	
Applicant's EXHIBIT NO. 1		FIELD PIPELINES	19	1,000	
CASE NO. 6815		LEASING BUILDING & DWELLING	20		
		FACILITY INSTALLATION	30	3,000	
		MISCELLANEOUS/CONTINGENCIES	90	2,000	

PARTNER		DATE		F G E Co. VICE PRESIDENT		DATE	
FGE Co.	DRY HOLE	PRODUCER	PREPARED BY	DATE	GEOLOGICAL	DATE	
INTEREST					8/30/79		
COST	\$	\$		DATE	ENGINEERING	DATE	
				8/31/79			

OPERATOR FLORIDA EXPLORATION COMPANY				DIVISION Midland III		AFE NO.
PROSPECT NO. 0,0,4,0	Lease # 0,2	Well # 0,1	<input type="checkbox"/> WILDCAT <input type="checkbox"/> RECOMPLETE	<input checked="" type="checkbox"/> DEVELOPMENT <input type="checkbox"/> REPAIR PROPOSED	<input type="checkbox"/> EXPLORATORY	PROPOSED WELL DEPTH 12,300'
WELL NAME No. 8 Ross Draw (Ross Draw Prospect)						

LOCATION 1650' FNL and 1650' FEL		
Section 27, T-26-S, R-30-E		

CO/PARISH Eddy	STATE NM	FIELD Ross Draw (Wolfcamp)
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	ITEM DESCRIPTION	SUB A/C	DRILLING COST	COMPLETION COST	TOTAL
			ACCOUNT 720	ACCOUNT 721	
INTANGIBLE	COMPANY LABOR	01			
	PERMITS AND SURVEYING	19			
	CASING TOOLS, CREWS AND TONGS	50			
	CONTRACT DRILLING FT. @ \$ /FT.	51			
	CONTRACT DRILLING DAYS @ \$ /DAYS	52	102,000		102,000
	COMPLETION RIG DAYS @ \$ /DAYS	53			
	BITS	54	6,000		6,000
	ROAD, DIRT WORK, PIT AND RESTORATION	56			
	CEMENT AND SERVICES	57	10,000		10,000
	DRILLING MUD AND CHEMICALS	58	15,000		15,000
	ELECTRICAL LOGGING & SURVEYS	59	15,000	1,000	16,000
	STIMULATIONS	60			
	PERFORATIONS	61		1,000	1,000
	TESTING	62			
	CORE ANALYSIS AND CORING	63			
	MUD LOGGER	64	8,000		8,000
	RENTAL TOOLS AND EQUIPMENT	67	15,000		15,000
	ENGINEERING AND SUPERVISION	68	9,000		9,000
	FUEL AND WATER	69	20,000		20,000
	PLUG AND ABANDON COSTS	71			
	MARINE COST	85			
	TRUCKING & RAIL FREIGHT	86			
	GEOLOGICAL SERVICES	89			
	MISCELLANEOUS AND CONTINGENCIES	90	5,000		5,000
	OVERHEAD	91			
TOTAL INTANGIBLE COST			205,000	2,000	207,000

	QTY.	SIZE		ACCOUNT 724	ACCOUNT 725	TOTAL
TANGIBLE	DRIVE PIPE CASING	FT.	INCHES	01		
	SURFACE CASING	FT.	INCHES	02		
	CASING HEADS			03	2,000	2,000
	PRODUCTION CASING-Liner	1200 FT.	4 1/2 INCHES	04	16,000	16,000
	PRODUCTION TUBING	11,800 FT.	2-3/8 INCHES	05	63,500	63,500
	CHRISTMAS TREE			07	20,200	20,200
	PACKER AND PRODUCTION TUBING ACCESSORIES			08	5,000	5,000
	INTERMEDIATE CASING	11,800 FT.	7 INCHES	09	42,000	42,000
	DRILLING LINER	FT.	INCHES	10		
	MISCELLANEOUS AND CONTINGENCIES			29		
TOTAL TANGIBLE COST				42,000	106,700	148,700

TOTAL COST THRU CHRISTMAS TREE	247,000	108,700	355,700
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W.I. OWNER	% OWNERSHIP	PRODUCTION EQUIPMENT		ACCOUNT 730
			Sub A/C	
Midland III	100.0000	STORAGE TANK	11	
		WALKWAYS AND STAIRWAYS	13	
		CHEMICAL LUBRICATORS	14	
		SEPARATORS	15	
		DEHYDRATORS	16	
		TREATING EQUIPMENT	17	
		METERS & REGULATING EQUIP.	18	
		FIELD PIPELINES	19	
		LEASING BUILDING & DWELLING	20	
		PUMPING UNIT, MOTOR	21	
		FACILITY INSTALLATION	30	
		MISCELLANEOUS/CONTINGENCIES	90	
		TOTAL PRODUCTION EQUIPMENT		355,700

PARTNER	DATE	F.G.E.CO. VICE PRESIDENT	DATE
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EGE CO.	DRY HOLE	PRODUCER	PREPARED BY	DATE	GEOLOGICAL	DATE
INTEREST	%	%	LAND	DATE	ENGINEERING	DATE
COST	\$	\$				

11-12-79

OPERATOR Florida Exploration Company				DIVISION Midland		AFE NO.
PROSPECT NO. Q 0,4,0	Lease # 0,2	Well # 0,1	<input checked="" type="checkbox"/> WILDCAT <input type="checkbox"/> DEVELOPMENT <input type="checkbox"/> EXPLORATORY	PROPOSED WELL DEPTH 9,200'		
WELL NAME No. 8 Ross Draw (Ross Draw-Delaware)			LOCATION 1,650' FNL and 1,650' FEL			
Section 27, T-26-S, R-30-E						
CO/PARISH Eddy		STATE N.M.	FIELD Wildcat			

	ITEM DESCRIPTION	SUB A/C	DRILLING COST	COMPLETION COST	TOTAL
			ACCOUNT 720	ACCOUNT 721	
INTANGIBLE	COMPANY LABOR <i>big move</i>	01	35,000		35,000
	PERMITS AND SURVEYING	19	500		500
	CASING TOOLS, CREWS AND TONGS	50	2,500	5,000	7,500
	CONTRACT DRILLING FT. @ \$ /FT.	51			
	CONTRACT DRILLING 38 DAYS @ \$ 4500/DAYS	52	171,000		171,000
	COMPLETION RIG 10 DAYS @ \$ 1100/DAYS	53		11,000	11,000
	BITS	54	20,000		20,000
	ROAD, DIRT WORK, PIT AND RESTORATION	56	25,000	5,000	30,000
	CEMENT AND SERVICES	57	16,000	8,000	24,000
	DRILLING MUD AND CHEMICALS	58	30,000	1,500	31,500
	ELECTRICAL LOGGING & SURVEYS	59	15,000	4,000	19,000
	STIMULATIONS	60			
	PERFORATIONS	61		2,500	2,500
	TESTING	62	7,000		7,000
	CORE ANALYSIS AND CORING	63			
	MUD LOGGER	64	7,500		7,500
	RENTAL TOOLS AND EQUIPMENT	67	10,000	5,000	15,000
	ENGINEERING AND SUPERVISION	68	12,000	3,000	15,000
	FUEL AND WATER	69	25,000	2,000	27,000
	CEMENTING - PLUG AND ABANDON	71	5,000		5,000
	MARINE COST	85			
	TRUCKING & RAIL FREIGHT	86	5,000	5,000	10,000
	GEOLOGICAL SERVICES	89			
	MISCELLANEOUS AND CONTINGENCIES	90	18,000	3,000	21,000
	OVERHEAD	91			
TOTAL INTANGIBLE COST			404,500	55,000	459,500

	QTY.	SIZE		ACCOUNT 724	ACCOUNT 725	TOTAL
TANGIBLE	DRIVE PIPE CASING	FT.	INCHES	01		
	SURFACE CASING	330 FT.	13-3/8 INCHES	02	6,000	6,000
	CASING HEADS			03	3,500	6,000
	PRODUCTION CASING	9,200 FT.	5 1/2 INCHES	04	58,000	58,000
	PRODUCTION TUBING	9,200 FT.	2-3/8 INCHES	05	28,500	28,500
	CHRISTMAS TREE			07	5,000	5,000
	PACKER AND PRODUCTION TUBING ACCESSORIES			08	4,000	4,000
	INTERMEDIATE CASING	3,600 FT.	9-5/8 INCHES	09	47,000	47,000
	DRILLING LINER	FT.	INCHES	10		
	MISCELLANEOUS AND CONTINGENCIES			29	2,500	7,500
TOTAL TANGIBLE COST				59,000	103,000	162,000

TOTAL COST THRU CHRISTMAS TREE				463,500	158,000	621,500
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WI OWNER	% OWNERSHIP	PRODUCTION EQUIPMENT	Subac	ACCOUNT 730	
Midland III	100,000	STORAGE TANK	11	10,000	
		WALKWAYS AND STAIRWAYS	13		
		CHEMICAL LUBRICATORS	14		
		SEPARATORS Gas Pak	15	15,000	
		DEHYDRATORS	16		
		TREATING EQUIPMENT	17		
		METERS & REGULATING EQUIP.	18	1,000	
		FIELD PIPELINES	19	1,000	
		LEASING BUILDING & DWELLING	20		
		FACILITY INSTALLATION	30	3,000	
		MISCELLANEOUS/CONTINGENCIES	90	2,000	
		TOTAL PRODUCTION EQUIPMENT		32,000	

Applicant

CASE NO. 6815

DEFENSE BANK

DEHYDRATORS

WALKWAYS AND STAIRWAYS

SEPARATORS Gas Pak

STORAGE TANK

TREATING EQUIPMENT

METERS & REGULATING EQUIP.

FIELD PIPELINES

LEASING BUILDING & DWELLING

FACILITY INSTALLATION

MISCELLANEOUS/CONTINGENCIES

Total cost
\$ 653,500
653,500
- 355,100
= 298,400
+ 1,000,000
= 1,298,400

act 653,500

PARTNER		DATE		FGE Co. VICE PRESIDENT		DATE	
FGE Co.		DATE		GEOLOGICAL		DATE	
INTEREST		DATE		ENGINEERING		DATE	
COST		DATE		DATE		DATE	

Applicant *6815* *total cost 653,500* *9,200' well* *8/30/79*

OPERATOR

FLORIDA EXPLORATION COMPANY

DIVISION

Midland III

AFE NO

PROSPECT NO

Lease #

Well #

☐ WILDCAT☒ DEVELOPMENT☐ EXPLORATORY

PROPOSED WELL DEPTH

0,0,4,0

0,2

0,1

☐ RECOMPLETE☐ REPAIR PROPOSED

12,300'

WELL NAME

No. 8 Ross Draw

(Ross Draw Prospect)

LOCATION

1650' FNL and 1650' FEL

Section 27, T-26-S, R-30-E

CO/PARISH

Eddy

STATE

NM

FIELD

Ross Draw (Wolfcamp)

	ITEM DESCRIPTION	SUB A/C	DRILLING COST ACCOUNT 720	COMPLETION COST ACCOUNT 721	TOTAL
I N T A N G I B L E	COMPANY LABOR	01			
	PERMITS AND SURVEYING	19			
	CASING TOOLS, CREWS AND TONGS	50			
	CONTRACT DRILLING FT. @ \$ /FT.	51			
	CONTRACT DRILLING DAYS @ \$ /DAYS	52	102,000		102,000
	COMPLETION RIG DAYS @ \$ /DAYS	53			
	BITS	54	6,000		6,000
	ROAD, DIRT WORK, PIT AND RESTORATION	56			
	CEMENT AND SERVICES	57	10,000		10,000
	DRILLING MUD AND CHEMICALS	58	15,000		15,000
	ELECTRICAL LOGGING & SURVEYS	59	15,000	1,000	16,000
	STIMULATIONS	60			
	PERFORATIONS	61		1,000	1,000
	TESTING	62			
	CORE ANALYSIS AND CORING	63			
	MUD LOGGER	64	8,000		8,000
	RENTAL TOOLS AND EQUIPMENT	67	15,000		15,000
	ENGINEERING AND SUPERVISION	68	9,000		9,000
	FUEL AND WATER	69	20,000		20,000
	PLUG AND ABANDON COSTS	71			
	MARINE COST	85			
	TRUCKING & RAIL FREIGHT	86			
	GEOLOGICAL SERVICES	89			
	MISCELLANEOUS AND CONTINGENCIES	90	5,000		5,000
	OVERHEAD	91			
	TOTAL INTANGIBLE COST		205,000	2,000	207,000
T A N G I B L E	QTY. SIZE		ACCOUNT 724	ACCOUNT 725	
	DRIVE PIPE CASING FT. INCHES	01			
	SURFACE CASING FT. INCHES	02			
	CASING HEADS	03		2,000	2,000
	PRODUCTION CASING Liner 1200 FT. 4 1/2 INCHES	04		16,000	16,000
	PRODUCTION TUBING 11,800 FT. 2-3/8 INCHES	05		63,500	63,500
	CHRISTMAS TREE	07		20,200	20,200
	PACKER AND PRODUCTION TUBING ACCESSORIES	08		5,000	5,000
	INTERMEDIATE CASING 11,800 FT. 7 INCHES	09	42,000		42,000
	DRILLING LINER FT. INCHES	10			
	MISCELLANEOUS AND CONTINGENCIES	29			
	TOTAL TANGIBLE COST		42,000	106,700	148,700
TOTAL COST THRU CHRISTMAS TREE			247,000	108,700	355,700

W.I. OWNER	% OWNERSHIP	PRODUCTION EQUIPMENT		ACCOUNT 730
			Sub A/C	
Midland III	100.0000	STORAGE TANK	11	
		WALKWAYS AND STAIRWAYS	13	
		CHEMICAL LUBRICATORS	14	
		SEPARATORS	15	
		DEHYDRATORS	16	
		TREATING EQUIPMENT	17	
		METERS & REGULATING EQUIP.	18	
		FIELD PIPELINES	19	
		LEASING BUILDING & DWELLING	20	
		PUMPING UNIT, MOTOR	21	
		FACILITY INSTALLATION	30	
		MISCELLANEOUS/CONTINGENCIES	90	
		TOTAL PRODUCTION EQUIPMENT		355,700

PARTNER

DATE

F.G.E. Co. VICE PRESIDENT

DATE

F.G.E. Co.	DRY HOLE	PRODUCER	PREPARED BY	DATE	GEOLOGICAL	DATE
INTEREST	%	%	LAND	DATE	ENGINEERING	DATE
COST	\$	\$				

Handwritten: Hunker-Fedric, P.A.
OIL CONSERVATION
GEORGE H. HUNKER, JR.
DON M. FEDRIC
SANTA FE

LAW OFFICES OF
HUNKER-FEDRIC, P. A.
SUITE 900 HUNKER BUILDING
POST OFFICE BOX 1007
ROSWEIL, NEW MEXICO 88201

TELEPHONE 020-2700
AREA CODE 505

February 20, 1980

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Division
New Mexico Department of Energy
P.O. Box 2088
Santa Fe, New Mexico 87501

Handwritten: RFL
Attention: Mr. D.S. Nutter

Re: Florida Exploration Company
Unorthodox Gas Well Location
T-26-S, R-30-E
Sec. 27
Eddy County, New Mexico

Dear Mr. Ramey:

We would like to request that Case No. 6815, docketed to be heard on Wednesday, February 27, 1980, at 9:00 A.M., be continued until the next hearing. We would like to amend our Application as to paragraph 2, to show that the Applicant proposes to dedicate the E $\frac{1}{2}$ of Section 27, T-26-S, R-30-E, N.M.P.M., to the well which has been completed in the Wolfcamp Formation at an approximate depth of 12,400 feet. In our judgment, the matter should be readvertised to show the change of tract designation.

We trust that the foregoing meets with your approval.

Sincerely yours,

HUNKER-FEDRIC, P.A.

Handwritten signature of George H. Hunker, Jr.

George H. Hunker, Jr.

GHH:dd

xc: Mr. James W. Rogers
Division Land Manager
Florida Exploration Company
Suite 900 Vaughn Bldg.
Midland, Texas 79701



Amoco Production Company

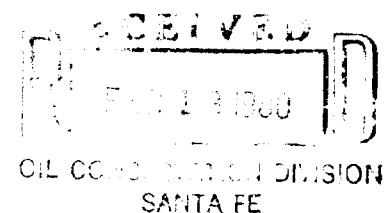
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

February 13, 1980

File: JCA-986.51NM-290

Re: Unorthodox Well Location
Florida Exploration Company
Ross Draw Unit
Well No. 8
Eddy County, New Mexico



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

Dear Mr. Ramey:

Florida Gas Company has requested administrative approval to deepen the subject well and attempt a completion in the Wolfcamp Formation at 12,400'. This well is located 1650' FNL and 1650' FEL, Section 27, T-26-S, R-30-E, Eddy County, New Mexico.

As an offset operator, Amoco Production Company has no objection to the proposed deepening of the subject well.

Yours very truly,

J. R. Barnett
mlc

MLC:meg
133/E

cc: Florida Exploration Company
Suite 900, Vaughn Building
Midland, Texas 79701

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 Batenbough 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 7, 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.

LAW OFFICES OF
HUNKER-FEDRIC, P.A.
SUITE 210, HINKLE BUILDING
POST OFFICE BOX 1837
ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.
DON M. FEDRIC

TELEPHONE 622-2700
AREA CODE 505

February 8, 1980

Mr. Joe D. Ramey,
Secretary-Director
New Mexico Oil Conservation Division
New Mexico Department of Energy
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Florida Exploration Company
Unorthodox Gas Well Location
T-26-S, R-30-E
Sec. 27: N $\frac{1}{2}$
Eddy County, New Mexico

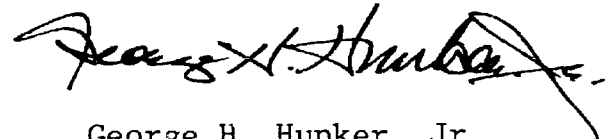
Dear Mr. Ramey:

We hand you herewith the original and two counterparts of Florida Exploration Company's Application for an Unorthodox Gas Well Location, Eddy County, New Mexico, which said Application is self-explanatory. We would like very much for you to put this case on the docket of the Examiners' cases to be heard on February 27, 1980.

Your assistance in this regard will be appreciated.

Sincerely yours,

HUNKER-FEDRIC, P.A.



George H. Hunker, Jr.

GHH:dd
Enc.

xc: Mr. James W. Rogers
Division Land Manager
Florida Exploration Company
Suite 900 Vaughn Bldg.
Midland, Texas 79701, w/enc.

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. 1875

APPLICATION OF FLORIDA
EXPLORATION COMPANY FOR
AN UNORTHODOX GAS WELL,
EDDY COUNTY, NEW MEXICO

Florida Exploration Company, Suite 900 Vaughn Building,
Midland, Texas 79701, hereby makes application for Division
approval of an unorthodox gas well location, and in support
thereof shows:

1. That Applicant, Florida Exploration Company, seeks approval of an unorthodox gas well location for its Ross Draw Unit #8, drilled at a location 1,650 feet from the North line and 1,650 feet from the East line of Section 27, Township 26 South, Range 30 East, N.M.P.M., completed in the Wolfcamp formation at a depth of 12,400 feet.
2. Applicant proposes to dedicate the N $\frac{1}{2}$ of said Section 27 to said well.
3. That the Ross Draw Unit Well #8 was originally approved as a Bone Spring test to be drilled within a 160-acre proration unit and was located 1,650 feet from the North line and 1,650 feet from the East line of said Section 27, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. At a depth of 9,200 feet, no zones penetrated appear to have potential as commercially productive oil or gas reservoirs. At that time a decision was made to drill deeper and attempt a completion in the Wolfcamp formation at 12,400 feet.
4. That the approval of the subject application will afford the Applicant the opportunity to produce its just and equitable share of the oil and gas in the undefined pool and will prevent the economic loss caused by the drilling of unnecessary wells,


(Florida Exploration Co.
Application - continued)

avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

Applicant requests a hearing before an Examiner at an early date, and prays that its application for an unorthodox gas well location above described be approved.

Respectfully submitted,

HUNKER-FEDRIC, P.A.

By 
George W. Hunker, Jr.
Attorneys for Applicant,
Florida Exploration Company
P.O. Box 1837
Roswell, New Mexico 88201
(505) 622-2700

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. 6815

APPLICATION OF FLORIDA
EXPLORATION COMPANY FOR
AN UNORTHODOX GAS WELL,
EDDY COUNTY, NEW MEXICO

Florida Exploration Company, Suite 900 Vaughn Building,
Midland, Texas 79701, hereby makes application for Division
approval of an unorthodox gas well location, and in support
thereof shows:

1. That Applicant, Florida Exploration Company, seeks
approval of an unorthodox gas well location for its Ross Draw
Unit #8, drilled at a location 1,650 feet from the North line
and 1,650 feet from the East line of Section 27, Township 26
South, Range 30 East, N.M.P.M., completed in the Wolfcamp
formation at a depth of 12,400 feet.

2. Applicant proposes to dedicate the N½ of said Section 27
to said well.

3. That the Ross Draw Unit Well #8 was originally
approved as a Bone Spring test to be drilled within a 160-acre
proration unit and was located 1,650 feet from the North line
and 1,650 feet from the East line of said Section 27, Township
26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.
At a depth of 9,200 feet, no zones penetrated appear to have
potential as commercially productive oil or gas reservoirs. At
that time a decision was made to drill deeper and attempt a
completion in the Wolfcamp formation at 12,400 feet.

4. That the approval of the subject application will afford
the Applicant the opportunity to produce its just and equitable
share of the oil and gas in the undefined pool and will prevent
the economic loss caused by the drilling of unnecessary wells,

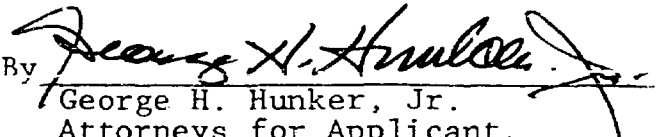
(Florida Exploration Co.
Application - continued)

avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

Applicant requests a hearing before an Examiner at an early date, and prays that its application for an unorthodox gas well location above described be approved.

Respectfully submitted,

HUNKER-FEDRIC, P.A.

By 
George H. Hunker, Jr.
Attorneys for Applicant,
Florida Exploration Company
P.O. Box 1837
Roswell, New Mexico 88201
(505) 622-2700

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. 6815

APPLICATION OF FLORIDA
EXPLORATION COMPANY FOR
AN UNORTHODOX GAS WELL,
EDDY COUNTY, NEW MEXICO

Florida Exploration Company, Suite 900 Vaughn Building,
Midland, Texas 79701, hereby makes application for Division
approval of an unorthodox gas well location, and in support
thereof shows:

1. That Applicant, Florida Exploration Company, seeks
approval of an unorthodox gas well location for its Ross Draw
Unit #8, drilled at a location 1,650 feet from the North line
and 1,650 feet from the East line of Section 27, Township 26
South, Range 30 East, N.M.P.M., completed in the Wolfcamp
formation at a depth of 12,400 feet.

2. Applicant proposes to dedicate the N½ of said Section 27
to said well.

3. That the Ross Draw Unit Well #8 was originally
approved as a Bone Spring test to be drilled within a 160-acre
proration unit and was located 1,650 feet from the North line
and 1,650 feet from the East line of said Section 27, Township
26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.
At a depth of 9,200 feet, no zones penetrated appear to have
potential as commercially productive oil or gas reservoirs. At
that time a decision was made to drill deeper and attempt a
completion in the Wolfcamp formation at 12,400 feet.

4. That the approval of the subject application will afford
the Applicant the opportunity to produce its just and equitable
share of the oil and gas in the undefined pool and will prevent
the economic loss caused by the drilling of unnecessary wells,

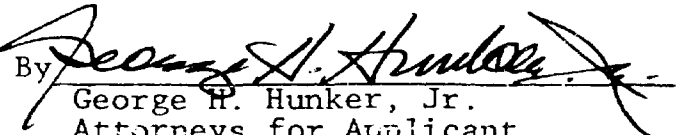
(Florida Exploration Co.
Application - continued)

avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

Applicant requests a hearing before an Examiner at an early date, and prays that its application for an unorthodox gas well location above described be approved.

Respectfully submitted,

HUNKER-FEDRIC, P.A.

By 
George H. Hunker, Jr.
Attorneys for Applicant,
Florida Exploration Company
P.O. Box 1837
Roswell, New Mexico 88201
(505) 622-2700



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

January 30, 1980

C. E. Speight
Florida Exploration Company
Suite 900 Vaughn Building
Midland, Texas 79701

Case 6815

Dear Mr. Speight:

Referring to your letter of January 25, 1980, Rule 104 F anticipates the shallower completion of a well previously drilled to a deeper horizon and the Ross Draw Unit Well No. 8, therefore, does not qualify for administrative approval of its unorthodox location.

Unless we hear otherwise, this matter will be set for an examiner hearing in Santa Fe February 27, 1980, at which time Florida Exploration will be expected to appear and present testimony in support of the requested location.

Sincerely,

R. L. STAMETS
Technical Support Chief

RLS/fd

Florida Exploration Company
10000 E. Vantage Blvd.
Midland, TX 79701
Telephone 915 682 4366

January 25, 1980

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

ATTN: Mr. J. D. Ramey
Secretary Director

Case 6815

RE: Ross Draw Unit
Well No. 8
Eddy County, New Mexico

Dear Mr. Ramey:

The captioned well was originally approved as a Bone Springs test to be drilled within a 160 acre proration unit and located 1650' FNL and 1650' FEL, Section 27, T-26-S, R-30-E, Eddy Co., New Mexico. At a depth of 9200', no zones penetrated appeared to have potential as commercially productive oil or gas reservoirs. At that time, the decision was made to drill deeper and attempt a completion in the Wolfcamp formation at 12,400'. The altered proration unit assigned for this deeper horizon is 320 acres as indicated on the attached plat. Also attached is a map of the area showing offset lease owners. These companies are being notified of this requested change by copy of this letter.

With reference to Statewide Rule No. 104; paragraph F, Florida Exploration Company hereby requests the above mentioned alteration for the Ross Draw Unit No. 8 be approved administratively.

Very truly yours,

C. E. Speight
C. E. Speight
Division Engineer

RECEIVED

JAN 30 1980

cc w/attachments

NMOCC, Artesia, NM
Amoco, Midland, TX
ARCO, Midland, TX SANTA FE
D. B. Baxter, Midland, TX
El Paso, Midland, TX

A Member of
The Continental
Group, Inc.

A. Distances measured from the outer boundaries of the Section

FLORIDA GAS COMPANY		ROSS DRAW		8	
G	Section 27	26 SOUTH	30 EAST	EDDY	
App. to the above Location of Well:					
1650		NORTH		1650 EAST	
feet from the		line and		feet from the	
3013.1		Producing Formation:		Producing Formation:	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

C. E. Speight
C. E. Speight
Division Engineer

FLORIDA EXPLORATION COMPANY

September 20, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

DATE SUBMITTED
AUGUST 24TH, 1979

Registered - 1-1-1911 - 1-1-1911
and 1-1-1911 - 1-1-1911

Donald West

John W. West

676

Ronald J. Edson

3239

26 30

So. Roy. 16	TX Pacific 15	TX Pacific 14
W.J. Weaver Sinclair St-1 TD 3,580	FEC & Williamson et al	
Amoco 21	FEC & Williamson et al 22	FEC & Williamson et al El Paso 23
	Williamson, et al McCarver Fed TD 265	Lockhart King TD 3,820
FEC & Williamson et al Fred Pool Sinclair Fed-1 TD 3,383	FEC & Williamson et al 27	FEC & Williamson et al El Paso 24
Fred Pool Fed-1 TP TD 3,428	Williamson Ross Draw TD 12,220	Burnett King-1 TD 4,051
Penroc Ross Draw Unit-6 TD 7265	D. A. Baxter Baxter (Penroc) Ross Draw TD 16,326	FEC & Williamson et al & Arco
FEC & Castle Williamson et al	FEC & Williamson et al 33	FEC & Williamson et al Florida Gas Expl Ross Draw-7 TD 14,441
EDDY	Kerr-McGee Williamson et al	FEC & Williamson et al Arco 35
6	5	4
	LOVING	NEW MEXICO
		COUNTY

January 25, 1980

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

ATTN: Mr. J. D. Ramey
Secretary Director

Case 6819

RE: Ross Draw Unit
Well No. 8
Eddy County, New Mexico

Dear Mr. Ramey:

The captioned well was originally approved as a Bone Springs test to be drilled within a 160 acre proration unit and located 1650' FNL and 1650' FEL, Section 27, T-26-S, R-30-E, Eddy Co., New Mexico. At a depth of 9200', no zones penetrated appeared to have potential as commercially productive oil or gas reservoirs. At that time, the decision was made to drill deeper and attempt a completion in the Wolfcamp formation at 12,400'. The altered proration unit assigned for this deeper horizon is 320 acres as indicated on the attached plat. Also attached is a map of the area showing offset lease owners. These companies are being notified of this requested change by copy of this letter.

With reference to Statewide Rule No. 104; paragraph F, Florida Exploration Company hereby requests the above mentioned alteration for the Ross Draw Unit No. 8 be approved administratively.

Very truly yours,

C. E. Speight
C. E. Speight
Division Engineer

cc w/attachments:

NMOCC, Artesia, NM
Amoco, Midland, TX
ARCO, Midland, TX
D. B. Baxter, Midland, TX
El Paso, Midland, TX

A Member of
The Continental
Group, Inc.

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Superintendent of
Oil and Gas

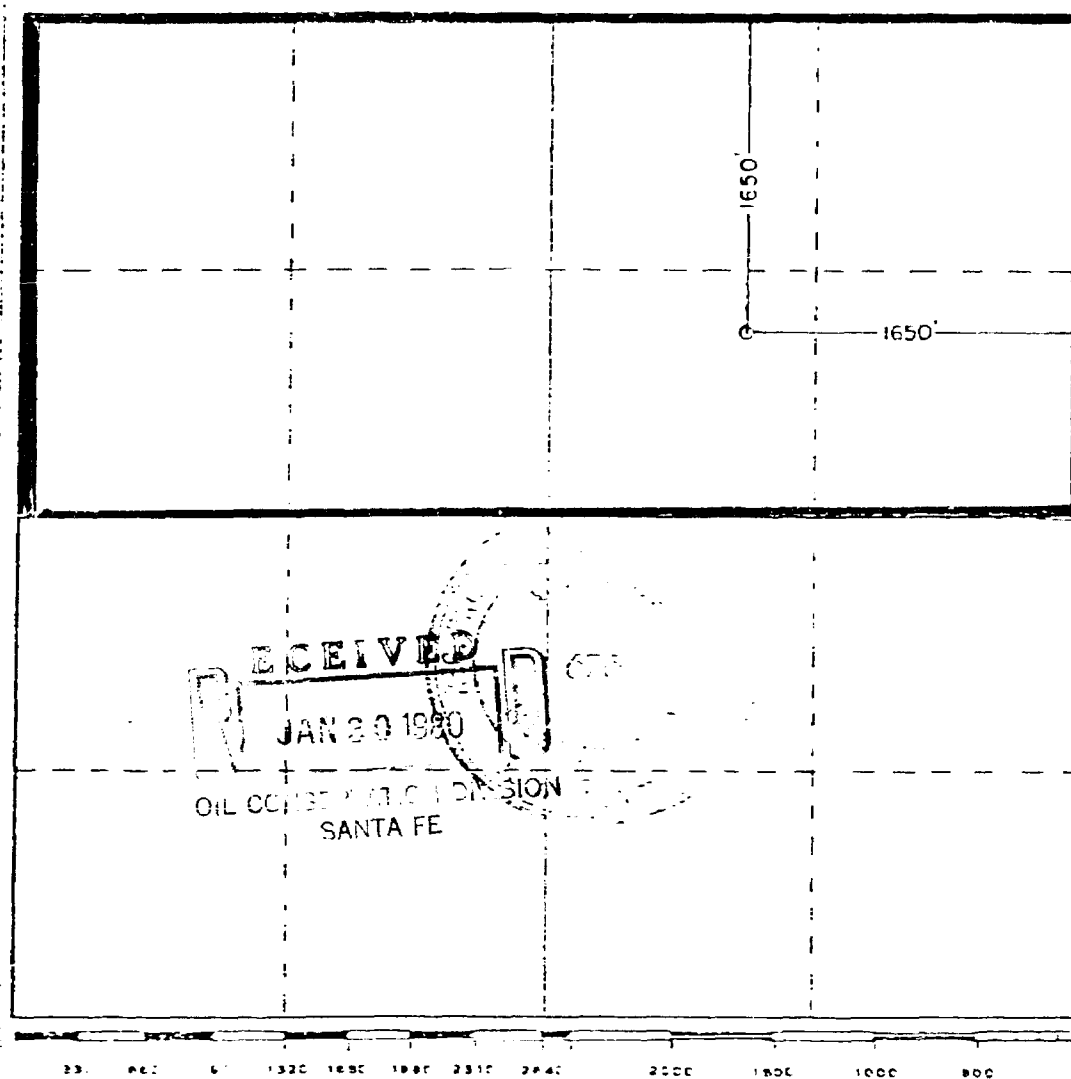
FLORIDA GAS COMPANY		ROSS DRAW		8
Section	27	26 SOUTH	30 EAST	EDDY
1650	1650	1650	1650	1650
3013.1	Producing Formation			

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

C. E. Speight
C. E. Speight
Division Engineer

FLORIDA EXPLORATION COMPANY

September 20, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: AUGUST 24TH, 1979

Registered Professional Engineer and No. 12345

John W. West
John W. West

Ronald J. Edison 3239

PRORATION UNIT OUTLINE
.....ROSS DRAW UNIT OUTLINE
FEC ET AL ACREAGE

26 30

.So. Roy. 16		TX Pacific 15		TX Pacific 14	
		FEC & Williamson et al			
W.J. Weaver Sinclair ST-1 TD 3,580					
Amoco 21		FEC & Williamson et al 22		FEC & Williamson et al El Paso 23	
				Lockhart King TD 3,820	
		Williamson et al McCarver Fed TD 265		El Paso FEC & Williamson et al Barnett King-1 TD 4,051	
FEC & Williamson et al Fred Pool Sinclair Fed-1 TD 3,383		FEC & Williamson et al 27		FEC & Williamson et al Arco 26	
Fred Pool Fed-1 TP TD 3,428		Williamson Ross Draw Florida Gas Expl TD 12,220			
Penroc Ross Draw Unit-6 TD 7265		D. J. Baxter Baxter (Penroc) Ross Draw TD 16,326		FEC & Williamson et al & Arco	
		Williamson		FEC & Williamson et al Florida Gas Expl Ross Draw-7 TD 14,441	
FEC & Castle Williamson et al		Kerr-McGee Williamson et al		FEC & Williamson et al Arco 35	
FEC & Williamson et al 33		FEC & Arco 34			
EDDY		COUNTY		NEW MEXICO	

6 5 4
LOVING COUNTY

January 25, 1980

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

ATTN: Mr. J. D. Ramey
Secretary Director

Case 6819

RE: Ross Draw Unit
Well No. 8
Eddy County, New Mexico

Dear Mr. Ramey:

The captioned well was originally approved as a Bone Springs test to be drilled within a 160 acre proration unit and located 1650' FNL and 1650' FEL, Section 27, T-26-S, R-30-E, Eddy Co., New Mexico. At a depth of 9200', no zones penetrated appeared to have potential as commercially productive oil or gas reservoirs. At that time, the decision was made to drill deeper and attempt a completion in the Wolfcamp formation at 12,400'. The altered proration unit assigned for this deeper horizon is 320 acres as indicated on the attached plat. Also attached is a map of the area showing offset lease owners. These companies are being notified of this requested change by copy of this letter.

With reference to Statewide Rule No. 104; paragraph F, Florida Exploration Company hereby requests the above mentioned alteration for the Ross Draw Unit No. 8 be approved administratively.

Very truly yours,

C. E. Speight
C. E. Speight
Division Engineer

cc w/attachments:

NMOCC, Artesia, NM
Amoco, Midland, TX
ARCO, Midland, TX
D. B. Baxter, Midland, TX
El Paso, Midland, TX

A Member of
The Continental
Group, Inc.

WELL LOCATION AND ACREAGE DEDICATION PLAT

File No. 1000
Superintendent
Division Engineer

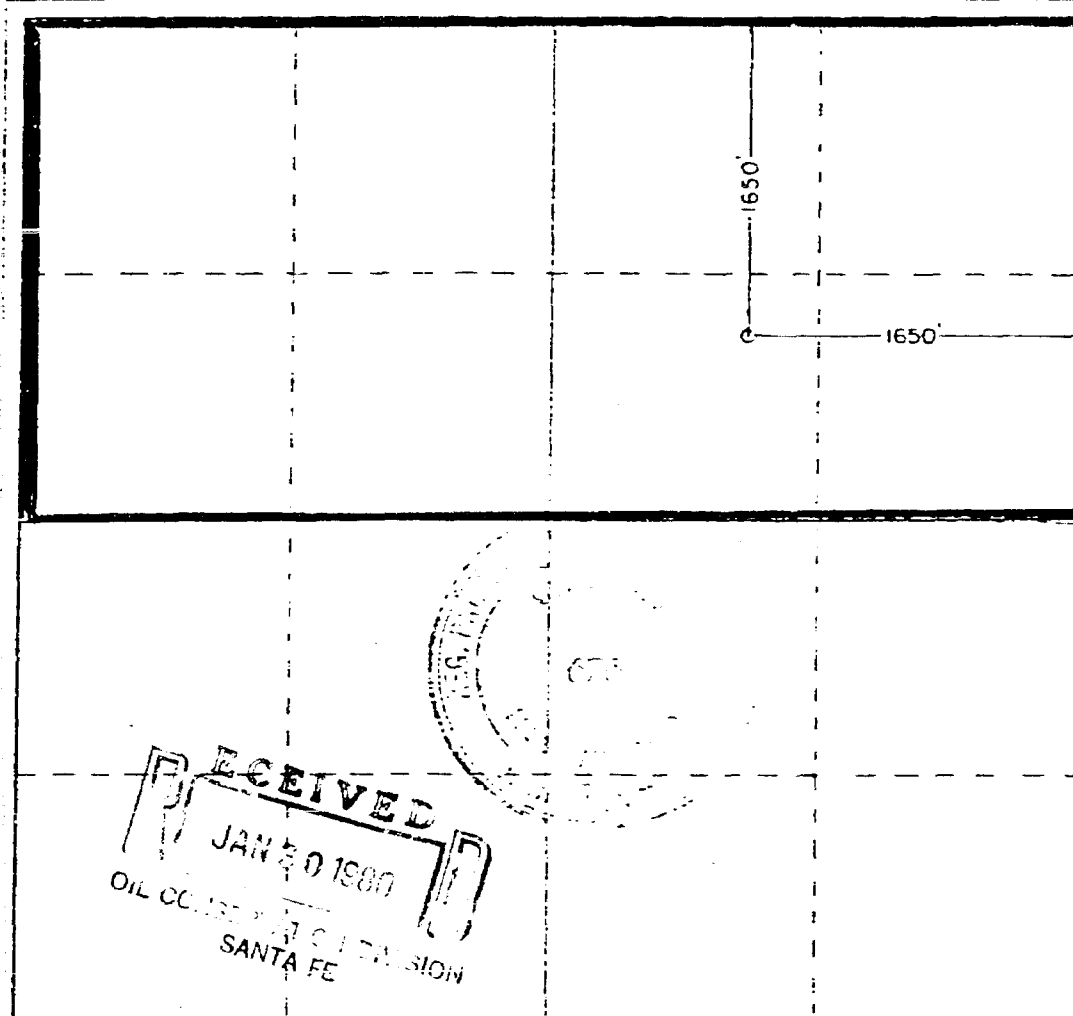
FLORIDA GAS COMPANY		ROSS DRAW		8
Section	27	26 SOUTH	30 EAST	EDDY
1650 feet from the NORTH line and 1650 feet from the EAST line				
3013.1	Producing Formation		Estimated Acreage	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



RECEIVED
JAN 20 1980
OIL CONSERVATION DIVISION
SANTA FE

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

C. E. Speight
C. E. Speight
Division Engineer

FLORIDA EXPLORATION COMPANY

September 20, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: AUGUST 24TH, 1979

Registered Professional Engineer
and not a surveyor

John W. West
John W. West

676
Ronald J. Edson 3239

20 100 200 300 400 500 600 700 800 900 1000 1100 1200 1300 1400 1500 1600 1700 1800 1900 2000

PRORATION UNIT OUTLINE

ROSS DRAW UNIT OUTLINE



TEC ET AL ACREAGE

26 30

So. Roy.

16

TX Pacific

15

TX Pacific

14

FEC & Williamson et al

W.J. Weaver
Sinclair St-1
TD 3,580

Amoco

21

FEC & Williamson et al

22

FEC & Williamson et al

El Paso

23

Lockhart
King
TD 3,820

El Paso

FEC & Barnett
King-1
TD 4,051

Williamson et al
McCarver Fed
TD 265

FEC & Williamson et al
Fred Pool
Sinclair Fed-1
TD 3,393

28

FEC & Williamson et al

27

FEC & Williamson et al

Arco

26

Fred Pool
Fed-1 TP
TD 3,428

Williamson
Ross Draw
TD 12,220

D. L. Baxter

Baxter
(Penroc)
Ross Draw
TD 16,326

Williamson

Penroc
Ross Draw Unit-6
TD 7265

FEC & Williamson et al
& Arco

FEC & Williamson et al
Florida Gas Expl
Ross Draw-7
TD 14,441

FEC & Castle
William et al
son et al

FEC & Williamson et al

33

Nerr-McGee

FEC & Williamson et al

Arco

FEC & Williamson et al

Arco

35

EDDY

COUNTY

NEW MEXICO

6

5

LOVING

4

COUNTY

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. 6815

ORDER NO. R- 6295

APPLICATION OF FLORIDA EXPLORATION COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION,

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 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, Florida Exploration Company,
for its Ross Draw Unit Well No. 8, drilled at a point
seeks approval of an unorthodox gas well location/ 1650

feet from the North line and 1650 feet from the

East line of Section 27, Township 26 South

Range 30 East, NMPM, in an undesignated
~~to test the~~ Wolfcamp gas pool,

~~formation,~~ Pool, Eddy

County, New Mexico.

(3) That the E/2 of said Section 27 is to be
dedicated to the well.

(4) That ~~a well at said unorthodox location will better~~
said well was originally drilled as a Bone Spring test
at an orthodox location and was subsequently deepened to the
enable applicant to produce the gas underlying the proration unit.
Wolfcamp formation.

(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 Wolfcamp the Florida Exploration Company Ross Draw Unit Well No. 8, drilled formation is hereby approved for ~~a well to be located~~ at a point 1650 feet from the North line and 1650 feet from the East line of Section 27, Township 26 South, Range 30 East NMPM, _____ Pool, Eddy County, New Mexico.

(2) That the E/2 of said Section 27 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.