CASE 6888: CONOCO INC. FOR A NON-BIANDARD GAS PROBATION UNIT AND AN UN-CRIMONOX GAS WELL LOCATION, LEA COUNTY, UNW MERICO

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œ	7 8 9	non-standard gas	ox gas well loca- )	CASE 6888
SALLY W. BOYD, C.S.I Rt. 1 Box 193-B Santa Fe, New Mexico \$7501 Phone (500) 435-7409	10 11 BE 12 13 14	FORE: Daniel S. Nutter TR4	NSCRIPT OF HEARING	
	15 16	AI	PEARANCES	
		r the Oil Conservation Division:	Ernest L. Padilla Legal Counsel to State Land Office Santa Fe, New Mer	the Divisio Bldg.
	1	r the Applicant:	W. Thomas Kellah: KEILAHIN & KELLAH 500 Don Gaspar Santa Fe, New Me:	HIN

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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico \$7301

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	1	MR. NUTTER: We'll call next Case Number
	2	6888.
	3	MR. PADILLA: Application of Conoco, Inc.,
	4	for non-standard gas proration unit and an unorthodox gas well
	5	location, Lea County, New Mexico.
	6	MR. KELLAHIN: I'm Tom Kellahin of Santa
	7	Fe, appearing on behalf of the applicant, and I have one wit-
	8	ness.
	9	
<b>č</b> i 19	10	(Witness sworn.)
, BOYD, C.S I Box 193-B New Mexico \$7501 (303) 455-7409	11	
<b>. BOY</b> 1 Box 19 New Me (505) 45	12	JAMAL BARGHOUTI
SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87501 Phone (503) 435-7409	13	being called as a witness and having been duly sworn upon his
SAI	14	oath, testified as follows, to-wit:
	15	
	16	DIRECT EXAMINATION
	17	BY MR. KELLAHIN:
	18	Q. Would you please state your name, by whom
	19	you're employed, and in what capacity?
	26	A. My name is Jamal Barghouti. I work for
	21	Conoco. I'm a Production Engineer.
	22	Q. Mr. Barghouti, have you previously testi-
	23	fied before the Commission?
•	24	A Yes, I did.
	25	Q. And had your qualifications as a petro-

		Page 4	
	1	leum engineer accepted and made a matter of record?	
	2	A. Yes, I did.	
	3	MR. KELLAHIN: We tender Mr. Barghouti	
	4	as an expert witness.	
	5	MR. NUTTER: He's qualified.	
	6	Q Would you please refer to what we've	
	7	marked as Exhibit Number One and identify that exhibit and	
	8	summarize for the Examiner what Conoco is seeking to accom-	•
	9	plish?	
<b>C.S.R.</b>	10	A. Okay. This is a plat showing the locat	ic
	11	of the State KN-12 No. 7 in Section 12, and showing the 120	I
Kt. 1 Box Fc. New J	12	acres we would like to see dedicated to the well.	
<b>SALLY W. BOYD,</b> Rt. 1 Box 193-B Sunta Fe, New Merico Phone (503) 455-74	13	We are seeking the Commission permissio	'n
6)	14	to produce this gas well, this well as a gas well.	
	15	Q. The standard acreage dedication for a	
	16	Eumont gas well is 640 acres, is it not?	
	17	A. Yes.	
	18	Q. And you propose to dedicate 120 acres.	
	19	A. Yes.	
	20	Q. And a standard location for a gas well	
	21	would be where, Mr. Barghouti?	
	22	A. It will be 40 acres, the 330 feet from	
	23	the south and 1650 from the east line.	
	24	Q. That would be a standard location for a	۱n
	25	oil well.	
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	1	A	That's right.
	2	۵	What would a standard location for a gas
	3	well be?	
	4	A	It would be 660 at least from the section
	5	lìne.	
	6	Q	All right. Let's skip for a moment Ex-
	7	hibit Number Two and	d Three, Mr. Barghouti, and if you'll go
	8	to Exhibit Four, I'd	l like you to explain to the Examiner how
	9	this particular well	l was caused to be drilled at this loca-
2301	10	tion.	
193-B Kenico 87 455-7409	11	A.	Okay. Allthe wells on the section which
Rt. 1 Box Fe, New h one (505)	12	belong to Conoco are	oil wells and we were drilling them in
SALLT W. FOTU, C.S.H. Rt. 1 Box 193-B Sunta R., New Mexico 17301 Phone (305) 455-7409	13	anticipation of the v	waterflood response from the Gulf Unit
•	14	to the west.	
	15	Q.	That location where the well is now would
	16	have been a standard	location for an oil well.
	17	A.	Yes, it would be.
	18	Q	And the acreage that would have been dedi
	19	cated would have been	n the southwest quarter of the southeast
	20	quarter, a 40-acre t	ract?
	21	A	That's right.
	22	Q.	All right, tell us what happened.
	23	A.	We drilled the well as an oil well at
	24	that location based	on the results we encountered in Well No.
	25	3, and some oil resp	onse in Well No. 2 to the west. We anti-
	1		

1 That's right. A. 2 What would a standard location for a gas a well be? 3 It would be 660 at least from the section A. 5 line. All right. Let's skip for a moment Ex-0. 7 hibit Number Two and Three, Mr. Barghouti, and if you'll go 8 to Exhibit Four, I'd like you to explain to the Examiner how 9 this particular well was caused to be drilled at this loca-10 tion. 11 Okay. All the wells on the section which A. 12 belong to Conoco are oil wells and we were drilling them in 13 anticipation of the waterflood response from the Gulf Unit 14 to the west. 15 That location where the well is now would Q. 16 have been a standard location for an oil well. 17 A. Yes, it would be. 18 And the acreage that would have been dedi-Q. 19 cated would have been the southwest quarter of the southeast 20 quarter, a 40-acre tract? 21 That's right. A 22 All right, tell us what happened. Q. 23 We drilled the well as an oil well at A. 24 that location based on the results we encountered in Well No. 25 3, and some oil response in Well No. 2 to the west. We anti-

SALLY W. BOYD, C.S.F

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	1	cipated a high oil/gas ratio but not to the limit to make it
	2	a gas well, which is 100,000 cubic feet to 1.
	3	Q. Is the proposed non-standard gas proration
	4	unit consisting of the maximum number of acres Conoco controls
	5	in Section 12 to which it could dedicate to this well?
	6	A. Yes.
	7	Q All the rest of Conoco's acreage in Sec-
	8	tion 12 is already dedicating to existing wells?
	9	A. Yes, they are.
ĕ S.R.	10	Q. Would you go back and look at Exhibit
ပ်ိုင်နို	11	Number Two now for us and describe that exhibit?
4. BOYD, 1. Box 193-B New Merico 1 (505) 455-7.	12	A. Exhibit Number Two is the current schemat
SALLY W. BO Rt. I Box Santa Fe, New M Phone (505) 4	13	wellbore diagram showing the perforations and the way we plan
SAI	14	to produce the well should we get permission.
	15	Q. That method of completion in your opinion
	16	is consistent with sound engineering practices in the oil
	17	field for this particular pool?
	18	A. Yes.
	19	Q. Would you identify Exhibit Number Three
	20	for us?
	21	A. Exhibit Number Three is a plat showing
	22	several sections surrounding Section 12 where the well is
2 <b>4</b>	23	located and pointed out by a red arrow.
2	24	Q. You said your acreage in the south half
	25	
		of Section 12 is currently undergoing waterflood operations?

1 No, not ours, but we are offsetting the A. 2 Gulf Unit, which is undergoing flood operation. 3 All right, is that Gulf waterflood project 0. outlined on Exhibit Number Three? 4 Yes, with the dashed line. A. Okay. Would you turn to Exhibit Number ۵ 7 Five now and identify that? 8 Exhibit Number Five is a copy of the Α. 9 density CNL lcg open hole on the subject well, State KN-12 10 No. 7. 11 Also it is showing the perforated interval 12 and the top of the pay zone, the Penrose, in this case. 13 When was the subject well completed? 0. 14 In February. A. 16 Of this year? Q. 16 1980, yes. Ά. 17 Okay. What's the purpose of Exhibit O. 18 Number Five, Mr. Barghouti? 19 Exhibit Number Five is attached to show A 20 that the other wells completed in the section were oil wells 21 and that the completed interval in KN-12 No. 7 correlates 22 with the same intervals which produce oil. 23 All right, would you turn now to Exhibit Q. 24 Six and Seven and make that correlation for us? Yes, sir. State KN-12 No. 3, the north A.

SALLY W. BOYD, C.S.R

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1 offset of KN-12 No. 7, and the State KN-12 No. 2, the west 2 offset. Both are showing the perforated interval on each one 3 and the top of the Penrose where each one is perforated. All right, sir, if you'll turn to Exhibit Q. 5 Number Eight and identify that. A. Exhibit Number Eight is a tabulation of 7 the production from the wells in the section, including No. 2, 8 No. 3, No. 4, No. 5, and No. 6, and the initial production 9 of the subject well, KN-12 No. 7. 10 MR. NUTTER: That's the IP that's shown 11 down here in the lower righthand side? 12 A. Yes, sir. 13 MR. NUTTER: So it on initial potential 14 made 2 barrels of oil and 590 Mcf of gas for a GOR of 295,000? 15 A. Yes. 16 Is the ownership for this formation within Q. 17 the proposed non-standard gas proration unit in common? 18 It's the same ownership as the rest of A. 19 the half section Conoco operates. 20 All right, and that is a Federal lease, Q. 21 is it? No, it's a State lease. It's a State of New Mexico 22 lease? 23 Right, A. 24 In your opinion, Mr. Barghouti, will 0. 25 approval of this application be in the best interests of con-

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1 servation, the prevention of waste, and the protection of 2 correlative rights? 3 I do believe so, and further, we antici-A. pate a waterflood response and oil production in this well in 4 5 the near future. 6 Q. Were Exhibits One through Eight prepared 7 by you directly or compiled under your direction and super-8 vision? 9 Under my direction and supervision. A. 10 MR. KELLAHIN: We move the introduction of 11 Exhibits One through Eight. 12 MR. NUTTER: Applicant's Exhibits One 13 through Eight will be admitted in evidence. 14 15 CROSS EXAMINATION 16 BY MR. NUTTER: 17 Now, Mr. Barghouti, apparently on the 0. 18 west side of this lease you had the Well No. 5 as a relatively 19 old well, and it apparently has received substantial response 20 from the flooding operations to the west, seeing as how its 21 production went up from 243 barrels of oil in March of '79 22 to a high of 325 barrels of oil in August, and then started 23 declining somewhat. 24 Now, was Well No. 6 just recently drilled 25 The first production is apparently in August of '79.

SALLY W. BOYD, C.S.

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BRLICE KING GOVERNOR LARRY KEHOE SECRETARY STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

May 23, 1980

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 07501 (505) 827-2434

Mr. Thomas Kellahin Kellahin & Kellahin Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico Re: CASE NO. <u>6888</u> ORDER NO. <u>R-6355</u>

Applicant:

Conoco Inc.

Dear Sir:

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

Ppurs very truly, JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs OCD х Artesia OCD X 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. 6888 Order No. R-6355

APPLICATION OF CONOCO INC. FOR A NON-STANDARD PROBATION UNIT AND AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

## BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 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) The\* the applicant, Conoco Inc., seeks approval of a 120-acre non-standard gas proration unit comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, ENPM, Rumont Gas Pool, Lea County, New Mexico, to be dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas provision unit can be efficiently and economically drained and developed by the aforesaid we?l.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas 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 +2-Case No. 6888 Order No. R-6355

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of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard gas proration unit in the Bumont Gas Pool comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its State New Mexico, is hereby established and dedicated to its State XN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.

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

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



∦a/

Carlos Martin

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

they L JOE D. RANEY Director

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ENERGY	TATE OF NEW MEXICO AND MINERALS DEPARTMENT CONSERVATION DIVISION
	TE LAND OFFICE BLDG. NTA FE, NEW MEXICO 7 May 1980
	EXAMINER HEARING
IN THE MATTER OF:	)
non-standard g and an unortho	Conoco, Inc., for a ) CASE (as proration unit ) 6888 (bdox gas well loca- ) (hty, New Mexico. )
BEFORE: Daniel S. Nutte	, 
ר	TRANSCRIPT OF HEARING
2	APPEARANCES
For the Oil Conservation	
Division:	Legal Counsel to the Divis State Land Office Bldg. Santa Fe, New Mexico 8750
For the Applicant:	W. Thomas Kellahin, Esq. KELLAHIN & KELLAHIN 500 Don Gaspar
	Santa Fe, New Mexico 8750
	·

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87301 Phone (303) 455-7409



1 MR. NUTTER: We'll call next Case Number 2 6888. 3 MR. PADILLA: Application of Conoco, Inc., 4 for non-standard gas proration unit and an unorthodox gas well 5 location, Lea County, New Mexico. 6 MR. KELLAHIN: I'm Tom Kellahin of Santa 7 Fe, appearing on behalf of the applicant, and I have one witness. 10 (Witness sworn.) 11 12 JAMAL BARGHOUTI 13 being called as a witness and having been duly sworn upon his 14 oath, testified as follows, to-wit: 15 16 DIRECT EXAMINATION 17 BY MR. KELLAHIN: 18 Would you please state your name, by whom Q 19 you're employed, and in what capacity? 20 A. My name is Jamal Barghouti. I work for 21 Conoco. I'm a Production Engineer. 22 Q. Mr. Barghouti, have you previously testi-23 fied before the Commission? 24 Yes, I did. A 25 And had your qualifications as a petro-Q.

W. BOYD, C.S.R. W. BOYD, C.S.R. 4. New Metido 87501 2005 155-7409

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W. BOYD. C.S.R.

That's right.

A.

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well be?

What would a standard location for a gas

A. It would be 660 at least from the section
 line.

Q. All right. Let's skip for a moment Exhibit Number Two and Three, Mr. Barghouti, and if you'll go to Exhibit Four, I'd like you to explain to the Examiner how this particular well was caused to be drilled at this location.

A. Okay. All the wells on the section which belong to Conoco are oil wells and we were drilling them in anticipation of the waterflood response from the Gulf Unit to the west.

Q. That location where the well is now would have been a standard location for an oil well.

Yes, it would be.

Q And the acreage that would have been dedicated would have been the southwest quarter of the southeast quarter, a 40-acre tract?

That's right.

All right, tell us what happened.
A. We drilled the well as an oil well at
that location based on the results we encountered in Well No.
3, and some oil response in Well No. 2 to the west. We anti-

SALLY W. BOYD, C.S. Rt. 1 Box 193-B Santa Fc, New Mexico 87901 Phone (505) 455-7409 1

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1 cipated a high oil/gas ratio but not to the limit to make it 2 a gas well, which is 100,000 cubic feet to 1. 3 Is the proposed non-standard gas proration 0 unit consisting of the maximum number of acres Conoco controls 5 in Section 12 to which it could dedicate to this well? Yes. A. 7 All the rest of Conoco's acreage in Sec-8 tion 12 is already dedicating to existing wells? A. Yes, they are. 10 Would you go back and look at Exhibit α 11 Number Two now for us and describe that exhibit? 12 Exhibit Number Two is the current schematic λ 13 wellbore diagram showing the perforations and the way we plan 14 to produce the well should we get permission. 15 That method of completion in your opinion Q. 16 is consistent with sound engineering practices in the oil 17 field for this particular pool? Yes. A 19 Would you identify Exhibit Number Three Ω 20 for us? 21 Exhibit Number Three is a plat showing A. 22 several sections surrounding Section 12 where the well is 23 located and pointed out by a red arrow. 24 You said your acreage in the south half Q 25 of Section 12 is currently undergoing waterflood operations?

LLY W. BOYD, C.S.R. Rt. 1 Box 193-B anta Fe, New Masico 87501

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1 A. No, not ours, but we are offsetting the 2 Gulf Unit, which is undergoing flood operation. 3 Q All right, is that Gulf waterflood project 4 outlined on Exhibit Number Three? 5 Yes, with the dashed line. A 8 Okay. Would you turn to Exhibit Number û 7 Five now and identify that? 8 Exhibit Number Five is a copy of the A. 9 density CNL log open hole on the subject well, State KN-12 10 No. 7. 11 Also it is showing the perforated interval 12 and the top of the pay zone, the Penrose, in this case. 13 When was the subject well completed? Q 14 In February. A. 15 Of this year? Q. 16 1980, yes. 17 Okay. What's the purpose of Exhibit a 18 Number Five, Mr. Barghouti? 19 Exhibit Number Five is attached to show A. 20 that the other wells completed in the section were oil wells 21 and that the completed interval in KN-12 No. 7 correlates 22 with the same intervals which produce oil. 23 All right, would you turn now to Exhibit Q. 24 Six and Seven and make that correlation for us? 26 Yes, sir. State KN-12 No. 3, the north A.

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offset of KN-12 No. 7, and the State KN-12 No. 2, the west 2 offset. Both are showing the perforated interval on each one 3 and the top of the Penrose where each one is perforated. All right, sir, if you'll turn to Exhibit a 5 Number Eight and identify that. 6 Exhibit Number Eight is a tabulation of A. 7 the production from the wells in the section, including No. 2, 8 No. 3, No. 4, No. 5, and No. 6, and the initial production 9 of the subject well, KN-12 No. 7. 10 MR. NUTTER: That's the IP that's shown 11 down here in the lower righthand side? 12 A. Yes, sir. 13 MR. NUTTER: So it on initial potential 14 made 2 barrels of oil and 590 Mcf of gas for a GOR of 295,0007 15 A. Yes. 16 Is the ownership for this formation within ۵ 17 the proposed non-standard gas proration unit in common? 18 It's the same ownership as the rest of A. 19 the half section Conoco operates. 20 All right, and that is a Federal lease, 0. 21 is it? No, it's a State lease. It's a State of New Mexico 22 lease? 23 Right. A. 24 In your opinion, Mr. Barghouti, will Q. 25 approval of this application be in the best interests of con-

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/ BOYD, C.S.R <sup>box 193-B</sup>

SALLY W. BOYD, Rt. 1 Box 193-B servation, the prevention of waste, and the protection of correlative rights?

A. I do believe so, and further, we anticipate a waterflood response and oil production in this well in the near future.

Q. Were Exhibits One through Eight prepared by you directly or compiled under your direction and supervision?

A Under my direction and supervision.
 MR. KELLAHIN: We move the introduction of
 Exhibits One through Eight.

MR NUTTER: Applicant's Exhibits One through Eight will be admitted in evidence.

## CROSS EXAMINATION

BY MR. NUTTER:

Q Now, Mr. Barghouti, apparently on the west side of this lease you had the Well No. 5 as a relatively old well, and it apparently has received substantial response from the flocding operations to the west, seeing as how its production went up from 243 barrels of oil in March of '79 to a high of 925 barrels of oil in August, and then started declining somewhat.

Now, was Well No. 6 just recently drilled? The first production is apparently in August of '79.

CY W. BOYD, C.S. Rt. 1 Box 193-B Ita Fe, New Medio 87301 Phone (505) 455-7409 1

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	Page 10
1	A Yes, it was. It's a new well but it did
2	not have the same response we anticipated as the No. 5 or
3	even as the No. 2. For some reason it turned out to be a
4	poor well.
5	And then you drilled this No. 7 thinking
6	you might also get an oil well there, but instead got the
7	subject gas well.
8	A That's right.
9	MR. NUTTER: Are there any questions of
10	Mr. Barghouti? He may be excused.
11	Do you have anything further, Mr. Kellahin?
12	MR. KELTAHIN: No, sir.
13	MR. NUTTER: Does anyone have anything
14	they wish to offer in Case Number 6888?
15	We'll take the case under advisement.
16	
17	(Hearing concluded.)
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	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B

CERTIFICATE 2 I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that 3 the foregoing Transcript of Hearing before the Oil Conserva-5 tion 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. 10 455-740 11 12 13 I do hereby certil that the foregoing is a complete receive of the proceedings in 14 the Examiner hearing of Case 15 19 8 heard by me on Examiner 16 Oil Conservation Division 17 18 19 20 21 22 23 24 25

SALLY W. BOYD, C.E

#### Page 2 of 2 Examiner Hearing - Wednesday - May 7, 1980

### Docket No. 13-80

CASE 6876: (Continued from April 23, 1980, Examiner Hearing)

Application of Maurice L. Brown Co. for compulsory pooling, Les County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 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 6886: Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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.
- <u>CASE 6837</u>: Application of General Crude Processing for an oil treating plant permit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 SE/4 of Section 21, Township 30 North, Range 12 West.
- CASE 6888: Application of Conoco Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard Eumont gas proration unit comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, to be dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.
- CASE 6889: Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6861: (Continued from April 23, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Weil No. 1.

CASE 6890: Application of Tenneco Oil Company for a thermal enhanced recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot in situ combustion enhanced recovery project in the South Hospah Upper Sand and South Hospah Lower Sand Oil Pcols by the completion of an injection/ignition well at a point 1474 feet from the North line and 2725 feet from the East line of Section 12, Township 17 North, Range 9 West, and by the drilling of up to six producing wells, all at unorthodox locations in close proximity to the injection/ ignition well, and all located in Units F or G of said Section 12.

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Docket No. 13-80

Dockets Nos. 14-80 and 15-80 are tentatively set for May 21 and June 4, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 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:

CASE 6880: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Lynch Deep Unit Area, comprising 1,280 acres, more or less, of fee and federal lands in Township 20 South, Range 34 East.

CASE 5857: (Readvertised)

Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the morthodox location of a Wolfcamp-Pennsylvanian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the E/2 of said Section 14 to be dedicated to the well.

CASE 6881: 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 unorthodox location of a Morrow test well to be drilled 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6843: (Continued from April 9, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit 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 wells 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 wells and a charge for risk involved in drilling said wella.

- CASE 6882: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 South, Range 25 East, to be dedicsted 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 6883: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Indian Draw-Delaware Pool by the injection of water into the Delaware formation through its Old Indian Draw Unit Wells Nos. 4 located in Unit I of Section 18 and 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East.
- CASE 6884: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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 6885: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Pictured Cliffs formations underlying the E/2 of Section 8, Township 25 North, Range 3 West, to be dedicated to a proposed dual completion 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.

# EXHIBIT NO. 1

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# NEW MEXICO DE CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

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	1		, , }	CERTIFICATION
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/	 			W. A. Butterfield
	\$ 8			i catter Administrative Supervisor
	i t		i i	Conoco Inc.
	1	t t	    }   }	4/11/80
REI	ATE OT			I hereby certify that the well location shown on this plat was platted from field nates of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge und belief.
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BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION
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CASE NO. 6888



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EXHIBIT NO. 3

EXHIBIT NO. 4





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	We.	11 #2	We	11 #3	We	11 #4	Wel	1 #5	Wel	11 #6
<u>1979</u>	<u>011</u>	Gas	011	Gas	011	Gas	<u>011</u>	Gas	<u>011</u>	Gas
March	573	11,069	159	8,111	976	6,489	243	1,330	•	
April	786	10,311	217	8,557	1,338	6,846	334	1,403		
May	697	11,944	139	9,699	2,229	6,004	557	3,937		1
June	253	9,776	130	804	1,385	9,669	522	6,406		1
July	581	10,307	117	8,623	1,116	2,092	557	5,805		
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,069
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	848
October	459	3,945	111	13,682	1,762	9,423	277	4,181	138	2,043
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,093
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	<b>1,0</b> 59
1980										
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	<b>93</b> 3
February	<u>440</u> 6,317	8,013 109,620	235 2,104	7,909 108,810	<u>1,335</u> 17,963	<u>14,786</u> 95,052	<u>          261</u> 5,781	<u>4,075</u> 43,356	<u>87</u> 835	1,682 8,727
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# OIL-GAS PRODUCTION - STATE KN-12 LEASE

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION CANOCOLUNG EXHIBIT NO.

		We	11 #2	We	1 #3	Wel	1 #4	Well	#5	Wel.	1 #6	Well #	7
	<u>1979</u>	011	Gas	011	Gas	011	Gas	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas
	March	573	11,069	159	8,111	976	6,489	243	1,330				
	April	786	10,311	217	8,557	1,338	6,846	334	1,403				
	May	. 697	11,944	139	9,699	2,229	6,004	557	3,937				
	June	253	9,776	130	804	1,385	9,669	522	6,406				
	July	581	10,307	117	8,623	1,116	2,092	557	5,805				
	August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,069		
	September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	848		
	October	459	3,945	- 111	13,682	1,762	9,423	277	4,181	138	2,043		
	November	451	5,582	213	1 <b>2,</b> 578	1,247	8,486	584	2,338	132	1,093		
	December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1,059		
•	<u>1980</u>												
	January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	933		
	February _	<u>440</u> 6,317	<u>8,013</u> 109,620	235 2,104	7,909 108,810	<u>1,335</u> 17,963	<u>14,786</u> 95,052	<u>261</u> 5,781	4,075 43,356	<u> </u>	<u>1,682</u> 8,727		
	Average GOR 12 Months	17,	353	51,	716	5,2	92	7,50	0	10,4	51	IP 2-26-80 2 590 GOR 295,000	EXHIBIT NO.

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OIL-GAS PRODUCTION - STATE KN-12 LEASE

# EXHIBIT NO. 1

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## NEW MEXICO DIE CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

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BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION Concorded EXHIBIT NO.



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Jane F. Jones	Present Phatian		<b>1</b>	7 II .	ku ti b⊤aaaN	ACINUMEN D	Bordoges (B) (D)		12 8-1451

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] 3 • ∳ <sup>1-and</sup>		Guif : Guit 11 Guif : Guit 11 Call 11 Call 12 Call 12	Battar gin man m6	Guit Americano Guil H.B.P.	Acco :: 4:3-4 c 10	1116 4110 200433	Shelly ji many	AIREORT JUN
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5016 orbit pro-	Arrente Sun Su'	A .1 Shell .1	• A.R.Ca. • + • •	NONUMENT.	Bordages (5) O	A.R.Ca A.R.Ca -	Serry 1	Shell Amerada

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EXHIBIT NO. 3











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Bert and the

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
Conner Sinc. ECHIGIT NO. 7	
CASE NO. 2888	
	-

	We	11 #2	We	11 #3	We	11 #4	Wel	1 #5	Wel	1 #6
<u>1979</u>	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Ga
March	573	11,069	159	8,111	976	6,489	243	1,330		
April	786	10,311	217	8,557	1,338	6,846	334	1,403		
May	. 697	11,944	139	9,699	2,229	6,004	557	3,937		
June	253	9,776	130	804	1,385	9,669	522	6,406		
July	581	10,307	117	8,623	1,116	2,092	557	5,805		
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,0
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	8
October	459	3,945	- 111	13,682	1,762	9,423	277	4,181	138	2,0
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,0
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1,0
1980										
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	9
February	<u>440</u> 6,317	<u>8,013</u> 109,620	235 2,104	7,909 108,810	<u>1,335</u> 17,963	<u>14,786</u> 95,052	<u>261</u> 5,781	<u>4,075</u> 43,356	<u>87</u> 835	<u>1,6</u> 8,7
Average GOR 12 Months	17,	353	51,	716	5,2	92	7,50	00	10,	451
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OIL-GAS PRODUCTION - STATE KN-12 LEASE

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION

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	We	11 #2	We	11 #3	Wel	L1 #4	Wel	1 #5	Wel	1 #6	Wel	1 #7
<u>1979</u>	<u>011</u>	Gas	<u>011</u>	Gas	011	Gas	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas
March	573	11,069	159	8,111	976	6,489	243	1,330				
April	786	10,311	217	8,557	1,338	6,846	334	1,403				
May	. 697	11,944	139	9,699	2,229	6,004	557	3,937				
June	253	9,776	130	804	1,385	9,669	522	6,406				
July	581	10,307	117	8,623	1,116	2,092	557	5,805				
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,069		
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	848		
October	459	3,945	~ 111	13,682	1,762	9,423	277	4,181	138	2,043		
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,093		
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1,059		
<u>1980</u>												
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	933		
February	440	8,013 109,620	$\frac{235}{2,104}$	7,909 108,810	<u>1,335</u> 17,963	<u>14,786</u> 95,052	<u> </u>	4,075 43,356	<u>87</u> 835	<u>1,682</u> 8,727	,,,,,	
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OIL-GAS PRODUCTION - STATE KN-12 LEASE

Average GOR 12 Months 17,353 51,716 5,292 7,500 10,451 IP 2-26-80 2 590 GOR 295,000 COR 29

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EXHIBIT NO. 1

## NEW MEXICO DIE CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

		Al Sielennee maer te f	rom the outer humilaries of the S	en 1997. Annual an annual an an an anna an an an an an an an an a
CONOC	CO, INC.		State KN 12	****** 7
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330	ate is the electron the S	outh	1650 termina	East
	E Producto ;	na ser ver for the second s	i ca	CONCEPTED A DESIGN
3716	Queen		Eumont Queen Ga	
1 Outline th	ie acreage ded	icated to the subject w	ell by colored pencil or ha	chure marks on the plat below.
	han one lease nd royalty).	is dedicated to the wel	l, outline each and identify	, the ownership thereof (both as to working
		f different ownership is 1. unitization, force-pool		e the interests of all owners been consuli-
Yes	🗌 No — I	f answer in "yes," type (	of consolidation	
this form	if necessary.)			lly been consolidated. (I se reverse side of
				indidated (by communitization, unitization, interests, has been approved by the Commis-
	1		i i	CERTIFICATION
	1		í	E hereby certify that the information con-
	ł		1	tained herein is true and complete to the
	ł		1	best of my knowledge and belief.
	ł		t	1. 3m.
	+	· · · · · · · · · · · · · · · · · · ·		W. A. Butterfield
				Administrative Supervisor
	ł		1	Conoco Inc.
	1		ł	
	1		l I	4/11/80
	     		,l	I her-by certify that the well location shown on this plat was platted from field
ENG	INEER &			nates of actual surveys made by me or under my supervision, and that the same
A A A A A A A A A A A A A A A A A A A	TATE	λ.		is rue and correct to the best of my knowledge and belief.
	676 + -)			Date Surveyed
	MEXICO			November 30, 1979 Registeres i r tesstonat England
	W. Wee		1650'	and or Earl' Surveyor
L		<u> </u>		TT Cate No John W. West 671
G 33G 982	UT 1323 1480	20 20 20 20 20 20 20 20 20 20 20 20 20 2	000 1800 :000 400	· Rongid J. Eidson 323

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BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION Compete Clinc Exhibit NO. 1 CASE NO. 6888





BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION Conoco clinc. EXHIBIT NO. 2 CASE NO. 6888

Cont G S2 Phollops I C.B.P. B-1600	5μ <sup></sup>	ARK-MSAS	P.2266 Continental H.B.P. ( F.C.2166 -31 Cont1. Guilt H.B.P. H B.P S.2166 -31 Cont1. Guilt H.B.P. H B.P	36 Cent	سر مساحد الدينية والاقتراد الارتباط	REMERAS BUM Sector Gil Me Nameda Virgil Linom Oil (Ersen) Alizzo di Sone Sone (Apro) (Apro) Alizzo di Sone Sone (Apro)		A ine) 8-133311 13 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	
7. 7. 9. 10. 10. 10. 10. 10. 10. 10. 10. 10. 10	Steen Steen Control Steen Steen Control Steen Steen Control Steen Steen Control Steen Steen Control Steen Ste	M Rolph Lawf	(1994) 	El Paso Motoria Statistica Statis	Net of the second secon	Store August	Apco	Alfer Au	- 4
U Jeff Good & M + J. A Reeves 5 V Broswell, Inc 21 	Stores Mr Snyder Rine Ing 4 Simong Aztec Heyrs 21 5 1 - 81 2 331 Lease T8 439 1082 3419-54	Antweil Store to 315	Phitlips 4, 1, 95 1, 95 128 28 28 28 28 28 28 28 28 28	LG 1426 P.D. F. I I I		G.11 / Areses Guil H.B.P. H.B.P. 6-2200 16-1431 A.B.P. 1 - U. A.1499	Citize Service) y Tessee Citize Service) y Tessee Citize Service) y Tessee Citize Service) y Tessee Different Citize Service) y Tessee Different Citize Service) y Tessee Different Citize Service) y Tessee Different Citize Service) y Tessee Different D	(1.4) <sup>10</sup> (1.3) <sup>10</sup> (1.4) <sup>10</sup> (1.5) <sup></sup>	3 - 11 3 - 11 5 - 11 9
Suger Acre	Srore A Peeves i S	Store NIR LOWS LG.2EM SCH 10 JR	Sharke 10 Sa Union Sup Guilf E 1 - 86 LS 3605 S782 E 74/9 DA' 12/Caraor trin two en	Phillips B-10164	and the second s	يت الما يعانيه الالتي ال	(2 d) Store (2 d) (3) Getty (2) d (2) (2) d (2) Getty (2) fra G(2) B-246 S	5.4.124.5" (9) 41% (1) 5.4.2.6574 (2) Guild (2) Guild (2) 5.4.2.6574 (2) Guild (2) 5.4.6.6574 (2) Guild (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6.6 (2) 5.4.6 (2	1 - 3
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	19 19 19 19 19 19 19 19 19 19	H.B.P. B.243 B.2330, I <u>NW EUMONT</u> J6 GULF OPER Se Union Sup	(0 24) 09 52 0 10 10 0 10 24 0 52 0 10 0 10 10 10 10 10 0 10 10 10 10 0	2 - E-7355	Visiter i lotti i internet I na sella internet Visiter i interne		E-2054 E-2054 HUG512 HU	B-2330 A-1469	H.B.P. B-22(1) 8-2330
44 12 1 10 10 10 1	0-1481 	9-1-06 0" LG3332 Amer- add 5-1-7-1-10-10-10-10-10-10-10-10-10-10-10-10-1	iid iii iii iii iii iii iii iii iii iii i	Bits 04 State M1 42 El Paso Natural Gos, S.n. Texaa 4 4 1 4 Bits 1 4 1 4	Alt for any set of a	Jacob Jacob	E 200	14575520 13434 #48 ml 442 * Mebil: 5t" Store Chevron 8.2277 8.1431 (4-3.76 8.1431 (4-3.76	1 0-103 1 1 1 510
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- L. F. Cours	American Change		Arrenses : Sun 51.1 ef ef ef ef ef tomare			ACNUMENT	Bordages (S) O'	ARCO ARCO TOTAL	Genus Genus B-IBSI B-IB

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EXHIBIT

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tere-	Continental 	13909	107602 (1) 1 (1) 1 -21 107602 prister ( 438)	W M Sector   Oil Rennedy Virgit Linam	31.012	4469 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	35	it.ar.36
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EXHIBIT NO. 3

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BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION



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BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
Conner Inc. EXHIBIT NO 5	
CASE NO. 6888	_







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OIL-GAS PRODUCTION - STATE KN-12 LEASE

	We	11 #2	We	11 #3	We	11 #4	Wel	1 #5	. <u>We</u>	11 #6
<u>1979</u>	<u>0i1</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas	011	G
March	573	11,069	159	8,111	976	6,489	243	1,330		
April	786	10,311	217	8,557	1,338	6,846	334	1,403		
May	. 697	11,944	139	9,699	2,229	6,004	557	3,937		
June	253	9,776	130	804	1,385	9,669	522	6,406		
July	581	10,307	117	8,623	1,116	2,092	557	5 <b>,805</b>		
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	
October	459	3,945	111	13,682	1,762	9,423	277	4,181	138	2,
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1.
1980					·					•
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	. (
February	<u>440</u> 6,317	<u>8,013</u> 109,620	235 2,104	$\frac{7,909}{108,810}$	<u>1,335</u> 17,963	<u>14,786</u> 95,052	<u> </u>	4,075 43,356	<u> </u>	<u>1,</u> 8,
Average GOR 12 Months	17,	353	51,	716	5,2	92	7,50	10	10,4	451

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION Carcoadlancexhibit NO\_8 CASE NO\_6888

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	We	11 #2	We	11 #3	We]	1 #4	Wel	1 #5 .	Wel	1 #6	Well	<u>#7</u>
<u>1979</u>	<u>011</u>	Gas	011	Gas	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas	<u>011</u>	Gas
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OIL-GAS PRODUCTION - STATE KN-12 LEASE

EXHIBIT NO. 8



Case 6888

L. P. Thompson Division Manager

John R. Kemp Assistant Division Manager

Production Department Hobbs Division North American Production Conoco Inc. P. O. Box 460 1001 North Turner Hobbs, NM 88240 (505) 393-4141

April 14, 1980

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

Attention Mr. Dan Nutter

Gentlemen:

Application For Approval to Produce its State KN-12 Well No. 7 at an Unorthodox Location For a Gas Well

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Attached are three (3) copies of the subject application. Please schedule this for Examiner hearing at the earliest possible date.

Very truly yours, ohn R Kenn

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

IN THE MATTER OF THE APPLICATION OF CONOCO INC. FOR APPROVAL TO PRODUCE ITS STATE KN-12 WELL NO. 7 AT AN UNORTHODOX LOCATION FOR A GAS WELL IN THE EUMONT QUEEN GAS POOL AND FOR THE ASSIGNMENT OF A NON-STANDARD GAS PRORATION UNIT

Case 6888

# A P P L I C A T I O N

APPLICANT, Conoco Inc., respectfully requests authority to produce its State KN-12 Well No. 7 from the Eumont Queen Gas Pool at an unorthodox location 330' FSL and 1650' FEL of Section 12, T-19S, R-36E, Lea County, New Mexico, and for the assignment of a non-standard gas proration unit consisting of 120 acres, being the S/2 SE/4 and the NE/4 SE/4 of said Section 12, and in support thereof will show:

1. Applicant is operator and owner of the State KN-12 Lease consisting of the S/2 Section 12, T-19S, R-36E, Lea County, New Mexico, containing 320 acres.

2. Applicant has drilled and completed in the Eumont Queen Gas Pool its State KN-12 Well No. 7 at a non-standard location for a gas well.

3. Said well was drilled as an oil well in the Eumont Yates Seven Rivers Queen Pool and on potential test produced gas in such quantity as to be classified as a gas well.

4. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests this application be set for hearing before the Division's duly appointed examiner and, upon hearing an order be entered authorizing the operator to produce said well at the unorthodox location and approving the requested non-standard proration unit.

Respectfully submitted,

CONOCO INC.

9 By

JOHN R. KEMP Assistant Division Manager of Production Hobbs Division



(conoco)						
PRODUCTION DE	PARTMENT	HOBBS DIVISI	ON			
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Respectfully submitted,

CONOCO INC.

Bv OHN R. KEMP

Assistant Division Manager of Production Hobbs Division

HAI:rej 4/14/80





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

IN THE MATTER OF THE APPLICATION OF CONOCO INC. FOR APPROVAL TO PRODUCE ITS STATE KN-12 WELL NO. 7 AT AN UNORTHODOX LOCATION FOR A GAS WFLL IN THE EUMONT QUEEN GAS POOL AND FOR THE ASSIGNMENT OF A NON-STANDARD GAS PRORATION UNIT

Case 6888

## APPLICATION

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Respectfully submitted,

CONOCO INC.

Βv

JOHN R. KEMP Assistant Division Manager of Production Hobbs Division

HAI:rej 4/14/80



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## STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT UIL CONSERVATION DIVISION

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

CASE NO. <u>6888</u> Order No. R- (<u>6355</u>

APPLICATION OF CONOCO INC.

FOR A NON-STANDARD FRORATION UNIT AND AN UNORTHODOX GAS WELL LOCATION,

LEA COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

## BY THE DIVISION:

This cause came on for hearing at 9 a.m. on <u>May 7</u> 19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this day of May ,  $19 \frac{80}{2000}$ , 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.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the <u>Eumont</u> Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

DRAFT

dr/

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## IT IS THEREFORE ORDERED:

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

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