

**GRYNBERG PETROLEUM COMPANY**

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TELECOPIER: 303 - 753-9997

October 05, 1984

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 82724-34

EXPRESS MAIL

ATTN: Ms. Floreen Davidson

RE: Application of Jack J. Grynberg to  
Amend Commission Order No. R-6873

*Case 8400*

Dear Ms. Davidson:

Enclosed please find one original and two copies of the above captioned Application. We ask that this be set before the full Commission at your earliest convenience.

If you require further information, please advise.

Very truly yours,

GRYNBERG PETROLEUM COMPANY

*Susan Stone*  
Susan Stone  
Senior Petroleum Landman

SS/rb

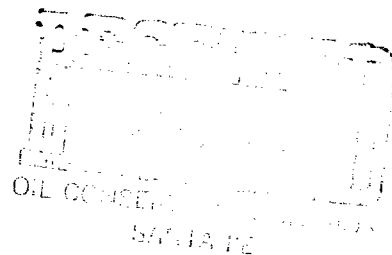
- Enclosures as stated.

CERTIFIED RETURN RECEIPT MAIL

cc: Harvey E. Yates Company  
Explorers Petroleum Corp.  
Spiral, Inc.  
Security National Bank Bldg., Suite 300  
Roswell, NM 88201

Yates Energy Corp.  
Fred G. Yates, Inc.  
Security National Bank Bldg., Suite 919  
Roswell, NM 88201

Seymour Smith  
David Smith  
#7 So. Dearborn St., Suite 803  
Chicago, IL 60602



Cibola Energy Corp.  
1005 Marquette  
Albuquerque, NM 87103

Fred Pool Drilling Company  
114 E. 4th Street  
Roswell, NM 88201

Mc Clellan Oil Corporation  
500 N. Main  
Sunwest Bank Bldg., Suite 1000  
Roswell, NM 88201

Plains Radio & Broadcasting Co., Inc.  
6th and Tyler, Texas American Bank  
Amarillo, TX 79105

Bearing Services  
701 E. Main  
Artesia, NM 88210

Connie Energy  
1012 E. Lincoln Road  
Hobbs, NM 88240

XY, Ltd., a Limited Partnership  
James T. Jennings  
500 N. Main Southwest Bank Bldg., #1012  
Roswell, NM 88201

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

IN THE MATTER OF THE APPLICATION OF JACK J. GRYNBERG TO  
AMEND COMMISSION ORDER NO. R-6873 TO PROVIDE FOR THE  
DRILLING OF A SECOND WELL AT AN UNORTHODOX LOCATION ON  
THE 320 ACRE PRORATION UNIT, TO CHANGE THE OPERATOR AND  
TO DETERMINE THE RISK FACTOR AND OVERHEAD CHARGES,  
CHAVES COUNTY, NEW MEXICO.

*Case 8400*

APPLICATION

The Applicant, Jack J. Grynberg, hereby requests an Order which would amend the State of New Mexico's, Oil Conservation Commission Order No. R-6873, dated January 7, 1982, to allow for a second Prepermian well at an unorthodox location on the previously established 320 acre spacing and proration unit, change the operator, determine the risk factor for the proposed well and to provide for the overhead to be charged during drilling and producing operations. In support of this application, it is further stated:

1) The State of New Mexico's, Oil Conservation Commission Order No. R-6873, dated January 7, 1982, pooled all of the mineral interests down through the Ordovician formation underlying the  $W\frac{1}{2}$  of Section 18, Township 9 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, to form a standard 320 acre gas spacing and proration unit.

Pursuant to the above referenced Commission Order the Seymour State Com #1 was drilled in the  $SW\frac{1}{4}NW\frac{1}{4}$  of Section 18, Township 9 South, Range 27 East to a depth of 6385 feet and was dually completed in the Prepermian and Abo formations.

Applicant requests that Order No. R-6873 be amended to allow for the drilling of a second Prepermian well on the previously established 320 acre standard gas spacing and proration unit. Said well to be located at an unorthodox location 660 feet from the South line and 660 feet from the West line of Section 18, Township 9 South, Range 27 East, Chaves County, New Mexico.

2) Applicant believes that a well located at said unorthodox location will better enable applicant to produce the gas underlying the proration unit, will prevent waste, protect correlative rights and afford applicant the opportunity to produce its just and equitable share of gas underlying the unit.

3) Applicant requests that Order No. R-6873 be amended to designate Applicant as operator of the proposed well and unit.

4) Applicant is the holder of State Lease L-6907 covering 80 acres of the 320 acre spacing and proration unit within Section 18 as follows:  $E\frac{1}{2}NW\frac{1}{4}$ . A diagram of the proration unit as established by Commission Order No. R-6873 is attached and marked Exhibit "A". This Exhibit also sets out the other working interest owners in the unit and their proportionate shares thereof.

5) Applicant is not challenging Order No. R-6873 and except for these amendments believes that it should remain in full force and effect.

WHEREFORE, the Applicant requests the Commission to set this matter down for a hearing before the full Commission at the earliest possible date, give notice as required by law and after hearing, enter its Order (a) amending Order No. R-6873 to allow for the drilling of a second Prepermian well on the 320 acre proration unit (b) declaring the Applicant to be Operator of said well and unit (c) assigning a risk factor for the proposed well (d) providing for overhead to be charged during the drilling and producing operations and (e) making such other and further provisions as deemed appropriate.

DATED this 5th day of October, 1984.

JACK J. GRYNBERG

BY:

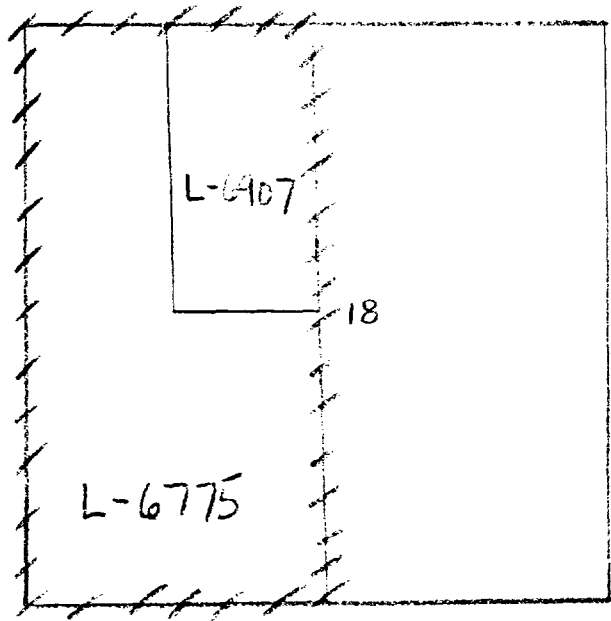
*Susan Stone*

SUSAN STONE

Senior Petroleum Landman

EXHIBIT "A"

STANDARD 320 ACRE SPACING AND PRORATION UNIT ESTABLISHED BY ORDER NO. R-6873 AND WORKING INTEREST OWNERS, W $\frac{1}{2}$  SECTION 18, TOWNSHIP 9 SOUTH, RANGE 27 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO.



Containing 325.04 acres, more or less

		<u>ACRES</u>	<u>PERCENT</u>
L-6907	Jack J. Grynberg	80.00	24.6123554
L-6775	Harvey E. Yates, et.al.	245.04	75.3876445