

Memo

From
VICTOR T. LYON
Chief Petroleum Engineer

4-14

To Bill

Applicant's exhibit shows $\pm 45^\circ$ of proposed unit is across fault. The structure shows standard location about equal to the non-standard. I think there is too much of this done - even if he is crowding his own lease.

Faults die out in Lower Penn (Morrow) and may not be there at all -- Top Miss. is erosional unconformity. I don't believe they (faults), if present, limit productive acreage. — Bill

CAMPBELL & BLACK, P.A.

LAWYERS

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BRUCE D. BLACK
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March 22, 1988

Case 9352

HAND DELIVERED

RECEIVED

MAR 23 1988

OIL CONSERVATION DIVISION

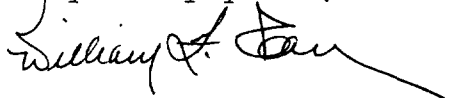
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Nearburg Producing
Company for an Unorthodox Gas Well Location, Eddy
County, New Mexico

Dear Mr. LeMay:

Enclosed is the Application of Nearburg Producing Company in the
above-referenced case. Nearburg Producing Company respectfully
requests that this matter be placed on the docket for the
Examiner hearings scheduled on April 13, 1988.

Very truly yours,



WILLIAM F. CARR

WFC/mlh

Enclosure

cc w/enclosure: Mr. Mark Nearburg
Nearburg Producing Company

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



April 22, 1988

Mr. William F. Carr
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 9352
ORDER NO. R-8643

Applicant:

Nearburg Producing Company

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

Sincerely,

Florence Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

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

Other _____

Called in by Bill Carr
3/22/88

Memo

From
FLORENE DAVIDSON
OC Staff Specialist

To April 13, 1988

Nearburg Producing
Company
Unorthodox Gas Well
Location
Eddy County

1980/N + 330/W

11-205-25E

Undesignated Cemetery -
Morrow Gas Pool
w/2 dedicated

County 20 South Pool

Range

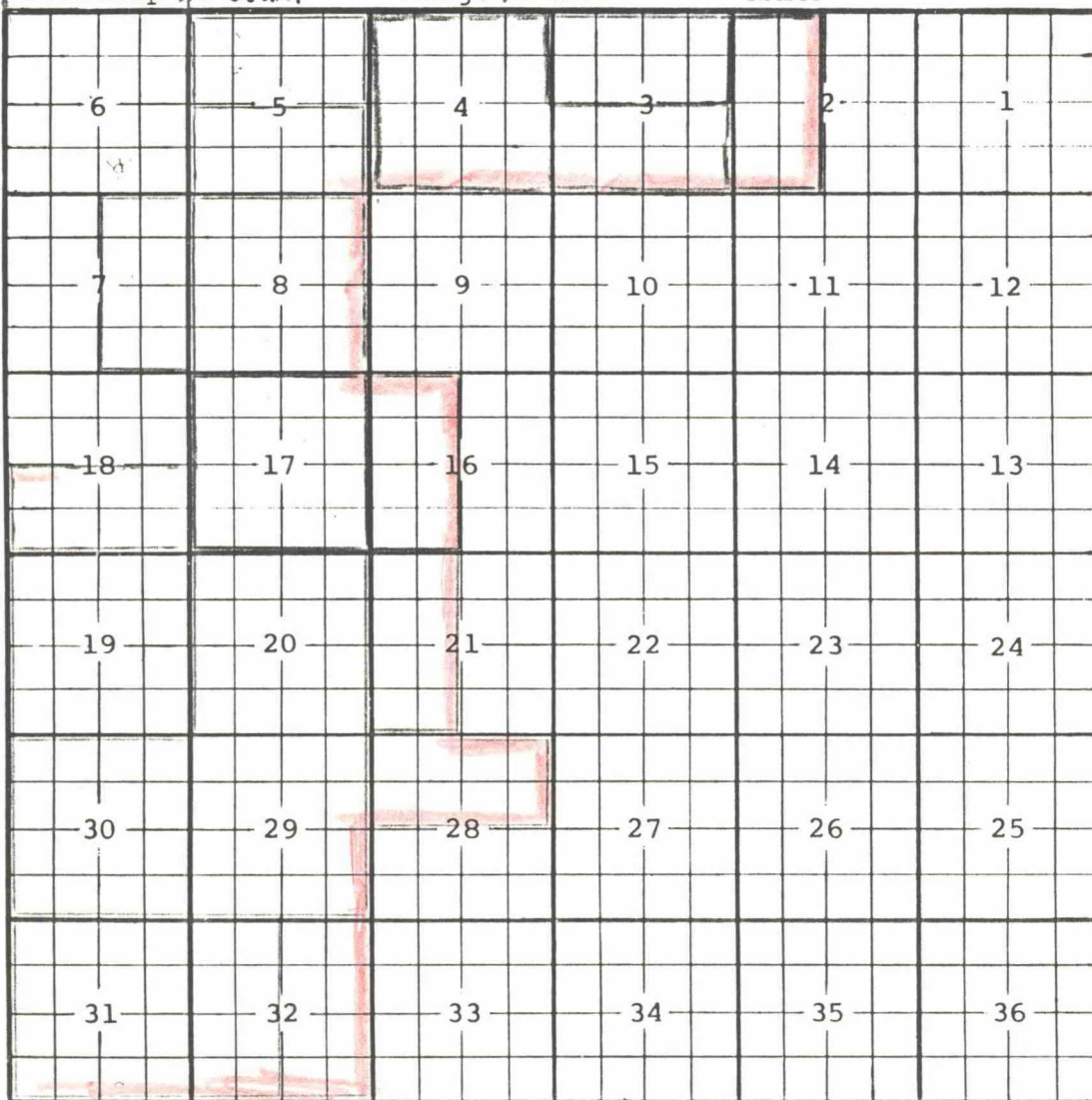
25 Feb

NMPM

A 6x6 grid with numbers 1 through 36. The numbers are arranged in a boustrophedon pattern: Row 1 (top) contains 6, 5, 4, 3, 2, 1; Row 2 contains 7, 8, 9, 10, 11, 12; Row 3 contains 18, 17, 16, 15, 14, 13; Row 4 contains 19, 20, 21, 22, 23, 24; Row 5 contains 30, 29, 28, 27, 26, 25; Row 6 (bottom) contains 31, 32, 33, 34, 35, 36. A red rectangle is drawn around the number 11, and a small red dot is placed to its left.[illegible]

County EddyPool Cemetery - Morrow GasTownship 20 SouthRange 25 East

NMPM



Description: All Sec. 17 (R-2679, 4-1-64)

Ext: $\frac{W}{2}$ Sec. 16 (R-3139, 11-1-66) Ext: All Sec 20, 29 & 30 (R-4807, 6-11-74)

Ext: All Sec 8 (R-4821, 8-1-74) Ext: $\frac{S}{2}$ Sec 5 (R-4861, 11-1-74)

Ext: $\frac{N}{2}$ Sec 5 (R-4437, 2-1-75) Ext: $\frac{E}{2}$ Sec 7, $\frac{W}{2}$ Sec 21 (R-4969, 4-1-75)

Ext: $\frac{S}{2}$ Sec 18 (R-5063, 7-1-75) Ext: $\frac{N}{2}$ Sec 28 (R-5124, 12-1-75)

Ext: All Sec 31, $\frac{W}{2}$ Sec 32 (R-5162, 3-1-76)

Ext: All Sec 19 $\frac{E}{2}$ Sec 32 (R-5252, 9-1-76)

Ext: Sec: 3 $\frac{S}{2}$, Sec: 4 All (R-7076-9-27-82)

Ext: $\frac{N}{2}$ Sec. 3 (R-7248, 3-30-83) Ext: $\frac{W}{2}$ Sec. 2 (R-7279, 5-17-83)

CEMETARY-MORROW GAS POOL
(320-Acre Spacing)
Eddy County, New Mexico

Order No. R-3194, Adopting 320-Acre Spacing for Wells in the
Cemetery-Morrow Gas Pool, Eddy County, New Mexico, February
15, 1967.

Application of Mobil Oil Company for 320-Acre
Spacing, Eddy County, New Mexico.

CASE NO. 3526
Order No. R-3194

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9
a. m. on February 8, 1967, at Santa Fe, New Mexico, before
Examiner Daniel S. Nutter.

NOW, on this 15th day of February, 1967, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Mobil Oil Company, seeks 320-acre
spacing for the Cemetery-Morrow Gas Pool, Eddy County, New
Mexico.

(3) That by Order No. R-2679, dated March 31, 1964, as
amended by Order No. R-3139, dated October 26, 1966, the
Cemetery-Morrow Gas Pool, Eddy County, New Mexico, was
created and classified as a gas pool for Morrow production.

(4) That by Order No. R-2707, dated May 25, 1964, Rule 104
of the New Mexico Oil Conservation Commission Rules and
Regulations was amended in order to provide for 320-acre spacing
for gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of
Pennsylvanian age or older and created and defined after June 1,
1964.

(5) That said Order No. R-2707 found that in Lea, Chaves,
Eddy, and Roosevelt Counties, New Mexico, a gas well completed
in the Pennsylvanian formation or a deeper formation will
efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian
formation.

(7) That, in the absence of evidence to the contrary, as
prescribed by the notice of this case, the Commission finds that
one well can efficiently and economically drain and develop 320
acres in the said Cemetery-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That effective immediately, the Cemetery-Morrow Gas
Pool, Eddy County, New Mexico, shall be governed by all Com-
mission Rules and Regulations applicable to gas pools in Lea,
Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or
older the same as if the subject pool had been created and defined
by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the
Morrow formation within the Cemetery-Morrow Gas Pool or
within one mile of the Cemetery-Morrow Gas Pool that will
not comply with the well location requirements governing gas
pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsyl-
vanian age or older created and defined after June 1, 1964, is
hereby granted an exception to such location requirement. The
operator shall notify the Artesia District Office of the Com-
mission in writing of the name and location of the well on or
before March 1, 1967.

(3) That any operator desiring to dedicate 320 acres to a well
presently drilling to or completed in the Cemetery-Morrow Gas
Pool shall file a new Form C-102 with the Commission on or
before March 1, 1967.

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

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

INDIAN BASIN-UPPER PENNSYLVANIAN GAS POOL
Eddy County, New Mexico

Order No. R-2440, Creating and Adopting Temporary Operating
Rules for the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy
County, New Mexico, March 1, 1963.

Order No. R-2440-A, February 13, 1967, makes permanent
the temporary rules adopted in Order No. R-2440.

Order No. R-4985, March 25, 1975, suspends Rules 14(A) and
15(A) of the General Rules and Regulations for Prorated Gas
Pools of Southeastern New Mexico, adopted by Order No.
R-1670, as amended, in the Indian Basin-Upper Pennsylvanian
Gas Pool for a period of one year (until April 1, 1976); Rules
14(A) and 15(A) suspended for an additional year (through March
31, 1977), Order No. R-5187, March 17, 1976.

Application of Ralph Lowe to create a New
Pool for Upper Pennsylvanian Gas Production
and for Special Pool Rules, Eddy County, New
Mexico.

CASE NO. 2749
Order No. R-2440

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at
9 o'clock a. m. on February 6, 1963, at Santa Fe, New Mexico.