Case Number

Application

Trascripts

Small Exhibits

ETC.

CASE NO. 4721

CASE NO. 4722

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
May 17, 1972

EXAMINER HEARING

IN THE MATTER OF:

The Application of C. W. Trainer for a non-standard gas unit, Lea County, New Mexico.

$\underline{a} \underline{n} \underline{d}$

The Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico.

BEFORE: RICHARD L. STAMETS
Examiner

TRANSCRIPT OF HEARING

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MR. STAMETS: Case 4721.

MR. HATCH: Application of C. W. Trainer for a non-standard gas unit, Lea County.

MR. LOSEE: A. J. Losee, Artesia, New Mexico. I would like to move for the purposes of this Hearing that Cases Number 4721 and 4722 be consolidated.

MR. HATCH: Cases 4721 and 4722 will be consolidated. Case 4722, Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico.

MR. STAMETS: Will there be anyone else offering testimony in this case?

MR. COOK: Curtis Cook with Texaco, I would like to make a statement but I don't plan to present any Exhibits or offer any testimony.

MR. STAMETS: Mr. Losee, you may have your witness sworn.

MR. LOSEE: A. J. Losee, appearing in Cases 4721 and 44222. We have one witness, Mr. Marvin Gross.

MARVIN GROSS,

was called as a witness and, after being duly sworn, testified as follows:

MR. GROSS: Mr. Examiner, I would ask that the Commission take administrative notice of the testimony and Exhibits in Case Number 4630 and Order R-431 which was

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approved as a non-standard gas unit for the Custer-Ellenburger pool. MR. STAMETS: You may proceed.

MR. LOSEE: I didn't hear the Examiner's response to my request to take administrative notice.

MR. STAMETS: I don't think he made one, but he will take administrative notice of the same.

DIRECT EXAMINATION

BY MR. LOSEE:

- State your name and residence, Mr. Gross.
- Marvin Gross, Roswell, New Mexico.
- What is your occupation?
- Consulting geologist.
- Have you previously testified before this Commission as an expert witness and had your qualifications made a matter of record?
- Yes, sir.

MR. LOSEE: Are Mr. Gross' qualifications acceptable?

MR. STAMETS: They are.

- (By Mr. LOsee) Mr. Gross, would you explain the purpose of the Application in Case 4721?
- The purpose of the Application in Case 4721 is to pool the mineral interests --
- No, you have them mixed up.

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209 SIMMS BLDG.+P.O. BOX 1082+PHONE 249-6891+ALBUQUERQUE, NEW MEXICO 87103 1216 FIRIT NATIONAL BANK BLDG. EAST+ALBUQUERQUE, NEW MEXICO 87108 The purpose is to seek a non-standard proration
unit for a well to be drilled in Lea County, New
Mexico. Applicant in this cause, seeks approval of
a 316.9 acre non-standard gas spacing unit comprising
Lots 1 and 2 and E/2 W/2 of Section 31, Township 24
South, Range 37 East, and lots 2 and 3 of Section 6,
Township 25 South, Range 37 East, undesignated
Fusselman and Devonian gas pools, Lea County, New
Mexico, to be dedicated to his Sherrell Well No. 1
located 660 feet from the south line and 1590 feet
from the west line of said Section 31.

- Q Actual non-standard drilling unit, gas drilling unit; is it not?
- A Yes, it conforms with a previously approved Ellenburger Order.
- Q What is the purpose of the Application in 4722?
- A Application of C. W. Trainer for compulsory pooling,
 Lea County, New Mexico. Applicant, in this cause,
 seeks an order pooling all mineral interests in the
 Devonian, Fusselman and Ellenburger formations
 underlying Lots 1 and 2 and E/2 W/2 of Section 31,
 Township 24 South, Range 37 East, and Lots 2 and 3 of
 Section o, Township 25 South, Range 37 East, Custer
 Field, Lea County, New Mexico, to form a 316.9 acre
 non-standard spacing unit for the production of gas

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		PAGE 6
1		from said formations, to be dedicated to his Sherrell
2		Well No. 1 located 660 feet from the south line and
3		1590 feet from the West line of said Section 31.
4	Q	Now, we have asked the Commissioner to take
5		administrative notice of the Order entered in December
6		or January of this year, Order R-431; what did the
7		Commission approve in that Order?
8	A	The Commission approved do you mean the acreage?
9	Q	What was approved?
10	A	The NW of 31; the E/2 of the SW of 31, and Lots 2 and
11		3 of Section 6, Township 25, Range 37.
12	Q	Actually, that is the same acreage that is the subject
13		of Case 4721; is it not?
14	A	Yes, sir.
15	Ω	And the Order approved non-standard gas units for
16		the Ellenberger formation comprising this same 316.9
17		acres?
18	A	Correct.
19	Q	And approved the location of the Sherrell Number 1 as
20		being 1590 feet from the west and 860 feet from the
21		south line?
22	A	That is correct.
23	Q	Has that operation been commenced on that well?
24	A	Yes, it has.
25	Q	They are actually moving in at this time?

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Yes, sir.

Now, let me ask you, Mr. Gross, why was the Fusselman, 0 which is one of the formations that is the subject of this Application, not included in the prior application?

At the time, we did not consider it a serious Α potential producer because the Shell Well tested water from the top of the Fusselman zone.

Since this prior hearing, Allied Chemical has made a discovery in the Devonian field to the south and the Fusselman is producing from the intermittent structures. They got water tests and gas tests and these tests show water and gas and oil at high levels in the Fusselman horizon.

Therefore, we have gone back and reanalyzed the Shell well and from all the information we have gotten we feel the Shell well would have produced from the Fusselman formation -- or will produce from the · Fusselman if it is perforated.

MR. STAMETS: Would you identify the discovery you are talking about?

> THE WITNESS: Yes, it is in ---

MR. LOSEE: We have an Exhibit that will partially cover it.

THE WITNESS: It is in the SE of the SW of Section 28, Township 25 South, Range 37. It is the large

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structure in the south center of this map (indicating). MR. STAMETS: In the very center? THE WITNESS: Well, it is in the SE of the SW of Section 28. What is the producing formation of (By Mr. Losee)

- that well?
- The Fusselman.
- Please refer to what has been marked as Exhibit 1 and explain what is shown on this plat.
- This is a survey plat prepared by John Wost showing our proposed unit and the proposed location with the acreage and it adds up to 316.9 acres.
- And you will own the entire working interest in the 316.9 acre unit?
- Yes, sir. Λ
- \mathbf{Q} . Now, why was the W/2 of the SW of Section 31 excluded from this unit?
- This is Texaco acreage which is in a unit comprising A several sections and is participating in this Shell well which has been producing from the Ellenburger formation for some ten years.
- You say it is Texaco acreage; did you request a farm-Q out on it?
- Yes, we did -- let me revamp that statement. Α is Texaco acreage, however, Shell is the operator of

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the unit.

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And when you asked Texaco, did they instruct you to correspond with Shell with respect to your request for a farm-out?

Α Yes, they did.

Q And did they reject the farm-out request on July 23rd, of last year?

Yes, sir. Α

Q Please refer to what has been marked as Exhibit 2 and explain what is shown on this map.

Exhibit 2 is a subsurface map contoured on the Devonian, the west portion, and on the Ellenburger, the eastern portion. The difference in the contour is due to the lack of Ellenburger control in the western part of the map. Your close by field is producing from the Devonian and you have more Devonian points in the area that we are interested in, than you do have Ellenburger points, and the Devonian will reflect the Ellenburger structure shows a NW-SE trend through our location in line with the close by fields.

This structural treand lines up with the well known Fusselman trend to the east.

You have a producing Ellenburger well in Section 36, the NE of Section 36, and you have a dry

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hole in the SW, SE of Section 25. Immediately
NE of the Shell well, and approximately a mile
south of the Shell well in Section 6 Section 1
in the NW of the NW you have a Continental Oil dry
hole and an Ellenburger dry hole.
Those are three known points in your contour?

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- Q Please refer to what has been marked Exhibit 3 and explain what is shown on this map.
- Exhibit 3 is a contour map of the Yates which gives Α us much better control since there is a well approximately every 40 acres.

As you can see, this will reflect the deep trend in the Justice field and our trend. These trends do not necessarily coincide.

- Mr. Gross, I have a question I want to ask you about Exhibit 2. Will you point out or name the fields if you can, which produce from the Devonian and from the Fusselman, as shown on this map, Exhibit Number 2.
- The close by field in the south of our area produces from the Fusselman and the Devonian. The three structures on the east side of the map are Fusselman-Ellenburger-
- Do they produce out of the Devonian? Q
- Α No, the Devonian is absent in that area.

There is some Devonian in between them?

Α Yes, but I don't know whether there is producing or not.

- Q Well, at least the Fusselman produces on those three?
- Α Yes.

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- Please refer to what has been marked as Exhibit 4 and explain what is shown by this Exhibit.
- This is a cross-section through the three deep pits Α in the vicinity of our location from the Continental Oil dry hole through the Shell producer into the Apache well which stops at the Devonian and as you can see from the Shell well, the center log there shows they did get water and did get a test out of the top of the Fusselman.

I have put a sample log, or a copy of a sample log of the Shell well, beside it, and as you can see, there are numerous shows through the section which is visual evidence of porosity in the Fusselman.

The logs in the Fusselman show the water to be 10 to 12 percent until you get down into the zone from 1174 to 1176 and then your water jumps up to 66 percent and this is in the vicinity where Allied Chemical got all of their water. They did got water at the top and they also got a couple of stringers in between, but the zones correlate and we feel this

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well, if perforated, would produce from the Fusselman.

- Would you tell me about the drill stem test in the Devonian on the Shell well?
- A The Shell well on 23 feet of the Devonian showed they got gas in 5 minutes at a flow rate of 2500 MCF per day with an initial shut-in pressure of 4000 pounds.

The Packer Leakage Test, after 13 minutes and the final shut-in failed, but from the log interpretation and from what information we can obtain from the DST, it appears that the Shell well would produce from the Devonian.

There is Devonian gas there that we would like to produce. They have not attempted to perforate the Section and test it to date.

- As I understand your testimony with respect to the Fusselman, it is your testimony that you discounted it when you presented your previous application because of the water at the top of the Fusselman but when the Allied Chemical discovery was made, you then took a second look at the Fusselman and Shell well?
- That is correct. This was the first time we have noticed this in the general area in the Fusselman

formation, that is water and oil commingled in the

Mr. Gross, do you have an opinion as to whether or

that you probably would get, it would be uneconomical

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not it is a reasonable possibility that the Devonian 7 and Fusselman would produce in the Sherrell well that 8 operation has commenced on? 9 Α Yes, I definitely think it will because from our 10 information we feel the Fusselman and the Devonian 11 will produce in the Sherrell. 12 Do you have an opinion as to whether the Sherrell well 13 will efficiently and economically drain the Devonian 14 and Fusselman formation underlying the proposed 360 15 acre non-standard gas unit? Yes, I think it will drain effectively. 16 In connection with your earlier Application, did you 17 consider creating forced pooling in the W/2 of the 18 SW? 19 No, sir. λ Of Section 31? Q No, sir. Because this well is going to cost us around 22 \$375,000 and with that type of expenditure, if you 23 had to force pool someone, with the penalty clause 24

formation itself.

In the zone?

In the zone.

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1		for us to have done it and it would have made it
2		impossible for us to raise the money to drill the well.
3	Q	Actually at this point in time, you have sought to
4		trade to third parties and Mr. Trainer is drilling
5		the well on this non-standard basis?
6	Α	Yes, we are.
7	Q	Earlier you discussed the working interest that
8		Shell has in connection with the well to the east; is
9		that working interest unit of record?
10	A	No, we could find nothing of record as to the N/2 of
11		Section 36 being dedicated to the well as far as
12		mineral ownership is concerned.
13	Q	In other words, the working interest of this 80 acre
14		tract producing from the Ellenburger is through the
15		Shell well?
16	A	Yes, sir.
17	Q	Please refer to what has been marked as Exhibit 5
18		and explain what is shown on this Exhibit.
19	Λ	It is a list of mineral owners encompassing the E/2
20		of the SW of Section 31 and lots 2 and 3 of Section 6.
21		There are several of them, I haven't counted them.
22	Ü	The first five pages consist of royalty owners
23		underlying the south portion of your unit and the
24		latter part the NE/4?
25	λ	The NW of Section 31, yes.

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5	Q	And these two sheets show the production underlying
6		this unit (indicating).
7	A	That's right.
8	Q	And these are fee leases; is that correct?
9	Α	That is correct.
10	Q	And these are old fee leases without any pooling
11		clauses?
12	A	Yes, sir.
13	Q	Some of these mineral owners have not been located by
14		the purchaser for many years and such interests are
15		in suspension; is that correct?
16	A	Yes, sir.
17	Q	You have not actually contacted each of these owners
18		about pooling?
19	A	No, we haven't but some of the owners have been in
20		suspension for several years and it would be almost
21		a futile effort to make that attempt.
22	Q	Well, if you cannot find them, it would be impossible
23		to get them to sign any pooling agreement?
24	. A	Yes, sir.
25	Q	And you own all the working interests under your unit?
	6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	6

And the Martin lease is covered by farm-outs to you

from Scope Industries and from Cities Service?

farm-out from Skelly.

Yes, and the portion in the south is covered by a

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Were Exhibits 1 through 5 -- 1 through 4 prepared by Q you or under your supervision? Yes, sir. And Exhibit 5 is a sheet furnished by the purchaser of production? Yes, sir. MR. LOSEE: We move the introduction of Exhibits 1 through 5. MR. STAMETS: Is there any opposition to the introduction of these Exhibits? (No response.) MR. STAMETS: They will be so admitted. (Whereupon, Applicant's Exhibits 1 through 5 were admitted in evidence.) MR. LOSEE: I have no further direct examination of this witness. MR. STAMETS: Are there any questions of this witness? CROSS-EXAMINATION BY MR. STAMETS: I don't think you made it very clear, Mr. Gross, what

attempts have you actually made to contact these

royalty interest owners to get their consent?

Yes, sir.

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Q No, sir. titles.

We made no attempt, however, due to the fact that there are some that have been in suspension for some years, Skelly couldn't find them, and of course, we wouldn't be able to locate them to pool them.

- But you made no attempt?
- Do you know which ones on the list are in suspension?
- I don't know. Mr. Losee may because he has examined
- And it is your understanding that Skelly could not locate these people?

MR. HATCH: You have not attempted to go through the procedure set up by the Legislature in 653-13-1, to get the Court to authorize the pooling?

MR. LOSEE: We have not done so, it is our position in connection with this information, that it would be impossible for us to obtain effective pooling of this acreage in the NW/4. There is no way for us to effectively do so because there are people we cannot locate --Skelly has not been able to locate.

MR. HATCH: The reason I am pointing this out is in many cases, the Commission has inquired into this, but the Commission, I don't think, wants to get into this job.

MR. LOSEE: I can see that.

(By Mr. Stamets) Mr. Gross, is the W/2 of the SW/4

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	of Section 31, Township 25 South, Range 36 East,
	dedicated to a well producing in the Devonian,
	the Fusselman, or the Ellenburger?
\mathbf{A}^{\perp}	The Ellenburger.
Q	Which well is that?
A	The Shell gas well in the NE of the NW of Section 36;
	the one that has 6555 after it.
Q	Do you offhand know what the boundaries of the
	dedicated acreage to that well are?
Λ	It is my understanding that it encompasses the N/2
	of Section 36.
Q	And that is an Ellenburger well?
Α	Yes.
Q	Would there have been any reason why you could not
	have brought forced pooling to force pool this 75
	acres in the unit comprising the W/2 of Section 31?
A	It would not be economical for us to drill a well
	there and carry Texaco and Shell for a one-quarter
	interest. Our people would not put the money
	up to drill a well under those circumstances.
Q	Mr. Gross, when we have forced pooling, provisions
	are made to pay for the drilling of the well, and
r	usually for the penalty factor as well. I am not
	sure why this one-fourth would make the well un-
	economical?

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unit for the Ellenburger formation and that there are approximately 12 billion cubic feet in the Ellenburger reservoir and we felt like if we shared this we would get 6 million if we got half of the gas and our economics showed that it would not be profitable for us to carry Shell and Texaco for one-fourth of the well and put up the money and drill it. Even though we would get a 125 percent penalty factor it still wouldn't be economical for us to drill a well and give them one-fourth of it. They have been sitting there getting our gas for ten years anyway. After the well was paid out, you would still be eligible for three-quarters of the profits; isn't that right?

We figured we would get a non-standard proration

A Yes, but that would seriously lower our rate of return.

Q I don't recall there being any evidence presented to that effect, to show what the economics would be under this set of circumstances.

A We didn't do that on this case. Maybe that was our mistake, we did it on the previous case, the previous Ellenburger case, but we have no way of knowing what

the reserves are going to be. Our information on

in the optimum position on our structure and we feel

the Ellenburger was that if we could get a non-

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standard proration unit, our rate of return would be 3 and 1/2 to 1; with forced pooling it would be about 2 and 3/4 to 1. That is a great difference when you are spending \$364,000. Did you give any consideration to forming a Q non-standard unit? This would not entitle us to a full allowable under the rules, I don't think. Is this a prorated field? Q No, sir, it is not. We did originally file for a Α nonstandard unit. Unless the penalty factor was instituted, in all likelihood, there would be no difference in the amount of gas that you would be allowed to produce; is that a fair statement? Well, I don't know what the Commission will allow. A I don't understand your structure map, will your Q well location be approximately in the center of that 80 acres? Do you mean just to the east, several hundred feet? Α Yes. Q Well, we geologists always like to locate a well

this location will more effectively drain our acreage than a well location to the east would.

Plus the fact that there may be some faulting in that area and we wanted to stay as far away from that as we possibly could.

- You still would be within the contour line; wouldn't you?
- A Yes, sir.

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- Q Would there be much additional expense as far as road building is concerned if it were to the east?
- A Yes, we spent \$3,500 building our location when we rebuilt it.

MR. STAMETS: That's all the questions I have.

* * * * *

REDIRECT EXAMINATION

BY MR. LOSEE:

- Q The economics on this well are actually a part of the file in Case 4630; are they not?
- A Yes, sir.
- Q How many investors have agreed to put up the \$365,000 to drill the well?
- A Eight.
 - An authorization for drilling is based upon an agreement that it be drilled in this location under the non-standard unit authorized in Order 4231?

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     Yes, sir.
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     And this was sold to them on that basis?
    Yes, sir.
          MR. LOSEE: I think that's all I have.
          MR. STAMETS: Any other questions?
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(No response.)

MR. STAMETS: The witness may be excused. (Witness excused.)

MR. STAMETS: Any statements?

MR. COOK: Yes. Curtis Cook with Texaco, Inc. Texaco objects to the Number 1 Sherrell because it is located 333 feet from the unit boundary and Texaco contends that that would be in violation of Commission Order 104-B by virtue of the fact that the well should be located 660 feet from the outer edge of the tract.

Texaco recommends that the location be moved to 660 feet from the edge of the boundary.

MR. LOSEE: I have no statement.

MR. STAMETS: The case will be taken under advisement.

DG. P.O. BOX 1092 PHONE 243-6691 ALBUQUERQUE, NEW MEXICO 87103 T NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108 STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, RICHARD E. McCORMICK, a Certified Shorthand Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

CERTIFIED SHORTHAND REPORTER

Dictard & Land Property New Mox100 011 Conservation Formission

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

June 6, 1972

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

	Re:	Case No. 4721
Mr. A. J. Losee		Order No. R-4319
Losee & Carson Attorneys at Law		Applicant:
Post Office Drawer 239 Artesia, New Mexico 88210		C. W. Trainer

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

Aur/ir											
Copy of	order	also	sent	to:							
Hobbs OC		×									
Aztec OC	c										
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BEFORE THE OIL CONSERVATION COUMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 4721 Order No. R-4319

APPLICATION OF C. W. TRAINER FOR A NON-STANDARD GAS UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 17, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of June, 1972, 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, C. W. Trainer, seeks approval of a 316.09-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, NMPM, undesignated Fusselman and Devonian gas pools, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- (3) That by Order No. R-4231, the Commission approved an identical 316.09-acre non-standard gas spacing unit to be dedicated to a well to be drilled by the applicant 660 feet from the South line and 1590 feet from the West line of Section 31, Township 24 South, Range 37 East, NMPM, Custer-Ellenburger Gas Pool, said well being the subject of this application.
- (4) That the entire non-standard proration unit may reasonably be presumed productive of gas from the undesignated Fusselman and Devonian gas pools and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

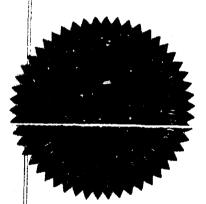
-2-CASE NO. 4721 Order No. R-4319

(5) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the undesignated Fusselman and Devonian gas pools, 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 a 316.09-acre non-standard gas proration unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, for the Fusselman and Devonian formations, is hereby established and dedicated to his Sherrell Well No. 1, located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- (2) 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 hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

Case 4713 continued from page 1

- 7. An 80-acre unit comprising Lot 1 and the NE/4 NW/4 of Section 19, Township 17 North, Range 8 West, to be dedicated to Well No. 26;
- 8. An 80-acre unit comprising the N/2 NW/4 of Section 24, Township 17 North, Range 9 West, to be dedicated to Well No. 28.

Applicant further seeks a procedure whereby other non-standard proration units may be established administratively.

- CASE 4714: Application of Thunderbird Oil Corporation for an unorthodox well location and amendment of Order No. R-1145, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 2635 feet from the North line and 1315 feet from the West line of Section 8, Township 13 South, Range 32 East, in the North Caprock-Queen Unit Waterflood Project, Lea County, New Mexico, authorized by Order No. R-1145. Applicant further seeks a procedure whereby additional production and injection wells at orthodox and unorthodox locations may be approved administratively.
- CASE 4715: Application of Glen D. Aaron and James C. Whitten for an unorthodox well location, Eddy County, New Mexico. Applicants, in the above-styled, cause seek approval for an unorthodox gas well location for their well to be drilled 990 feet from the South line and 1650 feet from the West line of Section 11, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, with the W/2 of said Section 11 to be dedicated to the well.
- CASE 4716: Application of Union Oil Company of California for directional drilling;
 Lea County, New Mexico. Applicant, in the above-styled cause, seeks
 authority to directionally drill its Owens Well No. 2, having a surface
 location in Unit I of Section 34, Township 14 South, Range 35 East, MortonWolfcamp Pool, Lea County, New Mexico. Applicant proposes to set a whipstock at approximately 7200 feet and to directionally drill to bottom the
 well in the Wolfcamp formation within 100 feet of a point in Unit H 1730
 feet from the North line and 560 feet from the East line of said Section
 34. Applicant proposes to dedicate the S/2 NE/4 of Section 34 to the well.
- CASE 4717: Application of Sohio Petroleum Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard unit in an undesignated San Andres gas pool comprising the S/2 SE/4 of Section 7 and the W/2 SW/4 of Section 8, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its well located 660 feet from the South line and 660 feet from the West line of said Section 8.
- CASE 4718: Application of E. B. White, Jr. for a unit agreement, Eddy County,
 New Mexico. Applicant, in the above-styled cause, seeks approval of the
 Phantom Banks Unit Area comprising 7680 acres, more or less, of federal,
 state, and fee lands in Township 26 South, Range 31 East, Eddy County,
 New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 17, 1972

9 A.M. - OIL CONSERVATION COMMISSION 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1972, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico; also presentation of purchaser's nominations for said pools for the six-month period beginning July 1, 1972;
 - (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1972.
- CASE 4712: Application of Texaco Inc. for multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Lockhart (NCT-1) Well No. 3 located in Unit 0 of Section 18, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Paddock and Blinebry 011 Pools through a single string of tubing and gas from the Tubb Gas Pool through the casing-tubing annulus.
- CASE 4713: Application of Tenneco Oil Company for non-standard proration units, McKihley County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard proration units in the Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico.
 - An 80-acre unit comprising the SE/4 NE/4 and the NE/4 SE/4 of Section 7, Township 17 North, Range 8 West, to be dedicated to Well No. 2;
 - 2. An 80-acre unit comprising the SW/4 NE/4 and NW/4 SE/4 of Section 7, Township 17 North, Range 8 West, to be dedicated to Well No. 3;
 - 3. A 91.66-acre unit comprising Lots 7 and 8 and SW/4 SE/4 of Section 12, Township 17 North, Range 9 West, to be dedicated to Well No. 5.
 - 4. A 91.59-acre unit comprising Lots 1 and 2 and NW/4 NE/4 Section 13, Township 17 North, Range 9 West, to be dedicated to Well No. 12;
 - 5. A 91.56-acre unit comprising Lots 3 and 4 and SW/4 NE/4 of Section 13, Township 17 North, Range 9 West, to be dedicated to Well No. 14;
 - 6. An 80-acre unit comprising the SW/4 NW/4 and NW/4 SW/4 of Section 17, Township 17 North, Range 8 West, to be dedicated to Well No. 17:

Case No. 4724 continued from page 3

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Empire-Morrow Gas Pool. The discovery well is the Midwest Oil Corporation South Empire Deep Unit No. 1 located in Unit F of Section 6, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM SECTION 6: N/2

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Humble City-Strawn Pool. The discovery well is the Harding Oil Company Shipp No. 1 located in Unit K of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM SECTION 11: SW/4

(c) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Abo production and designated as the Many Gates-Abo Pool. The discovery well is the Jack Phillips Isler Federal No. 1 located in Unit A of Section 31, Township 9 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM SECTION 31: NE/4

(d) Create a new pool in Roosevelt County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Peterson-Pennsylvanian Gas Pool. The discovery well is the Amoco Production Company Peterson "A" Gas Com No. 1 located in Unit B of Section 19, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 5 SOUTH, RANGE 33 BAST, NMEM SECTION 19: All

(e) Abolish Loco Hills-Queen Pool in Eddy County, New Mexico, described as:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

SECTION 29: SW/4

SECTION 31: SE/4 NE/4 and NE/4 SE/4

SECTION 32: NW/4

- CASE 4719: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its G.C. Matthews Well No. 5 located in Unit J of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Eunice-Monument and Monument-Paddock Pools through parallel strings of tubing.
- CASE 4720: Application of Rotary 0:11 & Gas Company for an unorthodox location and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit in the Osudo-Devonian Gas Pool comprising the NE/4 of Section 32 and the NW/4 of Section 33, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the East line of said Section 32.
- CASE 4721: Application of C. W. Trainer for a non-standard gas unit, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval of a 316.5-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, undesignated Fusselman and Devonian gas pools, Lea County, New Mexico, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- CASE 4722: Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, Fusselman and Ellenburger formations underlying Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, Custer Field, Lea County, New Mexico, to form a 316.9-acre non-standard spacing unit for the production of gas from said formations, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- CASE 4723: Application of Black River Corporation for pool abolishment, creation of two new gas pools, and a dual completion, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks the abolishment of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, and the creation of the Washington Ranch-Upper Morrow and Washington Ranch-Lower Morrow Gas Pools for the production of gas from the upper and lower Morrow formations.

 Applicant further seeks approval of the dual completion (conventional) of its Cities 3 Federal Well No. 1 located in Unit F of Section 3, Township 26 South, Range 24 East, to produce the lower Morrow through tubing and the upper Morrow through the casing-tubing annulus.
- CASE 4724: Southeastern New Mexico nomenclature case calling for an order for the creation, extension, abolishment and contraction of certain pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.

Case No. 4724 continued - (1)

TOWNSHIP 28 SOUTH, RANGE 37 EAST, NMPM SECTION 2: All SECTION 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 16 SECTION 4: Lots 1, 3, 4, 5, 6, 8, 11, 12, 13, 14, and 15 SECTION 11: E/2 and NW/4 SECTION 12: All SECTION 13: All SECTION 14: E/2 SECTION 24: All SECTION 30: NW/4

(j) Contract the Baglay-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

(K) Contract the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM SECTION 33: SE/4 SECTION 34: W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 3: NE/4

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM SECTION 33: M/2 and SE/4

SECTION 33: M/2 and SE/4 SECTION 34: W/2 and SE/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM SHCELOR 3: 58/4 SECTION 4: N/2

SECTION 5: W/2 and SW/4 SECTION 10: NE/4

(1) Gontract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SCUTE, RANGE 33 EAST, NMPM SECTION 34: H/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 BAST, NAPM SECTION 3: 8/2 SW/4

SECTION 4: 8/2 SECTION 5: 8/2

Case No. 4724 continued from page 4

(f) Abolish the Sand Tank-Queen Pool in Eddy County, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM SECTION 7: NE/4 SE/4

- (g) Extend the vertical limits of the Loco Hills Grayburg-San Andres Pool in Eddy County. New Mexico, to include the Queen formation and redesignate said pool to Loco Hills Queen Grayburg-San Andres Pool.
- (h) Abolish the Terry-Blinebry Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM SECTION 32: SE/4 SECTION 33: S/2 and NE/4 SECTION 34: S/2 and NW/4 SECTION 35: S/2 SECTION 36: W/2 TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM SECTION 1: Lots 4, 5, 9, 10, 11, 12, 13, 14, 15, 16, and S/2 SECTION 2: All

SECTION 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 16

SECTION 4: Lots 1, 3, 4, 5, 6, 8, 11, 12, 13, 14, and 15
SECTION 11: E/2 and NW/4

SECTION 12: All SECTION 13: A11 SECTION 14: E/2 SECTION 24: All

(i) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 20 SOUTH, RANGE 38 RAST, NMPM SECTION 32: SE/4 SECTION 33: S/2 and NE/4

SECTION 34: S/2 and NW/4

SECTION 35: S/2 SECTION 36: W/2

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM SECTION 25: NE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM SECTION 1: Lots 4, 5, 9, 10, 11, 12, 13, 14, 15, 16, and 5/2

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Case No. 4724 continued

(u) Extend the Garrett-Drinkard Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM SECTION 28: NE/4

(v) Extend the Jennings-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM SECTION 4: NE/4

(w) Extend the Round Tank-Queen Pool in Chaves County, New Mexico, to include therein:

> TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM SECTION 24: SE/4

(x) Extend the West Sgwyer-San Andres Fool in Lea County, New Mexico, to include therein:

> TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM SECTION 27: SE/4

(y) Extend the Townsend-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

SECTION 9: W/2 and SE/4 SECTION 10: S/2

SECTION 15: E/2

(z) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

SECTION 21: SE/4

SECTION 22: SW/4

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM SECTION 19: NE/4

(aa) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 25 SOUTH, RANGE 24 EAST, NMPM SECTION 35: W/2

(bb) Extend the Osudo-Devonian Gas Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM SECTION 31: E/2

Case No. 4724 continued

(m) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM SECTION 34: N/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM SECTION 3: S/2 SW/4

(n) Extend the Allison-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM SECTION 11: SW/4

(o) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM SECTION 11: All

(p) Extend the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 9: All

(q) Extend the Chambers-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM SECTION 35: SW/4

(r) Extend the Dollarhide-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM SECTION 30: SW/4

(s) Extend the Dollarhide-Ellenburgar Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, PMPM SECTION 31: E/2

(t) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM SECTION 1: NW/4 NE/4

SECTION 12: E/2 NW/4

Case 4725 continued from page 9

(d) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Paradox production, designated as the Cone-Paradox Oil Fool and described as:

> TOWNSHIP 31 NORTH, RANGE 18 WEST, NMPM SECTION 22: SE/4

(e) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Mesaverde production, designated as the Crouch Mesa-Mesaverde Pool and described as:

> TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM SECTION 5: W/2 SECTION 6: N/2

> TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

(f) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Cuervo-Mesaverde Oil Pool and described as:

SECTION 31: SW/4

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM SECTION 28: NE/4

(g) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Devils Fork-Mesaverde Oil Pool and described as:

> TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM Section 16: SW/4

(h) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production, designated as the Dufers Point-Dakota Oil Pool and described as:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM

Section 17: E/2 Section 19: N/2 & SW/4

Section 20: N/2

(i) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production, designated as the Escrito-Dakota Oil Pool and described as:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 1: W/2 Section 2: N/2

Section 12: W/2

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM Section 35: SW/4

CASE 4725: Northwest New Mexico nomenclature case calling for an order for the creation, extension and contraction of certain pools in San Juan and Rio Arriba Counties, New Mexico.

> (a) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Farmington production, designated as the Alamo-Farmington Oil Pool and described as:

> > TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

SECTION 4: S/2 SECTION 9: NE/4 SECTION 10: W/2

SECTION 15: NW/4 & SW/4 NE/4

(b) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Amarillo-Gallup Oil Pool and described as:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM

SECTION 33: SE/4 SE/4

SECTION 34: SW/4 & SE/4 NW/4

(c) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the Blanco-Fruitland Pool and described as:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM SECTION 2: W/2

SECTION 3: N/2

SECTION 4: NE/4

SECTION 11: NW/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NAPM

SECTION 29: S/2

SECTION 30: S/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

SECTION 8: N/2 & SE/4

SECTION 9: S/2

SECTION 16: E/2

SECTION 21: E/2

SECTION 25: S/2 SECTION 26: S/2

SECTION 27: S/2

SECTION 28: E/2

SECTION 33: N/2 & SE/4

SECTION 34: All

SECTION 35: W/2

Case No. 4725 continued from page 11

(o) Create a new pool in San Juan and Rio Arriba Counties, New Mexico, classified as a gas pool for Chacra production, designated as the Largo-Chacra Pool and described as:

TOWNSHIP 27 NORTH, RANGE / WEST, NMPM SECTION 19: S/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

SECTION 23: S/2 SECTION 24: S/2 SECTION 26: W/2 SECTION 35: NW/4

(p) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production, designated as the Lindrith-Gallup Pool and described as:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM SECTION 20: A11 SECTION 21: A11 SECTION 28: A11 SECTION 29: A11

(q) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Meadows-Gallup 0il Pool and described as:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM SECTION 33: S/2 & SW/4 NW/4 SECTION 34: SW/4

(4) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Mesaverde production, designated as the Nenahnezad-Mesaverde Oil Pool and described as:

TOWNSHIP 29 NORTH, RANGE 15 WEST, NMPM SECTION 10: SW/4

(s) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Dakota production, designated as the Ojito-Dakota Oil Pool and described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM SECTION 17: SW/4
SECTION 18: SE/4
SECTION 19: NE/4

(t) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the North Pinon-Gallup Pool and described as:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM SECTION 28: SW/4

Examiner Hearing - May 17, 1972

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-11-

Case 4725 continued from page 10

(j) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Gallup production, designated as the Flora Vista-Gallup Pool and described as:

TOWNSHIP 30 NORTH, RANGE 1.2 WEST, NMPM

SECTION 2: SW/4

SECTION 3: N/2 & SE/4 SECTION 4: N/2

(k) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Mesaverde production, designated as the Gonzales Mesa-Mesaverde Pool and described as:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

SECTION 5: W/2 SECTION 6: All SECTION 7: NE/4 SECTION 8: All

(1) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production, designated as the Harris Mesa-Chacra Pool and described as:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

SECTION 26: SW/4 SECTION 27: S/2 SECTION 28: S/2

SECTION 29: E/2

(m) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated as the Huerfano-Pictured Cliffs Pool and described as:

TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM

SECTION 1: NE/4

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM

SECTION 19: S/2

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

SECTION 24: SE/4 SECTION 25: E/2

SECTION 36: E/2

(n) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Jewett Valley-Gallup Oil Pool and described as:

TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM SECTION 3: W/2 & SE/4

Examiner Hearing - May 17, 1972

Case No. 4725 continued from page 12

(u) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, designated as the Pump Mesa-Fruitland Pool and described as:

TOWNSHIP 32 NORTH, RANGE 8 MEST, NORTH SECTION 32: SW/4

(v) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated as the Twin Mounds-Pictured Cliffs Pool and described as:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM SECTION 31: SE/4 SECTION 32: S/2 SECTION 33: S/2

(w) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Dakota production, designated as the Wild Horse-Dakota Oil Pool and described as:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM SECTION 26: NW/4 NW/4 SECTION 27: N/2 & NW/4 SW/4

(x) Contract the Gavilan-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM SECTION 23: SE/4

(y) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Pictured Cliffs production, designated as the Sleeper-Pictured Cliffs Oil Pool and described as:

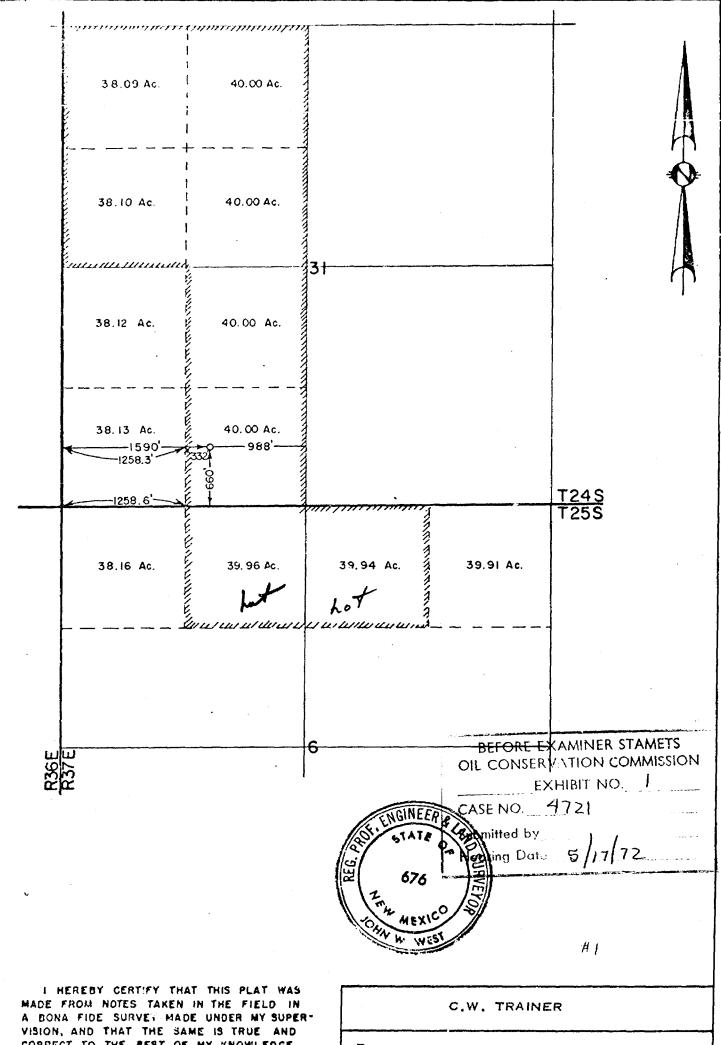
TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM SECTION 23: S/2 SECTION 26: NE/4

(z) Extend the Tapacito-Gallup Associated Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

SECTION 19: S/2 SECTION 20: SW/4 SECTION 29: NW/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM SECTION 24: S/2



A BONA FIDE SURVEY MADE UNDER MY SUPER-VISION, AND THAT THE SAME IS TRUE AND CORPECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

> JOHN W. WEST, N.M. P.E. & L.S. NO.678 TEXAS R.P.S. NO. 1138

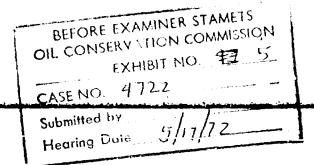
PLAT SHOWING ACERAGE FOR NON-STANDARD GAS UNIT FOR SHERRELL NO. 1 TO BE USED IN CASE NO. 4630 DECEMBER 1, 1971, NEW MEXICO OIL

CONVERSATION COMMISSION

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOURS, NEW MEXICO

Scale 1"=1000' Drawn by M.C.T.

Date November 29, 1971 See 1 of 1 Sheets



NAME AND ADDRESS	INTEREST
Edwin M. Bedford 767 Orange Grove No. 4 Pasadena, California 91105	.0003125 RI 🗸
Henry D. Bedford 1312 North Richardson Avenue Roswell, New Mexico 88201	.0003125 RI
Rachel Bedford Bowen P. O. Box 572 San Clemente, California 92672	.0003125 RI
J. M. Richardson Lyeth, Jr. and Munro Longyear Lyeth c/o First National Bank of Denver Attn: Mr. Robert J. Sullivan, V.P.	.0070313 RI 🗸
Box 5808, T. A. Denver, Colorado 80202	
Onez Norman Rooney 2915 National Bank Tower Oklahoma City, Oklahoma 73102	.0070312 RI
Ellen Anne Wallace Williams 1840 Sherer Lane Glendale, California 91208	.0003125 RIV
North Central Oil Corporation 1300 Main Street Suite 1000 Houston, Texas 77002	.0039063 RI 🗸
Fluor Corporation, Ltd. Oil and Gas Division 615 Midland Tower Building Midland, Texas 79701 O. W. Skirvin P. O. Box 1872	.0078125 RI 🗸
Midland, Texas 79701 O. W. Skirvin P. O. Box 1872 Oklahoma City, Oklahoma 73101	.0021701 RIV
Roger B. Owings 1617 Commerce Building Fort Worth, Texas 76102	.0039063 RI

NAME AND ADDRESS	INTEREST
Odella N. Clark 308 N. E. 14 Street Oklahoma City, Oklahoma 73104	.0012152 RI V
Wachovia Bank and Trust Co. Wilmington, North Carolina 28402	.0021701 RI
Jessie B. Crump P. O. Box 713 Midland, Texas	.0048828 RI/
Joe and Jessie Crump Fund c/o Fort Worth National Bank Trust Department - Account 2312 P. O. Box 2050 Fort Worth, Texas 76101	.0048828 RI /
Charles Francis Bedford 7 Westover Road Fort Worth, Texas 76107	.0003125 RI ~
Richard J. Shaughnessy, Administrator with Will Annexed of the Estate of Julie Underwood Erickson 7425 South Jamestown Tulsa, Oklahoma 74135	.0003617 RI V
Ritts Royalty Company 1701 National Bank of Tulsa Bldg. Tulsa, Oklahoma 74103	.0023149 RI
Elinor Underwood Shaughnessy and and Irvin Hood Ancillary Co-Executors of Marion Taylor Underwood Estate 2727 East 57 Street Tulsa, Oklahoma (SUSPENSE)	.0010850 RI 🗸
THIS TRANSCRIPT TO MY USE COURSE ON SKELLY OIL COMPANIENT OF COURSE ON SKELY.	.0097656 RI ✓

NAME AND ADDRESS	INTEREST
Georgia A. Stieren, Independent Executrix of the Estate of Jack Stieren, deceased 302 Belvidere Drive San Antonio, Texas 78212	.0001627 RI
Mrs. Nora Walker 302 Uvalde Street Lubbock, Texas 79415	.0000056 RI
Nancy Elizabeth Penson 4466 First National Bank Bldg. Dallas, Texas 75202	.0114612 RI
Devisees of George Pfouts (NO ADDRESS - SUSPENSE)	.0000056 RI
Archie D. Smith & Clarabelle Beals Smith as Joint Tenants with Right of Survivorship 3144 South Madison Avenue Tulsa, Oklahoma 74105	.0023149 RI 🗸
George D. Key, Jr. 19410 Pinetree Drive Juniper, Florida 33458	.0059593 RI
James Marcus Key 1024 Jefferson NE Albuquerque, New Mexico 87110	.0058594 RI
Atlantic Richfield Company P. O. Box 354 Dallas, Texas 75221	.0101273 RI
Royalty Roundup Inc. P. O. Box 5615 Midland, Texas 79701	.000 03 02 RI
Helen K. Graves 3512 Cornell Dallas, Texas 75205	.0000351 RI

NAME AND ADDRESS	INTERES'	<u>T</u>
First National Bank in Dallas Trustee, Account #08088 P. O. Box 6031	.0000350	RI
Dallas, Texas 75222		
First National Bank in Dallas, Successor Guardian of Estate of Dena Ida Koenig (incompetent) P. O. Box 6031 Dallas, Texas 75222	.0000701 1	RI
Marion McNair Heard (SUSPENSE) P. O. Box 2009 Pittsburgh, Pennsylvania	.0003617 1	RI
Elinor Campbell Shaughnessy (SUSPENSE) 7425 South Jamestown Tulsa, Oklahoma 74135	.0003617 F	RI
Elizabeth Bearly Dudley 6400 NW Grand Blvd. Oklahoma City, Oklahoma 73116	.0002387 F	RI
Judd Moore 2211 North Marion Tulsa, Oklahoma	.0002387 F	EI.
James H. Bearly, Col. USAF Ret. 1805 West Country Club Road Roswell, New Mexico 88201	.0002387 F	ΣI
The First National Bank & Trust Company, Oklahoma City, Trustee U/W of Ione Bearly Atkins P. O. Box 25189 Oklahoma City, Oklahoma 73125	.0002388 R	ΙI
Getty Oil Company c/o Treasury Department P. O. Box 1404 Houston, Texas 77001 RECORD TITLE THIS TRANSCRIP SO AT HIS OW	.0078125 R	lI
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PAGE 5

LEASE NO. 15021 - J. W. SHERRELL - LEA COUNTY, NEW MEXICO

NAME AND ADDRESS

INTEREST

Skelly Oil Company
P. O. Box 1650
Tulsa, Oklahoma 74102

.0156250 RI PLUS .8750000 WI

TOTAL 1.0000000

THE THE PROPERTY OF SECURITY O

10/14/71

DIVISION OF INTEREST

MARTIN "A" AND MARTIN "B" LEASES Lea County, New Mexico April 1, 1969

Interest Owner/Address	Martin "A" Decimal Int.	Martin "B" Decimal Int
ROYALTY INTE	مطالعتها الأصنجيرات	00202110
Leonard C. Alston 25565 San Bernardino Ave.	.00282118	.00282118
San Bernardino, California 92408		
Wanda Archer	.00195313	.00195312
226 N. Meyer St.		
San Fernando, California 91340		
William Fisher Arledge, Jr.	.00002893	.00002893
1732 Acorn Lane		
Hurst, Texas 76053	•	
Hurst, Texas 10055		
J. W. Barnes	.00013021	.00013021
P. O. Box 2148		
Waco, Texas 76703		
Cities Service Oil Company	.03125000	.03125000
Attn: Assistant Treasurer	.03123000	.03123000
Cities Service Building		•
Bartlesville, Oklahoma 74003		
Jo Beth Arledge Clifton	.00002893	.00002893
3217 Oak Forest Court		
San Angelo, Texas 76901 .		
XXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXX
IXXXXXXXXX		
NA NIXONA W W. NOW W.		-
Boyce Rush Davis	.00260417	.00520833
P. O. Box 16		
Lake Hamilton, Arkansas 71951		
CXCXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	**************************************	***********
IXXXXXXXXXXXX		
NA STANKE AND A ST		
First National Bank of Ft. Worth,	.00130209	.00130209
Executor & Trustee U/W/O		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Eusebia S. Stonestreet, Dec'd.		
P. O. Box 2260	1 % 	
Ft. Worth, Texas 76101	•	
Account No. 03-587		
Coxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	XXXXXXXXX	
T XVXXXXXXXX		
		•
Pagaia P. Galar	.00282118	.00282118
Bessie R. Galaz 25902 Back 9th Street AME CARRY	. 00000110	* 00505110
	•	
San Bernardino, California 93410 S. M. M. M. M. C. J. C. J.		
Aldride to the transfer of the		
Control of which is the state of the	eny .	

Interest Owner/Address	Martin "A" Decimal Int.	Martin "B" Decimal Int.
Rosabelle B. Gernsbacher Holling, 5314-A Byers Avenue 1997, 2011. Ft. Worth, Texas 76107 Ending your, 1814-	.00013021 76611	.00013021
(2) Martha Watkins Harris 326 East Main St. Henderson, Texas 75652	.00108507	.00108507
Estate of G. E. Hubbard, Dec'd. c/o Ray E. Hubbard 1302 Kirby Building 1509 Main Street Dallas, Texas 75201	.01041667	.02083333
Ray E. Hubbard 1302 Kirby Building 1509 Main Street Dallas, Texas 75201	.01041667	.02083334
Myrtle E. Lamons 4255 N. Penn Mar Ave. El Monte, California 91732	.00282118	.00282118
Benjamin Largent 518 Shadywood Houston, Texas 77027	.00013021	.00013021
(3) Estate of Raymond Largent, Dec'd. 101 N. Graves McKinney, Texas 75069	.00013021	.00013021
W. W. Lechner 1303 Kirby Building 1509 Main Street Dallas, Texas 75201	.01041667	.02083333
(Mrs.) Frankie K. Martin 1716 Sheffield Road Oklahoma City, Oklahoma 73120	.00416667	.00416667
Granville Martin P. O. Box 265 And C. M. Sox 362 Buchanan Pam, Texas 78609 A 201 BRAUN	.00416667 Cles, Tangs 78130	.00416667
Ira H. Martin 304 North Main Route 3 Muleshoe, Texas 79347 BURNET, TEXAS 78611	.00416667	.00416667
Otto Martin 517 South 11th Street Chickasha, Oklahoma 73018	.00416667	.00416667
Raymond R. Martin P. O. Box 233 Jal, New Mexico 88252	.00416667	.00416667
Rose Wood Arledge Metler 3701 Haynie Dallas, Texas 75205	.00002893	.00002893

Interest Owner/Address	Martin "A" Decimal Int.	Martin "B" Decimal Int.
(4) Ely W. Morton P. O. Box 624 / Texas 75160 Pollins ville Tixas	.00026042 //,232	.00026042
(2)(Mrs.) Clyde W. Miller 222 S. Justin Dallas, Texas 75211	.00108507	.00108507
North Central Oil Corp. 1300 Main St., Suite 1000 Houston, Texas 77002	.00520833	. 00520833
Roger B. Owings 1617 Commerce Building Ft. Worth, Texas 76102	.00520833	.00520833
Lulu Snively Rush 1107 Kirby Building 1509 Main Street Dallas, Texas 75201	.00520833	.01041667
ZUNKKKKKKKKKK KUKKKKKK KKKKKKKKKKKKKKKKK	XXXXXXX	*****
(3) Janet/Sherley 60636 Anna, Texas 75003	.00013021	.00013021
	`	
<u>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</u>		*****
XXXXXXXXXXX		.00130208
Scope Industries 4250 Wilshire Boulevard		
Scope Industries 4250 Wilshire Boulevard Los Angeles, California 90005 Catherine L. Verschoyle -104-Arvin-Drive Research Lane	.00130208	.00130208
Scope Industries 4250 Wilshire Boulevard Los Angeles, California 90005 Catherine L. Verschoyle -104-Arvin-Drive San Antonio, Texas 78209 (2) Myrtis Dean Watkins 322 East Main Street	.00130208	.00130208
Scope Industries 4250 Wilshire Boulevard Los Angeles, California 90005 Catherine L. Verschoyle -104-Arvin-Drive San Antonio, Texas 78209 (2) Myrtis Dean Watkins 322 East Main Street Henderson, Texas 75652 (Mrs.) Florence Lea Weaver 1306 W. Virginia Street	.00130208	.00130208

Interest Owner/Address	Martin "A" Decimal Int.	Martin "B" Decimal Int.
Elizabeth Woolworth	.00434028	. 00434028
403 West Avenue D		
San Angelo, Texas 76901		
May Woolworth	.00542535	.00542535
403 West Avenue D		•
San Angelo, Texas 76901		
	XXXXXXXXXXX	* * * * * * * * * * * * * * * * * * *
· XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
**********		X
TOTAL ROYALTY INTEREST	.14062500	.18229166
WORKING INTE	REST	
Continental Illinois National Bank and Trust Company of Chicago c/o James A. Lewis Engineering, Inc.	.85937500	.81770834
1700 Fidelity Union Tower Dallas, Texas 75201		
TOTAL COMBINED INTERESTS	1.0000000	1.00000000

- (1) Devisees under the Will of John Scharbauer, Dec'd. and the subsequent devisees under the Wills of Walter C. Scharbauer, Dec'd. and Mina Folk, Dec'd. Probate proceedings on each such estate is currently being examined and the interests shown hereon are subject to change in accordance with the results determined thereunder.
- (2) Devisces under the Will of Claudia W. Watkins, Dec'd. Probate proceedings have been ordered for examination and each interest hereunder is subject to change in accordance with distribution thereunder.
- (3) Devisees under the Wills of R. A. Largent, Dec'd. and Vivian Largent, Dec'd. Probate proceedings on the Estates of R. A. Largent, Dec'd., Vivian Largent, Dec'd. and Raymond Largent, Dec'd. have been ordered for examination and each interest hereunder is subject to change in accordance with each such distribution determined upon completion of these examinations.
- (4) Son and only child of Cordelia Dowel' Dec'd. It is presumed that this interest can be legally established either through probate proceedings, if taken, or by Heirship Amdavits. Efforts are currently being made to obtain the necessary documentation and the interest herein is subject to the final results determined thereunder.

Walter C. Snyder and Arnold P. Scharbauer, Trustees P. O. Box 194 Midland, Texas 79701 .00911461

.00911461

and .

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF C. W. TRAINER FOR A NON-STANDARD GAS UNIT,

LEA COUNTY, NEW MEXICO.

CASE No. 4721

Order No. R-43/9

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 17 , 19^2 , at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of May, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations 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, C. W. Trainer, seeks approval of a 316.09-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, NMPM, undesignated Fusselman and Devonian gas pools, to be dedicated to his Sherrell Well No. 1 located 660 feet from the South line and 1590 feet from the West line of said Section 31.
- (3) Flast by Order No. R-4231 the Commission approved an identical 316.09- sere non disabled gas specing cereit to be dedicated to a well to be drilled by the applicant 660 feel from the bouth line and 15-90 feel from the bouth line and 15-90 feel from the bouth line and 15-90 feel from the West line of lection 31, Township 24 bouth. Rong. 31 East NM PM Cereter-Ellenburger Hos Poul, said well being the subject of this deplication.

-2-CASE NO. 4721 Order No. R-

That the entire non-standard proration unit may reasonably be presumed productive of gas from the undesignated Fusselman and Devonian gas pools and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

the applicant the opportunity to produce his just and equitable share of the gas in the undesignated Fusselman and Devonian gas pools, 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 a 316.09-acre non-standard gas proration unit

 in the undesignated Fusselman and Devenian gas pools comprising

 Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range

 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range

 for the Tusselman and Devenian formations,

 37 East, NMPM, Lea County, New Mexico, is hereby established

 and dedicated to his Sherrell Well No. 1, located 660 feet from

 the South line and 1590 feet from the West line of said Section

 31.
- (2) 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 hereinabove designated.



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)

C. W. TRAINER FOR A NON-STANDARD)

GAS WELL LOCATION AND NON-STANDARD)

Case No. 4721

GAS SPACING UNIT, UNDESIGNATED)

FUSSELMAN AND DEVONIAN GAS POOLS,)

LEA COUNTY, NEW MEXICO.)

APPLICATION

COMES C. W. TRAINER, by his attorney, and in support hereof, respectfully states:

1. That applicant is the operator of the Fusselman and Devonian formations underlying the following lands in Lea County, New Mexico, to-wit:

Township 24 South, Range 37 East, N.M.P.M.

Section 31: Lots 1 and 2, E/2 W/2

Township 25 South, Range 37 East, N.M.P.M.

Section 6: Lots 2 and 3

containing 316.9 acres, more or less; and proposes to drill his Sherrell No. 1 Well to said formations at a location 660 feet from the South line and 1,590 feet from the West line of said Section 31, and to dedicate the above described 316.9 acres for said well.

- 2. Applicant seeks an exception to Rule 104 of the Oil Conservation Commission of New Mexico (the "Commission") to permit the drilling of the proposed well to test the Fusselman and Devonian formations at the said unorthodox location and to dedicate the above described land as the spacing unit for the well.
 - 3. The unorthodox shape of the proposed non-standard

gas spacing unit is due to the configuration of the leases held by applicant.

- 4. The non-standard gas spacing unit comprising the above described lands can be efficiently and economically drained by a well location 660 feet from the South line and 1,590 feet from the West line of said Section 31.
- 5. The approval of this application will afford applicant the opportunity to produce his just and equitable share of gas in the undesignated Fusselman and Devonian gas pools and will prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing, the Commission enter its order granting to applicant authority to drill the proposed well to the Fusselman and Devonian formations at a non-standard location 660 feet from the South line and 1,590 feet from the West line of said Section 31, and establishing Lots 1 and 2, E/2 W/2, Section 31, Township 24 South, Range 37 East, and Lots 2 and 3, Section 6, Township 25 South, Range 37 East, N.M.P.M. as a non-standard gas spacing unit for said well.
- C. And for such other relief as may be just in the premises.

C. W. TRAINER

Losee & Carson

P. O. Drawer 239 Artesia, New Mexico 88210

Attorneys for Applicant

LAW OFFICES
E & CAF

A.J. LOSEE JOEL M. CARSON LOSEE & CARSON

300 AMERICAN HOME BUILDING P. O. DRAWER 239

ARTESIA, NEW MEXICO BOLO

9 May 1972 OH CON

AREA CODE 505

M

Mr. A. L. Porter, Jr. Secretary-Director Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Applications of C. W. Trainer for Non-Standard Gas Unit and for Compulsory Pooling, Lea County, New Mexico, Case Nos. 4721 and 4722

Dear Mr. Porter:

Enclosed, you will please find three copies of each of the subject applications.

We understand that they have been set for hearing before an examiner on May 17, 1972.

Very truly yours,

LOSEE & CARSON

A J Losee

AJL:jw Enclosures

cc: Mr. C. W. Trainer w/enclosures

Mr. Marvin C. Gross w/enclosures

Inche Marked 5/5/12

= Jerry Lossee -

- Force Pooling -

C. W. Frainer
Penn. danu to Et through
Ellenburger - fla =

R-4231

316.9 acres -Lots 1, 2, E/2W/2 Lev 31 T. 245 R 37E and Lots 2, 3 Lev 6 T 255 - 37E

Well-CW Fraince Sherrell #1 660 FSL 1590 FWL of 31

- Custer Ellenburger Has Poar :

wildest 2 Devonion =