

— LOCATION,
SHERES COUNTY, NEW MEXICO

DOCKET MAILED

~~DATE 9/6/83~~

CASE NO.

7654

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

18 August 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Raul's Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico.

CASE
7654

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
117 No. Guadalupe
Santa Fe, New Mexico 87501

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I N D E X

GEORGE REDDY

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Nutter

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E X H I B I T S

Applicant Exhibit One, Map

4

Applicant Exhibit Two, Log

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Applicant Exhibit Three, Log

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MR. NUTTER Call Case Number 7654.

MR. PEARCE: That is on the application of Rault Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico.

MR. NUTTER: Proceed, Mr. Kellahin.

MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant and I have one witness.

(Witness sworn.)

GEORGE REDDY

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name and occupation?

A My name is George Reddy. I'm a consultant geologist from Roswell.

Q Mr. Reddy, have you previously testified before the Division as a geologist?

A Yes.

1
2 MR. NUTTER: How do you spell your last
3 name, please?

4 A R-E-D-D-Y.

5 MR. NUTTER: Just like Reddy Kilowatt,
6 huh?

7 A Yes, sir.

8 Q Mr. Reddy, have you been retained by
9 Rault Petroleum Corporation as a geologist to present expert
10 testimony in the case today?

11 A Yes, I have.

12 Q And have you made a study of the facts
13 surrounding this particular application?

14 A Yes.

15 MR. KELLAHIN: We tender Mr. Reddy as an
16 expert petroleum geologist.

17 MR. NUTTER: Mr. Reddy is qualified.

18 Q Mr. Reddy, let me direct your attention
19 to what we have marked as Exhibit Number One, have you identi-
20 fy for us the location of the subject well and describe for
21 us what you're seeking to accomplish.

22 A The subject well is the Rault Petroleum
23 Corporation Hanlad State No. 1, located in the southwest quart-
24 er of Section 13, of Township 8 South, Range 27 East, in
25 northeastern Chaves County.

1
2 This completion map depicts the producing
3 formations in wells near the subject well. The subject --

4 Q The subject well is at what footage
5 location, Mr. Reday?

6 A It's located 660 feet from the south and
7 west lines of Section 13.

8 Q This well was originally drilled as what
9 type of test?

10 A It was proposed as an Abo test and per-
11 mitted to 5500 feet.

12 Q All right, sir, and what happened when
13 you penetrated the Abo?

14 A We have another exhibit here.

15 Q All right, let's go to Exhibit Two,
16 then, and have you identify that for me.

17 A All right, this is a portion of the log
18 for that well that shows the entire Abo section that was
19 drilled. We drilled to approximately 5500 feet and logged
20 at that time. The objective zone was that that is highlighted
21 in red at 5260 to 5300 feet, referred to as the McConkey zone.
22 It's the zone which produces from the nearest Abo production
23 to the southwest.

24 We found only four feet of sand and it
25 had only about 7 percent porosity and was considered non-com-

mercials.

Q What decision then was made at that time, Mr. Roth?

A Well, we found at that time that we were in a favorable structural position with respect to the regional structure in the area and we also noted that the section down to this point was thinning with respect to wells, control wells, both to the north and to the south.

For this reason we made application for and received permission to drill deeper to test the possibility of structural closure in the Montoya formation.

Q All right, sir, let's then turn to your Exhibit Number Three and have you describe what happened in the Montoya.

A We drilled to 6800 feet after encountering Montoya dolomites at 6620, and because of poor hole conditions did not run drill stem tests but in the -- due to the fact that we did have shows by mud log instruments in the Montoya, we ran casing to 6776 and tested the Montoya formation through the pipe. We recovered salt water, set a cast iron bridge plug at 6500 feet, and perforated the basal Pennsylvanian clastic section from 6327 to 6411, acidized, and fraced that zone, and completed it as a gas well on July the 9th of this year.

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Q All right, sir, then what happened?

A Well, that was -- that was the completion of the well at that point.

Q All right, sir, you completed, then, in the Pennsylvanian.

A That's right.

Q What is the proration unit you would propose to assign to the well?

A The south half of Section 13.

Q All right, sir. Were Exhibits One, Two, and Three prepared or compiled under your direction and supervision, Mr. Reddy?

A Yes, they were.

Q In your opinion, Mr. Reddy, will approval of this application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A Yes.

MR. KELLAHIN: That concludes our examination of Mr. Reddy. We move the introduction of Exhibits One, Two, and Three.

MR. NUTTER: Exhibits One through Three will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q In other words, Mr. Reddy, you drilled an Abo well originally; it was dry in the Abo; so you decided to go down, test the Montoya; recovered only salt water in the Montoya; plugged it back to the Pennsylvanian, and perforated, I believe, at 6327 to 6411.

A Yes.

Q And you had a calculated absolute open flow in the Pennsylvanian of 2,628,000.

A That's correct.

Q As a salvage operation.

A Yes, sir.

Q Pretty good salvage.

MR. NUTTER: Are there any further --

Q And as a result of being staked at a standard location originally for Abo, it became non-standard when you completed in the Pennsylvanian.

A That's correct.

Q And you do own all the acreage in the south half and will dedicate that?

A Yes.

Q Okay.

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MR. NUTTER: Are there any further questions of Mr. Reddy? He may be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 7654?

We'll take the case under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7654 heard by me on 8/18 1982.
[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 433-7409



STATE OF NEW MEXICO

August 24, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
808 927-8434

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 7654
ORDER NO. ~~R-7865~~

Applicant:

Rault Petroleum Corporation

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

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

Other _____

51

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. 7654
Order No. R-7065

APPLICATION OF RAULT PETROLEUM
CORPORATION FOR AN UNORTHODOX GAS
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 18, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 24th day of August, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Rault Petroleum Corporation, seeks approval of an unorthodox Pennsylvanian gas well location 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 7 East, NMPM, Chaves County, New Mexico.

(3) That said well was originally projected to the Abo formation at a standard location, but on being non-productive in said formation, was deepened to the Pennsylvanian formation, wherein commercial production was encountered.

(4) That the S/2 of said Section 13 is to be dedicated to the well.

(5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 7654
Order No. R-7065

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

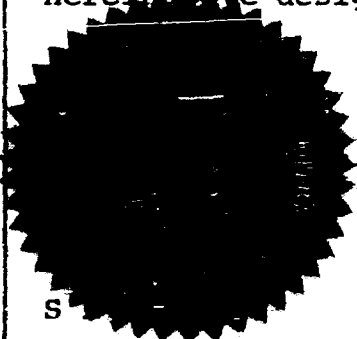
IT IS THEREFORE ORDERED:

(1) That the application of Rault Petroleum Corporation for an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well located at a point 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, NMPM, Chaves County, New Mexico.

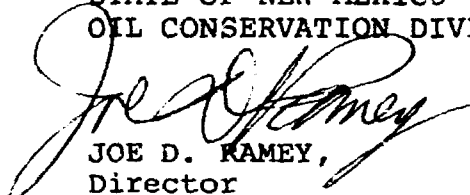
(2) That the S/2 of said Section 13 shall be dedicated to the above-described well.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

Dockets Nos. 27-82 and 28-82 are tentatively set for September 1 and September 15, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1982

9 A.M. - OIL CONSERVATION DIVISION - MORGAN HALL,
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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for September, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7635:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7636:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7637:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7638:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, Mid-Continent Casualty Company, and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit M, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21-North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7639:** Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo, Drinkard and Blinebry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.
- CASE 7640:** Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through and including the Abo formation in and under the NE/4 NE/4 of Section 12, Township 20 South, Range 37 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7641:** Application of Reading & Bates Petroleum Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Devonian formation underlying the NW/4 SE/4 of Section 33, Township 14 South, Range 38 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7642:** Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 7643:** Application of Texaco, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the W/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7650:** Application of Texaco Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the E/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7644:** Application of Rault Petroleum Corporation & McKay Petroleum Corporation for compulsory pooling, De Baca County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 of Section 33, Township 3 South, Range 25 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7645:** Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to the base of the Abo formation underlying the NE/4 of Section 29, Township 7 South, Range 26 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7652:** Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entering said well.
- CASE 7646:** Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well to be drilled 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, the N/2 of said Section 25 to be dedicated to the well.
- CASE 7651:** Application of Nortex Gas & Oil Company for the amendment of Order No. R-6503, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.
- CASE 7647:** Application of Guest Energy Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open hole interval from 4150 feet to 5600 feet in its State A Well No. 2, located in Unit L of Section 26, Township 14 South, Range 33 East.
- CASE 7653:** Application of Rio Pecos Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Chaverlea-North Federal Unit Area, comprising 1,920 acres, more or less, of Federal and Fee lands in Township 8 South, Range 31 East.
- CASE 7648:** Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation, underlying the W/2 of Section 35, Township 18 South, Range 24 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7654: Application of Raut Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for an undesignated Pennsylvanian gas well to be drilled 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7306: (Reopened)

In the matter of Case 7306 being reopened pursuant to the provisions of Order No. R-6769 which promulgated temporary pool rules for Madera-Lower Penn Gas Pool in Lea County, including provision for 640-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 7655: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASES 7528 and 7529: (Continued from July 7, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case 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, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7594: (Continued from July 21, 1982, Examiner Hearing)

Application of Harvey E. Yates Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in that portion of the Bone Spring formation described as the Carbonate unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lands underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.

KELLAHIN AND KELLAHIN

Attorneys at Law

El Patio, 117 Guadalupe

Post Office Box 1769

Santa Fe, New Mexico 87501

Telephone (505) 982-4285

Jason Kellahin

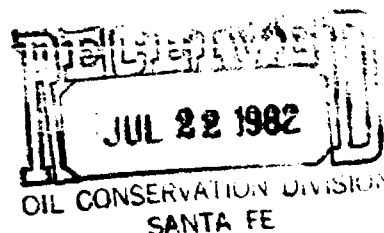
W. Thomas Kellahin

Karen Ambrey

James E. Grant

July 20, 1982

Mr. Joe D. Ramey
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501



Re: Rault Petroleum Corporation

Dear Mr. Ramey:

Please set the enclosed application for an unorthodox well location for hearing on August 18, 1982.

Very truly yours,

W. Thomas Kellahin

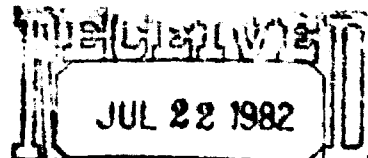
W. Thomas Kellahin

WTK:rb

Enclosure

cc: Mr. Jim Vidrine

Case 7654



STATE OF NEW MEXICO

OIL CONSERVATION DIVISION
SANTA FE

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
RAULT PETROLEUM CORPORATION, FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, CHAVES COUNTY, NEW MEXICO

CASE 7654

A P P L I C A T I O N

COMES NOW RAULT PETROLEUM CORPORATION by and through its attorneys, Kellahin & Kellahin and applies to the Oil Conservation Division of New Mexico for approval of an unorthodox well location for an undesignated Pennsylvanian well, Chaves County, New Mexico to-wit: 600 feet from the South line and 660 feet from the West line, Section 13, Township 8 South, Range 27 East, NMPM, and in support thereof would show:

1. Applicant is an oil and gas operator with the right to drill and develop the S/2 of said Section 13.
2. Applicant has drilled a well to test the Pennsylvanian formations at an unorthodox well location 660 feet from the South line and 660 feet from the East line of Section 13, T8S, R27E, NMPM.
3. Applicant proposes to dedicate the S/2 of said section to this well.
4. Approval of this application will prevent waste and protect correlative rights.

WHEREOF, Applicant requests that this matter be set for hearing before the Division's Examiner and that after notice and hearing, the application be granted as requested.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin
Post Office Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

ATTORNEYS FOR RAULT PETROLEUM
CORPORATION

CASES

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:

JAR

CASE NO. 7654

Order No. A-7065

APPLICATION OF RAULT PETROLEUM
CORPORATION FOR AN UNORTHODOX GAS
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

Don
W.H.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 18,
1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of August, 1982, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Rault Petroleum Corporation, seeks approval of an unorthodox gas well location 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 7 East, NMPM, ~~to test the Pennsylvanian formation,~~ Pennsylvanian Pool, Chaves County, New Mexico.

(3) That said well was originally projected to the Abo formation at a standard location, but on being non-productive in said formation, was deepened to the Pennsylvanian formation, wherein

(4) That the S/2 of said Section 13 is to be dedicated to the well.

~~(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.~~

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Rault Petroleum Corporation for an unorthodox gas well location for the Pennsylvanian

Commercial production was encountered

formation is hereby approved for a well ~~to be~~ located at a point 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, NMPM, Chaves County, New Mexico.

(2) That the S/2 of said Section 13 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L