

CASE NO.

7688

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

29 September 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico.

CASE
7688

BEFORE: Richard L. Stamets

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:

Ernest L. Padilla, Esq.
P. O. Box 2523
Santa Fe, New Mexico 87501

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I N D E X

JACK AHLEN

Direct Examination by Mr. Padilla

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E X H I B I T S

Applicant Exhibit One, Land Map

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Applicant Exhibit Two, Map

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Applicant Exhibit Three, Map

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Applicant Exhibit Four, Isopach

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Applicant Exhibit Five, Cross Section

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Applicant Exhibit Six, A&B, Letters

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MR. STAMETS: We'll call next Case 7688.

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

MR. PADILLA: Mr. Examiner, Ernest L. Padilla, on behalf of the applicant in this case.

I have one witness to be sworn.

(Witness sworn.)

JACK AHLEN

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

DIRECT EXAMINATION

BY MR. PADILLA:

Q Mr. Ahlen, for the record would you please state your name --

A My name --

Q -- and where you reside?

A My name is Jack Ahlen. I reside in Roswell, New Mexico.

Q Mr. Ahlen, what is your connection with the applicant, Mountain States Petroleum Corporation, in this

1
2 case?

3 A I have been hired by Mountain States Pet-
4 roleum Corporation to present testimony and study the geology
5 of the Buffalo Valley Pool in this vicinity.

6 Q Mr. Ahlen, have you previously testified
7 as a geologist in connection with other cases before the Oil
8 Conservation Division or the Oil Conservation Commission?

9 A Yes, sir, I have.

10 Q Mr. Ahlen, are you familiar with the pur-
11 pose of the case today?

12 A Yes, sir, I am.

13 Q Would you state the purpose of today's
14 case?

15 A The purpose of today's case is to seek
16 permission to drill a well at an unorthodox location in the
17 northeast quarter of Section 19, Township 15 South, Range 28
18 East, to obtain production from the Atoka Morrow formations
19 in the Buffalo Valley Pool.

20 MR. PADILLA: Mr. Examiner, are the wit-
21 ness' qualifications acceptable?

22 MR. STANETS: They are.

23 Q Mr. Ahlen, would you please identify what
24 has been marked as Applicant's Exhibit Number One?

25 A Exhibit Number One is a xeroxed copy of

1 the land map in the vicinity of the proposed well.

2 It shows offset operators in the immediate
3 vicinity as well as ownership in the area, as well as the
4 location of the well, which is proposed at 990 feet from the
5 north and east lines of said Section 19.
6

7 The location is unorthodox because it is
8 in the northeast quarter of the section rather than the north-
9 west quarter of the section.

10 Q Mr. Ahlen, going on to what has been
11 marked as Exhibit Number Two, would you identify that for us,
12 please?

13 A Exhibit Number Two is a structure map on
14 the Atoka marker through the exhibit area. It shows regional
15 structural dip on the Atoka marker through the area. The
16 dip is a relatively smooth dip through the area on the region-
17 al monocline, showing a rate of approximately 150 to 200 feet
18 per mile to the southeast.

19 Q Mr. Ahlen, you have a dashed line running
20 through the area of the proposed location. Could you identify
21 what that dashed line is?

22 A The dashed line is the stratigraphic cross
23 section which has been constructed through the area, which
24 we have marked Exhibit Number Five.

25 Q Okay, Mr. Ahlen, now going to to what has

1
2 been marked as Exhibit Number Three, would you please identi-
3 fy that for us and tell us what it contains?

4 A. This is a structure map on the top of the
5 Mississippian formation. It also shows the configuration of
6 the Mississippian in the immediate vicinity, illustrating a
7 slight difference in -- in the structural configuration at
8 the Mississippian and at the Atoka marker.

9 You'll note that there seems to be a
10 trough running north/south through this map.

11 Q Okay, Mr. Ahlen, go on to what has been
12 marked as Exhibit Number Four and tell us what that is and
13 what it contains?

14 A Exhibit Number Four is a Isopach map be-
15 tween the Atoka marker, which is the first structure map and
16 the Mississippian formation which is the second structure
17 map.

18 It shows an area in Chaves County in the
19 vicinity of the proposed well. The configuration of the
20 sediment between those two marker beds: This is the pro-
21 ductive interval in the lower Pennsylvanian. It shows that
22 the proposed well will be drilled in an area where we expect
23 approximately 425 feet of sediment, primarily shale and
24 sandstone, the sandstone being the reservoir rock.

25 Q Mr. Ahlen, you've indicated that you

1
2 have prepared a cross section running east/west. Can you
3 move on to that, now?

4 A. Yes, sir.

5 Q And that's marked Exhibit Five, is that
6 correct?

7 A. That is correct.

8 Q Would you explain to the Examiner what
9 that cross section is and as it relates to this case?

10 A Yes, sir. Exhibit Five is a stratigraphic
11 cross section through the proposed location, showing wells
12 on either side of the proposed location.

13 The stratigraphic cross section is hung
14 on the Atoka marker, which I have mapped on Exhibit Number
15 Two. The Mississippian formation is shown on the bottom of
16 the cross section. It is the line that is immediately above
17 Chester II, which is marked on the cross section, and Chester
18 I, where the Chester II is absent.

19 The cross section illustrates the fact
20 that the Atoka Morrow section is a multitude of sands. Some
21 of the sands are productive; some of the sands are not pro-
22 ductive.

23 There is production indicated on the
24 cross section, as well as drill stem tests, as well as bottom
25 hole pressures as measured during drill stem tests.

1
2 I have also made some petrophysical ana-
3 lyses of porosity in the Depco, Incorporated, Federal No. 2
4 Well, which is in the northwest quarter of said Section 19.

5 You will note in the Depco Well a drill
6 stem test was conducted over a portion of the Atoka Morrow
7 zone. That particular well did test gas at a non-commercial
8 rate.

9 There was a second zone of good-looking
10 porosity in the Depco Well at a depth of approximately 8678
11 feet to 86 feet. The porosity is sufficient for production
12 and water saturations are such that it indicates that gas is
13 present in the formation.

14 Production has been obtained on the east
15 side of the location, as well, and it is expected that the
16 proposed location will intersect sands that are commercial.

17 Q Mr. Ahlen, can you tell us whether there
18 have been other unorthodox locations in the Buffalo Valley
19 Penn Pool?

20 A Yes, sir.

21 Q Do you know what proportion of the wells
22 drilled in the -- in that pool have been unorthodox?

23 A Approximately half of the wells drilled
24 in the Buffalo Valley Atoka Morrow Pool are unorthodox loca-
25 tions.

Q. Mr. Ahlen, do you know who controls all of Section 19?

A. All of Section 19 is controlled by the operator, Mountain States Petroleum Corporation.

Q. Mr. Ahlen, going on to what has been marked Exhibits Six-A and Six-B, would you please tell us what they are and what they contain?

A. Exhibit Six-A is a letter from Mountain States Petroleum Corporation to Depco, Incorporated, in reference to the proposed unorthodox location, advising them of the proposed unorthodox location.

Q. Do they have --

A. Exhibit --

Q. Do they have, does Depco have an objection to the application?

A. No, sir, they do not.

Q. Go ahead, Mr. Ahlen.

A. Exhibit Six-B is a response to Exhibit Six-A, giving approval.

Q. Also, Mr. Ahlen, is Depco, of course, an offset operator? Is that correct?

A. Yes, sir.

Q. And have you received any other protests from any other offset operators?

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A. We have not.

Q Mr. Ahlen, did you prepare Exhibits Six --
One through Six -- or I should say --

A. One through Five.

Q One through Five were under your supervision before they were prepared?

A. Yes, sir, they were.

Q And are you familiar with Exhibits Six-A and Six-B, being --

A. Yes, sir.

Q -- waivers.

MR. PADILLA: Mr. Examiner, we offer Exhibits One through Six-A and Six-B, and we have nothing further to add.

MR. STAMETS: These exhibits will be admitted.

Are there questions of the witness? He may be excused.

Anything further in this case?

The case will be taken 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 Examiners hearing of Case No. 7688, heard by me on 9-29 1982,
Richard R. Klemm, Examiner
Oil Conservation Division

SALL. BOYD, C.S.R.

Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

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. 7688
Order No. R-7097

APPLICATION OF MOUNTAIN STATES 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 September 29, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of October, 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, Mountain States Petroleum Corporation, seeks approval of an unorthodox gas well location to be drilled 990 feet from the North line and 990 feet from the East line of Section 19, Township 15 South, Range 28 East, NMPM, to test the Pennsylvanian formation, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

(3) That the N/2 of said Section 19 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.

-2-

Case No. 7688

Order No. R-7688

(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 Mountain States Petroleum Corporation for an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 990 feet from the North line and 990 feet from the East line of Section 19, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico.

(2) That the N/2 of said Section 19 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.

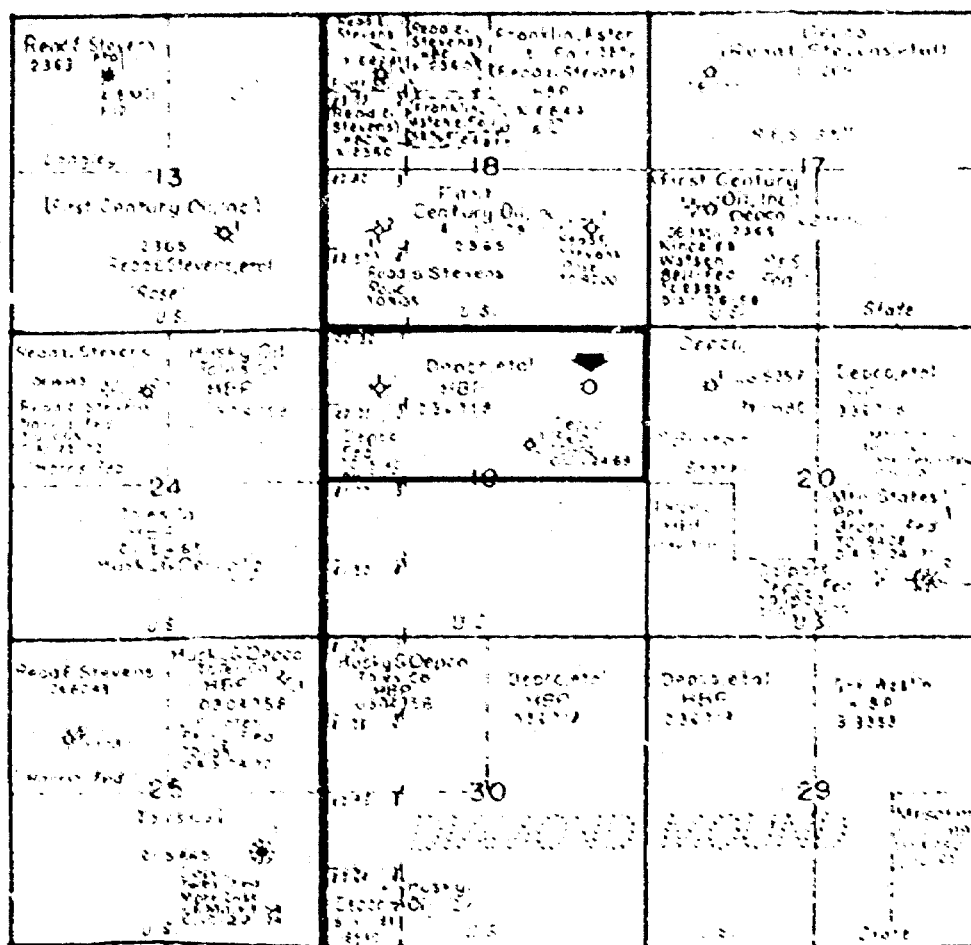
DONE at Santa Fe, New Mexico, on the day and year herein above designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

15|27



15|28

BUFFALO VALLEY

LAND MAP

For: Mountain States Petr. Corp.

Proposed Proration Unit:

N/2 Sec 19 T 15S R 28E

Proposed Location:

990' From North and East lines of

Sec 19 T 15S R 28E

Chaves Co. N.M.

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 1

CASE NO. 7688

Submitted by Applicant

Hearing Date 9/29/82

RECEIVED SEP 1 1982

505 623-7184

MOUNTAIN STATES PETROLEUM CORPORATION

SUITE 1004, SECURITY NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO

88201

August 31, 1982

RECEIVED
SEP 20 1982

Depco, Inc.
875 Empire Plaza
Midland, Texas 79701
Attention: Mr. John Hubbard

Re: Proposed Unorthodox Location
Buffalo Valley Penn
990 FNL & FEL
Sec. 19, T15S-R28E
Chaves Co., New Mexico


Gentlemen:

Mountain States Petroleum Corp. has filed application for the drilling of a 9400' Atoka Morrow Penn test at the subject location. We have requested approval to drill this location due to geological conditions. Drilling of established patterns would create undue risk and would not permit adequate protection of correlative rights. Additionally, the proposed location anticipates testing the Cisco at approximately 7800' to determine possible oil/gas accumulations not probably located at an "orthodox" location.

We respectfully request your pre-hearing approval of our proposed location.


Sincerely yours,

MOUNTAIN STATES PETROLEUM CORP.


K. C. Havenor

KCH/rw

No objections to application
cited above.


Depco, Inc.
DateBEFORE EXAMINER STARTS
OIL CONSERVATION DIVISIONCASE NO. 6a
7688Submitted by ApplicantHearing Date 9/29/82

DEPCO, Inc.

PRODUCTION & EXPLORATION

September 21, 1982

Mountain States Petroleum Corporation
Suite 1004, Security National Bank Building
Roswell, New Mexico 88201

Attention: K. C. Havenor

RE: Proposed Unorthodox Location
Buffalo Valley Penn
990' FNL & FEL
Sec. 19, T15S-R28E
Chaves County, New Mexico

Gentlemen:

Enclosed is an executed copy of your letter dated August 31, 1982 requesting a pre-hearing approval on the above referenced location.

Yours very truly,

DEPCO, INC.

C. D. Crump
Vice President-Production

Enc.

CDC:jz

cc: O. J. Hubbard

BEFORE EXAMINER STAMETS	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	66
CASE NO.	7688
Submitted by	Applicant
Hearing Date	9/21/82

Dockets Nos. 31-42 and 33-42 are tentatively set for October 13 and October 20, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1982

9 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamers, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 7686: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energetics Corporation, United States Fidelity and Guaranty Company, and all other interested parties to appear and show cause why the Hanes Corporation Well No. 1, located in Unit P of Section 9, Township 24 South, Range 2 East, Don Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7687: Application of Amoco Production Company for salt water disposal, Union County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Glorieta formation in the perforated interval from 1718 feet to 1780 feet in its former State F1 Well No. 2 (2034 362P) located 660 feet from the South line and 1320 feet from the East line of Section 36, Township 20 North, Range 34 East.
- CASE 7688: Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North and East lines of Section 19, Township 15 South, Range 28 East, Buffalo Valley-Penn Gas Pool, the N/2 of said Section 19 to be dedicated to the well.
- CASE 7689: Application of Tesoro Petroleum Corporation for a tertiary oil recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Hospah Sand Unit Waterflood Project to a polymer-augmented waterflood and, pursuant to Section 212.78 of the U. S. Department of Energy Regulations and Section 4993 of the Internal Revenue Code, seeks certification of said project as a qualified tertiary oil recovery project.
- CASE 7690: Application of C & K Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the E/2 SW/4 of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool, 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 7679: (Continued from September 15, 1982, Examiner Hearing)
Application of C & K Petroleum, Inc. for the amendment of Order No. R-4857-A and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4857-A to provide that the lands pooled by said order shall be the W/2 SE/4 of Section 27, Township 16 South, Range 37 East, dedicated to its Shipp 27 Well No. 2 located in Unit O in said Section 27. Applicant, further seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of the aforesaid Section 27, to be dedicated to a well to be drilled in Unit P of said Section 27. 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 7680: (Continued and Readvertised)
Application of Unichem International, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in Section 2, Township 23 South, Range 29 East.
- CASE 7691: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 5, Township 24 North, Range 9 West, 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 7692: Application of Forister & Sweatt for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 990 feet from the North line and 1650 feet from the East line of Section 5, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the E/2 of said Section 5 to be dedicated to the well.

CASE 7693: Application of Forister & Sweatt for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Southeast Chaves Queen Gas Area underlying the E/2 of Section 5, Township 13 South, Range 31 East, to be dedicated to a well to be drilled at an unorthodox 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 7681: (Continued from September 15, 1982, Examiner Hearing)

Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Ordovician gas well to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, the E/2 of said Section 13 to be dedicated to the well.

CASE 7682: (Continued from September 15, 1982, Examiner Hearing)

Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian gas well drilled 330 feet from the North line and 330 feet from the West line of Section 34, Township 11 South, Range 28 East, the W/2 of said Section 34 to be dedicated to the well.

CASES 7694 and 7695: Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests from the surface 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 7694: NW/4 Section 21; and

CASE 7695: NE/4 Section 21

Both in Township 5 South, Range 25 East.

CASE 7696: Application of Arco Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian through Ellenburger formations underlying the E/2 of Section 31, Township 20 South, Range 36 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 and Readvertised)

Application of JJ-CC, Limited 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

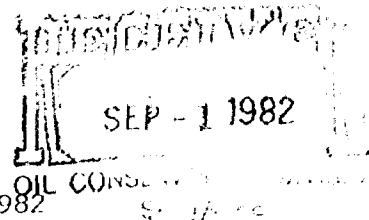
CASE 7697: Application of Oxoco Production Corp. for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mesaverde formation underlying Sections 7, 8, 17, 18, 19 and 20, Township 32 North, Range 8 West, containing 3160 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

ARTHUR R. BROWN
101 E. Marland
Hobbs, New Mexico 88240
Office (505) 397-2767
Home (505) 392-5642

PETROLEUM
ENGINEERING & REGULATORY
SERVICES

1501 W. Missouri
Artesia, New Mexico 88210

JAMES A. KNAUF
1501 W. Missouri
Artesia, New Mexico 88210
Phone (505) 746-4138



August 30, 1982

Case 7688

Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 88501

Re: Application for an Unorthodox Gas Well Location

Dear Mr. Ramey:

Mountain States Petroleum Corporation is operator of Federal Oil and Gas Lease NM 036718 insofar as it covers the N $\frac{1}{2}$ of Section 19, T. 15 S., R. 28 E., Chaves County, New Mexico.

The applicant seeks approval for an unorthodox location of a Pennsylvanian gas well to be drilled 990 feet from the North and East lines of Section 19, T. 15 S., R. 28 E. The N $\frac{1}{2}$ of Section 19, which is to be dedicated to the well, is bounded on the east and west by the Buffalo Valley Pennsylvanian Gas Pool.

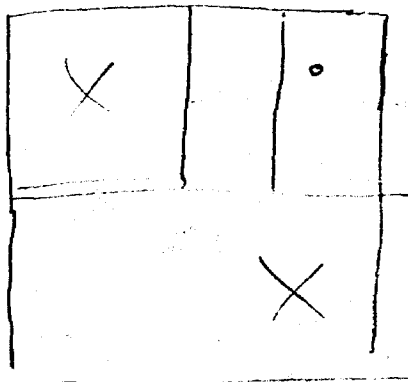
Mountain States Petroleum Corporation respectfully requests that a HEARING be scheduled for September 29, 1982.

Sincerely,

James A. Knauf, Agent
MOUNTAIN STATES PETROLEUM CORP.

*Buffalo Valley Penn
Gas Pool Rules
wells to be located
in the NW 1/4 of the SE 1/4 of the
Section and no nearer than
990 to the outer boundary of the
quarter section nor nearer than
330 to any quarter section line*

cc: K. C. Haveron
P. O. Box 1936
Roswell, N. M. 88201



Order

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. 7688

Order No. R-2097
~~7706~~

APPLICATION OF MOUNTAIN STATES 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 September 29, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of October, 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, Mountain States Petroleum Corporation, seeks approval of an unorthodox gas well location to be drilled 990 feet from the North line and 990 feet from the East line of Section 19, Township 15 South, Range 28 East, NMPM, to test the Pennsylvanian formation, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

(3) That the N/2 of said Section 19 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 Mountain States Petroleum Corporation for an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 990 feet from the North line and 990 feet from the East line of Section 19, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico.

(2) That the N/2 of said Section 19 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

DOCKET MAILED

~~9/20/82~~