

CASE 5156: Appli. of FRANKLIN,
ASTON & FAIR FOR POOL CREATION
AND SPECIAL POOL RULES, EDDY CO.

CASE No.

5156

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 30, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Franklin,
Aston & Fair for pool cre-
ation and special pool rules,
Eddy County, New Mexico.

Case No. 5156

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Com-
mission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Thomas Kellahein, Esq.
KELLAHEIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

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I N D E X

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GRANT M. SMITH

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

Marked Admitted

Applicant's Exhibits Nos. 1 through 4

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STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

MR. LUTTER: The Hearing will come to order, please.
The next case will be Case No. 5156.

MR. CARR: Case 5156. Application of Franklin,
Aston & Fair for pool creation and special pool rules, Eddy
County, New Mexico.

MR. KELLAHIN: Tom Kellahin, Kellahin & Fox, Santa
Fe, New Mexico, appearing on behalf of the Applicant, Franklin,
Aston & Fair. I have one witness to be sworn.

(Witness sworn.)

GRANT M. SMITH

called as a witness, having been first duly sworn, was
examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you are
employed, and in what capacity?

A Grant M. Smith as petroleum geologist for Franklin,
Aston & Fair, Roswell, New Mexico.

Q Have you previously testified before this Commis-
sion or one of the Hearing Examiners?

A I have.

Q Have you examined and are you familiar with the
facts surrounding this particular Application?

SMITH-DIRECT

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A I am.

MR. KELLAHIN: If the Examiner please, are the qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. KELLAHIN:

Q Mr. Smith, would you please refer to what has been marked as Applicant's Exhibit No. 1 and state for the benefit of the Examiner what the Applicant is seeking?

A Exhibit No. 1 is a colored-coded-land map of the general area with Sections 20, 21 and 22 of 17 South, 30 East, outlined, which is the Loco Hills working interest in the Unit. The discovery well, which is the Franklin, Aston & Fair McIntyre 6-A, is indicated by the red arrow as the discovery well on this unit, and because of this discovery well we are requesting a new pool designation.

Q Excuse me. Would you please give me the data, your production data, on your discovery well?

A The McIntyre 6-A Well was completed flowing four-and-a-half million cubic feet of gas per day, plus 235 barrels of condensates against 1,450 pounds back pressure from perforations 11,224 and 11,234 feet in the lower Morrow sands.

Q Would you please refer to what has been marked Exhibit No. 2. Identify it and indicate what information it

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contains?

A Exhibit No. 2 is a map of the general area showing all wells drilled in this area and the wells that have penetrated the Morrow sand are circled in red. The wells in the immediate area of the discovery well have the electric logs section of the Morrow sands sketched in and colored yellow. The completion interval of each of these wells is shown by the red bar drawn on the log section.

Q Please refer to the General American-Grayburg Deep Unit No. 1 Well.

A The General American-Grayburg Deep Unit located 1,980 from the north, 1980 from the west of Section 18, Township 17, 30 East produces -- is the only well in the area producing from a Morrow -- a lower Morrow sand and relatively the same stratigraphic position as the McIntyre 6-A.

You will observe that this well is over one mile from the discovery and separated from it by the General American-Grayburg Deep Unit No. 3, which is located 660 from the south and east of Section 18 and notice also that the Grayburg Deep Unit No. 3 has a very poor Morrow sand development indicating that the Grayburg Deep Unit No. 1 and McIntyre A-6 are in separate pools.

The Grayburg Deep Unit No. 2, 1,980 from the north

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and 660 from the east of Section 13, Township 17 South, Range 28 East is the west offset to the Grayburg Deep Unit No. 1 and is a dry hole. The Texaco Woolley No. 1, 1,980 from the north, 1,980 from the west of Section 16, two miles east of the Grayburg Deep Unit No. 1 is a non-commercial producer in the Morrow sand section and is now abandoned. The Rhodes-Anderson No. 1, Section 7, Township 17 South, Range 30 East, northeast offset to the Grayburg Deep Unit No. 1 was dry in the sands from which the Grayburg Deep No. 1 produced ten billion feet of gas.

MR. NUTTER: Mr. Smith, I haven't found that. Where is that again?

THE WITNESS: It's a red circle northeast of the Grayburg Deep Unit No. 1 in Section 18.

MR. NUTTER: Okay. That's the circle right under the word Grayburg, is that correct?

THE WITNESS: That's right.

A (Continuing) And this well was dry in the lower sand from which the Grayburg Deep Unit No. 1 was produced. It was completed for two million cubic feet of gas per day from the Upper Morrow sand from which the Grayburg Deep Unit No. 1 was later plugged and abandoned and recompleted for a similar potential.

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BY L.R. KELLAMIN:

Q Please refer to Exhibit 3 and identify it.

A Exhibit No. 3 is a correlation cross section having wells joined by Line 8(a) on Exhibit No. 2. This correlation cross section more clearly portrays the above mentioned features in these wells. The red arrow, vertical red arrow, on the discovery well shows probably what should be designated the vertical limits of the Morrow Gas Pool based on what has been designated the vertical limits of Morrow Sand Pools in this area in the past. These being the Grayburg Deep Unit No. 1, I think, later designated Anderson-Morrow and the Loco Hills-Morrow which was designated for the Texaco Wooley Well, which is now abandoned.

Q Do you have any recommendations to the Commission as to what the spacing rules should be with regard to this new pool?

A At the present time I feel that 640 acres should be the proration unit for the Loco Hills working interest unit.

Q And on what do you base that opinion?

A As previously stated, the McIntyre A-6 is separated from the Grayburg Deep Unit No. 1 by a dry hole, yet two wells have similar potentials, the Grayburg Deep Unit No. 1 is

potentialled for seven billion cubic feet of gas per day calculated open flow. The calculated open flow for the McIntyre 6-A was 6.568. Although the Grayburg Deep Unit No. 1 has been a good producer, ten billion cubic feet of gas primary, it does not appear to have drained the McIntyre 6-A. I have discussed this with representatives of General American Oil Company and they are a little perplexed by this well. When it was drilled on the basis of their log calculations, they assigned, I believe it was four billion cubic feet of gas per 320 acres, and yet the well has produced ten billion cubic feet of gas.

It seems that the logs are not indicating true porosity or that the well is capable of draining more than 320 acres and yet another disturbing thing about this, if I can refer back to Exhibit No. 2, is that the well is offset by three dry holes in relation to this Lower Morrow sand from which 6-A and Grayburg Deep No. 1 are producing.

Q You are referring to the Abo dry hole in Section 21?

A I'm referring to Morrow dry hole, the east offset the west offset to the Grayburg Deep No. 1 which is the Grayburg Deep Unit No. 2 and the Grayburg Deep Unit No. 3, which is in the southeast, southeast of Section 18, and the Rhodes

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Well, which is the northeast offset in Section 17, which is dry in the lower most sand.

One explanation is that, as previously mentioned, the logs are not showing true porosity or that the reservoir is of unusual shape with extremely good permeability. In this particular instance, I lean to the unusual shape and good porosity and permeability. I think we are dealing with bar sands that may be quite narrow, but very long. Where there is good permeability, I think, a well such as the McIntyre 6-A is capable of draining from a long extent. I think this is born out by the General American-Grayburg Deep Unit No. 1 in 18 with its ten billion cubic feet of gas primary and yet offset by three dry holes and another instance that comes to mind is the old Pan American State A-B No. 1 in Section 29 of 17 South, Range 28 East, which is not on this map, which has produced 22 billion cubic feet of gas and is yet offset by three dry holes as this one is here.

Q Would you please refer to what has been marked as Exhibit 4 and identify it and explain what information it contains?

A I'll have to apologize for this one. It didn't Xerox too well. Exhibit No. 4 is the D.S.T. curve of the pay section in Franklin, Aston & Fair-McIntyre 6-A, and you

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will notice that the initial shut-in curve is very sharp, almost a right angle, and then on farther to the right the final shut-in curve is almost identical, very sharp. Our initial and final shut-in pressures were the same, 4,319 pounds. I called Halliburtons Laboratory in Duncan, Oklahoma, to ask if on the basis of the D.S.T. curve they could give an idea of the area that this well was capable of effectively draining and they said where they have rounded curves that they can come up with a fairly accurate calculation, but that due to the sharp initial shut in and final shut in on our well that they could not do this. Every indication is that we are into an excellent reservoir.

Q Do you have any other reasons for requesting a 640-acre spacing?

A Yes. Primarily economics and from Exhibit No. 2 it is apparent that so far as the lower most Pennsylvanian sand is concerned, three of the offset wells, which are on 320 spacing, three of the offset wells from the Grayburg Deep No. 1, could not be justified and yet here again, we are faced with 10 billion cubic feet of gas as primary production from that well.

Q From your experience, what has been the cause of deepening the McIntyre A-6?

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A The McIntyre A-6 with some difficulties that we encountered was 265,000. That is completed.

Q What are the costs of the re-entry?

A We could re-enter and test the Morrow sand for about \$106,000.

It's extremely unlikely on an economic basis in this area if you will take into consideration the dry holes that are offsetting good wells, I doubt that Franklin, Aston & Fair or the other operators in the unit would have drilled this well from the top down if we had not had a re-enterable dry hole, 7,000 foot hole, but a re-entry has resulted in that excellent Morrow sand discovery.

Q Do you have any recommendations as to whether these special pool rules be made permanent or temporary and if temporary for what period?

A Well, we would like them to be temporary, probably for one year as it is now, we know that we're committed for additional wells. We feel that as we drill these wells, we are going to gain additional information that might have a bearing on the location of where we want to go with the well. As mentioned before, these reservoirs appear to be very narrow and for this reason we would like to have 640-acre proration unit and we feel that it is now the most feasible

way to develop the area.

Q What do you propose as the present horizontal limits of the new pool?

A Well, I wish I really knew. We're dealing primarily with Sections 20, 21 and 22, which are in the unit. I don't have any idea what the horizontal limits would be at this time.

Q At this point, it would be sufficient to dedicate Section 22 to the pool?

A I think so. We would like to have Section 20 for the proration unit for this pool and the next well would be in Section 21.

Q In your opinion, Mr. Smith, would approval of this Application be in the best interests of conservation, prevent waste and protect the correlative rights of others?

A I believe it will.

Q Were Exhibits 1 through 4 prepared by you directly or under your supervision and direction?

A Yes.

MR. KELLAHIN: If the Examiner please, we move the introduction of Exhibits 1, 2, 3 and 4.

MR. MUTTER: Applicant's Exhibits 1 through 4 will be admitted in evidence.

SMITH-CROSS

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(Whereupon, Applicant's Exhibits
Nos. 1 through 4 for identification
were admitted in evidence.)

MR. KELLAHAN: That concludes our Direct Examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Smith, on Exhibit No. 1, the little black circle indicates the old Abo dry holes that are in the unit area, is that correct?

A That is correct.

Q Would these be potential wells that you could re-enter?

A They are potentially enterable wells.

Q What did you say it cost you to re-complete this well as a producer?

A It cost \$265,000, but we encountered some difficulties in this well that we feel can be avoided in additional wells.

Q That wouldn't be typical then, you hope?

A No, I think, we could go re-enter one of these wells and test Morrow sand for about \$106,000.

Q That wouldn't be to put it on production to test?

SMITH-CROSS

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A That would be to re-enter and test the Morrow, not considering your production string.

Q Then, what would it cost to be completed as a Morrow Well then?

A I think \$190,000 would be very close figure.

Q Now, referring to Exhibit No. 2, Mr. Smith, --

A (Interrupting) Mr. Examiner, I would like to make one correction on this. That 265,000 is the cost of a Morrow Well from the top down.

Q Oh, that's the cost of a new one you were talking about?

A Right. The re-entry of the McIntyre A-6 was \$234,000.

Q Okay. Now, referring to your Exhibit No. 2, Mr. Smith, doesn't this Exhibit in itself present an argument against your very Application in that you have Section 18 over here with four wells depicted there -- I lost count of these wells -- now, that was Grayburg Deep Unit No. 1 that is in Section 18, correct, that produces?

A Right.

Q Okay. That's No. 1. You've got that well which produces from the upper and the lower sand. By the way, I notice on Exhibit No. 3 you show cumulative for each one of

those zones, is this correct?

A As near as I --

Q (Interrupting) Is this completed as a dual completion?

A No, it was plugged back after the lower zones were completed, it was my understanding that this was plugged back into the upper sands.

Q Oh, I see so that the cumulative figures are relatively correct then, because they were produced separately?

A Right.

Q Okay. You got that well, you got a west offset that is 320-acre spacing to it and it didn't have production in -- now, the first well, as I said, produced from both zones, the upper sand and the lower sand. The well to the west didn't have production in either one. The well to the southeast, which is a 320-acre location there, didn't have production in either one. The well to the north, which is a 320-acre offset in that direction shows the sands productive in the upper portion, dry in the lower. So, here we are showing on 320-acres spacing with four wells a variation in the limits of the sand. Now, if we go to 640-acre spacing, it is very likely that we can miss one of these sands altogether.

A This is true in a sense except we can't on the basis

SMITH-CROSS

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of a reservoir characteristic, we list the reserve figure for that well by 6A -- I mean, six billion cubic feet of gas.

Our point in this is that we want to develop on 640 acres and then as we drill each of these wells, then, we are going to be anxious as anyone to develop on 320. We hope that through each one of these wells we drill, we will find out something. It is not inconceivable to me that we might end up with two pools from the upper sand and the lower sand, even as close as they are.

Q Well, again, the fact you missed the reserve figure is further evidence that no one knows the areal extent of any given Morrow sand. It may extend out 160 acres from the well bore or it may extend out 640, we just don't know.

A Well, I think our problem is that we're applying square land surface measures to an irregular reservoir and if we can get on, say, right now, if we feel that the McIntyre 6-A is on a good east-west trending sandbar, this is what we want to follow out. I would be extremely reluctant right now to recommend a location in the northwest quarter of Section 20.

Q Because it would be offsetting?

A It would be offsetting a dry hole.

SMITH-GROSS

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Q It would be offsetting a dry hole in Unit 'P' of Section 16?

A Right.

Q But we do know that this Morrow sand is existent in your McIntyre 6-A. It's not present or not productive in the No. 3 Grayburg Deep --

A (Interrupting) That is true.

Q (Continuing) So, somewhere in between there, it ceases to be productive?

A That's why we feel that we are in a new reservoir, but the trends of this sand, I think it's going to be east-west, but I don't know.

Q Isn't this typical, Mr. Smith, of almost every Morrow reservoir in Eddy County, that the sand from well to well seems to come and go and disappear and come back?

A This is true.

Q Well, then, it may be present in this well and non-present here, they will show up again over here, but the Commission called it all one pool?

A That is true. Of course, we do have 640-acre spacing on some of these pools, too, and now, we feel that we would like -- we're committed to a well in Section 21 and that should make a well. We are committed to a well in

SMITH-CROSS

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Section 22. From this point on is why we are asking for a temporary order and then we would like -- we are anxious as anyone from that point to develop on whatever proration unit is most effective.

Q Now, if we talk about 640-acre spacing, normally the Commission would require the well to be within the central four 40-acre tracts in the section and of these five Abo dry holes that are re-enterable, only one of the five would be a location as far as 640-acre spacing is concerned, wouldn't it?

A This is correct, but I think on the -- on a like basis, the discovery well was also a non-standard location and these re-enterable dry holes with probably the exception of the well in Section 22 in the southwest quarter of Section 22, and one in the northwest of southeast of 22 are probably non-standard on 320.

Q It just depends on which way the 320-acre spacing unit is laid?

A That's right.

Q Actually, the McIntyre was in a standard location had the south half of the section been dedicated to it, rather than the east half?

A Our basic position, Mr. Examiner, is this: We

SMITH-CROSS

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found an important Morrow sand discovery by re-entering a well that was 7,000 feet deep that we would not have re-entered if we had had to drill it from the top down, with the Commission's permission, we re-entered it, we made a discovery. With the costs of these wells the way they are and shortage of casing and things like that, we feel it can be best developed on 640 and, as I previously stated, based on what we determine from this, then, we are interested in developing on 320 or whatever proration is best.

Q Now, with respect to your Exhibit No. 3, Mr. Smith, I notice that on your McIntyre A-6 on the cross section, you have indicated the vertical limits for the Loco Hills-Morrow Pool. Now the Loco Hills-Morrow Pool is which pool? Is that the one you are proposing?

A That's the old Texaco Wooley Well that is now abandoned and this is my understanding of what the vertical limits of that pool --

Q (Interrupting) Were the vertical limits specified by certain footages in the Morrow formation?

A I can't answer that question, only that it was a Morrow Pool and it is the extreme-right-hand well on the cross section and the completion interval is shown on it and I assume that this was the vertical limit.

Q It has been Commission policy because of the fact you have these individual stringers that come and go to define the Morrow Pools as being from the top of the Morrow down to the base of the Morrow which is the Barnett shale. I presume that this upper line on your cross section, which is labelled Morrow is your interpretation of the top of the Morrow?

A On top of the Morrow sand is what I interpret as the Morrow section. There is one well in this general area which produces from that sand, which I believe produces from that sand and that is one of the old wells in the Greenwood Unit, some 10 or 12 miles southeast of us. This is the only one I'm aware of that produces that far up in the sand.

Q From the upper-upper Morrow?

A That's right.

Q Nothing in this general vicinity has produced from that?

A No, sir.

Q Do you have a suggested name for this pool, Mr. Smith?

A Well, I thought the Loco Hills-Morrow would be a good one, but I found out there was one abandoned.

Q There's already one there.

SMITH-CROSS

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A So, we have no recommendation.

Q Now, do we have an Abo Pool in here?

A There's a Loco Hills-Abo.

Q Loco Hills-Abo?

A Right.

Q So, maybe this for the time being could be the South Loco Hills-Morrow Gas Pool?

A It could be a Loco Hills Unit-Morrow, I don't know.

MR. NUTTER: Are there any further questions of Mr. Smith?

MR. KELLAHIN: Nothing further.

MR. NUTTER: You may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in this case, Case 5156.

MR. THOMPSON: Mr. Examiner, I would like to make a statement.

MR. NUTTER: Yes, sir.

MR. THOMPSON: My name is Paul Thompson, General

American Oil Company in Dallas, Texas.

General American Oil Company is a Delaware corporation, Dallas, Texas, working interest owners in the Loco Hills working unit and the McIntyre 6-A Well. In addition, we own 2,280 mid-area acres offsetting units. We concur with and support the testimony of Franklin, Aston & Fair and we respectfully request that their Application be approved.

MR. NUTTER: I would like to get your name again, please.

MR. THOMPSON: Paul Thompson.

MR. NUTTER: And you are in Dallas?

MR. THOMPSON: Yes.

MR. KERNAGHAN: Dan Kernaghan at Anadarko Production Company. Anadarko is a working interest owner in this unit and McIntyre A-6 Well and it is owner of acreage offsetting this unit. We wish to state that we concur with the Franklin, Aston & Fair's conclusions regarding the drainage capabilities of the Morrow sand in this well and that we respectfully request you to consider the 640 acres drainage or 640-acre units on a temporary basis.

MR. NUTTER: Thank you.

Anything further in this case? I will take Case

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TEL. (505) 982-0386

CASE 5156

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5156 under advisement.

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye

RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5156 heard by me on 1/30, 19 74.

[Signature] Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

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

March 18, 1974

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

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

Re: CASE NO. 5156
ORDER NO. R-4740
Applicant:
Franklin, Aston and Fair

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

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

Other _____

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:

CASE NO. 5156
Order No. R-4740

APPLICATION OF FRANKLIN, ASTON AND
FAIR FOR POOL CREATION AND SPECIAL
POOL RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 30, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1974, 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, Franklin, Aston and Fair, seeks the creation of a new pool for the production of gas from the Morrow formation and the promulgation of special rules and regulations governing said pool, including a provision for 640-acre spacing units.

(3) That the evidence presently available indicates that applicant's McIntyre "A" No. 6, located in Unit O of Section 20, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico has discovered a separate common source of supply which should be designated the South Loco Hills-Morrow gas pool; that the vertical limits of said pool should be the Morrow formation, and that the horizontal limits should comprise the following-described lands:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 20: E/2

(4) That the applicant has not established that a well in the subject pool can efficiently and economically drain and develop 640 acres or that the establishment of special rules

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Case No. 5156
Order No. R-4740

and regulations, even on a temporary basis, would 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 otherwise prevent waste or protect correlative rights.

(5) That the applicant's request for the promulgation of special pool rules for the subject pool should be denied.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for the production of gas from the Morrow formation, is hereby created and designated the South Loco Hills-Morrow gas pool, with vertical limits comprising the Morrow formation and horizontal limits comprising the following-described area:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 20: E/2

(2) That the applicant's request for the promulgation of special pool rules for the above-described pool is hereby denied.

(3) 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



I. R. Trujillo

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. Porter, Jr.

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

S E A L

dr/

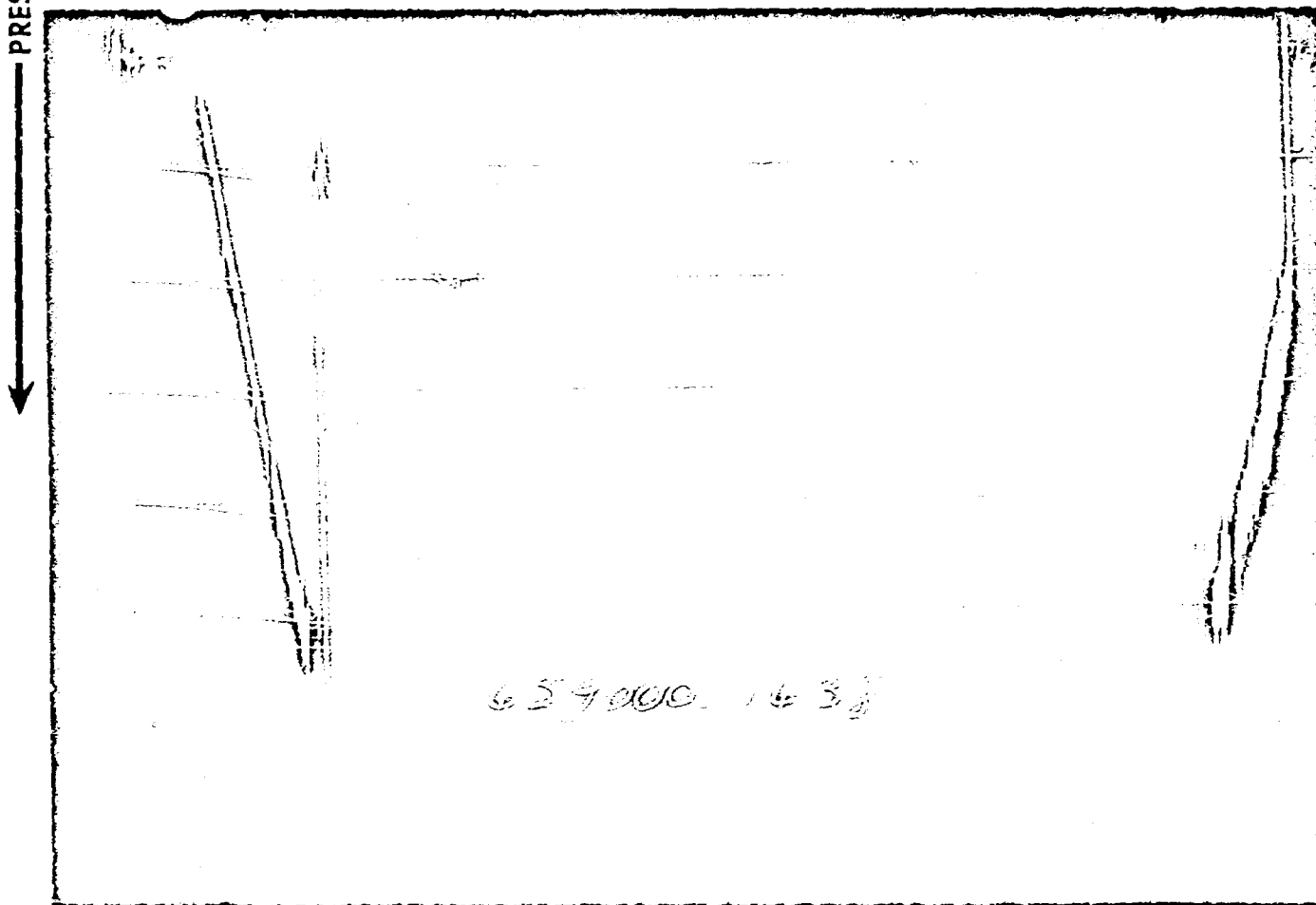
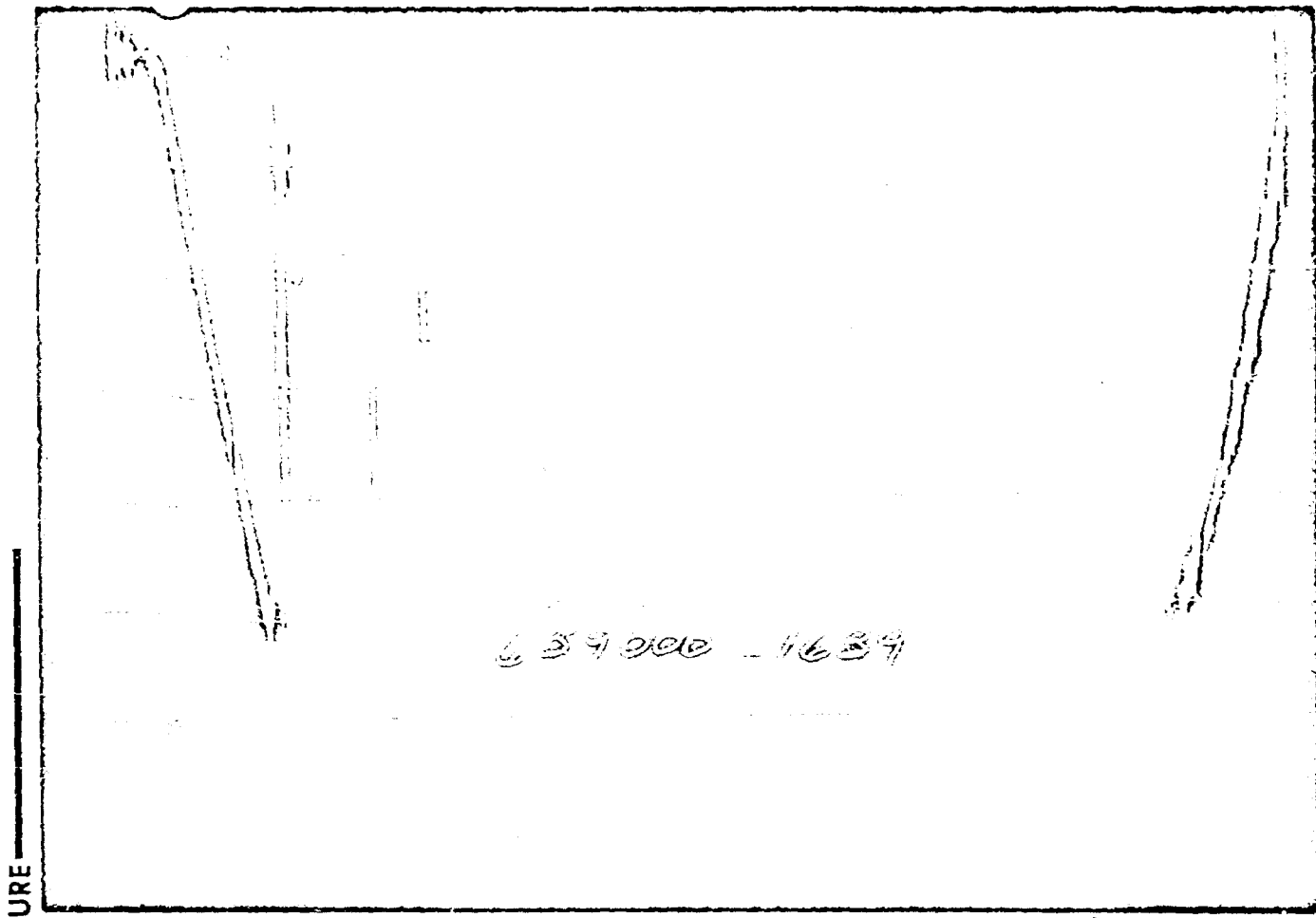
FLUID SAMPLE DATA				Date 11-29-73 Ticket Number 659000	
Sampler Pressure 1875 P.S.I.G. at Surface		Kind of Job OPEN HOLE		Halliburton District ARTESIA	
Recovery: Cu. Ft. Gas 7.845		Tester MR. MURDOCK		Witness MR. SMITH	
cc. Oil		Drilling Contractor MORANCO		IC S	
cc. Water		EQUIPMENT & HOLE DATA			
cc. Mud		Formation Tested Morrow			
Tot. Liquid cc.		Elevation 3647' RT			
Gravity * API @ * F.		Net Productive Interval 42'			
Gas/Oil Ratio cu. ft./bbl.		All Depths Measured From 11.6' AGL			
RESISTIVITY		Total Depth 11,300'			
CHLORIDE CONTENT		Main Hole/Casing Size 6 1/4"			
Recovery Water @ * F. ppm		Drill Collar Length 340' I.D. 2.25"			
Recovery Mud @ * F. ppm		Drill Pipe Length 10,755' I.D. 3.340"			
Recovery Mud Filtrate @ * F. ppm		Packer Depth(s) 11,139' - 11,145'			
Mud Pit Sample @ * F. ppm		Depth Tester Valve 11,104'			
Mud Pit Sample Filtrate @ * F. ppm		Surface Choke 1/4" & Bottom Choke 1/2"			
Mud Weight 8.8 vis 48 cp		Cushion TYPE AMOUNT Depth Back Pres. Valve			
Recovered 432 Feet of Distillate					
Recovered Feet of					
Recovered Feet of					
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Recovered Feet of					
Remarks SEE PRODUCTION TEST DATA SHEET...					
TEMPERATURE Gauge No. 1639 Gauge No. 1638 Gauge No. TIME					
Depth: 11,122' Ft.		Depth: 11,296' Ft.		24 Hour Clock	
Est. * F.		Blanked Off NO		Blanked Off YES	
Actual 154 * F.		Pressures		Pressures	
Field Office		Field Office		Field Office	
Initial Hydrostatic 5031 5076		5112 5139		Reported Computed	
Flow Initial UTR 722		1028 1199		Minutes Minutes	
Flow Final 1147 1247		1246 1314		20 19	
Closed in 4273 4318		4319 4337		90 88	
Flow Initial 1103 1121		1268 1312		145 89	
Flow Final 1940 1835		2011 1950		810 869	
Closed in 4273 4314		4319 4341			
Flow Initial					
Flow Final					
Closed in					
Final Hydrostatic 4986 5047		5068 5115			

FORM 101-PRINTED IN U.S.A.

FORMATION TEST DATA

LITTLE'S 02974 1M 0/75

Legal Location Sec. - Twp. - Rng. 21 - 17 - 30
 Lease Name MC INTYRE "A"
 Well No. 6
 Test No. 2
 Tested Interval 11,145' - 11,300'
 County EDDY
 State NEW MEXICO
 Lease Owner/Company Name FRANKLIN, ASTON, & FAIR



Each Horizontal Line Equal to 1000 p.s.i.

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF FRANKLIN, ASTON & FAIR FOR
CREATION OF A POOL AND POOL RULES
FOR PRODUCTION FROM A MORROW
FORMATION, EDDY COUNTY, NEW MEXICO

200 5756

A P P L I C A T I O N

COMES NOW Franklin, Aston & Fair, by and through its attorneys, KELLAHIN & FOX, and applies to the Oil Conservation Commission of New Mexico for the designation of a new pool for production from the Morrow formation and for adoption pool rules, including a provision for 640 acre spacing and proration units, and in support thereof would show the Commission.

1. Applicant is the owner and operator of the McIntyre Well No. 6-A, located 990 feet from the South line and 1650 feet from the East line, in Section 20, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, completed for production from the Morrow formation.

2. Applicant seeks the creation of a new pool for production by this subject well from the Morrow formation and proposes to dedicate all of Section 20 to said well.

3. Present information available indicates that one well will economically and efficiently drain and develop a proration unit of not less than 640 acres, and in order to properly evaluate the formation, and to prevent waste,

DOCKET MAILED

Date 1-18-74

spacing and proration units of 640 acres should be adopted by the Commission for this pool for a temporary period of one year.

WHEREFORE applicant requests that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order creating a new pool for the Morrow formation and the adoption of pool rules as proposed.

Respectfully submitted,

FRANKLIN, ASTON & FAIR

By


KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

jr/

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:

CASE NO. 5156

Order No. R- 7740

APPLICATION OF FRANKLIN, ASTON AND
FAIR FOR POOL CREATION AND SPECIAL
POOL RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 30, 19 74,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of March, 1974, 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, Franklin, Aston and Fair, seeks the
creation of a new pool for the production of gas from the Morrow
formation and the promulgation of special rules and regulations
governing said pool, including a provision for 640-acre spacing
units.

(3) That the evidence presently available indicates that the applicant's McIntyre "A" No. 6, located in Unit 0 of section 20, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico has discovered a separate common source of supply which should be designated the South Loco Hills- Morrow gas pool; that the vertical limits of said pool should be the Morrow formation, and that the horizontal limits should comprise the following-described lands:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 20: ~~All~~ E/2.

(4) That the applicant has not established that a well in the subject pool can efficiently and economically drain and develop 640 acres or that the establishment of special rules and regulations, even on a temporary basis, would 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 otherwise prevent waste or protect correlative rights.

(5) That the applicant's request for the promulgation of special pool rules for the subject pool should be denied.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for the production of gas from the Morrow formation, is hereby created and designated the South Loco Hills-Morrow gas pool, with vertical limits comprising the Morrow formation and horizontal limits comprising the following-described area:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 20: ~~All~~ E/2

(2) That the applicant's request for the promulgation of special pool rules for the above-described pool is hereby denied.

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CASE NO. 5156
Order No. R-

(3) 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.