

CASE 5169: Appli. of ATLANTIC
FOR AN UNORTHODOX OIL WELL
LOCATION & AMENDMENT OF R-3011.

CASE No.

5169

Application,

Transcripts,

Small Exhibits

ETC.



OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 6, 1974

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: CASE NO. 5169
ORDER NO. R-3011-A
Applicant:
Atlantic Richfield

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> </u>
Aztec OCC	<u> </u>

Other _____

EXAMINER HEARING

Case No. 5169

A P P E A R A N C E S

Clarence Hinkle, Esq.
HINKLE, BONDURANT, COX &
EATON
Hinkle Building
Roswell, New Mexico

I N D E X

Page

ROBERT MALAISE

Direct Examination by Mr. Hinkle

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Cross Examination by Mr. Stamets

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E X H I B I T S

Marked

Admitted

Applicants Exhibits 1 through 5

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MR. STAMETS: Call the next Case 5169.

MR. CARR: Case 5169. Application of Atlantic Richfield Company for an unorthodox oil well location and the amendment of Order No. R-3011, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox and Eaton, appearing on behalf of Atlantic Richfield. We have one witness, Mr. Bob Malaise.

(Witness sworn.)

MR. HINKLE: These are the official Exhibits which have been marked and do you have another set?

MR. MALAISE: Yes, I've got one here.

MR. HINKLE: Excuse us.

ROBERT MALAISE

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

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name and residence and by whom you are employed.

A My name is Robert Marshall Malaise. I'm employed by Atlantic Richfield and live in Midland, Texas.

Q What is your position with Atlantic Richfield?

A I'm a petroleum engineer.

MALAISE-DIRECT

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Q Have you previously testified before the Commission?

A No, I have not.

Q State briefly your educational background and experience as a petroleum engineer.

A I have a mechanical engineering degree from Texas A & M. I have worked for Atlantic Richfield for approximately five years.

Q What's been the nature of your work?

A The nature has been petroleum engineering related projects.

Q Have you made a study of the area that's involved in this Application?

A Yes, I have.

MR. HINKLE: Are the qualifications acceptable?

MR. STAMETS: Mr. Hinkle, the witness' qualifications appear to be adequate and proper to this case and the Application in question.

BY MR. HINKLE:

Q Have you prepared or has there been prepared under your direction certain Exhibit for introduction in this case?

A Yes, there have.

Q Are they the ones that have been marked Exhibits 1 through 4, I believe?

MALAISE-DIRECT

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A Yes.

Q What is Atlantic Richfield seeking to accomplish with this Application?

A This particular Application we are seeking a permit to drill an unorthodox location for the well in question, The Johns "A" No. 6. This said well will be drilled within the Maljamar-Johns Waterflood Project in the Maljamar Field, Lea County, New Mexico. This particular location, being located 1200 feet from the South line and 1259 feet from the West line of our Johns "A" Lease in Section 24, Township 17 South, Range 32 East in Lea County, New Mexico.

We further would like to seek at this time an amendment to the Order No. R-3011. This particular Order set up this particular waterflood project and designated as a Maljamar-Johns Waterflood Project in Lea County.

Q Now, refer to Exhibit 1 and explain what this is and what it shows?

A In Exhibit 1 we have outlined in red the waterflood project itself and have shown the proposed location that we're requesting in this particular project. Atlantic Richfield owns and has 100 percent working interest in the "A" and "B" Leases. Also, shown the producing and injection wells that were set out under the said Order.

MALAISE-DIRECT

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Q Does this also show the waterflood project in the surrounding area and the injection wells by a triangle in each case?

A Yes, the triangles do represent the injection wells that we have. We have several other waterflood projects in this area of similar nature.

Q In fact, Section 24 is surrounded by other waterflood projects?

A That is correct.

Q Which have been approved by the Commission?

A That's correct.

Q What is the purpose of this particular location?

A This particular location is set up as an infill well to recover additional oil that will not be recovered by the secondary project.

Q Now, refer to Exhibit 2 and explain what this shows.

A Exhibit No. 2 shows other infill wells that are colored yellow in one of the larger projects to our southwest. These are infill wells that have been set up and approved by the Commission and here, again, we are looking at a flood that is similar in nature and flooding the same producing intervals.

Q Have these been drilled rather recently, these

MALAISE-DIRECT

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infill wells?

A Yes, this project was started at the first or the middle of 1970 and these are -- these wells are colored in yellow and wells that recently have been completed as a producing well. This is a project started in the western half of the flood and we are just now ending up over on the east, close to our particular project.

Q They have proved successful in that project?

A Yes, they have been very successful.

Q That is the reason why you want to try it in this project?

A Yes, sir.

Q The reason you are asking for the right to locate and have approved administratively additional wells, is the fact that you probably drill additional wells in Section 24 this same way?

A Depending on the success of this location, we can see four to five additional locations within the inner boundaries of this particular project that are possibilities.

Q I refer to Exhibit 3, explain what that shows.

A Exhibit 3 is simply a log section giving the Commission some idea of the intervals that we are flooding at this time. We have a -- show our Jones "A", 24, Well No. 2,

MALAISE-DIRECT

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and as part of the log cross section and go across to Commonal Oil Company's MCA Unit No. 313. Here we are flooding both the lower Grayburg and the upper San Andres sections.

Q Have you had any communication with offset owners with respect to the drilling of this well?

A We have notified all the offset owners in question and we have received --

Q (Interrupting) I believe we have submitted as Exhibits 4 and 5, two letters which show the response from -- the only responses which we have had from offset owners, both of which have no objection. Do you want to examine those?

A Well, one is Shenodaoh which we show on our Exhibit as Great Western. They have bought their interest out and are operating that project now and the other was, I believe, Pennzoil.

MR. HINKLE: We would like to offer Exhibits 1 through 5.

MR. STAMETS: Exhibits 1 through 5 will be admitted into evidence.

(Whereupon, Applicant's Exhibits 1 through 5 were admitted into evidence.)

MR. HINKLE: I have one more question.

MALAISE-DIRECT

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BY MR. HINKLE:

Q In your opinion, will approval of this Application be in the interest of conservation and prevention of waste and trying to protect correlative rights?

A Yes, I do.

MR. HINKLE: That's all we have.

CROSS EXAMINATION

BY MR. STAMETS:

Q How do you spell your last name again, please?

A M-a-l-a-i-s-e.

Q Referring to your Exhibit No. 1, these two leases involved are the Johns "A" and the Johns "B" leases. Are the interests under these two leases the same or is there some sort of a lease agreement in effect?

A They are the same. There is an agreement, but they happen to be the same.

Q Now, you have asked that additional infill locations -- administrative procedure for additional infill locations be set up, would you propose any of those infill locations closer than 330 feet to the outer boundary of Section 24?

A No.

Q The type of procedure you would be requesting here would be one similar to the procedure set out in Commission

MALAISE-CROSS

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Rules and Regulations concerning unorthodox locations in general?

A That's correct.

MR. STAMETS: Are there any other questions of this witness.

MR. HINKLE: No, I have none.

MR. STAMETS: He may be excused.

(Witness excused.)

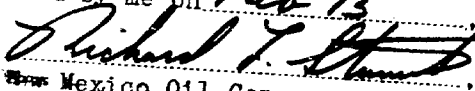
Is there anything further in this case? I will take the case under advisement, and the Hearing is adjourned.

(Whereupon, the Hearing was adjourned at 12:00 noon.)

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

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, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5169, heard by me on Feb 13, 1954.

 Richard L. Nye, Examiner
 New Mexico Oil Conservation Commission

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

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. 5169
Order No. R-3011-A

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION AND THE AMENDMENT OF ORDER
NO. R-3011, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 13, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th 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, Atlantic Richfield Company, seeks
approval for an unorthodox location for the Grayburg-San Andres
formation for a well to be drilled at a point 1200 feet from the
South line and 1250 feet from the West line of Section 24, Town-
ship 17 South, Range 32 East, NMPM, Johns Waterflood Project,
Maljamar Pool, Lea County, New Mexico.

(3) That the subject unorthodox location is proposed in order
to determine whether infill drilling in the subject waterflood
project will result in the recovery of oil which may otherwise not
be recovered.

(4) That the SW/4 SW/4 of said Section 24 is to be dedicated
to the well.

(5) That a well drilled at the proposed unorthodox location
should better enable applicant to produce the oil underlying the
proration unit.

(6) That no offset operator objected to the proposed unor-
thodox location.

(7) That the applicant further seeks the amendment of
Commission Order No. R-3011, entered December 3, 1965, to provide
for an administrative procedure whereby additional infill wells

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CASE NO. 5169

Order No. R-3011-A

may be approved without notice and hearing when such infill wells are to be drilled at unorthodox locations within the Johns Waterflood Project area, and not closer than 330 feet to the outer boundary of said project area nor closer than 10 feet to any quarter quarter section line.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, avoid the reduced recovery arising from the drilling of an insufficient number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to drill a well at an unorthodox location at a point 1200 feet from the South line and 1250 feet from the West line of Section 24, Township 17 South, Range 32 East, NMPM, Johns Waterflood Project, Maljamar Pool, Lea County, New Mexico.

(2) That the SW/4 SW/4 of said Section 24 shall be dedicated to the well.

(3) That Commission Order No. R-3011, entered December 3, 1965, is hereby amended to provide that the Secretary-Director of the Commission may approve the drilling of wells at unorthodox locations within the Johns Waterflood Project area without notice and hearing.

PROVIDED THAT an application for such unorthodox location is filed in such form, style, numbers, and with such notice and waiting period as may be required by paragraphs 2 and 3 of Commission Rule 104 F, or such rule as it may be revised.

PROVIDED FURTHER, that such application is for a well to be located no closer than 330 feet to the outer boundary of the Johns Waterflood Project area nor closer than 10 feet to any quarter quarter section line.

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

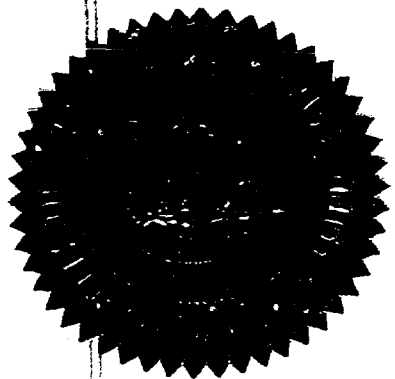
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


ALEX J. ARMILLO, Member


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


S E A L
jr/

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 13, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1974, from fourteen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for March, 1974.

CASE 5130: (Continued from the January 3, 1974, Examiner Hearing)

Application of Mesa Petroleum Company for the amendment of Order No. R-4658, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4658, which order promulgated special pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of said rules to provide for a special gas-oil ratio limitation of 4000 to one.

CASE 5165: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Western States Equipment Company, The Travelers Indemnity Company and all other interested parties to appear and show cause why the Hutcherson Com Well No. 1 located in Unit C of Section 27, Township 9 South, Range 34 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5166: Application of Skelly Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its South Salt Lake Unit Well No. 1 at a point 660 feet from the North and West lines of Section 21, Township 21 South, Range 32 East, Lea County, New Mexico. Applicant further seeks establishment of an administrative procedure for the approval of additional unorthodox locations in said South Salt Lake Unit Area without hearing.

CASE 5167: Application of Fluid Power Pump Company and Petro-Lewis Corporation for compulsory pooling, Sandoval County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests underlying two non-standard proration units in Township 19 North, Range 3 West, Media-Entrada Oil Pool, Sandoval County, New Mexico, described as follows:

Unit No. 1, the S/2 SW/4 of Section 14 and N/2 NW/4 of Section 23, dedicated to applicants' Media Well No. 1 located in Unit M of said Section 14; and

(Case 5167 continued from Page 1)

Unit No. 2, the S/2 SE/4 of Section 15 and N/2 NE/4 of Section 22, to be dedicated to applicants' Media Well No. 2 located in Unit P of said Section 15.

CASE 5168: Application of Silver Monument Minerals, Inc. for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Humble-Tucker Well No. 5 at an unorthodox location 1315 feet from the South and West lines of Section 25, Township 7 South, Range 32 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 5169: Application of Atlantic Richfield Company for an unorthodox oil well location and the amendment of Order No. R-3011, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1200 feet from the South line and 1250 feet from the West line of Section 24, Township 17 South, Range 32 East, Johns Waterflood Project, Maljamar Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-3011 which authorized said project to provide for administrative approval of additional infill locations in said project.

CASE 5173: Application of Mobil Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 3, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to its Maude Rickman Com Well No. 1 located in Unit L of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5170: Application of Monsanto Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 16, Township 19 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in the NE/4 of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5171: Application of Coquina Oil Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age and older underlying the N/2 of Section 16, Township 19 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well proposed to be drilled at an unorthodox location 990 feet from the North and East lines of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5140: (Continued from the January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24. Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (Continued from the January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.

CASE 5124: (Continued from the January 16, 1974, Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests

(Case 5124 continued from Page 3)

underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5172: Southeastern New Mexico nomenclature case calling for the creation, abolishment, contraction and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Avalon-Upper Pennsylvanian Gas Pool. The discovery well is Atlantic Richfield Company, State BO Com No. 1 located in Unit G of Section 15, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 15: N/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Rocky Arroyo-Atoka Gas Pool. The discovery well is the El Paso Natural Gas Company Patterson No. 1 located in Unit H of Section 30, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 30: E/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Rocky Arroyo-Canyon Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo C No. 1 located in Unit F of Section 8, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 8: W/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Winchester-Strawn Gas Pool. The discovery well is the Hillin Production Company JCW State Com No. 1 located in Unit C of Section 2, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 2: N/2

(e) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Indian Draw-Delaware Pool, and to consider the assignment of 16,300 barrels of oil discovery allowable to the discovery well, the Amoco Production Company Old Indian Draw Unit Well No. 1, located in Unit J of Section 18, Township 22 South, Range 28 East, Eddy County, New Mexico. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 18: SE/4

(f) Abolish the East Weir-Tubb Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: E/2 and S/2 SW/4
Section 13: N/2

(g) Extend the Monument-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 11: E/2 SE/4
Section 12: E/2 and SW/4
Section 13: N/2

(h) Contract the Wantz-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 1: SE/4 SW/4
Section 12: NW/4 NE/4

(i) Contract the Winchester-Wolfcamp Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2 SE/4

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 2: W/2 NE/4

(j) Extend the West Atoka-Cisco Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 11: S/2

- (k) Extend the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 18: N/2

- (l) Extend the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM

Section 35: W/2

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 2: N/2

- (m) Extend the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 20: All

- (n) Extend the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM

Section 25: SW/4

Section 26: SE/4

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM

Section 29: All

- (o) Extend the Burton Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 33: E/2

Section 34: N/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 4: Lots 1, 2, 7, 8, 9, 10, 15 and 16

- (p) Extend the Burton Flats-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 34: S/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 3: Lots 1 through 16

(q) Extend the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 31: S/2

(r) Extend the Fren Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 15: W/2 SW/4

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 28: S/2

(t) Extend the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 5: Lots 3, 4, 5, 6, 11, 12,
13 and 14

(u) Extend the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 27: All

(v) Extend the North Morton-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 25: S/2
Section 36: NE/4

(w) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 30: N/2

(x) Extend the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 17: E/2

- (y) Extend the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 7: S/2

Section 8: W/2

- (z) Extend the Rocky Arroyo-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM

Section 33: S/2

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 4: N/2

Section 5: All

Section 8: W/2

- (aa) Extend the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 32: S/2

Section 33: W/2

- (bb) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM

Section 23: NW/4

- (cc) Extend the Scharb-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 2: S/2

- (dd) Extend the North Shoebar-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 13: NE/4

- (ee) Extend the Square Lake Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 9: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 1: NW/4

Section 15: N/2 SW/4

(gg) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 2: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 24 EAST, NMPM

Section 28: S/2

(ii) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Section 30: All

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 34: W/2

Atlantic Richfield Company

Legal Division
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4873

Duncan W. Holt, Jr.
Attorney



Case 5169

January 17, 1974

Oil Conservation Commission
Post Office Box No. 2088
Santa Fe, New Mexico 87501

Re: Application of Atlantic Richfield Company
for an Unorthodox Location and Amendment
of Order No. R-3011, Maljamar Pool,
Lea County, New Mexico

Gentlemen:

We have received a letter from Shenandoah Oil Corporation to advise that it had acquired the working interest of Great Western Drilling Company in the "Great Western Maljar Unit", effective November 1, 1973.

A copy of Shenandoah's letter is attached for your information.

Very truly yours,

Duncan W. Holt, Jr.

Duncan W. Holt, Jr.

DWH/jm
attach.

cc: Mr. Clarence E. Hinkle (w/attach.)
Hinkle, Bondurant, Cox & Eaton
P. O. Box No. 10
Roswell, New Mexico 88201

Mr. R. M. Malaise - Midland (w/attach.)



Date 1-31/74



SHENANDOAH OIL CORPORATION

January 14, 1974

B. J. KELLENBERGER
PRESIDENT

1500 COMMERCE BUILDING
FORT WORTH, TEXAS 76102
817/332-7381
TWX 910 890 5023

Re: Application of Atlantic Rich-
field Co. for Unorthodox Loca-
tion and Amendment of Order No.
R-3011, Maljamar Pool, Lea
County, New Mexico

Case 5169

Atlantic Richfield Company
Legal Division
Post Office Box 2819
Dallas, Texas - 75221

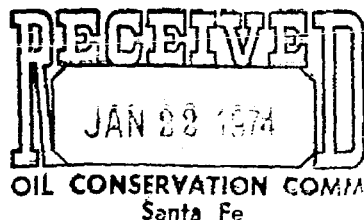
Attention: Mr. Duncan W. Holt, Jr.
Attorney

Gentlemen:

Reference is to your letter of January 9, 1974, notifying offset operators as to Atlantic Richfield's application for approval to drill an unorthodox location, Maljamar Pool, Lea County, New Mexico.

Great Western received this letter and data from you and forwarded same to us. This is to advise you that effective November 1st, we purchased the working interest in the Great Western Malmar Unit, and also would like to inform you at this time that we have no objection to your drilling this location on your offsetting Johns "A" Lease.

It would be appreciated if any future correspondence in reference to the Malmar Unit be mailed to Shenandoah at the letterhead address, attention of T. P. Bates.



TPB:ah

cc: C. Belkh

Yours very truly,

SHENANDOAH OIL CORPORATION

T. P. Bates

T. P. Bates
Vice President



POST OFFICE DRAWER 1828 • MIDLAND, TEXAS 79701 • PHONE (915) 682-7318

January 11, 1974

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Cdr 5169

Attention: Mr. Dan Nutter

Re: Atlantic Richfield's Application
for Unorthodox Location and
Amendment of Order R-3011
Maljamar Grayburg-San Andres Pool
Lea County, New Mexico

Gentlemen:

Pennzoil Company has received Atlantic's notice of the subject application for a well in Section 24, T-17-S, R-32-E. As the offset operator to the east, Pennzoil Company supports Atlantic's application.

Yours very truly,

J. C. Raney
Petroleum Engineer
Pennzoil Company

JCR:lc
cc: Atlantic Richfield Company
P. O. Box 1610
Midland, Texas

DOCKET MAILED

Date 1-31-74

Continental
"Boish"
"B"

Amoco et al D/R
Continental
32 ("Miller" "B")

A.R.Co. #6506

12
14 | 1080
2800

11
8 | 56
36 | 220

"E"
"Johns"
123 | 902
2800

7
4 | 77
26 | 155

24

1
8 | 16
28 | 35

4
112 | 186
2800

9
9 | 62
26 | 234

5
299 | 1124
2800

2
157 | 1020
2800

3
S.L. | 8
71

10
331 | 974
2800

6
25 | 52
11 | 57

PROPOSED LOCATION

A.R.Co. #6504

1
14 | 50
132 | 144

2
109 | 1001
2800

"A"
"Johns"
S.L. | 7
77

3
103 | 809
2800

Amoco et al D/R
313 Continental
129 ("Pearl" "B")

BEFORE EXAMINER STAMPS
OIL CONSERVATION COMMISSION

140 EX-130
CASE NO. 516
Submitted: [Signature]
Hearing Date: 2-13-74 25.193

195

137

Continental
R 32 E

LEGEND
MCA UNIT
INFILL DEVELOPMENT
DAILY OIL CUM OIL (1000's BBL)
DAILY WTR CUM WTR (1000's BBL)
DAILY INJ CUM INJ (1000's BBL)
WELL HEAD PRESSURE

Atlantic Richfield Company
North American Producing Division
Permian District Midland, Texas

FIGURE 1
AREA MAP
MALJAMAR GRAYBURG-SAN ANDRES FIELD
LEA COUNTY, NEW MEXICO
SCALE: 1" = 1000'

DATE	BY
DATE	BY
DATE	BY



SHENANDOAH OIL CORPORATION

B. J. KELLENBERGER
PRESIDENT

1500 COMMERCE BUILDING
FORT WORTH, TEXAS 76102
817/332-7361
TWX: 910 390 5023

January 14, 1974

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 5
CASE NO. 511-0
Submitted by Atl. Rich.
Hearing Date 2-13-74

Re: Application of Atlantic Rich-
field Co. for Unorthodox Loca-
tion and Amendment of Order No.
R-3011, Maljamar Pool, Lea
County, New Mexico

Atlantic Richfield Company
Legal Division
Post Office Box 2819
Dallas, Texas - 75221

Attention: Mr. Duncan W. Holt, Jr.
Attorney

Gentlemen:

Reference is to your letter of January 9, 1974, notifying offset operators as to Atlantic Richfield's application for approval to drill an unorthodox location, Maljamar Pool, Lea County, New Mexico.

Great Western received this letter and data from you and forwarded same to us. This is to advise you that effective November 1st, we purchased the working interest in the Great Western Malmar Unit, and also would like to inform you at this time that we have no objection to your drilling this location on your offsetting Johns "A" Lease.

It would be appreciated if any future correspondence in reference to the Malmar Unit be mailed to Shenandoah at the letterhead address, attention of T. P. Bates.

Yours very truly,

SHENANDOAH OIL CORPORATION

T. P. Bates

T. P. Bates
Vice President

TPB:ah

cc: C. Bellh



POST OFFICE DRAWER 1828 • MIDLAND, TEXAS 79701 • PHONE (915) 682-7316

January 11, 1974

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico


Attention: Mr. Dan Nutter

Re: Atlantic Richfield's Application
for Unorthodox Location and
Amendment of Order R-3011
Maljamar Grayburg-San Andres Pool
Lea County, New Mexico

Gentlemen:

Pennzoil Company has received Atlantic's notice of the subject application for a well in Section 24, T-17-S, R-32-E. As the offset operator to the east, Pennzoil Company supports Atlantic's application.

Yours very truly,


J. C. Raney
Petroleum Engineer
Pennzoil Company

JCR:lc

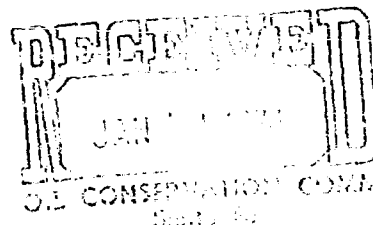
cc: Atlantic Richfield Company
P. O. Box 1610
Midland, Texas

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	5
CASE NO.	5129
Submitted by	ATU-JC-R
Hearing Date	2-13-74

AtlanticRichfieldCompany

Legal Division
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4873

Duncan W. Holt, Jr.
Attorney



January 9, 1974

Oil Conservation Commission
Post Office Box No. 2088
Santa Fe, New Mexico 87501

Case 5169

Re: Application of Atlantic Richfield Company
for an Unorthodox Location and Amendment
of Order No. R-3011, Maljamar Pool,
Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is application of Atlantic Richfield Company in the above matter and request that it be set for hearing before an examiner at Santa Fe. We would appreciate the hearing being set as early as possible.

The offset operators are Continental Oil Company, P. O. Box 460, Hobbs, New Mexico 88240; Pennzoil United, Inc., 5th Floor, Wall Towers West, Midland, Texas 79701; Murphy H. Baxter, 1402 Southwest Tower, Midland, Texas 79701; Great Western Drilling Company, P. O. Box 1659, Midland, Texas 79701 and Phillips Petroleum Company, Phillips Building, Odessa, Texas 79760. Each has been furnished a copy of the application.

Very truly yours,

Duncan W. Holt, Jr.

Duncan W. Holt, Jr.

DWH:ih

Enclosure

cc: Mr. Clarence E. Hinkle

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR AN UNORTHODOX LOCATION AND AMENDMENT
ORDER NO. R-3011, MALJAMAR POOL, LEA
COUNTY, NEW MEXICO

CASE NO. 5769

Atlantic Richfield Company hereby makes application to the Commission for an order amending existing rules or orders of the Commission pertaining to certain oil proration units to permit an unorthodox location and an amendment to Order No. R-3011, dated December 3, 1965, and in support thereof would show:

1.

Atlantic Richfield Company is the operator of the acreage hereinafter described and the wells located thereon and hereinafter mentioned which are completed in the Maljamar Pool on the Johns "A" Lease.

2.

Applicant hereby seeks an order to permit an unorthodox location for a well, as an infill well within the Maljamar Johns Waterflood Project, Maljamar Field, Lea County, New Mexico. Said well to be located 1200 feet from the South line and 1250 feet from the West line of Section 24, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

Applicant hereby further seeks an order to amend said Order No. R-3011 so as to include the right to obtain administrative approval for any additional infill well locations that may be requested within the designated Maljamar Johns Waterflood Project, Lea County, New Mexico.

Attached is a map showing the location of the proposed well and the area around same.

3.

The Applicant believes that approval of this application will afford the Applicant the opportunity to produce its just and equitable share of the oil in the Maljamar Pool and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays that notice be issued on this application as required by law; that the application be set for hearing before the examiner at Santa Fe, New Mexico at the earliest convenient date and after hearing, a special order be entered approving this application for said proposed location and an amendment of said Order.

Duncan W. Holt, Jr.
Duncan W. Holt, Jr.
P. O. Box 2819, Dallas, Texas 75221

Clarence E. Hinkle
Hinkle, Bondurant, Cox & Eaton
P. O. Box 10, Roswell, New Mexico 88201

ATTORNEYS FOR APPLICANT
ATLANTIC RICHFIELD COMPANY

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Curr 8169

Operator Atlantic Richfield Company		Lease Johns "A"		Well No. 6
Unit Letter M	Section 24	Township 17S	Range 32E	County Lea
Actual Footage Location of Well: 1200 feet from the South line and 1250 feet from the West line				
Ground Level Elev.	Producing Formation Grayburg - San Andres	Pool Maljamar	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

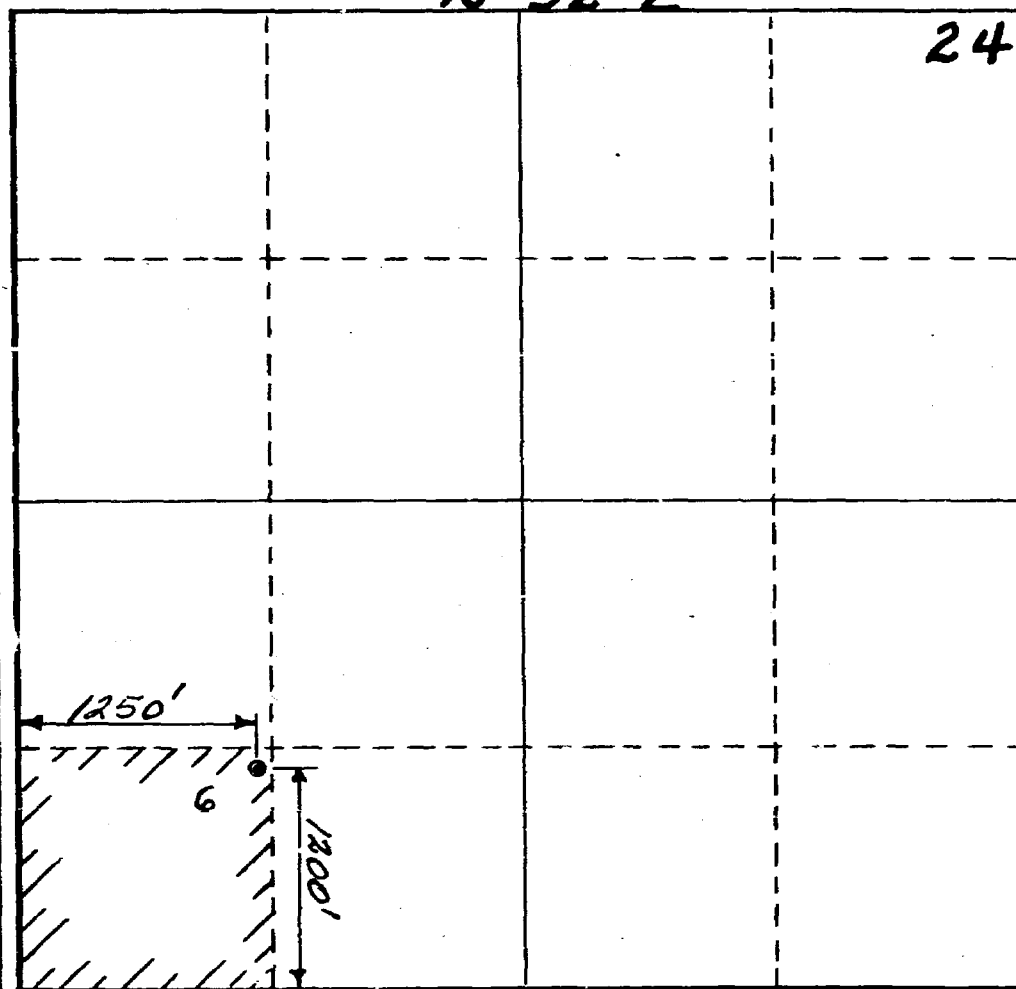
☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

R-32-E

*T
1
7
S*



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *D.D. Litcher*
Position
Dist. Drlg. Supv.
Company
Atlantic Richfield Company
Date
12/28/73

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Dec 27 - 1973
Registered Professional Engineer
and/or Land Surveyor

[Signature]
Certificate No.
648


5169


R3011-A


- (1) Seeks approval NSL as described
- (2) Approval sought to achieve better oil recovery in ~~Johns Water~~ Atlantic's Johns Water Flood project.
- (3) Further seeks approval administrative procedure for approval more infill locations in Johns ~~Water~~ Waterflood project

- (4) Approval will do all good things provided that no NSL be closer than 330 ft to section line or 10 ft to QQ line of section 24.

Order

Approval  NSL & Adm. procedure with footage restrictions

(Check wording in order on case No 5166 on Adm. procedure  as shown in this sketch)

Need to tie this into R3011 

DRA

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. 5169

Order No. R-3011-A

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION AND THE AMENDMENT OF
ORDER NO. R-3011, Lea County, New Mexico

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 13, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of February, 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, Atlantic Richfield Company, seeks
approval for an unorthodox location for the Grayburg-San Andres
formation for a well to be drilled at a point 1200 feet from the
South line and 1250 feet from the West line of Section 24, Township
17 South, Range 32 East, NMPM, Johns Waterflood Project, Maljamar
Pool, Lea County, New Mexico.

(3) That the subject unorthodox location is proposed in order to determine whether infill drilling in the subject waterflood project will result in the recovery of oil which may otherwise not be recovered.

(4) That the SW/4 SW/4 of said Section 24 is to be dedicated to the well.

(5) That a well drilled at the proposed unorthodox location should better enable applicant to produce the oil underlying the proration unit.

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

Amendment of Commission Order NO. R-3011, entered December 3, 1965

(7) That the applicant further seeks the ~~establishment of~~ an administrative procedure whereby additional infill wells may be approved without notice and hearing ~~which~~ ^{when such infill wells} are to be drilled at unorthodox locations within the Johns Waterflood Project area, ~~but are not to be drilled~~ closer than 330 feet to the outer boundary of said project area nor closer than 10 feet to any quarter quarter section line.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, avoid the reduced recovery arising from the drilling of an insufficient number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to ~~to~~ drill a well at ~~an~~ unorthodox location at a point 1200 feet from the South line and 1250 feet from the West line of Section 24, Township 17 South, Range 32 East, NMPM, Johns Waterflood Project, Midland County, Texas.

-3-

CASE NO. 5169

Order No. R- 3011-A

~~Flood Project, Maijamar pool, Lea County, New Mexico.~~

(2) That the SW/4 SW/4 of said Section 24 shall be dedicated to the well.

Commission Order No. R-5011, entered December 3, 1965, is hereby amended to provide

(3) That ~~the~~ Secretary-Director of the Commission may approve the drilling of wells at unorthodox locations within the Johns Waterflood Project area without notice and hearing;

PROVIDED THAT, an application for such unorthodox location is filed in such form, style, numbers, and with such notice and waiting period as may be required by paragraphs 2 and 3 of Commission Rule 104F, or such rule as it may be revised;

PROVIDED FURTHER, that such application is for a well to be located no closer than 330 feet to the outer boundary of the Johns Waterflood Project area nor closer than 10 feet to any quarter quarter section line.

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

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