

CASE 5249: Application of READ
& STEVENS, INC., for Pool Extension,
Eddy County, New Mexico

CASE No.

5249

Application,

Transcripts,

Small Exhibits

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JUNE 5, 1974 TIME: 9 A.M.

| NAME | REPRESENTING | LOCATION |
|--------------------|----------------------|---------------|
| ROGER HANKS | ROGER HANKS | MIDLAND |
| <i>[Signature]</i> | R.C. Hanks | Roswell |
| Don Stearns | Read + Stearns, Inc. | Santa Fe |
| <i>[Signature]</i> | Read + Stearns, Inc. | Roswell, N.M. |
| <i>[Signature]</i> | The Petro. Corp. | Roswell |
| <i>[Signature]</i> | The Petro. Corp. | MIDLAND |
| Hal Stearns | Kellahin & Fox | Santa Fe |
| Jason Kellahin | | |

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 5, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc.,
for Pool Extension, Eddy County,
New Mexico.

CASE NO. 5249

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:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Donald G. Stevens, Esq.
214 Old Santa Fe Trail
Santa Fe, New Mexico

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SANTA FE, NEW MEXICO 87501
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I N D E X

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| <u>EDDY K. DAVID</u> | |
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E X H I B I T S

| | <u>Marked</u> | <u>Admitted</u> |
|------------------------------|---------------|-----------------|
| Applicant's Exhibits 1 and 2 | 10 | 10 |
| Applicant's Exhibit 3 | 14 | 14 |

MR. NUTTER: We will now call Case No. 5249.

MR. DERRYBERRY: Case 5249, Application of Read and Stevens, Inc., for Pool Extension, Eddy County, New Mexico.

MR. STEVENS: Mr. Examiner, I am Don Stevens, attorney from Santa Fe, representing the Applicant. We have one witness to be sworn.

(Whereupon, the Witness was sworn.)

EDDY K. DAVID

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

DIRECT EXAMINATION

BY MR. STEVENS:

Q Would you state your name, your residence and your occupation, please?

A Eddy K. David, I am a Consulting Geologist from Roswell, New Mexico.

Q What is your relationship with the Applicant in this Case?

A I am a Consulting Geologist for the Applicant, Read and Stevens, Inc.

Q Have you testified previously before the New Mexico Oil Conservation Commission ?

A Yes, sir, I have.

Q Were your qualifications accepted at that time?

A Yes, they were.

MR. STEVENS: Are the Witness's qualifications accepted?

MR. NUTTER: Yes, they are.

BY MR. STEVENS:

Q Would you state what the Applicant seeks here, Mr. David?

A The Applicant, Read and Stevens, Inc., seeks that Section 29 and Section 30, Township 20 South, Range 25 East, be deleted from the Rules governing the Indian Basin Morrow Gas Pool and placed in Sections 20, 29 and 30, Township 20 South, Range 25 East in the Cemetery Morrow Gas Pool.

Q What effect would this have on the size of the proration units on these sections by such a change?

A What this will do, it will change it from the Indian Basin Morrow Gas Pool which is 640 into the Cemetery Morrow Gas Pool which is 320.

Q That 640 is 640-acre spacing and 320-acre spacing?

A That is correct.

Q Proration units as opposed to spacing?

A Right.

Q Referring to what has been marked as Exhibit No 1, would you explain that for the Commission, please?

A Exhibit No. 1 is a structure map on top of the Morrow A Sand. The Morrow A Sand has been designated by me as the uppermost pay in the Cemetery Morrow area. It is contoured on that particular zone with a contouring of 25 feet, and what this shows in this area is that there is a structural anomaly, a structural high, centered in portions of Section 32, 29, Township 20 South, Range 25 East. There is an eastward structural pull out through this area with a local closure.

Q Mr. David, does this structure, in your opinion, control the production found in the Cemetery Morrow and the Indian Basin Morrow Pools?

A It has some influence on it, however, it is not the sole controlling factor in here. What we demonstrate by our cross section, in this particular structure map, is that in addition to structure you find that the Morrow, stratigraphic in nature, has more than one sand and with variance in porosity and permeability.

Q Referring to that Exhibit No. 2, your cross section, would you go over that for the Commission?

A Yes, this is a cross section and this particular

cross section is A, A prime, with Well A being on the left. Well A is the Mobil No. 1 Federal, dry hole, in Section 30. We move south to the second well in Section 31, which is Fasken No. 1 Cameron-Federal, a Morrow producer. The cross section then moves to the northeast and in the northwest quarter of 32 into the Fasken No. 1 State 31, a Morrow producer, and then it continues northward and terminates on Well A prime which is a Fasken No. 1 Gosset 20, also a Morrow producer. And on this cross section I have designated three different pay sands in here. In descending order the uppermost sand would be Morrow A sand; the middle sand would be Morrow B; and the lowermost sand would be Morrow C. So from this cross section we find that there are at least three distinct sand bodies in here which have separate reservoir characteristics. For example, if we look at the wells on the cross section, the two which are to the right, Well A prime, the Fasken No. 1 Gossett, and the well also in Section 32, the Fasken No. 1 State 31. There were three drill stem tests on each of these wells and they flowed gas from each of the Morrow A, B and C sands, which demonstrate that there are three different pays in the field, at least. Also as we look at the cross section, we find that the thickness of the sands vary. For example,

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the well in Section 31, the David Fasken-Cameron 31 Federal, the B sand has approximately 100 feet of gross sand, where when you move to the right on the cross section you find that these sands thin up, and for example, the Well A prime probably has approximately 20 feet of sand, so we do find there is considerable variance in the thickness of these Morrow sands. Also we can see that the cross section demonstrates the considerable change in reservoir characteristics within the individual sands. If we go to the uppermost sand, Sand A, if we look at the cross section, we find that moving from right to left, if we move from A prime in Section 29, it flowed over 2 million cubic feet of gas. If we move to the second well to the left, the David Fasken State 32 in Section 32, it flowed over 6 million, where the well in Section 1, David Fasken-Cameron 31 flowed only 187 thousand cubic feet, which demonstrates that these sands can change quite rapidly when we are speaking of porosity, permeability and reservoir characteristics. Also, we find as we map these sands that each sand can have, possibly have, different trends or alignments through this area.

Q The dry hole in the southeast quarter of Section 32 and the producer in Section 16 have different geological positions on the structure; what does this mean so far as

your view of this field?

A There again, over most of these areas, almost all of the wells, even dry holes, have encountered gas. However, some of these wells have not encountered gas in commercial quantities. For example, the well in Section 32 had gas surface on a drill stem test, this would be the Fasken No. 1 Howell State in the southeast quarter, but it was not in commercial quantity, therefore, the well was not completed as a Morrow producer, but instead was completed as a dry hole. The well in Section 16, which you refer to as the Phillips No. 1 Royal, and on this one it made a gas completion and if we look at the datum on it we find that the Morrow A sand was encountered approximately 100 feet low to dry hole and the field and a portion of the field to the south, I'm speaking in particular of the dry hole in Section 32, Fasken No. 1 Howell State and also Mobil No 1-30, the Mobil No. 1 Federal in the northeast quarter of 30. So there again we can find that gas can be produced low on the structure, or sometimes you can encounter dry holes rather high on the structure.

MR. NUTTER: That well is not a very good well is it, that Royal well?

MR. DAVID: No, it is not an exceptionally good well.

BY MR. STEVENS:

Q In your opinion, Mr. David, will one well drain 640 acres or 320 acres?

A Well, any one sand can drain 640 acres. However, as we have seen on the cross section you can have at least up to three different pay sands, and we also saw that some of these sands, the individual sands, their porosity and permeability, their measurable characteristics, can diminish quite rapidly. Therefore, some of these sands are not as well developed as other sands, and the ones that aren't as well developed, we feel, may not be able to drain 640 acres. So what I am saying in essence is that in the same borehole you might have three sands, and some of the sands might be capable of draining 640 acres where other sands will not be capable of draining 640 acres. Therefore, we think the field should be developed on 340 acres.

Q Would 320 acre spacing enable you to better define these various sand trends as the field is developed?

A Yes, it would because these sand trends do vary in their alignment, and with the 320 spacing proration units it would give us closer ties, it would tie in with our geological data and help in aligning these trends, and therefore there will be fewer dry holes and also as a

result we would tend to protect correlative rights of royalty owners in the area.

Q You also, in your opinion, consider that a greater amount of gas will be recovered with 320-acre proration?

A Yes, because we get back to the same reasoning that some of these sands are not capable of draining 640 acres.

MR. STEVENS: At this time we would like to introduce into evidence Exhibits 1 and 2 of the Applicant.

MR. NUTTER: The Applicant's Exhibits 1 and 2 will be admitted into evidence.

MR. STEVENS: We have no further questions on Direct, Mr. Chairman.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. David, you have shown us cross sections here of the wells down here in the south end, but you don't have a cross section tying into the pool you want to extend; what sands Mobil Brown Humble Well No. 1 producing from?

A It would be in this same interval of A, B and C.

Q But you didn't bring along that one, and you didn't put it on your cross section?

A I might have a log here in my folder on it, but I

don't have it on the cross section.

Q And how about the Phillips Well, what sands is it producing from?

A It would be the same interval and the correlation becomes extremely difficult up into this area; it becomes quite interpretative.

Q Isn't that what we are doing while we are extending a pool?

A Yes, right.

Q So we have got to correlate if we are going to extend.

A Well, we can correlate it, but it does become difficult, but you can correlate in there.

Q Well, I think we need something here to indicate that this should be a part of the Cemetery pool rather than a part of the Indian Basin. You are asking that we include it in the Cemetery pool.

A Well, if you will allow me a minute here I might have some logs on it. I have another cross section here which goes from the Phillip well in Section 16 to the Brown well in Section 17, and it goes to the Fasken well in Section 20 and up to Section 32.

Q I think that is what you need to introduce if you

show continuity of the sands across there.

MR. STEVENS: Mr. Examiner, we would like to introduce into evidence Exhibit No. 3.

MR. NUTTER: Do you have another one there that you can refer to?

MR. DAVID: I just have what is in my presence, I just have the two wells in the north end, in Section 17 and Section 16.

(Whereupon, a discussion was held off the record.)

BY MR. NUTTER:

Q Do you have something there to refer to?

A Yes, I have the two wells on the right hand side of your cross section; I have all of the same data.

Q Looking at your Exhibit No. 3 now, which is a cross section starting on the right hand side with the Phillips Royal No. 1, apparently a drill stem test was taken in what would be the Morrow A and Morrow B sands of this Exhibit. Is that the same Morrow A and Morrow B sands as reflected in your Exhibit No. 2?

A Yes, that is correct.

Q Okay. A drill stem test No. 1 was taken in there that showed that that well made 3,842,000 cubic feet of gas

per day in sands B and C, is that correct?

A That is absolutely correct.

Q And then the well was completed to produce from the B and C sand for a potential of about 4 million a day?

A That is correct.

Q Now we go to the next well which is the Brown Humble Federal No. 1, which would be the well in Section 17, and we see drill stem test No. 1 was taken in the B sand and yielded a million a half a day?

A That is correct.

Q Drill stem test No. 2 was taken in the --

A (Interrupting) That would be the B, also.

Q The B sand.

A It goes a little farther down.

Q And it goes a little farther down into the field?

A Right.

Q And made 2½ million a day, approximately?

A That is correct.

Q Drill stem test No. 3 was in the C sand and below, and only made 576 per day, but the well was completed for an open flow of 3½?

A That is correct.

Q And then, of course, we get to the other two wells

on the cross section which are part of your Exhibit No. 2, and we see that they do produce from the same sands that you had these productive drill stem tests then on the first two wells of that Exhibit?

A Right.

Q Now, isn't there a well in Section 29 that has been completed or is in the final stages of completion at this time, Mr. David?

A I don't have that information.

MR. STEVENS: Excuse me, I might interrupt here. That was an error on my part in preparing the application. At the time I had the information, that was a well that is uncompleted, actually that is an abandoned location.

MR. NUTTER: In Section 29?

MR. STEVENS: Yes, sir.

MR. NUTTER: So there is no well there?

MR. STEVENS: There is no well there.

MR. NUTTER: Does anyone have any other questions of this witness? Do you want to offer Exhibit 3 now, Don?

MR. STEVENS: Yes, sir. I would like to introduce into evidence Exhibit No. 3 of the Applicant.

MR. NUTTER: Applicant's Exhibit No. 3 will be
— admitted into evidence.

Anything further, Mr. Stevens?


MR. STEVENS: Nothing further.

MR. NUTTER: If there are no further questions of the Witness, he may be excused. Does anyone have anything they wish to offer in Case 5249?

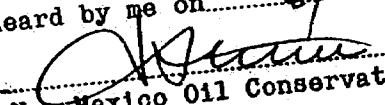
We will take the case under advisement.

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, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5249 heard by me on 6/5 1974.


New Mexico Oil Conservation Commission Examiner

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OIL CONSERVATION COMMISSION

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

June 11, 1974

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

Re: CASE NO. 5249
ORDER NO. R-4807

Applicant:

Read & Stevens

Mr. Donald G. Stevens
Attorney at Law
Post Office Box 1797
Santa Fe, New Mexico

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. 5249
Order No. R-4807

APPLICATION OF READ & STEVENS
FOR POOL EXTENSION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 5, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of June, 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, Read & Stevens, seeks an order
extending the horizontal limits of the Cemetary-Morrow Gas Pool
to include therein all of Sections 20, 29, and 30, Township 20
South, Range 25 East, NMPM, Eddy County, New Mexico.

(3) That the geologic data available establishes that the
Morrow formation underlying said Sections 20, 29, and 30 is part
of the same Morrow structure underlying the Cemetary-Morrow
Gas Pool and is in communication therewith.

(4) That in order to prevent waste and protect correlative
rights, the horizontal boundaries of the Cemetary-Morrow Gas
Pool should be extended to include therein said Sections 20,
29, and 30.

IT IS THEREFORE ORDERED:

(1) That the horizontal boundaries of the Cemetary-Morrow
Gas Pool are hereby extended to include in said pool the follow-
ing described area:

-2-

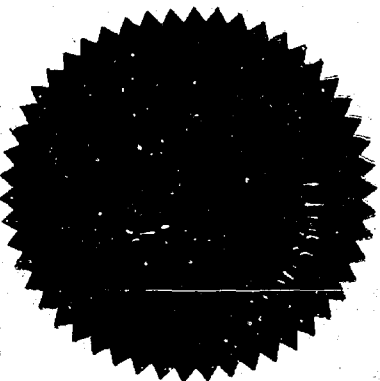
Case No. 5249
Order No. R-4807

EDDY COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Sections 20, 29, and 30: All

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



R. Trujillo
R. TRUJILLO, Chairman

A. J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

(f) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Malaga-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company Malaga A Well No. 1 located in Unit L of Section 2, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 1: W/2

(g) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Quahada Ridge-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 38 located in Unit C of Section 34, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 34: N/2

(h) Abolish the Chambers-Wolfcamp Pool in Lea County, New Mexico, described as:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 26: SW/4
Section 35: N/2 and SW/4

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 26: SW/4
Section 35: N/2 and SW/4

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 11: N/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: SE/4
Section 22: E/2 NE/4, SW/4 NE/4 and
NE/4 SE/4

(l) Extend the Hare-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 27: W/2
Section 28: S/2

- (m) Extend the Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 15: NE/4

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

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 24: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 7: SE/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 14: All

CASE 5254: Southeastern nomenclature case calling for the creation, abolishment, and extension of certain pools in Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Forty Niner Ridge-Morrow Gas Pool. The discovery well is the Skelly Oil Company Forty Niner Ridge Unit Well No. 1 located in Unit J of Section 16, Township 23 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 16: S/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Kennedy Farms-Morrow Gas Pool. The discovery well is the Hanson Oil Corporation Kennedy Farms Com Well No. 1 located in Unit F of Section 34, Township 17 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 34: N/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Logan Draw-Wolfcamp Gas Pool. The discovery well is the Amoco Production Company Arco Federal Gas Com Well No. 1 located in Unit L of Section 26, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 26: SW/4

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Los Medanos-Morrow Gas Pool. The discovery well is the Belco Petroleum Corporation James Ranch Unit Well No. 3 located in Unit J of Section 1, Township 23 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: E/2

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 6: W/2

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Los Medanos-Strawn Gas Pool. The discovery well is the Belco Petroleum Corporation James Ranch Unit Well No. 3 located in Unit J of Section 1, Township 23 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: E/2

Dockets Nos. 17-74 and 18-74 are tentatively set for hearing on June 19 and July 10. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 5, 1974

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

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

CASE 5249: Application of Read & Stevens, Inc., for Pool Extension, Eddy County, New Mexico. Applicants, in the above-styled cause, seek the extension of the Cemetery-Morrow Gas Pool to include therein all of Sections 20, 29, and 30, Township 20 South, Range 25 East, Eddy County, New Mexico.

CASE 5250: Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Allied "A" Com Well No. 1 located in Unit N of Section 22, Township 20 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce oil from the Bone Spring formation through the tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

CASE 5251: Application of Pierce & Dehlinger for the Amendment of Order No. R-4560, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4560 to provide for an extension of time in which to comply with the schedule set forth in said order for the drilling and completion of the third well covered by said order, to be located in the NE/4 of Section 24, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico.

CASE 5252: Application of Roger C. Hanks for the Amendment of Order No. R-4158, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Order No. R-4158 which authorized use of applicant's Foster Well No. 1, located in Unit D of Section 5, Township 20 South, Range 25 East, Eddy County, New Mexico, as a salt water disposal well with injection through 2 3/8-inch plastic lined tubing set in a packer at 10,000 feet. Applicant seeks authority to dispose through 2 7/8-inch non-plastic lined tubing set in a packer at 10,000 feet.

CASE 5253: Application of The Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Superior Federal Well No. 3 to be drilled to the Morrow formation at a point 660 feet from the South and West lines of Section 4, Township 20 South, Range 29 East, Eddy County, New Mexico.

Memo

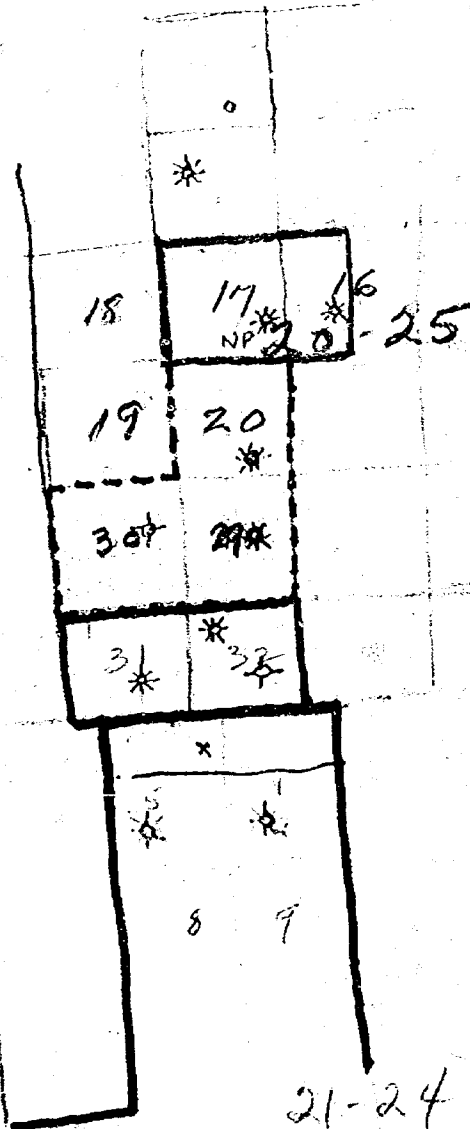
Case 5249

From

A. L. PORTER
Secretary-Director

To

20-24



21-24

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF READ & STEVENS, INC.
FOR AN ORDER DELETING SECTIONS 29
AND 30, TOWNSHIP 20 SOUTH, RANGE
25 EAST, FROM THE RULES GOVERNING
THE INDIAN BASIN MORROW GAS POOL
AND PLACING SECTIONS 20, 29, and
30, ABOVE TOWNSHIP AND RANGE, IN
THE CEMETARY MORROW GAS POOL.

Case No. 5249

APPLICATION

Comes now Read & Stevens, Inc. and applies to the Oil Conservation Commission of the State of New Mexico for the approval of an Order deleting from the rules governing the Indian Basin Morrow Gas Pool Sections 29 and 30, Township 20 South, Range 25 East, Eddy County, New Mexico. Applicant further seeks the addition to the Cemetery Morrow Gas Pool of the following described lands: Sections 20, 29, and 30, Township 20 South, Range 25 East, Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Pennsylvanian formation in Section 30, above Township and Range.
2. Applicant desires to allocate the South 1/2 of said Section 30 to a well to be drilled in said South 1/2.
3. Said South 1/2 and all of Section 30 is now subject to the field rules of the Indian Basin Morrow Gas Pool, providing for 640 acre proration units.
4. Morrow gas wells have been completed in Section 20 and 29, above Township and Range, with 320 acre proration units as set out under State-wide rules. Applicant has reason to believe and does believe that one well will adequately drain 320 acres in

DOCKET MAILED

Date 5-23-74

DONALD G. STEVENS - ATTORNEY AT LAW

P. O. BOX 1797, 101 W. MARCY
SANTA FE, NEW MEXICO 87501

(505) 962-6593

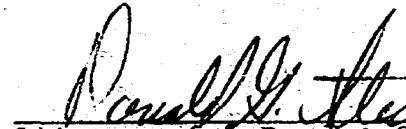
the Morrow formation in this portion of Eddy County, New Mexico.

5. Approval of this application will result in the recovery of gas that probably would not otherwise be recovered, will prevent waste, and correlative rights of owners in the area will be protected.

THEREFORE applicant requests that this matter be set for hearing before the Commission or Commission's duly appointed examiner on Wednesday, June 5, 1974, and that after hearing and notice as provided by law that the Commission enter an Order deleting said Sections 29 and 30, above Township and Range, from the Indian Basin Morrow Gas Pool and placing said Sections 20, 29, and 30 in the Cemetary Morrow Gas Pool, as requested.

Respectfully submitted,

DONALD G. STEVENS



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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. 5249

Order No. R-4807

APPLICATION OF READ & STEVENS
FOR POOL EXTENSION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 5, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of June, 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, Read & Stevens, seeks an order extending
the horizontal limits of the Cemetery-Morrow Gas Pool to include
therein all of Sections 20, 29, and 30, Township 20 South, Range
25 East, NMPM, Eddy County, New Mexico.

-2-

CASE NO. 5249

Order No. R-

(3) That the geologic data available establishes that the Morrow formation underlying said Sections 20, 29, and 30 is part of the same Morrow structure underlying the ~~Indian Basin~~ ^{Cemetery-} Morrow Gas Pool and is in communication therewith.

(4) That in order to prevent waste and protect correlative rights, the horizontal boundaries of the Cemetery-Morrow Gas Pool should be extended to include therein said Sections 20, 29, and 30.

IT IS THEREFORE ORDERED:

(1) That the horizontal boundaries of the Cemetery-Morrow Gas Pool are hereby extended to include in said pool the following described area:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 25 East, NMPM
Sections 20, 29, and 30: All

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

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

Application of Read + Stevens for
pool extension, Eddy County, N.M.

Case 5249

Wednesday, June 5, 1974 - DSN

FINANSI

(1) Jurisdiction

(2) That the applicant, Read + Stevens, seeks an order extending the horizontal limits of the Cemetery-Morrow Gas Pool to include therein all of Sections 20, 29, and 30, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

(3) That the geologic data available establishes that the Morrow formation underlying said Sections 20, 29, and 30 is part of the same Morrow structure underlying the Indian Basin-Morrow Gas Pool and is in communication therewith.

(4) That in order to prevent waste and protect correlation rights, the horizontal boundaries of the Cemetery-Morrow Gas Pool should be extended to include therein said Sections 20, 29, and 30.

ORDERED:

(1) That the horizontal boundaries of the Cemetery-Morrow Gas Pool are hereby extended to include in said pool the following described area:

Eddy County, New Mexico
Township 20 South, Range 25 East, N.M.P.M.
Sections 20, 29, 30; All

2 Jurisdiction