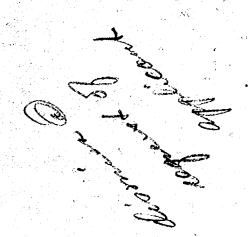
CASE 5250: Appli. of PENROC OIL CORPORATION for a dual completion Eddy County, New Mexico.



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

#### EXAMINER HEARING

#### IN THE MATTER OF:

Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico.

) CASE NO. 5250

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

#### APPEARANCES

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:

Jason Kellahin, Esq. KELLAHIN, KELLAHIN & FOX 500 Don Gaspar Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOT ARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 902-0386

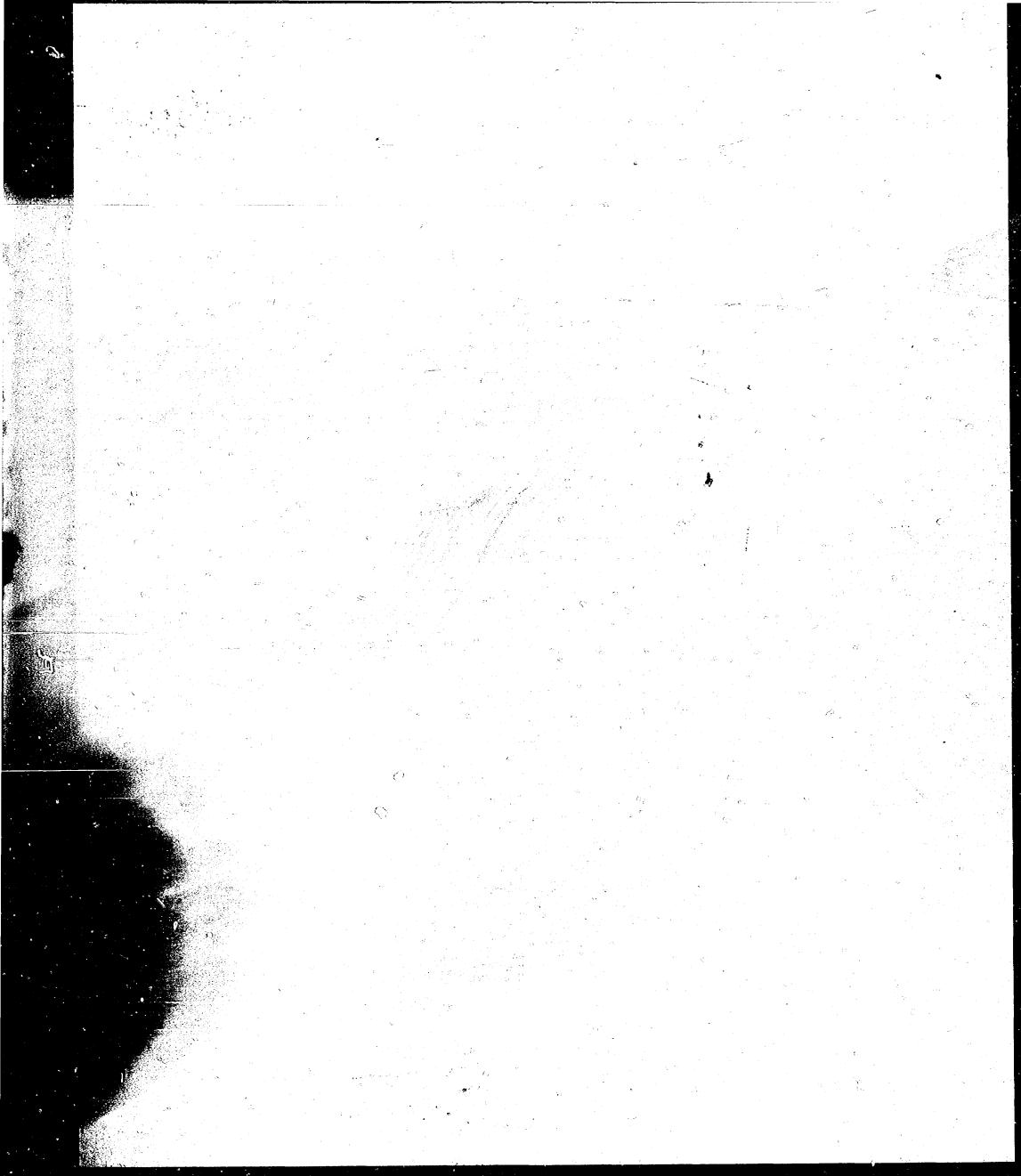
MR. NUTTER: We will call Case 5250.

MR. DERRYBERRY: Case 5250, Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico.

MR. KELLAHIN: Gentlemen, please, this is Kellahin. Kellahin and Fox appearing for the Applicant. We request that the Case be dismissed.

MR. NUTTER: Case 5250 will be dismissed.

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



CASE	5250
Page	3

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 I. NYE, Court Reporter

I do hereby certify that the foregoing is a resplete record of the proceedings in the Examiner hearing of Case No. 5250 heard by me ion.

New Mexico 011 Conservation Commission

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



#### **OIL CONSERVATION COMMISSION**

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

June 25, 1974

I. R. TRUJILLO CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Re	: CASE NO. 5250
Mr. Jason Kellahin	ORDER NO. R-4815
Kellahin & Fox Attorneys at Law	Applicant:
Post Office Box 1769	PENROC OIL CORPORATION
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.

Secretary-Director

ALP/ir					e. Na
Copy of order	also se	nt to:			· · · · · · · · · · · · · · · · · · ·
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# 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. 5250 Order No. R-4815

APPLICATION OF PENROC OIL CORPORATION FOR A DUAL COMPLETION, 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 25th day of June, 1974, the Commission, a quorum being present, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

#### FINDS:

That the applicant's request for dismissal should be granted.

#### IT IS THEREFORE ORDERED:

That Case No. 5250 is hereby dismissed.

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. ARMIJO Member

. L. PORTER, Jr., Member & Secretary

SEAL

jr/

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. I 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, Town-ship 20 South, Range 29 East, Eddy County, New Mexico.

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 Pederal 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

Docket No. 15-74

(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

(1) 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 II: 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

(1) 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

Examiner Hearing - Wednesday - June 5, 1974

Docket No. 15-74

(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 FAST, 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

Con 5250

#### BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

(4) A = 1 18) A

OIL CONSERVATION COMM.

IN THE MATTER OF THE APPLICATION OF PENROC OIL CORPORATION FOR APPROVAL OF A DUAL COMPLETION, EDDY COUNTY, NEW MEXICO

#### APPLICATION

COMES NOW Penroc Oil Corporation and applies to the Oil Conservation Commission of New Mexico for approval of the dual completion of its Allied "A" Com. No. 1 well located 1980 feet from the West line and 660 feet from the South line of Section 22, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico and in support thereof would show the Commission:

- 1. The above described well is located in an undesignated field as to Morrow and Bone Springs production, and is more than one mile from wells dually completed in the same horizons.
- 2. Applicant proposes to complete the well as a conventional dually completed well to produce Bone Springs oil through the tubing, and Morrow gas through the annulus, utilizing a cross-over assembly.
- 3. The well is completed with 4 1/2 inch casing, and two and three eights inch tubing will be utilized in both strings of the dual completion.

WHEREFORE, applicant prays that this application be set for hearing at the next available Examiner hearing of the

Commission, and that after notice and hearing as required by law, the Commission authorize the dual completion as applied for.

Respectfully submitted,

PENROC OIL CORPORATION

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

ATTORNEYS FOR APPLICANT

DRAFT

dr/

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CALLED BY TOMMISSION
THE PURPOSE

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. 5250 Order No. R- 48/5

APPLICATION OF PENROC OIL CORPORATION FOR A DUAL COMPLETION, 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 record and the recommendations of the Examiner, and being fully advised in the premises,

#### FINDS:

That the applicant's request for dismissal should be granted.

#### IT IS THEREFORE ORDERED:

That Case No. 5250 is hereby dismissed.

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