

CASE 5320: Appli. of LIVELY
EXPLORATION FOR A NON-STANDARD
GAS PRORATION UNIT, SAN JUAN CO.

CASE No.

5320

Application,
Transcripts,
Small Exhibits

ETC.

DAN NUTTER

Dochet

Vincent E
Shryack

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Bldg
Denver
80202

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 18, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Lively Exploration
Company for a non-standard gas
proration unit, San Juan County,
New Mexico.

Case No. 5320

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William Carr, Esc.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

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

CASE 5320

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I N D E X

PAGE

VINCENT D. SHERACK

Direct Examination by Mr. Kellahin
Cross Examination by Mr. Stamets

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E X H I B I T S

Applicant's Exhibits Nos. 1 through 5

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SHERACK-DIRECT

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MR. STAMETS: Case 5320.

MR. CARR: Case 5320. Application of Lively Exploration Company for a non-standard gas proration unit, San Juan County, New Mexico.

MR. STAMETS: We call for appearances in this case?

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of Lively Exploration Company. We have one witness to be sworn.

MR. STAMETS: Are there any other appearances in this case?

The witness will stand and be sworn, please.

(Witness sworn.)

VINCENT D. SHERACK

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

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

A My name is Vincent D. Sherack, and I am self-employed as a petroleum engineer.

Q Mr. Sherack, have you previously testified before this Commission and had your qualifications as

SHERACK-DIRECT

Page.....4.....

an expert accepted and made a matter of record?

A No, sir.

Q Would you state briefly for the Examiner your education, where you obtained your degree and in what year?

A I graduated as an engineer from Colorado State University in 1948, and have worked continuously in the oil and gas industry since then, serving 15 years with Phillips Petroleum Corporation in various capacities, 2½ years with International Oil and Gas Corporation, and since 1966, have been self-employed.

Q What is your relationship with Lively Exploration Company with regard to this case?

A Lively Exploration Company has hired me to present this testimony, and I also have an interest in the proposed well.

Q Have you made a study with and are you familiar with the facts surrounding this particular Application?

A Yes, sir.

MR. KOLAHEN: If the Examiner please, are the witness' qualifications acceptable?

MR. STANIS: Mr. Sherack, you said you are self-employed. What business are you in?

THE WITNESS: Basically, I have been an oil and gas engineer.

SHERACK-DIRECT

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together drilling deals and selling them, and I am classified as reservoir engineer in this type of drilling deals, concentrating in the San Juan Basin for the last 8 years.

MR. STAMETS: So your work would include land work, engineering work --

THE WITNESS: (Interrupting) Geological work.

MR. STAMETS: All of the work necessary to put together a deal?

THE WITNESS: Yes, sir.

MR. STAMETS: Yes, the witness is qualified.

BY MR. KELLAHIN:

Q Mr. Sherack, would you please refer to what has been marked as Applicant's Exhibit No. 1, and identify it?

A Yes. Applicant's Exhibit No. 1 is a plat from the Federal records which shows Township 29 North, Range 8 West, San Juan County, New Mexico. Its intent is to show that the western tier of sections are irregular and less than 640 acres each, the specific sections being Sections 6, 7, 18, 19, 30 and 31.

Q You have subsequent exhibits that show this in more detail?

A Exhibit No. 2 is another Federal land map which

shows the acreage surrounding the Applicant's requested unit in more detail.

If you would like to proceed to Exhibit No. 3 --

Q (Interrupting) Yes, sir, would you please identify that and explain what information it contains?

A Exhibit No. 3 is a land plat showing the requested non-standard drilling unit of the Applicant, which includes the southwest quarter of Section 7 and the west half of Section 18 in Township 29 North, Range 8 West. Proceeding to the southwest quarter of Section 7, it is comprised of Lot 9, which corresponds to the Commission Unit K, containing 37.9 acres, and Lot 10, which corresponds to Unit L, which contains 16.82 acres, and Lot 11, which is Unit M, containing 17.15 acres, and Lot 12, which is Unit N, containing 37.97 acres. The total acreage in the southwest quarter of Section 7 is 109.84 acres. Proceeding to the west half of Section 18, there are four lots: Lot No. 1, corresponding to Unit D, containing 18.17 acres, Lot 2, Unit E, containing 18.06 acres, Lot 3, corresponding to Unit L, which is 17.96 acres, and Lot 4, which is Unit M, containing 17.85 acres. Those, coupled with the east half of the west half of Section 18, the east half of the west half containing a standard 160 acres. The

SHERACK-DIRECT

CASE 5320

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west half, then, of Section 18 totals 232.04 acres, and if the two acreages are added, this summation is 341.88 acres as opposed to a standard proration unit of 320 acres.

Q Has this proposed spacing unit previously been approved and established as a non-standard unit for a Blanco-Mesaverde production?

A Yes, sir. The El Paso Natural Gas Company has a Mesaverde Well, Day No. 3-M, which is 990 feet from the south and west lines of Section 18, under which this same non-standard unit has been approved for Mesaverde production.

Q And it is your desire to have the same non-standard unit approved now for Basin-Dakota production?

A Yes, sir.

Q Please refer now to what has been marked as Exhibit 4?

A Exhibit 4 is a plat showing Township 29 North, Range 6 West, San Juan County, New Mexico, and upon that plat I have shown existing Basin-Dakota wells, and have principally shown on the western tier, four potential non-standard units encompassing the west half of Section 6, Section 7, Section 18, Section 19, Section 30, and Section 31. The intent here is to show that the Applicant's unit

SHERACK-DIRECT

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is unpatterned and other operators can, if they so desire, establish a pattern-type non-standard units down the west tier of this Township.

Q Please refer to what has been marked as Exhibit 5 and identify it?

A Exhibit 5 is a drawing which shows the ownership of offset acreage surrounding the Applicant's requested non-standard unit. Colored in red is acreage owned by Tenneco Oil Company. The acreage colored blue is owned 50-50 by Tenneco and Conoco, and the acreage colored yellow is owned by Rock Island Oil Production Products.

Q In your opinion, Mr. Sherack, will approval of this Application be in the best interest of conservation and prevention of waste and the protection of correlative rights?

A Yes, sir, it will.

Q Were Exhibits 1 through 5 either compiled directly by you or under your direction and supervision?

A Yes, sir.

MR. KELLAHAN: We move the introduction of Exhibits 1 through 5.

MR. STAMETS: Without objection, Exhibits 1 through 5 will be admitted.

(Whereupon, Applicant's Exhibits Nos. 1 through 5 were marked for identification, and were admitted in evidence.)

MR. KELLAHIN: That concludes our direct examination.

MR. STAMETS: Are there questions of the witness?

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Sherack, the well is out there that exists at the present time. It can be recompleted or completed in the Dakota much more economically than a new well could be drilled in the Dakota, is that correct?

A I am sorry, sir. The answer is no. The existing well?

Q Yes.

A I have no rights in that well.

Q I see. Where do you propose to drill?

A Our location, with reference to my Exhibit 3, the location that is staked, is a standard location 1100 feet from the west line and 1620 feet from the south line of Section 16. The Mesaverde well that exists there is operated by El Paso Natural Gas Company, and is 990 from the west and south lines of Section 16. It would be

SHERACK-CROSS

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cheaper, but I don't think they would let me do it.

Q Referring to Exhibit No. 4, all of those wells shown on that exhibit are Dakota Wells?

A That's right, yes, sir.

Q So this is the exhibit that you show which would indicate that your well is on pattern, and any drainage would be offset by counter-drainage from the other wells?

A Yes, sir.

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

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

He may be excused.

(Witness dismissed.)

MR. STAMETS: Is there anything further in this case?

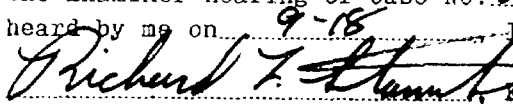
MR. KELLAHIN: No, sir.

MR. STAMETS: We will take the case under advisement.

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.


 COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5320, heard by me on 9-18-1974.

 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



OIL CONSERVATION COMMISSION

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

October 9, 1974

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

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

Re: CASE NO. 5320 etc.
ORDER NO. R-4863, R-4864,
R-4865, R-4866 and R-4868
Applicant:

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

Copy of order also sent to:

Hobbs OCC x
Artesia OCC R-4865, R-4866, R-4868
Aztec OCC R-4863

Other Mr. Nick Franklin - R-4866 & R-4868
All other interested parties

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. 5320
Order No. R-4863

APPLICATION OF LIVELY EXPLORATION
COMPANY FOR A NON-STANDARD GAS
PRORATION UNIT, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 18, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of October, 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, Lively Exploration Company, seeks approval for a 341.88 non-standard gas proration unit comprising Lots 9,10,11, and 12 of Section 7, and Lots 1,2,3, and 4, and the E/2 W/2 of Section 18, Township 29 North, Range 8 West, Basin-Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit.

(3) That formation of the non-standard unit is necessary due to a variation in the U. S. Public Lands Surveys.

(4) That the entire area included in the proposed non-standard unit may reasonably be presumed productive of gas from the Dakota formation.

(5) That no offset operator objected to the proposed non-standard unit.

(6) That approval of the subject application will not cause waste or violate correlative rights, but will permit the interest owners in the proposed unit to recover their just and equitable share of the gas in the Basin-Dakota Pool.

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CASE NO. 5320
Order No. R-4863

(7) That the application for a non-standard gas proration unit should be approved.

IT IS THEREFORE ORDERED:

(1) That a 341.88-acre non-standard gas proration unit in the Basin-Dakota Pool comprising Lots 9, 10, 11, and 12 of Section 7, and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 29 North, Range 8 West, San Juan County, New Mexico, is hereby approved to be dedicated to a well to be drilled at a standard location for said unit at a point 1820 feet from the South line and 1100 feet from the West line of said Section 18.

(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



I. R. Trujillo
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

og/

Memo

From

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410

To: Dad, 9-4-74

Re Case 5320. Under R-60 set up the same acreage as described in this case for a Blanco Mv non-standard unit. The acreage we are using is 341.88 acres rather than 341.33. I have checked it using our standard system & 341.88 is correct. Please make this correction at the hearing. Thank you - Erving

5320

Finds

Applicant, Lively Exploration Company,
seeks ^{432.00-acre} NSU (like on docket ~~2~~ including
location & pool)

That the NSU is necessary due
to ~~the non-standard~~ a variation in
legal subdivisions of the U.S.
Public Land Surveys

That no offset operator objected
to the proposed NSU

Approval of subject application will
not cause waste or violate correlative
rights but will permit the
interest owners under the NSU
to recover their just & equitable
share of the reserves in the Basin-
Dakota ~~Pool~~ Pool

Application should be approved

Dockets Nos. 29-74 and 30-74 are tentatively set for hearing on October 2 and October 16, 1974. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 18, 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 from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for October, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for October, 1974;

CASE 5288: (Continued from the August 7, 1974, Examiner Hearing)

Application of Meirion & Bayless for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of hydrocarbon production from the top of the Gallup formation at 5434 feet to the base of the Dakota formation at 6570 feet in its Keeling Federal Well No. 1 located in Unit B of Section 20, Township 25 North, Range 8 West, Dufers Point-Dakota Pool, San Juan County, New Mexico.

CASE 5313: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its Ludwick Well No. 11 located in Unit B of Section 9, Township 30 North, Range 10 West, San Juan County, New Mexico.

CASE 5292: (Continued from the August 7, 1974, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit El Paso Natural Gas Company, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why each of the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

EPNG Ludwick Well No. 11, located in Unit B, Section 19, Township 30 North, Range 10 West, San Juan County, New Mexico;

EPNG Rincon Unit Well No. 127, located in Unit A, Section 28, Township 27 North, Range 6 West, Rio Arriba County, New Mexico; and

EPNG Warren A Well No. 2, located in Unit A, Section 23, Township 28 North, Range 9 West, San Juan County, New Mexico.

- CASE 5316: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company and all other interested parties to appear and show cause why the Segal Well No. 1 located in Unit K of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5317: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company, Inc., and all other interested parties to appear and show cause why the Marron Well No. 42 in Unit M of Section 22, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5318: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit William C. Russell and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Marron Well No. 46 located in Unit K of Section 23, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5326: Application of William C. Russell for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of his Hammond Well No. 1, the surface location of which is 1800 feet from the North line and 1650 feet from the East line of Section 26, Township 27 North, Range 8 West, Largo-Chacra Pool, San Juan County, New Mexico.
- CASE 5328: Application of R & G Drilling Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco-Mesaverde and Basin-Dakota gas production in the wellbore of its Hammond Well No. 47, located in Unit K of Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico.
- CASE 5312: Application of SEC Corporation for two non-standard carbon dioxide gas units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard gas units in the South Bueyeros Carbon Dioxide Field, Harding County, New Mexico, the first comprising the W/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 32, Township 19 North, Range 30 East, to be dedicated to a well to be drilled in the approximate center of the SW/4 NE/4 of said Section 32; the second non-standard unit would comprise the SW/4 NE/4, N/2 SE/4 and SE/4 SE/4 of Section 5, Township 18 North, Range 30 East, and would be dedicated to a well in the approximate center of the NW/4 SE/4 of said Section 5.

CASE 5314: Application of Gulf Oil Corporation for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its W. A. Ramsay Wells Nos. 6, 7, and 20 located in Units H, N, and E, respectively, of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to a standard 640-acre gas proration unit comprising all of said Section 35. Each of the aforesaid wells is at a non-standard location for a 640-acre unit in said pool.

CASE 5315: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Tubb-Drinkard, and Fusselman production in the wellbore of its G. L. Erwin "B" Federal Well No. 4 located in Unit 0 of Section 35, Township 24 South, Range 37 East, Justis Field, Lea County, New Mexico.

CASE 5319: Application of Alan Ralston dba Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 25, Township 25 South, Range 36 East, Lea County, New Mexico, to form a 160-acre non-standard gas proration unit to be dedicated to applicant's Brown Well No. 1 located 1980 feet from the North line and 2310 feet from the West line of said Section 25. Applicant further seeks the pooling of all mineral interests in the Jalmat Pool underlying the following 40-acre oil proration units in said Section 25: the NW/4 NW/4 to be dedicated to Brown Well No. 2 located 330 feet from the North line and 825 feet from the West line; the NE/4 NW/4 to be dedicated to Brown Well No. 3 located 365 feet from the North line and 1650 feet from the West line; the SE/4 NW/4 to be dedicated to Brown Well No. 4 located 1690 feet from the North line and 1870 feet from the West line; and the SW/4 NW/4 to be dedicated to Brown Well No. 5 located 1650 feet from the North line and 990 feet from the West line. Also to be considered will be the cost of reworking said wells 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 wells and a charge for risk involved in reworking said wells.

CASE 5320: Application of Lively Exploration Company for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 341.33-acre non-standard gas proration unit comprising Lots 9, 10, 11, and 12 of Section 7, and Lots 1, 2, 3, and 4 and the E/2 W/2 of Section 18, Township 29 North, Range 8 West, Basin-Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit.

- CASE 5321: Application of Northern Minerals, Inc. for pool creation and special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Miguel Creek-Hospah Oil Pool in Township 16 North, Range 6 West, McKinley County, New Mexico, and for the promulgation of special pool rules therefor, including the elimination of the requirement for surface casing and authority to inject water through casing. Applicant is currently conducting waterflood operations in said pool pursuant to authority granted by Order No. R-4649 and seeks administrative provision for the drilling of additional injection and production wells at orthodox and unorthodox locations.
- CASE 5322: Application of Phillips Petroleum Company for an exception to Rule 104-C-I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Commission Rule 104-C-I to permit the production of its Santa Fe Wells Nos. 41 and 86, both of which are located in Unit C of Section 26, Township 17 South, Range 35 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, said wells being located closer than the required 330 feet apart.
- CASE 5323: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age, or older, underlying the E/2 of Section 32, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. 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 5324: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age, or older, underlying the E/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to applicant's Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of said Section 18. 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 5325: Application of Cities Service Oil Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of Section 18, Township 22 South, Range 27 East, South

(Case 5325 continued from Page 4)

Carlsbad Field, Eddy County, New Mexico, in such a manner as to bottom said well in the Morrow formation at an orthodox location within 165 feet of a point 2145 feet from the North line and 825 feet from the East line of said Section 18. Applicant further seeks approval for the unorthodox location of said well in the Strawn formation, in the event production is therein encountered, within a 100-foot radius of a point 2600 feet from the North line and 675 feet from the East line of said Section 18. The E/2 of said Section 18 would be dedicated to the well for both formations.

CASE 5327: Application of Cities Service Oil Company for an unorthodox location and gas injection, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Empire-Abo Unit Well No. 111 to be drilled at a point 990 feet from the South line and 1880 feet from the West line of Section 35, Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico. This well is to be used as a gas injection well and, in exception to the provisions of Order No. R-4808, is located 1140 feet from the outer boundary of the Citgo Empire-Abo Unit Boundary, rather than the required 1650 feet from the outer boundary.

SECRET NO. 21-17

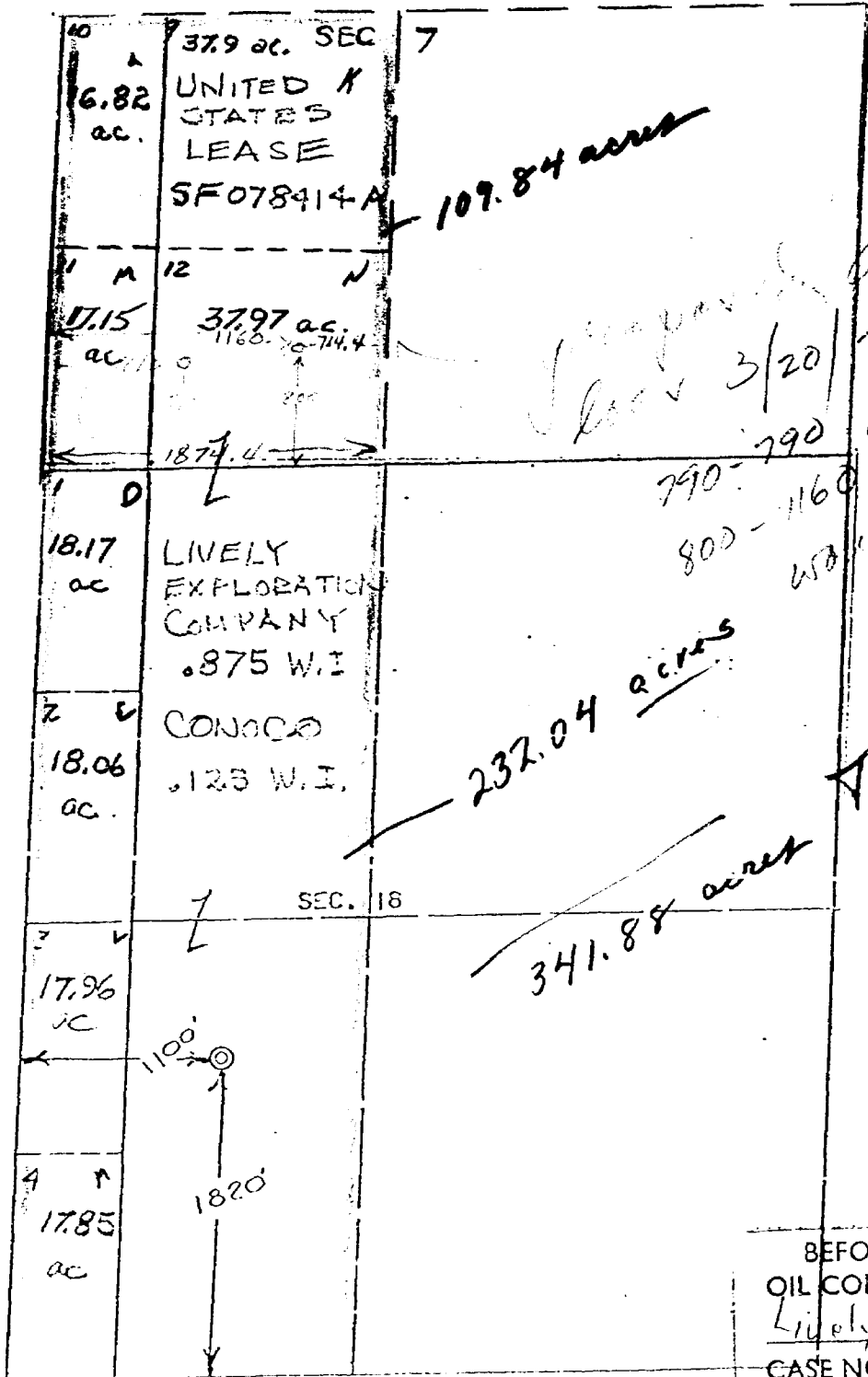
CASE : 5320

LIVELY EXPLORATION COMPANY
NON STANDARD UNIT
BASIN DAKOTA POOL
SAN JOAN COUNTY
NEW MEXICO

SECTION 7: SW $\frac{1}{4}$ 109.84
SECTION 18: W $\frac{1}{2}$ 232.04

341.88 acres.

T. 29 N R 8 W



alter native
75-
old - no big me
now old
old take big

to 1

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Lively EXHIBIT NO. 3
CASE NO. 5320
Submitted by SHAYACK
Hearing Date 18 Sep 74

DOCKET NO: 27-74
CASE: 5320
'LIVELY EXPLORATION COMPANY
NON STANDARD UNIT
BASIN DAKOTA POOL
SAN JUAN COUNTY
NEW MEXICO

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

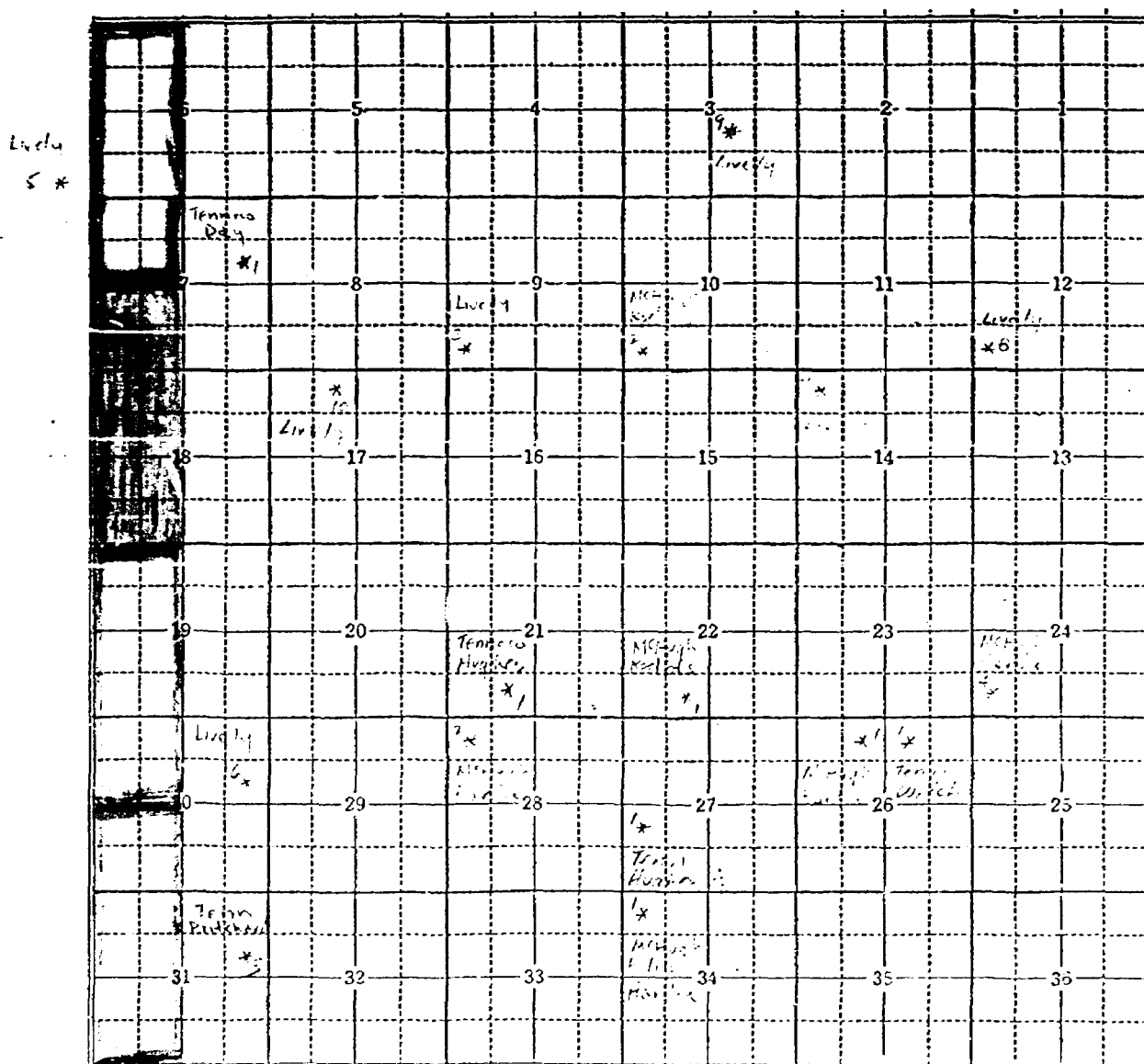
Lively EXHIBIT NO. 4


CASE NO. 5320


Submitted by Shryack

Hearing Date 18 Aug 74

T 29 N R 8 W



 LIVELY EXPL CO NON STD UNIT

 REMAINING POSSIBLE NON STD UNIT

DOCKET NO: 27-74

CASE: 5320

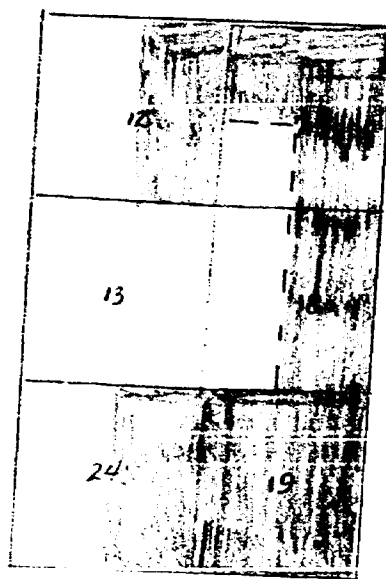
LIVELY EXPLORATION COMPANY

NON STANDARD UNIT

BASIN DAKOTA POOL

SAN JUAN COUNTY, NEW MEXICO

29N-9W → ← 29N-8W



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Lively EXHIBIT NO. 5

CASE NO. 5320

Submitted by SHRYACK

Hearing Date 18 Sep 74

OFFSET LEASE OWNERSHIP

☒ TENNECO

☒ TENNECO $\frac{1}{2}$ CONOCO $\frac{1}{2}$

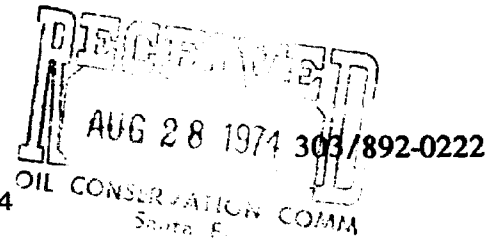
☒ ROCK ISLAND OIL

$\frac{1}{2}$ PRODUCTION PROPERTIES

V. E. SHRYACK

110 Sixteenth Street, Suite 960
Denver, Colorado 80202

August 27, 1974



New Mexico Oil & Gas Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Lively Exploration
Company for the establishment
of a Non-Standard Gas Spacing
unit, San Juan County, New Mexico

Gentlemen:

This will confirm telephone conversation of August 26, 1974
between Mr. Dan Nutter and Vincent E. Shryack.

Lively Exploration Company requests the following non-standard
gas spacing unit for Basin Dakota production.

Township 29 North, Range 8 West, N.M.P.M.	
West half Section 18	232.04 acres
Southwest quarter Section 7	109.84 acres
Total unit	341.88 acres

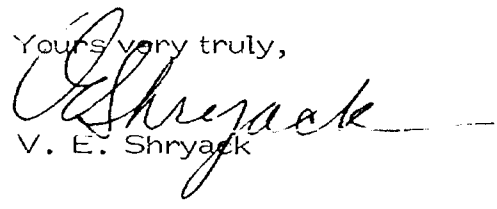
Applicant is operator of the spacing unit and owns 87.5% of the
working interest under the proposed unit. Continental Oil Company owns
the remaining 12.5% working interest. Applicant will seek voluntary
commitment of Continental Oil Company's interest in the proposed unit.

The proposed spacing unit has previously been approved and
established as non-standard unit in Order No. R-60 for Blanco Mesavende
production.

Approval of this application will prevent waste and will protect
correlative rights.

The applicant requests that this application be set for hearing
before the Commission or one of its examiners and that the Commission
enter its order approving this application.

Yours very truly,


V. E. Shryack

cc: Lively Exploration Company
Continental Oil Company
El Paso Natural Gas Company

DRAFT

jr/TWD

BEFORE THE OIL CONSERVATION COMMISSION¹⁹
OF THE STATE OF NEW MEXICO₁₃

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5320

Order No. R- 4863

APPLICATION OF LIVELY EXPLORATION
COMPANY FOR A NON-STANDARD GAS
PRORATION UNIT, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 18, 1974
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of October, 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, Lively Exploration Company, seeks
approval for a 341.88 non-standard gas proration unit comprising
Lots 9,10,11, and 12 of Section 7, and Lots 1,2,3, and 4, and
the E/2 W/2 of Section 18, Township 29 North, Range 8 West,
Basin-Dakota Pool, San Juan County, New Mexico, to be dedicated
to a well to be drilled at a standard location for said unit.

1 -2-
2 CASE NO. 5320
3 Order No. R-

4 (3) That formation of the non-standard unit is necessary due
5 to a variation in the U.S. Public Lands Surveys.

6 (4) That the entire area included in the proposed non-standard
7 unit may reasonably be presumed productive of gas from the Dakota
8 formation.

9 (5) That no offset operator objected to the proposed non-
10 standard unit.

11 (6) That approval of the subject application will not cause
12 waste or violate correlative rights, but will permit the interest
13 owners in the proposed unit to recover their just and equitable
14 share of the gas in the Basin-Dakota Pool.

15 (7) That the application for a non-standard gas proration
16 unit should be approved.

17 IT IS THEREFORE ORDERED:

18 (1) That a 341.88-acre non-standard gas proration unit in the
19 Basin-Dakota Pool comprising Lots 9, 10, 11, and 12 of Section 7,
20 and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township
21 29 North, Range 8 West, San Juan County, New Mexico, *is hereby*

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

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

26 *approved to be dedicated to a well to*
27 *be drilled at a standard location*
28 *for said unit at a point 1820 feet*
29 *from the South line and 1100 feet*
30 *from the West line of said Section 18.*
31
32

1820

Memo

From

IDA RODRIGUEZ

To Van -

On Monday - August 26

Mail Bank ^{88.116} ₁₀₋₂₂₂

Check —

48.715

11.0281

8-60

79.95

22.82

28.82

19.51

68.8

Lively Expl Co.
1234 $\frac{1}{2}$ E/2 w/2 18
910, 11, 12 7

29-8
Basin Dak
S. J. Co

341.33

approx 5

SW/18

3 quarter sections