

Case 5330: Application of TEXAS
PACIFIC OIL CO. FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY.

CASE No.

5330

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 2, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific
Oil Company, Inc. for an
unorthodox gas well location,
Eddy County, New Mexico.

Case No. 5330

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:

John F. Russell, Esq.
Suite 412, Hinkle Building
Roswell, New Mexico

CASE 5330

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I N D E X

PAGE

MELVIN L. SCHROEDER

Direct Examination by Mr. Russell

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E X H I B I T S

Applicant's Exhibits Nos. 1, 2 and 3

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SCHROEDER-DIRECT

CASE 5330

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MR. NUTTER: Case 5330.

MR. DERRYBERRY: Case 5330. Application of Texas Pacific Oil Company, Inc. for an unorthodox gas well location, Eddy County, New Mexico.

MR. RUSSELL: I am John F. Russell, appearing on behalf of the Applicant, and I have one witness.

MR. NUTTER: Are there other appearances in this case?

(Witness sworn.)

MR. RUSSELL: Mr. Examiner, we wound up a little short with our exhibits. I sent one set last week, and I will leave the set that the witness will be using, if that is satisfactory?

MR. NUTTER: Yes.

MELVIN L. SCHROEDER

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, address, the name of your employer, and the capacity in which you are employed?

A My name is Melvin L. Schroeder. I live in

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

SCHROEDER-DIRECT

Midland, Texas. I work for Texas Pacific Oil Company as a Development Engineer.

Q Have you previously qualified to give expert testimony before the Commission?

A No, I have not.

Q Will you give a brief resume of your educational background and your experience in the field?

A Okay. I graduated from the University of Oklahoma in December, 1972. Since then I have worked for Texas Pacific Oil Company in the capacity of a development engineer, overseeing the productive properties and the development of productive acreage.

MR. RUSSELL: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir, they are.

BY MR. RUSSELL:

Q Are you familiar with the Application of Texas Pacific Oil Company, Inc. in Case No. 5330?

A I am.

Q What do you seek by this Application?

A We seek approval to drill our J. H. Ansley Unit No. 1, 660 feet from the north and east lines of Section 27, Township 17 South, Range 26 East in Eddy County, an

SCHROEDER-DIRECT

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unorthodox location, gas well location.

Q Now, this Application is in the area of your responsibility with the Company, is it not?

A That is correct.

Q In connection with this Application, have you had prepared under your direction and supervision certain exhibits?

A Yes, I have.

Q I will refer to what has been marked as Applicant's Exhibit No. 1 and ask you to explain what that is?

A This Exhibit No. 1 is a map showing our proposed location and the acreage dedicated to this location, and it shows offset leases at a radius of approximately two miles from our location, and shows lease ownership. Also, it spots the wells which have been drilled through the Morrow in this area with the wells coded as follows: The wells circled in green are dry holes. The wells circled in red are producing wells.

Q To what formation is your well projected?

A We are projected to drill through the Morrow and TD at least 100 feet into the Chester Line.

Q Referring to what has been marked as Applicant's Exhibit No. 2, I ask you what that reflects?

A Exhibit No. 2 is a map covering the same area on which we have contoured the top of the Chester Line. This map, the contours are based on Sub "C" elevations, and the bases for these are the -- for the map -- are the well logs which have been circled.

Q And the top of the Chester is the base of the --

A (Interrupting) That is correct. The top of the Chester is the base of the Morrow.

Q I will refer you to what has been marked as Applicant's Exhibit No. 3 and ask you what that reflects?

A This is a map covering the same area as covered in the two previous maps with offset acreage -- excuse me -- ownership of offset acreage noted and with wells which have been drilled through the Morrow formation in this area.

Q What kind of map is it?

A This is an isopachous map of the same development which is found in the Big Buck Pounds, Hansen Big Buck Pounds No. 1 Well.

Q Where is that located in reference to your proposed location?

A That location is located 1980 from the south line of Section 27 and 660 from the east line of Section 27.

Q Was the information in that well log available

for you in preparing this isopachous map?

A Yes. The circled wells were -- the logs of the circled wells were correlated to get this isopachous map.

Q Now, your proposed well location in the north half of Section 27 is in the same relative position as the Hansen Well is to the section line in the south half of the Section, is that correct?

A That is correct.

Q Basically, your well location is dependent upon or as a result of the information obtained from that well?

A That is correct.

Q And from that map, it would appear that this producing sand is very narrow in width?

A Yes. We are predicting it to be narrow in width and also with undetermined longitudinal extent.

Q Now, as to the acreage to the north of your proposed location, who holds that acreage?

A We hold the acreage to the north.

Q What about the acreage to the east?

A We hold the favorable acreage position in Section 26 to the east.

Q And that would be true whether the proration unit was north-south or east-west?

A That is correct.

Q In your opinion, will the information obtained from the drilling of this well have a great effect upon future development to the north and east?

A Yes, it will.

Q And at this location, you feel that you can get your fair share of the gas-in-place?

A Yes. We feel that the majority of the gas-in-place will be on the eastern edge of our unit.

Q And a well at that location, in your opinion, will drain the north half of the section?

A Yes, it will.

Q This is still quite a wildcat area, is it not?

A Yes. As you can tell by looking at the map, there is not a lot of control.

MR. RUSSELL: I would like to offer into evidence Applicant's Exhibits 1, 2 and 3.

MR. NUTTER: Applicant's Exhibits 1, 2 and 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2 and 3 were marked for identification, and were admitted into evidence.)

BY MR. RUSSELL:

Q In your opinion, the granting of this Application will prevent waste and protect correlative rights?

A Yes.

MR. RUSSELL: I have no further questions of this witness.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

(Witness dismissed.)

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

MR. RUSSELL: I have nothing further.

MR. NUTTER: Does anyone have anything they wish to offer in Case 5330?

We will take the case under advisement.

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.

Robert Z. Hall
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5330 heard by me on 10/2 1974

[Signature], Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 962-0366



OIL CONSERVATION COMMISSION

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

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

October 22, 1974

Mr. John F. Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico 88201

Re: CASE NO. 5330

ORDER NO. R-4881

Applicant:

Texas Pacific Oil Company

Dear Sir:

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

Very truly yours,

K. 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. 5330
Order No. R-4881

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 2, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd 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, Texas Pacific Oil Company, Inc., seeks approval of an unorthodox gas well location for its J. H. Ansley Unit Well No. 1 to be located 660 feet from the North line and 660 feet from the East line of Section 27, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 27 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

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CASE NO. 5330
Order No. R-4881

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Texas Pacific Oil Company, Inc., J. H. Ansley Unit Well No. 1 to be located at a point 660 feet from the North line and 650 feet from the East line of Section 27, Township 17 South, Range 26 East, NMPM, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 27 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

jr/

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

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 2, 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 5329: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 109 of the Commission Rules and Regulations to require installation of blowout preventers on all drilling and workover rigs operating in areas of unknown pressures or high pressures and on all drilling and workover rigs operating within the corporate limits of any city, town, or village or within 1320 feet of a habitation, school, or church, wherever located.

CASE 5305: (Continued and Readvertised)

Application of Continental Oil Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the simultaneous dedication of its Britt B Well No. 17 located in Unit P of Section 10 and its Skaggs B Well No. 7 located in Unit K of Section 11, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, said wells to be dedicated to a 320-acre non-standard proration unit comprising the SE/4 of said Section 10 and the SW/4 of said Section 11, said unit having previously been approved by Commission Order No. R-908.

CASE 5330: Application of Texas Pacific Oil Company, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J. H. Ansley Unit Well No. 1 to be located 660 feet from the North and East lines of Section 27, Township 17 South, Range 26 East, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 27 to be dedicated to the well.

CASE 4976: (Reopened)

In the matter of Case No. 4976 being reopened pursuant to the provisions of Order No. R-4638 to permit all operators in the West Parkway-Strawn and West Parkway-Atoka Gas Pools in Section 28, Township 19 South, Range 29 East, Eddy County, New Mexico, to appear and present evidence to clearly establish the nature of the reservoirs, proper rates of production for wells therein, and special rules therefor.

CASE 5331: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Devils Fork-Mesaverde and Devils Fork-Gallup production in the wellbore of his NCRA State Wells Nos. 1 and 4 located in Units E and J, respectively, of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 5288: (Continued from the September 18, 1974, Examiner Hearing)

Application of Merrion & 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 5332: Application of C & K Petroleum, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Airport Unit Area comprising 3,840 acres, more or less, of Federal, Fee and State lands in Township 22 South, Range 26 East, Eddy County, New Mexico.

CASE 5333: Application of Mark Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a gas well to be drilled 660 feet from the South and West lines of Section 9, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 9 to be dedicated to the well.

CASE 5334: Application of Stoltz, Wagner & Brown for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter and clean out to a depth of approximately 8400 feet its H. L. Vinson Well No. 1, formerly Gulf Oil Corporation Vinson Well No. 2, the surface location of which is 1980 feet from the North and East lines of Section 22, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico, and to then directionally drill said well in such a manner as to bottom the well in the Devonian formation within a 180-foot radius of a point 2310 feet from the North line and 1320 feet from the East line of said Section 22.

CASE 5337: Application of Keesee & Thomas for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Chacon Jicarilla Apache "D" Well No. 1 located 870 feet from the North line and 1140 feet from the East line of Section 23, Township 23 North, Range 3 West, Sandoval County, New Mexico. Said well was projected at an orthodox location for a Basin-Dakota gas well, but was completed as an oil well in the Dakota formation.

CASE 5335: Northwestern nomenclature case calling for the creation and extension of certain pools in Rio Arriba, San Juan and McKinley Counties, New Mexico:

(a) Create a new pool in McKinley County, New Mexico, classified as an oil pool for Gallup production, designated the Arroyo Chico-Gallup Oil Pool. The discovery well is the Northern Minerals, Inc. Santa Fe Pacific Railroad Well No. 7 located in Unit G of Section 29, Township 16 North, Range 6 West, completed October 15, 1973. The depth of the casing shoe is 764 feet. Said pool would comprise:

TOWNSHIP 16 NORTH, RANGE 6 WEST, NMPM
Section 29: SW/4 NE/4

(b) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production, designated the Bloomfield-Chacra Pool. The discovery well is the El Paso Natural Gas Company Hubbell Well No. 9, located in Unit P of Section 18, Township 29 North, Range 10 West. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 7: SW/4
Section 18: All
Section 19: All
Section 20: NW/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 4: SW/4
Section 5: SE/4
Section 9: N/2 & SE/4
Section 10: S/2
Section 11: S/2
Section 12: W/2 & SE/4
Section 13: All
Section 14: E/2
Section 23: E/2
Section 24: All
Section 26: E/2

(c) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production, designated the Campo-Gallup Pool. The discovery well is the Continental Oil Co. Conoco 29-4 Well No. 2 located in Unit H of Section 11, Township 29 North, Range 4 West. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 11: NE/4

(Case 5335 continued from Page 3)

(d) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production, designated the Gobernador-Pictured Cliffs Pool. The discovery well is the Lone Star Industries, Inc. Schalk 52 Well No. 1 located in Unit M of Section 24, Township 29 North, Range 5 West. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM
Section 24: All

(e) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production, designated the Rosa-Gallup Pool. The discovery well is the Merriam & Bayless Gibbins Well No. 1, located in Unit L of Section 20, Township 32 North, Range 5 West. Said pool would comprise:

TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM
Section 20: S/2
Section 28: SW/4
Section 29: E/2
Section 33: NW/4

(f) Extend the Aztec-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 15: SW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 7: N/2

(g) Extend the Blanco-Mesaverde Pool boundary in Rio Arriba & San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 16: All

(h) Extend the Blanco-Pictured Cliffs Pool boundary in Rio Arriba & San Juan Counties, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM
Section 7: All

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 9: SW/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 17: SW/4

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 25: NE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 5: SW/4
Section 26: SE/4

(Case 5335 continued from Page 4)

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 2: NW/4

Section 7: E/2

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM

Section 19: E/2

Section 20: All

Section 21: W/2

Section 22: SE/4

(i) Extend the Gonzales-Mesaverde Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 1: NE/4

(j) Extend the Harris Mesa-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 34: NE/4

(k) Extend the Largo-Chacra Pool boundary in Rio Arriba & San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM

Section 5: SW/4

Section 6: E/2

Section 7: E/2

Section 8: All

Section 9: W/2 & SE/4

Section 16: All

Section 17: All

Section 18: All

Section 19: N/2

Section 20: All

Section 21: All

Section 28: W/2

Section 29: N/2

Section 30: All

Section 33: W/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Section 13: NE/4

Section 24: N/2

Section 25: E/2

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 31: SE/4

(Case 5335 continued from Page 5)

(1) Extend the Otero-Chacra Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 36: NE/4

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 24: E/2

(m) Extend the Tapacito-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 3: N/2
Section 4: N/2

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 19: NW/4
Section 22: SE/4
Section 26: NW/4
Section 27: All
Section 28: All
Section 33: E/2
Section 34: All

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
Section 9: SE/4
Section 10: SW/4
Section 27: SE/4
Section 34: NE/4
Section 35: NW/4

(n) Extend the Tocito Dome-Pennsylvanian D Oil Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM
Section 7: SW/4
Section 15: S/2 & NE/4
Section 20: NW/4
Section 22: N/2
Section 26: NE/4
Section 27: SE/4

CASE 5336: Southeastern nomenclature case calling for the creation and extension of certain pools in Chaves, 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 the Avalon-Morrow Gas Pool. The discovery well is the David Fasken El Paso Federal Well No. 1 located in the SW/4 NW/4 of Section 3, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

(Case 5336 continued from Page 6)

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 33: S/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 3: Lots 1 through 16
Sections 4 and 5: All
Sections 8 and 9: All
Section 16: All
Section 21: All

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated the Avalon-Strawn Gas Pool. The discovery well is the David Fasken El Paso Federal Well No. 1 located in the SW/4 NW/4 of Section 3, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 3: Lots 1 through 16

(c) Create a new pool in Chaves County, New Mexico, classified as a gas pool for Mississippian production and designated the Denton Camp-Mississippian Gas Pool. The discovery well is The Superior Oil Company Chatten & Muncy Well No. 1 located in Unit O of Section 18, Township 6 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 28 EAST, NMPM
Section 18: S/2
Section 19: E/2

(d) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated the LaHuerta-Wolfcamp Pool. The discovery well is the Cities Service Oil Company Simpson A Well No. 1 located in Unit H of Section 29, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 29: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 21: S/2
Section 28: E/2

(f) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 10: E/2

(Case 5336 continued from Page 7)

(g) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 6: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 5: NW/4
Section 6: N/2

(i) Extend the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 35: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 16: N/2

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 14: N/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 1: S/2

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

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 27: All
Section 34: All

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 3: All

(Case 5336 continued from Page 8)

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 5: S/2

- (o) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 2: All

- (p) Extend the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 13: E/2 SW/4

- (q) Extend the South Flying M-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4
Section 23: E/2

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

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 31: E/2

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 5: Lots 1 & 2, 7, 8, 9 & 10 and 15 & 16

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

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 29: S/2

- (t) Extend the Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

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

- (u) Extend the McMillan Seven Rivers-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 1: SE/4 NE/4
Section 12: SE/4 NE/4

(Case 5336 continued from Page 9)

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 15: SW/4

Section 22: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 4: Lots 3, 4, 5 and 6

- (x) Extend the Sams Ranch Grayburg-San Andres Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM

Section 10: SE/4

Section 11: S/2

Section 14: N/2 and SE/4

Section 15: NE/4

- (y) Extend the North Shoe Bar-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 13: SW/4

- (z) Extend the Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 9: E/2 NW/4

- (aa) Extend the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 7: W/2

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

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 2: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 2: S/2

Examiner Hearing - Wednesday - October 2, 1974

Docket No. 28-74
-11-

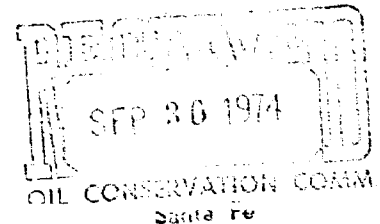
CASE 4548: (Reopened)

In the matter of Case No. 4548 being reopened on the motion of the Commission to consider the amendment of the special pool rules for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to limit the applicability of said special rules to the confines of the pool's horizontal limits.

LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P.O. DRAWER 640
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641
AREA CODE 505

September 27, 1974



Mr. A. L. Porter, Jr.
Secretary
New Mexico Oil Conservation Commission
State Land Office
Santa Fe, New Mexico 87501

Re: Texas Pacific Application
Case No. 5330

Dear Mr. Porter:

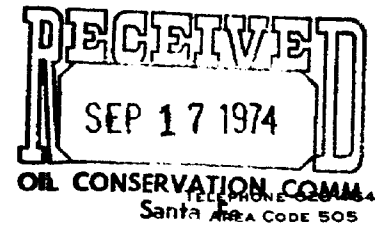
I transmit herewith for the information of the examiner at the October 2nd hearing, a copy of the exhibits which will be presented at that time.

Very truly yours,

John F. Russell
John F. Russell

JFR:jb
Enclosure

LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201



September 16, 1974

Case 5330

Mr. A. L. Porter, Jr.
Secretary - Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

I transmit herewith, in triplicate, the application of Texas Pacific Oil Company, Inc. for an unorthodox well location and respectfully request that it be set for the examiner hearing on October 2, 1974.

Very truly yours,

John F. Russell
John F. Russell

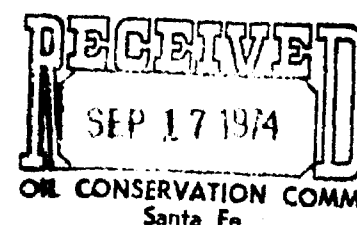
JFR:jb
Enclosure

cc: Mr. Bill Young
Texas Pacific Oil Co., Inc.
P. O. Box 4067
Midland, Texas 79702

DOCKET MAILED

Date 10/1/74

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION)
OF TEXAS PACIFIC OIL COMPANY, INC.)
FOR AN EXCEPTION TO RULE 104 OF)
THE COMMISSION, TO ALLOW APPLICANT)
TO DRILL ITS J. H. ANSLEY UNIT)
NO. 1 WELL AT AN UNORTHODOX)
LOCATION 660 FEET FROM THE NORTH)
AND EAST LINES OF SECTION 27,)
TOWNSHIP 17 SOUTH, RANGE 26 EAST)
IN THE KENNEDY FARMS MORROW GAS)
POOL, EDDY COUNTY, NEW MEXICO.)

No. 2-220

APPLICATION

COMES NOW Texas Pacific Oil Company, Inc., by its attorney,
John F. Russell, and states:

1. Applicant proposes to drill its J. H. Ansley Unit No. 1
Well at an unorthodox location, 660 feet from the North and East
lines of Section 27, Township 17 South, Range 26 East, in the
Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

2. The granting of this application will allow applicant
to recover its fair share of the gas from the proration unit
assigned to the well, being the N $\frac{1}{2}$ of said Section 27.

3. The granting of said application will also prevent
waste and protect correlative rights.

WHEREFORE, Applicant requests that the Commission set this
matter down for hearing before its examiner, publish notice as
required by law and, after hearing, issue its order authorizing
the unorthodox location as prayed for herein.

Respectfully submitted,

TEXAS PACIFIC OIL COMPANY, INC.

By John F. Russell
John F. Russell
P. O. Box 640
Roswell, New Mexico 88201
Applicant's Attorney

DATED: September 16, 1974

dr/

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. 5330

Order No. R-11991

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 2, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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, Texas Pacific Oil Company, Inc., for its J. H. Ansley Unit Well No. 1 to be located seeks approval of an unorthodox gas well location 660 feet from the North line and 660 feet from the East line of Section 27, Township 17 South, Range 26 East, NMPM, to test the Morrow formation, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 27 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

the Texas Pacific Oil Company, Inc.

(1) That an unorthodox gas well for the Morrow formation ~~the J. H. Ansley Unit Well No. 1 to be~~ is hereby approved for ~~a well to be~~ located at a point 660 feet from the North line and 660 feet from the East line of Section 27, Township 17 South, Range 26 East, NMPM, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 27 shall be dedicated to the above-described well.

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

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

Oct 2 1929

Jack Russell

Unorthodox Gas Location

Kennedy Farms-Morrow Gas Pool

Texas Pacific Oil Co., Inc.

660' FNL

J.H. Ansley Unit #1

660' FEL

Sec 27 - T17S-R26 E

N/2 to be ~~located~~ dedicated